

# 2025

## ANNUAL REPORT

Shanghai Rural Commercial Bank  
Stock Code: 601825





## — Mission —

Inclusive Finance Delivers Better Life

## — Strategic Vision —

Build a service-oriented bank to create value for customers, and an integrated regional financial service group with the best experience and outstanding brand

## — Core Values —

Sincerity   Responsibility   Creation   Benefit

## — Core Spirit of Corporate Culture —

Value virtue and goodness, benefit the city and the people, pursue excellence with diligence, and realize the shared dream of harmony



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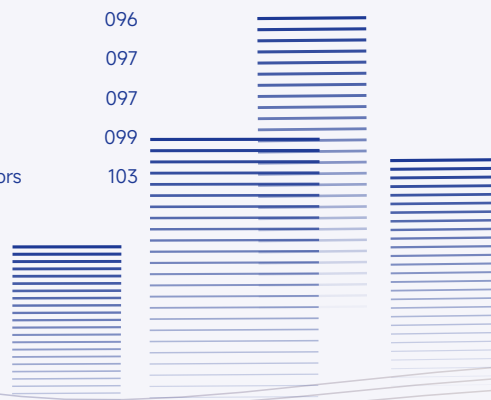
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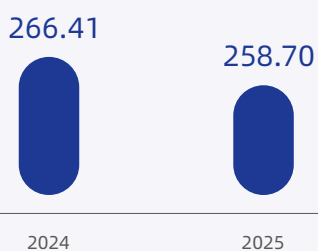
## Financial Statements



# Performance Overview

## Operating income

Unit: RMB 100 million



## Net income attributable to the parent company

Unit: RMB 100 million



Average return on asset

0.82%

Weighted average return on equity

9.74%

## Shareholder return

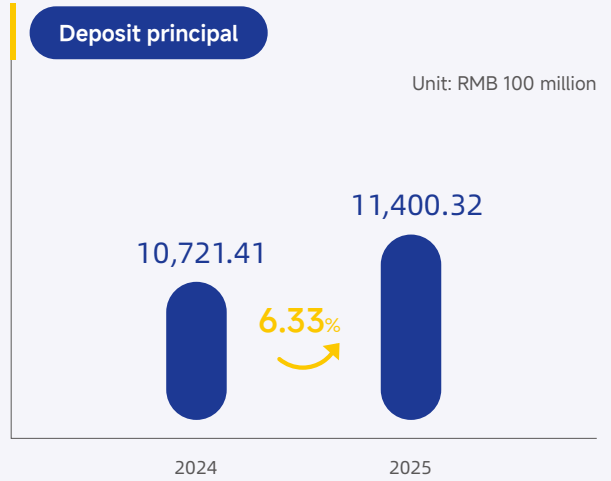
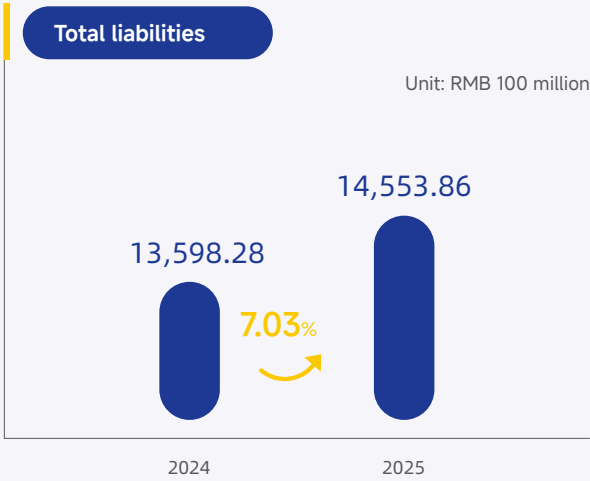
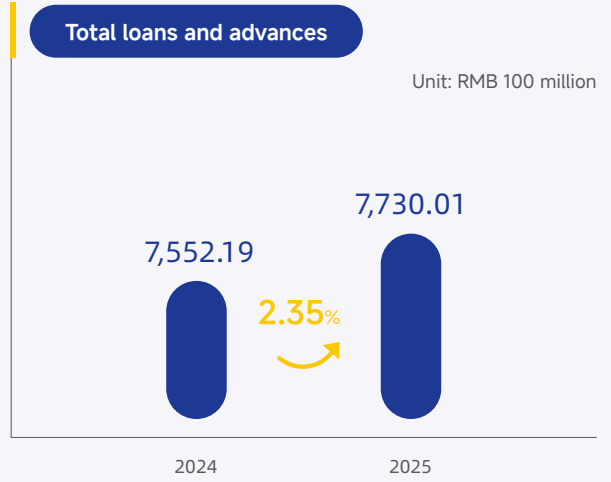
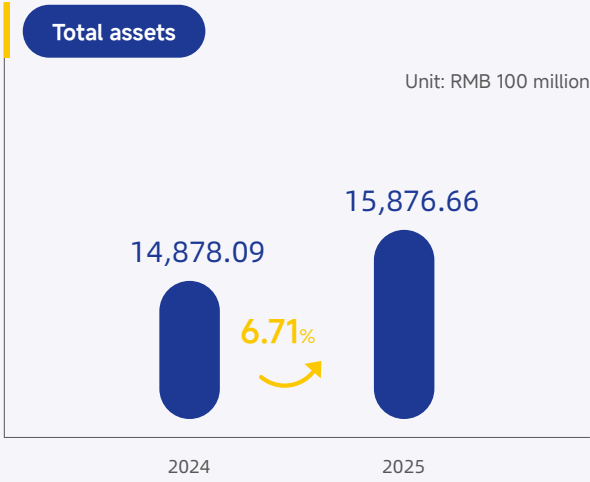
Cash dividend ratio



Cumulative cash dividend



RMB 4.195 billion tax included



Capital adequacy ratio	Tier-I capital adequacy ratio	Core tier-I capital adequacy ratio
16.81%	14.47%	14.44%

## Important Notice

- > The Company's Board of Directors, directors, and senior management warrant that the contents of this annual report are true, accurate, and complete, contains no false record, misleading statement or material omission, and jointly and severally accept full responsibility for the information in this report.
- > This report was reviewed and approved at the 3rd Meeting of the Board of Directors on April 22, 2026. 16 directors should attend the meeting, and 15 directors actually attended the meeting in person. Chairman Xu Li was unable to attend the meeting due to other important official duties and entrusted Vice Chairman Wang Ming to attend and vote on his behalf. All 16 directors exercised their voting rights. Certain senior management members who are not directors were present at the meeting.
- > The financial statements in the Company's annual report, prepared in accordance with Chinese Accounting Standards, have been audited by KPMG Huazhen LLP, who issued an unqualified audit report.
- > The Company's legal representative, Xu Li; Chief Executive Officer, Wang Ming; and Head of the accounting firm, Chen Nanhua, hereby warrant the authenticity, accuracy and completeness of the financial statements in this report.
- > The profit distribution proposal for the reporting period reviewed by the Board of Directors of the Company: Based on the total share capital registered on the date of share registration for equity distribution, a cash dividend of RMB 1.94 (tax inclusive) will be distributed for every 10 ordinary shares, totaling RMB 1.871 billion (tax inclusive); combined with the interim cash dividend of RMB 2.324 billion (tax inclusive) already distributed in 2025, the cumulative cash dividend distributed in 2025 amounts to RMB 4.195 billion (tax inclusive), representing 34.07% of the Group's net profit attributable to shareholders of the parent company for 2025. For 2025, the Company will not issue bonus shares nor convert capital reserves into share capital. This proposal is subject to approval by the Company's 2025 Annual General Meeting of Shareholders.
- > The Company has no unrecovered losses.
- > The Company has no instances of non- operational fund occupation by the controlling shareholder or its related parties.
- > The Company has not provided any guarantees to third parties in violation of prescribed decision- making procedures.
- > Disclaimers on forward- looking statements: the forward- looking statements that involve future plans and development strategies etc. do not constitute a substantive commitment by the Company to its investors. Investors and people concerned should be fully aware of the risks and understand the differences between plans, forecast and commitment.
- > Notice on major risks: the Company has no foreseeable major risks. Major risks of the Company's operation include credit risk, market risk, liquidity risk, and operational risk etc., and the Company has adopted various measures to effectively manage all types of risks. Please refer to the section "Management Discussion and Analysis" for details.

# Definitions

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

Definitions of frequent terms	
The Company/Bank/parent company/SHRCB	Shanghai Rural Commercial Bank Co.
The Group	Shanghai Rural Commercial Bank Co., Ltd. and its subsidiaries
Yangtze Financial Leasing	Yangtze United Financial Leasing Co., Ltd.
Central Bank/ PBOC	People's Bank of China
China Accounting Standards	Accounting Standard for Business Enterprises issued by the Ministry of Finance
Former CBIRC	Former China Banking and Insurance Regulatory Commission
CSRC	China Securities Regulatory Commission
SASAC Shanghai	State-owned Assets Supervision and Administration Commission of the State Council-Shanghai
NFRA Shanghai	National Financial Regulatory Administration- Shanghai
Shanghai FTZ	China Shanghai Pilot Free Trade Zone
Lingang Special Area / Lingang Free Trade Special Area	Lingang Special Area of China (Shanghai) Pilot Free Trade Zone
Yuan	Renminbi
Reporting Period	January 1, 2025 to December 31, 2025

There may be difference between some of the total numbers and the direct sum of addends, which is a result of rounding off, not data error.

This annual report is available in both Chinese and English, and the Chinese version shall prevail when there is ambiguity in the understanding of the English version.

## Catalog of Documents Available for Reference

- I. Financial statements signed by the legal representative, president, CFO, and person responsible from the accounting firm.
- II. Original audit reports signed and sealed by the accounting firm and the certified public accountants concerned.
- III. Original annual report signed by the Chairman of the Board of Directors.
- IV. Original copies of all the documents and announcements publicly disclosed by the Company within the reporting period.
- V. Articles of Association.

## Message from the Chairman



As the Year of the Snake draws to a close and the Year of the Horse begins, 2025 has brought a turbulent and transformative international landscape, with rapid advancements in technology and industrial transformation. Domestically, the economy has made steady progress, accumulated momentum and reached new heights in overall scale. Meanwhile, complexities persist—including insufficient domestic effective demand, cyclical industry adjustments, and the coexistence of risks and governance challenges in the financial sector. Opportunities and challenges intertwine, constantly testing our resolve to serve the real economy and maintain prudent operation. In the face of these changes, we have consistently upheld our mission of "inclusive finance delivers better life", firmly grasped the political and people-oriented nature of our financial work, demonstrating the responsibility of SHRCB in serving national strategies, the real economy, and community livelihoods. Closely centered on our core strategies of "customer-centricity, inclusive finance, and digital transformation," we have driven a shift in our business model from scale-driven to quality-led, forging our core competitiveness through deep local engagement and a focus on serving small and diversified businesses.

In 2025, guided by our strategic vision of "building a service-oriented bank that creates value for customers," we have charted our own distinctive path by prioritizing "customer-centricity" as our guiding principle, "value creation" as our core objective, and "risk prevention and control" as our foundation. We have proposed the "serving small and diversified businesses" strategy, embedding financial services more deeply and broadly into all aspects of economic and social development. By building a differentiated competitive moat through systematic, ecosystem-based, and technology-driven approaches, we are driving the Bank's transformation from

"scale-driven" to "value-driven" and from an "asset-heavy" model to a "capital-light" model, committed to achieving the organic integration of scale, structure, quality, and profitability. We focus on building a comprehensive wealth management ecosystem, integrating asset acquisition from investment banking, product design from asset management, and customer asset allocation from retail banking to create a "second growth curve" for non-interest income. We are committed to building a mutually beneficial financial ecosystem. Through a "customer segment + industry sector" model, we are deeply engaging with key industrial chains, supply chains, and lifestyle ecosystems. Using leading enterprises as hubs, we connect upstream and downstream, as well as peripheral, small and medium-sized enterprises and personal customers, to achieve chain-based customer value extraction and ecosystem-driven value appreciation.

In 2025, we have worked in concert with all sectors of society, standing together through thick and thin. The Group's total assets reached RMB 1.59 trillion, with annual operating income of RMB 25.87 billion and net profit attributable to shareholders of RMB 12.31 billion, maintaining a robust growth trajectory. We ranked 124<sup>th</sup> on The Banker's "Top 1,000 Global Banks 2025" list, an improvement of 4 places from the previous year; we ranked 311<sup>th</sup> on the 2025 Fortune China 500 list, a rise of 12 places from the previous year; our MSCI ESG rating was upgraded to AA; in the 2025 Gyroscope evaluation of commercial banks' steady development capabilities, we ranked 1<sup>st</sup> among urban rural commercial banks in the comprehensive ranking; our S&P Global Ratings (China) corporate credit rating was "AAA<sub>spc</sub>", with a "Stable" outlook. We achieved full coverage in mainstream capital market indices.

Looking back over the past few years, the domestic economy has shifted from a phase of rapid growth to one of high-quality development, transitioning from a "growth-first" approach to one that "balances fairness and security." The political and people-oriented nature of financial work has been elevated to an unprecedented level, and the demand for financial services that are inclusive, accessible, and sustainable has become increasingly prominent. Meanwhile, the "New Normal" of low growth, low interest rate, and narrow interest margin is profoundly reshaping the banking ecosystem, while the evolving trends toward personalized, comprehensive, and scenario-based customer needs are compelling us to undertake a deeper self-transformation. How do we establish our footing, break through the impasse, and emerge victorious? Our answer is this: to steadfastly and resolutely pursue the path of building a "service-oriented bank," to thoroughly implement and consistently practice the philosophy of "creating value for customers," and to become the bank that offers customers the warmest companionship.

**We adhere to "customer-centricity"** and are redefining the service-oriented bank. In 2018, we established "building a service-oriented bank that creates value for customers" as our strategic vision and provided a comprehensive interpretation of what a service-oriented bank entails. We are committed to putting the customer at the center, redefining and enriching the essence of our services, improving service processes, and enhancing the well-being of the people by serving national strategies and urban development, thereby comprehensively elevating our ability to create value for customers. We shift away from back-end services focused primarily on tracking needs and are committed to providing proactive financial services. Starting from our customers' development strategies and business models, we map out a new, value-driven customer journey, striving to become a key companion throughout that journey. Through continuous innovation and iterative improvement, we provide comprehensive, integrated, full-lifecycle financial services tailored to the different stages of our customers' development and wealth accumulation. With more attentive care, more precise services, and more diverse empowerment, we aim to be a key participant in our customers' ecosystem.

**We adhere to "value creation,"** continuously enhancing the functional value of banking services and deeply integrating digital financial tools. Through process innovation, precise services, and ecosystem integration, we drive the transformation of banking services from "basic security" to "intelligent reliability." We enrich the unique value of our services and comprehensively build a customer service ecosystem. We have established the industry's first open empowerment ecosystem platform focused on technology enterprises—"Xin Dong Neng+" online empowerment platform—which integrates "financial + non-financial" service offerings, providing value-added services such as investment referrals, resource matching, and policy application support to nearly 100 technology enterprises, achieving a deep alignment between services and needs covering "product customization" to "ecosystem empowerment." We care for the emotional well-being of our customers, embedding the philosophy of "finance for good" into our actions, continuously strengthening non-financial ties with all sectors of society, establishing over 1,000 "Xin Jia Yuan" public service stations across the city. Over the past three years, we have conducted more than 40,000 public service events, reaching over 5 million person-times. We have created a model for financial empowerment in social governance, bridged the "last mile" of community services, and established emotional connection and enduring trust with community customers, evolving from "service satisfaction" to "shared destiny."

**We uphold professional leadership** to forge our core competitiv-

ness in "ecosystem empowerment." We align closely with the requirements of the Yangtze River Delta integration and Shanghai's "Five Centers" initiative, strengthening our full-cycle "accompaniment" of technology-driven enterprises—from commercialization to IPO guidance. We deepen supply chain financial services for industrial clusters in the Yangtze River Delta and enhance integrated domestic and international financial services to support local enterprises in "going global" and the development of new foreign trade models. Guided by the compassionate ethos of "Finance for the people," we have upgraded "Xin Jia Yuan" from a public welfare station into a community hub integrating "finance and people's livelihood", building an inclusive and shared ecosystem of inclusive finance, shaping a "warm brand" with a stellar reputation. We extend the warmth of financial services from "business scenarios" to "life scenarios," elevating our mission from "meeting needs" to "conveying care." We have fortified the bottom line of "safety in production," established a forward-looking and comprehensive risk management system, and strengthened capital and asset quality. Amid complex market turbulence, we have cultivated the confidence and resilience to remain stable and avoid crises, thereby safeguarding high-quality development.

Looking ahead, we will always shoulder our social responsibilities, meet investors' expectations, and uphold customers' trust. We will continue to anchor our vision in building a century-long legacy, adhere to the principle of finance for the people, and focus on value creation. We remain committed to our mission of "inclusive finance delivers better life", upholding our original aspiration to serve the real economy and people's livelihoods, and continuously building a service-oriented bank that creates value for customers. We will write a new chapter characterized by "upholding virtue and goodness, benefiting the city and its people, pursuing excellence and diligence, and sharing aspirations of harmony," working together with businesses and households across all sectors to create a better future, and contributing the strength of SHRCB to the great cause of serving national strategic priorities and promoting high-quality economic development.

## Message from the President



Deputy Party Secretary,  
Vice Chairman and President:

**Wang Ming**

As the seasons turn, new chapters unfold. In 2025, the global economic landscape has undergone profound adjustments with intensifying market competition and rising industry transformation. Facing new circumstances and challenges, SHRCB has centered its efforts on advancing the "Five Major Articles", maintaining strategic resolve, emphasizing value creation, focusing on cultivating distinctive strengths, and solidifying the foundation for high-quality development, thereby achieving the strategic objectives set for 2023-2025.

In 2025, the Group's business scale grew steadily, with total assets reaching RMB 1.59 trillion, up by 6.7%; the balance of domestic and foreign currency deposits stood at RMB 1.14 trillion, up by 6.3%; and the balance of loans reached RMB 773 billion, up by 2.4%. Overall operating performance remains robust, with the Group achieving a net profit attributable to shareholders of RMB 12.31 billion. Asset quality demonstrated resilience and strong risk-absorbing capacity, with a non-performing loan ratio of 0.96%—maintained below 1% for many years—and a provision coverage ratio of 329%.

**Staying true to our roots: deepening advancement of the five major financial service systems**

Upholding our mission of "inclusive finance delivers better life", the Bank continues to deepen its focus on five key areas: retail finance, corporate finance, inclusive finance, science and technology finance, and green finance. We safeguard the essence of life through financial integrity and drive value creation through professional excellence and innovation.

**In retail finance, we leverage wealth management as the engine to deepen our pension finance ecosystem.** The Bank has accelerated the high-quality development of pension finance, transitioning from a "financial product provider" to a "builder of a senior-friendly ecosystem," and is fully committed to creating the "Shanghai Model" of financial services for the elderly. We have advanced tiered, categorized, and differentiated senior-friendly services and a specialized product matrix, continuously enhancing our secure and stable pension products and exclusive benefits. The scale of retail asset management for elderly customers has maintained year-on-year growth. We have established a network of senior-friendly service channels, opening over 100 specialized senior financial service outlets and the city's first social security-themed bank outlet, while building a professional team of over 100 senior service managers. By the end of 2025, the number of pension disbursement customers at the Bank had increased by over 80,000 compared to the previous year, ranking among the top in the Shanghai market.

**In corporate finance, we leverage transaction banking to elevate the level of our comprehensive financial services.** The Bank has actively promoted the "Shi Xin Shi Yi" transaction banking brand and continued to build a "5+3" comprehensive financial service ecosystem encompassing transaction settlement, supply chain finance, trade finance, cross-border finance, electronic channels, investment banking, asset management, and wealth management. Through initiatives such as implementing the "100 Days, 100 Towns" special campaign, upgrading treasury-level solutions, and innovating supply chain finance business models, we have continuously strengthened the foundation of our transaction banking services. By the end of 2025, the three-year compound annual growth rate of total financing

for our corporate customers reached 9.2%; the total transaction settlement amount for corporate customers increased by 4.5% year-on-year; and we became the first bank in the rural credit cooperative system to obtain direct participation qualifications for the Cross-border Interbank Payment System (CIPS).

**In inclusive finance, we build a specialized service system rooted in ARF (i.e. agriculture, rural areas, and farmers).** The Bank remains committed to the principle of "serving ARF", steadfastly upholding our focus on agriculture. We actively empower the modernization of agriculture and rural areas, vigorously support new types of agricultural business entities, and fully participate in the rural revitalization initiative. We have introduced financial service solutions covering the entire agricultural production, supply, and sales chain, as well as agricultural technology and infrastructure development. We have issued the city's first fixed-asset loan for facility agriculture, promoted village-wide credit facilities, and are striving to establish a Shanghai model for rural revitalization. Upholding our mission of "inclusive finance," we adhere to a strategy of "serving small and diversified businesses," accelerating the digital transformation and iteration of inclusive financial products, deepening the development of micro-loan centers, and shifting our service focus to grassroots levels. By the end of 2025, our outstanding agricultural loans exceeded RMB 66 billion, with credit coverage for leading agricultural industrialization enterprises at both the municipal and district levels surpassing 40%, maintaining our leading position in financial services for Shanghai's ARF.

**In technology finance, we pioneer a new development model characterized by a dual-engine approach.** Aligning with the construction of Shanghai's International Science and Technology Innovation Center, we embrace the philosophy that "promoting technology innovation is shaping the future" and are fully committed to building a new service model integrating "industry finance and the innovation ecosystem." We have upgraded the "Xin Dong Neng" brand to provide full-cycle support—from technology commercialization to IPO guidance—for new-quality productive forces, serving over 10,000 science and technology enterprises. We have pioneered the "Donation+" model, establishing a dedicated proof-of-concept fund to facilitate the commercialization of university research outcomes. We have launched the "Xin Dong Neng+" online comprehensive empowerment platform to provide all-around non-financial services tailored to the growth needs of technology enterprises. By the end of 2025, the Bank's outstanding loans to technology enterprises exceeded RMB 120 billion, with over 5,700 technology loan customers. We served nearly half of the city's Specialized, Refined, Unique, and Innovative "Little Giant" enterprises and approximately one-third of Specialized, Refined, Unique, and Innovative SMEs, with loans to these SMEs totaling nearly RMB 44 billion—ranking among the top in the city.

**In green finance, we enhance the foundation of our development guided by ecological principles.** The Bank actively implements the national "dual carbon" goals and improves its green finance service system. We have launched the "Lv Xin Tong Zhou" green finance brand to build a comprehensive green finance service platform. We have innovated green finance products, successfully implementing the city's first water rights pledge loan and the first "Climate Loan," among other initiatives. By the end of 2025, the Group's total green finance services exceeded the RMB 100 billion; our MSCI ESG rating rose to AA, and our Wind ESG rating ranked first among domestic banks.

#### **Strengthening foundations and enhancing internal management quality and efficiency**

The Bank adheres to a problem-oriented approach, goal-driven strategy, and technology-enabled operation to continuously enhance management capabilities and solidify the foundation for high-quality development.

**Risk and compliance management continues to improve.** The Bank has strengthened the systematic, professional, and forward-looking aspects of its risk management system, implementing comprehensive risk management in accordance with data-driven, top-down, and front-loaded requirements. By establishing a comprehensive credit risk overview and advancing the full-process reengineering of credit management, the Bank has elevated risk management from a state of "seeing clearly, comprehensively, and thoroughly" to one of "managing effectively." We have consistently implemented the principle of "everyone adheres to compliance, and every matter must be compliant," continuously improving the compliance management system and actively promoting the development of intelligent compliance. Our intelligent anti-money laundering management system was recognized by The Asian Banker as the "Best Corporate Governance, Risk and Compliance Project in China."

**Digital transformation continues to advance.** The Bank has defined a development path for digital finance characterized by online operation, data-driven approaches, and intelligent applications. We advance data governance and application, and implement these initiatives in customer management and risk management. We accelerate the exploration of intelligent applications, including the implementation of large language models in the risk management domain.

**Group-wide collaborative management continues to deepen.** The Bank's subsidiary, Yangtze United Financial Leasing Co., Ltd., is based in the Yangtze River Delta urban cluster and is advancing its three strategic initiatives: inclusive leasing, green leasing, and equipment leasing. The Bank's controlled rural banks are steadily advancing efforts to reduce the number of outlets while improving quality as well as reform and risk mitigation, continue to strengthen their foothold in rural communities, deepen support for agriculture and small businesses, and further expand microloans and rural community services.

**We continue to strengthen our corporate culture.** 2025 marks the Bank's 20th anniversary since its restructuring and establishment. We remain committed to putting the core spirit of our corporate culture into practice through concrete actions, while continuously enriching its substance. We advocate making more value-based judgments and fewer technical judgments driven by narrow or personal interests; we encourage focusing on what we have achieved rather than merely what we have done; and we affirm that people are the foundation of our culture and development, striving to build ourselves into a bank with "five qualities": one with a soul, a vision, a sense of responsibility, warmth, and confidence.

#### **Looking ahead: writing a new chapter through unceasing striving**

2026 marks the opening year of the 15th Five-Year Plan and the start of the Bank's new three-year strategic plan. Standing at this new historical juncture, the Bank will uphold the political and people-oriented nature of financial work. Centering on the "Five Major Articles" and the economic and social development goals for Shanghai during the 15th Five-Year Plan period, we will rigorously advance and implement our new strategic plan, deepen the development of the five major financial service systems, and further strengthen professional operation, distinctive service cultivation, refined management, and digital-intelligent empowerment. We will continue to build a service-oriented bank that creates value for customers.

A new journey has begun, and a new mission inspires us to strive forward. We will remain steadfast in our original aspirations for finance, stay focused on our development vision, demonstrate our commitment through hard work and dedication, and break new ground through courageous innovation. We will move forward with the times, stand united with our customers, and advance together with our employees to create value for investors, strive to write a new chapter of high-quality development, and forge a brighter and more prosperous future!



Vice President  
Zhang Hongbiao



Vice President  
Gu Xianbin



Vice President  
Shen Dong



Vice President  
Zhan Lingling



Vice President  
Zhang Yuehong

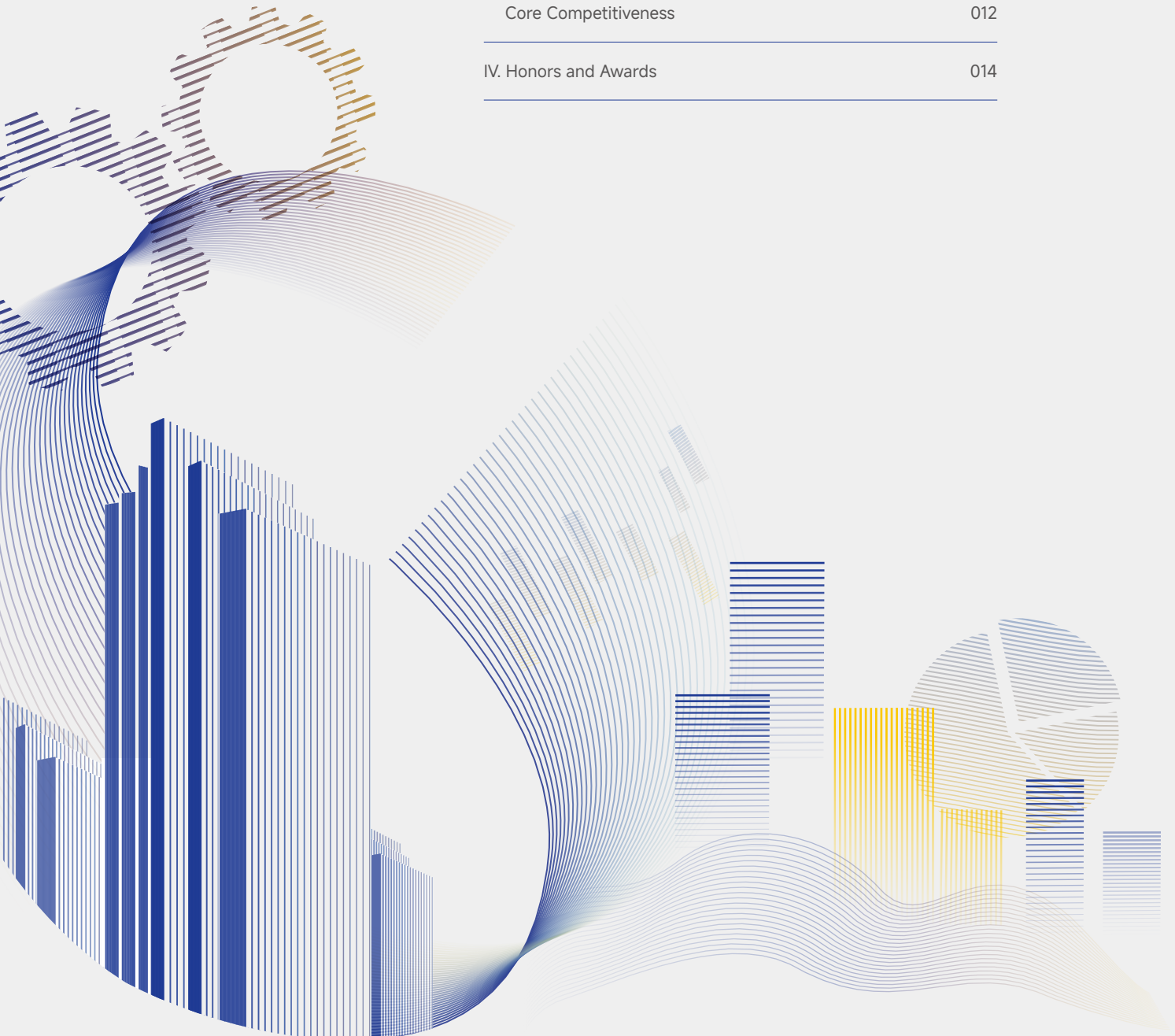


Board Secretary  
Yao Xiaogang

# 01

## Company Profile

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## I. Corporate Information

### (I) Basic Information

Statutory name in Chinese	上海农村商业银行股份有限公司
Abbreviated name in Chinese	上海农商银行
Statutory name in English	Shanghai Rural Commercial Bank Co.,Ltd.
Abbreviated name in English	Shanghai Rural Commercial Bank
Abbreviation	SHRCB
Legal representative	Xu Li
Registered address and historical changes	No. 70, Zhongshan Road (East-2), Huangpu District, Shanghai (2005.8.23-2011.6.20, No. 981 Pudong Avenue, Pudong New District, Shanghai; 2011.6.20-2017.12.28, 15-20/F and 22-27/F, No. 8 Middle Yincheng Road, Pudong New District, Shanghai; 2017.12.28-present, No. 70 Zhongshan Road (East-2), Huangpu District, Shanghai)
Office address	No. 70, Zhongshan Road (East-2), Huangpu District, Shanghai
Postal code	200002
Unified social credit code	913100007793473149
Company website	<a href="http://www.shrcb.com">http://www.shrcb.com</a>
Email	ir@shrcb.com
Service & complaint hotline	021-962999

### (II) Contact Person and Contact Information

	Board secretary	Securities representative
Name	Yao Xiaogang	Bai Zhenghui
Contact address	No. 70, Zhongshan Road (East-2), Huangpu District, Shanghai	No. 70, Zhongshan Road (East-2), Huangpu District, Shanghai
Telephone	021-61899333	021-61899333
Fax	021-61899460	021-61899460
Email	ir@shrcb.com	

### (III) Disclosure of Information and Availability

Media where the Company discloses its annual report	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Website of the stock exchange where the Company discloses its annual report	Shanghai Stock Exchange website ( <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> )
The Company's annual report is available at	Office of the Board of Directors

### (IV) Company Stock Profile

Stock Type	Stock Exchange	Stock Abbreviation	Stock Code
A share	Shanghai Stock Exchange	沪农商行	601825

### (V) Other Related Information

Appointed auditor	Name	KPMG Huazhen (LLP)
	Office address	8th Floor, East 2 Office Building, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing
	Certified Public Accountants who signed the auditor's report	Shi Haiyun, Zhang Chenchen

## II. Company Business Overview

Established on 25th August 2005, the Company is a state-controlled corporate bank with headquarters in Shanghai, and the first provincial-level commercial bank born from the joint-stock reform of rural credit cooperatives in China. On August 19, 2021, the Company was successfully listed on the A-share capital market and became a listed company on the main board of Shanghai Stock Exchange (stock code 601825).

With the mission of "inclusive finance for a better life", the Company has inherited more than 70 years of history of Shanghai rural cooperative credit. Rooted in the metropolis, the Company works together with various industries, stays close to the people, provides comprehensive and integrated financial services to businesses and individuals based on customer centricity, and focuses on cultivating and shaping business highlights in the areas of inclusive finance, finance for science and technology innovation, rural revitalization, green finance and integrated development of the Yangtze River Delta, guards the essence of life with financial integrity and goodness, responds to market expectations with professionalism and enterprising spirit, and realizes the organic unity of commercial value and social function of the bank.

## III. Development Strategy, Investment Value and Core Competitiveness



## Investment Value and Core Competitiveness

**Unique location and strategic opportunities.** Headquartered in Shanghai, the most developed economic and financial center in China, Shanghai's strong economic foundation, sound industrial structure, vigorous market vitality and open social culture have laid a solid foundation for the continuous improvement of the Company's performance, the national strategy of "Yangtze River Delta Integration" and Shanghai's "Five Centers"<sup>1</sup> and "Five New Towns"<sup>2</sup> construction opportunities have provided the Company with a broad space for development.

**Solid suburban resource base and customer base.** The Company has been rooted in Shanghai for nearly 70 years, especially in the suburban areas, with wide network coverage, high customer penetration and loyalty, and a strong competitive advantage. Of the 108 towns and villages in Shanghai, the Company's network has covered basically all towns and villages. We maintain a close working relationship with local governments and enterprises. Meanwhile, relying on the Shanghai Trade Union Card, the scope of retail customers covers employees of major large and medium-sized enterprises (groups) and public institutions in Shanghai.

**Inclusive finance with distinctive features.** The Company actively responds to the call of the State and takes "serving agriculture/rural areas/farmers, SMEs, and science and technology innovation enterprises" as the foundation of the Bank, relies on its advantages of localized operations, inclusive customers and specialized services, insists on "deep positioning and detailed services", and makes every effort to empower social governance with inclusive finance, improves the institutional mechanism for inclusive financial services, innovates special service products and models, and solidly promotes inclusive financial services.

**Continuously-developing retail business.** The Company makes retail finance the "main battlefield" of its strategy, gives priority to the development of its retail business, deeply cultivates target customer segments, focuses on the two key businesses of wealth management and personal credit, actively promotes specialized operation and network transformation, and brings into play the two supporting capabilities of talent and technology to achieve faster growth in retail business contribution.

**Stable and quality assets.** The Company has always adhered to the principle of sound risk management, established a relatively complete and multi-level comprehensive risk management system with clear risk strategies, risk appetite and risk limits, continuously improved its risk management techniques, and kept its NPL% at a low level in the industry.

**Comprehensive services with outstanding advantages.** The Company is one of the first institutions in the national rural financial system to launch financial market, investment banking and cross-border businesses, with relatively complete business qualifications and a consistently high level of transaction activity in the market, enabling the Company to provide efficient integrated financial services for investment and financing to customers.

**Mature and sound corporate governance.** The Company has a clear and balanced equity structure that features "diversified interest, effective balance and coordinated operation" with central enterprises, local state-owned enterprises, private enterprises and natural persons. The Company has established a relatively sound corporate governance structure, adhered to the market-oriented talent selection and incentive mechanism, and completed the professional manager reform of senior management, which has laid a solid and stable foundation for the long-term development of the Company.

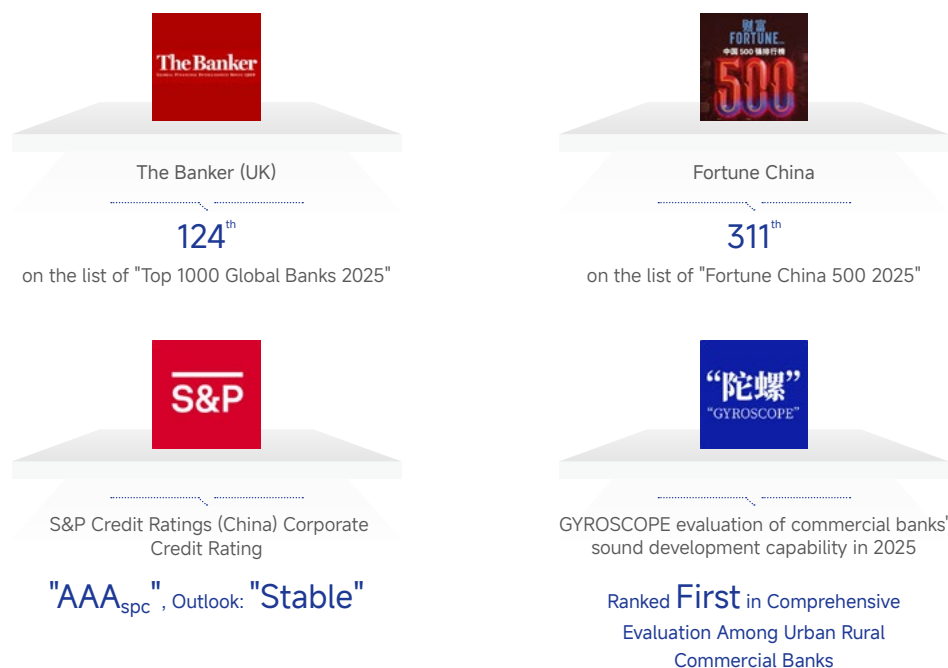
**Profound and excellent corporate culture.** The Company has always adhered to the core values of "sincerity, responsibility, creation and benefit", the core spirit of "value virtue and goodness, benefit the city and the people, pursue excellence with diligence, and realize the shared dream of harmony", fostered an excellent corporate culture and enhanced the cohesiveness and unity of employees.

<sup>1</sup> "Five Centers" refers to the five centers of international economy, finance, trade, shipping, science and technology innovation.

<sup>2</sup> "Five New Towns" refers to the Five New Towns of Jiading, Qingpu, Songjiang, Fengxian and Nanhui in Shanghai.

## IV. Honors and Awards

The Company has received numerous honors and awards in evaluations organized by domestic and international institutions, including:



Ratings	
S&P Global Ratings Long-Term Corporate Credit Rating: "BBB"	Standard & Poor's
MSCI ESG Rating: AA	Morgan Stanley Capital International
Wind ESG Rating: AA, the highest rating in the industry	Wind
CSI ESG Rating: AAA, the highest rating in the industry	Sino-Securities Index Information Service (Shanghai) Co., Ltd.
Awards	
2025 China Listed Company Yinghua Award "A-Share Value Award".	China Fund
China ESG Listed Companies Yangtze River Delta Pioneer 100 (2025)	CCTV Finance Program Center
2025 Top 100 Most Competitive Chinese Banks	SFC; 21st Century Business Herald
2025 Financial "Golden Wisdom Award" — Outstanding Rural Revitalization Service Benchmark Award	JRJ
2024 Ministry of Education "Smart Elderly Assistance" Outstanding Case Study	Ministry of Education
2024 Market Influence Institution — Core Dealer, Money Market Dealer	China Foreign Exchange Trade System
The 6th China Banking Golden Bull Awards "Golden Bull Award for Banking Wealth Management Services" "Fixed-Income Golden Bull Wealth Management Product"	China Securities Journal
2025 China Banking Industry Tianji Award for Pension Financial Services	Securities Times
Third Prize, 2024 Fintech Development Award	People's Bank of China

# 02

## Accounting Data and Financial Indicators Highlights

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## I. Key Accounting Data

Unit: RMB 000

Operating results	2025	2024	+/- YoY (%)	2023
Operating income	25,870,489	26,641,344	-2.89	26,413,798
Operating profit	14,989,139	14,995,910	-0.05	14,264,150
Profit before tax	14,973,220	14,973,478	-	14,886,467
Net Profit	12,649,418	12,607,609	0.33	12,487,375
Net profit attributable to shareholders of the parent company	12,312,825	12,288,156	0.20	12,141,958
Net profit attributable to shareholders of the parent company after deducting non-recurring profits and losses	12,045,064	11,840,393	1.73	11,523,415
<b>Per share (RMB/share)</b>				
Basic earnings per share	1.28	1.27	0.79	1.26
Diluted earnings per share	1.28	1.27	0.79	1.26
Basic earnings per share after deducting non-recurring gains and losses	1.25	1.23	1.63	1.19
Scale indicators	December 31, 2025	December 31, 2024	+/- YoY (%)	December 31, 2023
Total assets	1,587,666,263	1,487,809,495	6.71	1,392,213,700
Total loans and advances <sup>3</sup>	773,000,878	755,218,660	2.35	711,483,312
Corporate loans and advances	471,155,814	438,347,088	7.48	415,012,575
Personal loans and advances	211,221,576	213,689,933	-1.16	210,949,238
Bill discounting	90,623,488	103,181,639	-12.17	85,521,499
Loan loss reserve <sup>4</sup>	(24,345,621)	(25,705,338)	-5.29	(28,049,658)
Total liabilities	1,455,385,969	1,359,827,664	7.03	1,275,855,205
Deposit principal	1,140,032,219	1,072,140,898	6.33	1,016,411,756
Shareholders' equity	132,280,294	127,981,831	3.36	116,358,495
Net assets attributable to shareholders of the parent company	127,905,738	123,836,410	3.29	112,426,981
Share capital	9,644,444	9,644,444	-	9,644,444
Net capital	149,689,995	145,266,251	3.05	133,517,933
Of which: Core Tier 1 net capital	128,604,426	124,771,366	3.07	112,967,044
Risk-weighted assets	890,555,704	846,842,026	5.16	848,308,505
<b>Per Share (RMB/share)</b>				
Net assets per share attributable to shareholders of the parent company	13.26	12.84	3.27	11.66

<sup>3</sup> Note: The total amount of loans and advances does not include accrued interest and loan loss reserve.

<sup>4</sup> Note: The loan loss reserve comprises the reserve for loan losses measured at amortized cost and the reserve for loan losses measured at fair value through other comprehensive income.

## II. Key Financial Indicators

Unit: %

Profitability Indicators	2025	2024	+/- YoY (%)	2023
Average return on total assets	0.82	0.88	-0.06	0.93
Weighted average return on equity	9.74	10.35	-0.61	11.34
Weighted average return on equity after deducting non-recurring gains and losses	9.53	9.97	-0.44	10.76
Net interest spread	1.33	1.45	-0.12	1.61
Net Interest margin	1.37	1.50	-0.13	1.67
Cost-to-income ratio	32.99	33.30	-0.31	32.67
Percentage of net non-interest income	25.33	24.53	0.80	21.63
Capital adequacy indicators (standard values)	December 31, 2025	December 31, 2024	+/- YoY (%)	December 31, 2023
Capital adequacy ratio ( $\geq 10.5$ )	16.81	17.15	-0.34	15.74
Tier 1 capital adequacy ratio ( $\geq 8.5$ )	14.47	14.76	-0.29	13.35
Core Tier 1 capital adequacy ratio ( $\geq 7.5$ )	14.44	14.73	-0.29	13.32
Asset quality indicators (standard values)	December 31, 2025	December 31, 2024	+/- YoY (%)	December 31, 2023
NPL% ( $\leq 5$ )	0.96	0.97	-0.01	0.97
Provision coverage ratio	328.87	352.35	-23.48	404.98
Provision-to-loan ratio	3.15	3.40	-0.25	3.94

## III. Items and Amounts of Non-recurring Profit and Loss

Unit: RMB 000

Item	2025	2024	2023
Net income from the disposal of non-current assets	348,839	549,665	34,239
Government subsidy included in the current profit and loss	43,632	98,138	75,247
Gains arising from the cost of investments in subsidiaries, associates and joint ventures acquired by an enterprise being lower than the fair value of the investee's identifiable net assets at the time of investment acquisition	-	-	468,816
Non-operating income and expenses other than those listed above	(15,919)	(22,432)	112,910
Less: Income tax impact	103,477	158,636	60,372
Minority interest impact (after tax)	5,314	18,972	12,297
<b>Total</b>	<b>267,761</b>	<b>447,763</b>	<b>618,543</b>

## IV. 2025 Key Financial Data by Quarter

Unit: RMB 000

Item	Q1(Jan.-Mar.)	Q2 (Apr.-June)	Q3(July-Sept.)	Q4 (Oct.-Dec.)
Operating income	6,560,097	6,884,054	6,387,313	6,039,025
Profit before tax	4,389,076	4,263,105	4,347,191	1,973,848
Net profit attributable to shareholders of the parent company	3,564,170	3,448,418	3,554,789	1,745,448
Net profit attributable to shareholders of the parent company after deducting non-recurring profits and losses	3,541,370	3,452,044	3,523,168	1,528,482
Net cash flow from operating activities	17,774,795	(10,953,029)	14,876,286	(33,069,420)

## V. Other Financial Information Disclosed According to Regulatory Requirements

Unit: %

Item	Standard value	2025	2024	2023
Liquidity ratio	≥ 25	82.01	62.55	63.25
Proportion of loans to the largest customer <sup>5</sup>	≤ 10	3.34	2.13	2.26
Proportion of loans to the top ten customers <sup>6</sup>	≤ 50	20.99	17.96	19.57

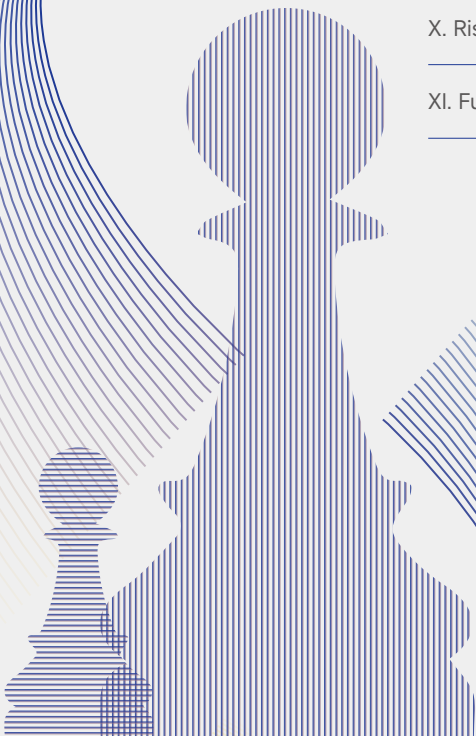
<sup>5</sup> Note: Proportion of loans to the largest customer = loan balance of single largest customer/net capital.

<sup>6</sup> Note: Proportion of loans to the top 10 customers = loan balance of top 10 customers/net capital.

# 03

## Management Discussion and Analysis

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## I. Overall Business Performance

During the reporting period, faced with the severe challenges of a complex economic environment, the Group maintained strategic resolve, worked diligently to advance the "Five Major Articles," and deepened the development of the five major financial service systems. We continued to focus our efforts on financial services supporting the real economy, inclusive finance for small and micro enterprises, technological innovation, and people's livelihoods, successfully concluding our three-year strategic plan.

**Profitability remained generally stable.** During the reporting period, the Group achieved operating income of RMB 25.87 billion, a year-on-year decrease of 2.89%; total profit of RMB 14.973 billion, essentially unchanged from the previous year; and net profit of RMB 12.649 billion, a year-on-year increase of 0.33%; net profit attributable to shareholders of the parent company was RMB 12.313 billion, up by 0.20% year-on-year; the average ROA was 0.82%, down by 0.06 percentage points from the previous year; and the weighted average ROE was 9.74%, down by 0.61 percentage points from the previous year.

**Scale and strength continued to grow steadily.** As of the end of the reporting period, the Group's total assets amounted to RMB 1,587,666 billion, up by 6.71% from the end of the previous year; of this, total loans and advances stood at RMB 773.001 billion, up by 2.35% from the end of the previous year. The Group's total liabilities stood at RMB 1,455.386 billion, up by 7.03% from the end of the previous year; of this, principal deposits amounted to RMB 1,140.032 billion, up by 6.33% from the end of the previous year.

**Asset quality remained stable.** During the reporting period, the Group's non-performing loan balance was RMB 7.403 billion, up by RMB 107 million from the end of the previous year; the non-performing loan ratio was 0.96%, a decrease of 0.01 percentage points from the end of the previous year; the provision coverage ratio was 328.87%, a decrease of 23.48 percentage points from the end of the previous year; and the loan provision ratio was 3.15%, a decrease of 0.25 percentage points from the end of the previous year.

**Capital adequacy levels remained strong.** As of the end of the reporting period, the Group's capital adequacy ratio stood at 16.81%, the Tier 1 capital adequacy ratio at 14.47%, and the core Tier 1 capital adequacy ratio at 14.44%. These figures continued to exceed the capital requirements set by the National Financial Regulatory Administration (NFRA), maintaining a leading position within the industry, with a relatively ample capital buffer.

## II. Industry Situation

In 2025, the complexity, uncertainty, and challenges facing the banking sector's development environment further intensified. On the macroeconomic front, China continued to adhere to the general principle of "seeking progress while maintaining stability, and promoting stability through progress." New-quality productive forces accelerated their growth, and the construction of a modern industrial system advanced steadily, resulting in a qualitative improvement and reasonable quantitative growth in economic and social development for the year. Meanwhile, issues such as insufficient domestic demand and weak expectations among households and enterprises still need to be addressed. The real estate market continued to undergo adjustments, and the task of resolving risks in key areas remained arduous, posing ongoing challenges to the banking sector's operation and development.

In terms of monetary policy, the central bank implemented a moderately loose monetary policy, balancing aggregate growth with structural optimization, and providing targeted support for the real economy. On the asset side, efforts continued to guide a decline in the overall cost of social financing, with the LPR reduced by 10 BPs and housing provident fund loan rates cut by 25 BPs. While this effectively reduced the financing burden on enterprises and households, it also kept commercial banks' net interest margin at low levels, with revenue and profit growth continuing to face pressure. On the liability side, regulators have guided banks to optimize their liability structures and reduce funding costs, promoting the allocation of financial resources toward key sectors and weak links in the real economy to support economic recovery and growth. In terms of regulatory policies, regulatory authorities have continued to deepen supply-side structural reforms in the financial sector, refining the regulatory framework and enhancing regulatory effectiveness in key areas such as the implementation of the "Five Major Articles", risk prevention and control, and compliant operation.

Against this backdrop, the banking sector's operating environment remains in a period of profound adjustment. Driven by both economic transformation and financial reform, the industry's development exhibits a pattern where "steady foundations coexist with dynamic transformation." While complexity and uncertainty persist, the sector's resilience continues to emerge, and the orientation toward high-quality development has become increasingly distinct. Closely aligning with the deployment of the "Five Major Articles," we have precisely addressed the needs for fostering new-quality productive forces, building a modern industrial system, and supporting domestic enterprises' "going global" efforts. By optimizing credit structures, continuously reducing financing costs, and innovating service models, we have consistently improved the quality and efficiency of our services. Meanwhile, leveraging the expansion of the AIC and debt-equity investment, we have broadened diverse pathways to serve the real economy, contributing to the recovery of consumption and industrial upgrading, and demonstrating the leading role of the financial sector.

During the reporting period, the Company maintained strategic resolve, adhering to its strategic positioning of serving "Three Rural Issues," small and micro enterprises, science and technology innovation, and community residents. It deepened its roots in the local Shanghai market and dedicated itself to serving the real economy. The construction of the "Five Major Financial Service Systems" began to yield results, with rapid growth in tech finance and inclusive finance, a continuous increase in the scale of green finance assets, distinctive features in pension services, and continuously enhanced competitiveness of digital products.

At the end of the reporting period, the Company ranked 124th on The Banker's "Top 1,000 Global Banks 2025" list, up by four places from the previous year; it ranked 311th on the 2025 Fortune China 500 list, up by 12 places from the previous year; the MSCI ESG rating was upgraded to AA; in the 2025 "Gyroscope" evaluation of commercial banks' sound development capabilities, the Bank ranked first among urban rural commercial banks in the comprehensive ranking; S&P Global Ratings (China) assigned a corporate credit rating of "AAA<sub>spc</sub>" with a "Stable" outlook, and the Bank's industry standing and market influence continued to rise.

### III. Analysis of Financial Statements

#### (I) Income Statement Analysis

Unit: RMB 000

Item	2025	2024	Change (%)
Operating income	25,870,489	26,641,344	-2.89
Net interest income	19,317,053	20,106,581	-3.93
Net non-interest income	6,553,436	6,534,763	0.29
Operating expense	10,881,350	11,645,434	-6.56
Taxes and surcharges	310,626	304,791	1.91
Operating and administrative expense	8,519,455	8,854,271	-3.78
Credit impairment loss	2,030,260	2,468,288	-17.75
Asset impairment loss	4,670	1,139	310.01
Other operating cost	16,339	16,945	-3.58
Operating profit	14,989,139	14,995,910	-0.05
Net non-operating income and expense	(15,919)	(22,432)	N/A
Profit before tax	14,973,220	14,973,478	-
Income tax expense	2,323,802	2,365,869	-1.78
Net profit	12,649,418	12,607,609	0.33
Net profit attributable to shareholders of the parent company	12,312,825	12,288,156	0.20
Minority interest income	336,593	319,453	5.37

#### 1. Net Interest Income

During the reporting period, the Group generated net interest income of RMB 19.317 billion, a year-on-year decrease of 3.93%. Specifically, interest income amounted to RMB 41.065 billion, a year-on-year decrease of 8.54%, while interest expense totaled RMB 21.748 billion, a year-on-year decrease of 12.28%. During the reporting period, the Group's average yield on interest-earning assets was 2.91%, a decrease of 45 BPs year-on-year; the average cost of interest-bearing liabilities was 1.58%, a decrease of 33 BPs year-on-year; the net interest spread was 1.33%, a decrease of 12 BPs year-on-year; and the net interest margin was 1.37%, a decrease of 13 BPs year-on-year.

Unit: RMB 000

Item	2025			2024		
	Average balance <sup>1</sup>	Interest income/expense	Average yield/cost ratio (%)	Average balance	Interest income/expense	Average yield/cost ratio (%)
<b>Assets</b>						
Loans and advances	746,884,219	23,782,279	3.18	716,156,540	26,992,201	3.77
Financial investment	427,602,493	11,637,636	2.72	396,232,200	11,906,143	3.00
Due from and placements with banks and other financial institutions <sup>2</sup>	126,077,520	2,651,162	2.10	120,089,588	2,931,555	2.44
Balance with Central Bank	64,869,473	926,908	1.43	62,830,685	885,566	1.41
Finance leasing <sup>3</sup>	47,871,656	2,066,926	4.32	41,267,871	2,183,296	5.29
Total interest-bearing assets	1,413,305,361	41,064,911	2.91	1,336,576,884	44,898,761	3.36

Unit: RMB 000

Item	2025			2024		
	Average balance <sup>1</sup>	Interest income/expense	Average yield/cost ratio (%)	Average balance	Interest income/expense	Average yield/cost ratio (%)
<b>Liabilities</b>						
Deposits from customers	1,098,487,310	16,133,760	1.47	1,038,163,510	18,507,528	1.78
Debt securities issued	85,272,646	1,828,788	2.14	87,320,289	2,126,074	2.43
Borrowings from Central Bank	48,779,923	879,126	1.80	50,149,836	1,078,808	2.15
Due to and placements from banks and other financial institutions <sup>4</sup>	142,671,452	2,906,184	2.04	122,797,230	3,079,770	2.51
<b>Total interest-bearing liabilities</b>	<b>1,375,211,331</b>	<b>21,747,858</b>	<b>1.58</b>	<b>1,298,430,865</b>	<b>24,792,180</b>	<b>1.91</b>
<b>Net interest income</b>			<b>19,317,053</b>			<b>20,106,581</b>
<b>Net interest spread (%)<sup>5</sup></b>			<b>1.33</b>			<b>1.45</b>
<b>Net interest margin (%)<sup>6</sup></b>			<b>1.37</b>			<b>1.50</b>

- Note: 1. The average balance of interest-earning assets and interest-bearing liabilities is the average daily balance, which is unaudited;  
2. Includes deposits due from and placements with banks and other financial institutions, funds on call and financial assets bought and sold;  
3. Includes finance lease receivables and long-term receivables;  
4. Includes deposits due to and placements from banks and other financial institutions, funds on call and financial assets bought and sold;  
5. Calculated as the difference between the average rate of return on total interest-earning assets and the average cost rate of total interest-bearing liabilities;  
6. Calculated as net interest income divided by the average balance of total interest-earning assets.

### (1) Interest Income on Loans and Advances

During the reporting period, the Group's interest income on loans and advances amounted to RMB 23.782 billion, a decrease of RMB 3.210 billion, or 11.89%, compared to the previous year. Of this, the loan scale grew by RMB 30.728 billion, contributing up by RMB 0.978 billion in interest income; however, the yield declined by 59 BPs, resulting in a reduction of RMB 4.188 billion in interest income. This was primarily due to weak effective financing demand from the real economy and intense competition within the industry, which led to a continuous decline in the yield on new loans. Compounded by factors such as LPR repricing and reductions in existing mortgage rates, the loan yield declined further.

Unit: RMB 000

Item	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	449,912,563	14,085,716	3.13	418,605,620	15,490,468	3.70
Personal loans	207,085,061	8,727,480	4.21	204,842,217	10,208,855	4.98
Discounted bills	89,886,595	969,083	1.08	92,708,703	1,292,878	1.39
<b>Total loans and advances</b>	<b>746,884,219</b>	<b>23,782,279</b>	<b>3.18</b>	<b>716,156,540</b>	<b>26,992,201</b>	<b>3.77</b>

Note: During the reporting period, the Company's yield on general short-term loans was 2.87%, and the yield on medium- and long-term loans was 3.40%.

### (2) Interest Expense on Deposits

During the reporting period, the Group's interest expense on deposits was RMB 16.134 billion, a decrease of RMB 2.374 billion compared to the previous year, representing a decline of 12.83%. Of this, the deposit grew by RMB 60.324 billion, resulting in an increase in interest expense of RMB 886 million; the interest rate on deposits decreased by 31 BPs, reducing interest expense by RMB 3.26 billion. This was primarily due to the Group's continued efforts to proactively manage the maturity structure of deposits, implement the deposit pricing requirements of the central bank and self-regulatory mechanisms, and drive down deposit costs.

Unit: RMB 000

Item	2025			2024		
	Average balance	Interest expense	Average cost rate (%)	Average balance	Interest expense	Average cost rate (%)
Corporate demand deposit	255,476,087	970,208	0.38	267,286,628	1,682,128	0.63
Corporate time deposit	236,567,820	4,534,238	1.92	211,580,611	4,810,727	2.27
Personal demand deposit	83,268,735	51,712	0.06	78,474,007	128,264	0.16
Personal time deposit	523,174,668	10,577,602	2.02	480,822,264	11,886,409	2.47
<b>Total deposit</b>	<b>1,098,487,310</b>	<b>16,133,760</b>	<b>1.47</b>	<b>1,038,163,510</b>	<b>18,507,528</b>	<b>1.78</b>

## 2. Net Non-Interest Income

During the reporting period, the Group generated net non- interest income of RMB 6.553 billion, representing a year- over- year increase of 0.29%. This accounted for 25.33% of total operating income, up by 0.80 percentage points compared to the previous year.

### (1) Net Fee and Commission Income

During the reporting period, the Group generated net fee and commission income of RMB 2.001 billion, a year- on- year decrease of 2.02%. Specifically: agency business fee and commission income amounted to RMB 1.488 billion, a year- on- year increase of 1.03%, primarily due to the Group's active expansion of wealth management services, with rapid growth in income from wealth management and insurance agency services; guarantee and commitment fee and commission income amounted to RMB 45 million, a year- on- year decrease of 30.99%, primarily due to a decline in the volume of accepted bill business, resulting in reduced related fee income; Bank card fee and commission income amounted to RMB 31 million, a year- on- year decrease of 42.51%, primarily due to a reduction in third- party payment fees for debit cards.

Unit: RMB 000

Item	2025	2024
Fee and commission income	2,235,978	2,280,509
Of which: agency business	1,487,978	1,472,842
Settlement and clearing	300,620	310,293
Consulting & advisory	246,696	259,163
E-banking	84,728	84,615
Guarantees and commitments	44,998	65,205
Bank cards	30,707	53,411
Other services	40,251	34,980
Fees and commission expense	234,990	238,310
Net fee and commission income	2,000,988	2,042,199

### (2) Other Net Non-Interest Income

During the reporting period, the Group generated net non- interest income of RMB 4.552 billion, representing a year- over- year increase of 1.33%. Of this: investment income and gains from changes in fair value totaled RMB 3.676 billion, up 2.42% year- over- year; foreign exchange gains and losses amounted to RMB 427 million, a 100.40% increase year- over- year, primarily due to the Group's use of foreign exchange derivatives to generate non- interest income through the management of its domestic and foreign currency funds; gains on disposal of assets amounted to RMB 349 million, a year- on- year decrease of 36.54%, primarily due to the higher comparison base resulting from gains received by the Group in 2024 from property expropriation compensation.

Unit: RMB 000

Item	2025	2024
Investment income	3,386,051	2,444,545
Profit /(loss) from fair value changes	289,512	1,144,321
Profit/(loss) on exchange	426,851	212,999
Other operating income	57,563	42,896
Profit /(loss) on asset disposal	348,839	549,665
Other income	43,632	98,138
Total	4,552,448	4,492,564

### 3. Operating and Administrative Expenses

During the reporting period, the Group incurred operating and administrative expenses of RMB 8.519 billion, a year-on-year decrease of 3.78%.

Unit: RMB 000

Item	2025	2024
Employee remuneration	5,472,900	5,726,662
Depreciation, amortization and lease expense	1,103,741	1,066,806
Other general and administrative expenses	1,942,814	2,060,803
<b>Total</b>	<b>8,519,455</b>	<b>8,854,271</b>

### 4. Credit Impairment Losses / Asset Impairment Losses

During the reporting period, the Group recognized credit impairment losses of RMB 2.03 billion, a year-on-year decrease of 17.75%. This was primarily due to the Group's overall asset quality remaining stable and increased efforts to recover non-performing loans classified as "write-off but retain case files" resulting in a corresponding reduction in the accrual for loan credit impairment losses.

Unit: RMB 000

Item	2025	2024
Loans and advances measured at amortized cost	1,240,519	1,951,986
Loans and advances measured at fair value through other comprehensive income	117,953	181,613
Debt investments	118,964	8,719
Other debt investments	127,555	3,768
Receivables from finance leases and long-term receivables	206,860	285,513
Off-balance-sheet expected credit loss	156,696	45,028
Other	61,713	(8,339)
<b>Total credit impairment losses</b>	<b>2,030,260</b>	<b>2,468,288</b>

### 5. Income Tax Expense

During the reporting period, the Group recognized an income tax expense of RMB 2.324 billion, a year-on-year decrease of 1.78%, primarily due to an increase in tax-exempt income.

Unit: RMB 000

Item	2025	2024
Profit before tax	14,973,220	14,973,478
Income tax expense	2,323,802	2,365,869

## (II) Balance Sheet Analysis

### 1. Assets

During the reporting period, the Group closely aligned with national strategies, focused on the real economy, and implemented the concept of inclusive finance, resulting in steady growth in its asset scale. As of the end of the reporting period, the Group's total assets amounted to RMB 1,587.666 billion, up by RMB 99.857 billion compared to the end of the previous year, representing a growth of 6.71%. This increase was primarily attributable to growth in the Group's loans and advances, financial investments, and other items.

Unit: RMB 000

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans and advances	773,000,878	48.69	755,218,660	50.76
Accrued loan interest	1,263,151	0.08	1,274,972	0.09
Loan loss reserve <sup>1</sup>	(23,830,615)	(1.50)	(25,308,285)	(1.70)
Net loans and advances	750,433,414	47.27	731,185,347	49.15
Financial investment <sup>2</sup>	555,855,687	35.01	524,116,846	35.23
Cash, and balance with Central Bank	72,109,155	4.54	72,922,497	4.90
Due from and placements with banks and other financial institutions <sup>3</sup>	134,705,821	8.48	97,466,370	6.55
Finance leasing <sup>4</sup>	44,509,408	2.80	39,506,607	2.66
Other <sup>5</sup>	30,052,778	1.89	22,611,828	1.52
Total assets	1,587,666,263	100	1,487,809,495	100

Note: 1. Loan loss reserve includes loan loss reserve measured at amortized cost;

2. Financial investment includes trading financial assets, debt investment, other debt investment and other equity instrument investment;

3. Including deposits and placements with banks, and financial assets held under resale agreements;

4. Including financing leasing receivables and long-term receivables;

5. Including precious metal, derivative financial assets, long-term equity investment, fixed assets, and construction in progress, right-of-use assets, deferred income tax assets, and other assets.

#### (1) Loans and Advances

During the reporting period, the Group closely followed national financial policy guidelines, continuously strengthened its ability to serve the real economy, and improved the quality and efficiency of loan disbursements, resulting in steady growth in the loan scale. As of the end of the reporting period, the Group's total loans and advances amounted to RMB 773.001 billion, up by RMB 17.782 billion from the end of the previous year, representing a growth of 2.35%. For details regarding the Group's loans and advances, please refer to the "Loan Quality Analysis" section.

#### (2) Financial Investments

During the reporting period, the Group actively adapted to new market conditions, flexibly adjusted its investment structure, and maintained the steady development of its financial investment business. As of the end of the reporting period, the Group's total financial investments amounted to RMB 555.856 billion, up by RMB 31.739 billion from the end of the previous year, representing a growth of 6.06%.

Unit: RMB 000

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Held-for-trading financial assets	59,138,453	10.64	51,633,537	9.85
Debt investments	205,762,238	37.02	186,537,759	35.59
Other debt investments	290,343,496	52.23	285,584,050	54.49
Investments in other equity instrument	611,500	0.11	361,500	0.07
Total financial investments	555,855,687	100	524,116,846	100

Of this amount, the composition of financial investments by nature of financial assets is as follows:

Unit: RMB 000

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Debt investments	555,244,187	99.89	523,755,346	99.93
Equity instruments	611,500	0.11	361,500	0.07
<b>Total financial investments</b>	<b>555,855,687</b>	<b>100</b>	<b>524,116,846</b>	<b>100</b>

### Held-for-trading Financial Assets

Held-for-trading financial assets are financial assets measured at fair value through profit or loss. At the end of the reporting period, the balance of financial assets held for trading amounted to RMB 59.138 billion, primarily consisting of fund investments, bond investments, and other categories. For further details, please refer to *Note V.7 to the financial statements*.

### Debt Investments

Debt investments are investments in debt instruments measured at amortized cost. At the end of the reporting period, the balance of debt investments amounted to RMB 205.762 billion, consisting primarily of bond investments and debt financing plans. For further details, please refer to *Note V.8 to the financial statements*.

### Other Debt Investments

Other debt investments are debt instrument investments measured at fair value through other comprehensive income. At the end of the reporting period, the balance of other debt investments amounted to RMB 290.343 billion, consisting primarily of bond investments. For further details, please refer to *Note V.9 to the financial statements*.

### Other Equity Instrument Investment

Other equity instrument investments are investments in equity instruments that are measured at fair value through other comprehensive income. At the end of the reporting period, the balance of investments in other equity instruments amounted to RMB 612 million, primarily consisting of non-trading equity investments held by the Group with no control, joint control or material impact over the investees. For further details, please refer to *Note V.10 of the financial statements*.

### Top 10 Financial Bonds by Value held by the Group at the End of the Reporting Period

Unit: RMB 000

Bond Name	Nominal Value	Coupon Rate (%per annum)	Maturity Date	Impairment Reserve
2025 Policy Bank Bond	7,590,000	1.59	2030/5/13	-
2016 Policy Bank Bonds	6,870,000	3.05	2026/8/25	-
2018 Policy Bank Bonds	5,630,000	4.04	2028/7/6	-
2016 Policy Bank Bonds	4,810,000	3.18	2026/4/5	-
2018 Policy Bank Bonds	4,500,000	4.65	2028/5/11	-
2025 Policy Bank Bond	4,490,000	1.40	2030/1/7	-
2017 Policy Bank Bond	3,990,000	4.04	2027/4/10	-
2016 Policy Bank Bonds	3,600,000	3.33	2026/2/22	-
2022 Policy Bank Bond	3,270,000	2.82	2027/6/17	-
2017 Policy Bank Bonds	3,090,000	3.85	2027/1/6	-

## 2. Liabilities

During the reporting period, the Group actively expanded its liability channels. While maintaining deposits as the primary source of liabilities, the Group flexibly utilized proactive financing instruments, resulting in steady growth in the scale of liabilities. As of the end of the reporting period, the Group's total liabilities amounted to RMB 1,455.386 billion, up by RMB 95.558 billion compared to the end of the previous year, representing a growth of 7.03%.

Unit: RMB 000

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Deposits	1,156,886,017	79.49	1,092,917,510	80.37
Due to and placements from banks and other financial institutions <sup>1</sup>	115,477,350	7.93	129,573,297	9.53
Borrowings from Central Bank	47,888,042	3.29	48,734,870	3.58
Debt securities issued	120,912,596	8.31	73,589,243	5.41
Other <sup>2</sup>	14,221,964	0.98	15,012,744	1.10
<b>Total liabilities</b>	<b>1,455,385,969</b>	<b>100</b>	<b>1,359,827,664</b>	<b>100</b>

Note: 1. Including deposits from banks and other financial institutions, borrowings, and financial assets sold for repurchase.

2. Including financial liabilities, derivative financial liabilities, employee remuneration payable, taxes payable, leasing liabilities, estimated liabilities and other liabilities measured at fair value through profit and loss.

### (1) Deposits

During the reporting period, the Group continued to strengthen its customer base and expand customer deposits, achieving steady growth in deposits. As of the end of the reporting period, the Group's principal of deposits stood at RMB 1,140.032 billion, up by RMB 67.891 billion compared to the end of the previous year, representing a growth of 6.33%.

Unit: RMB 000

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate deposits	488,114,662	42.19	422,833,284	38.69
Demand deposit	267,706,522	23.14	246,938,461	22.59
Time deposit	220,408,140	19.05	175,894,823	16.09
Personal deposits	625,083,891	54.03	584,474,737	53.48
Demand deposit	88,022,234	7.61	80,770,443	7.39
Time deposit	537,061,657	46.42	503,704,294	46.09
Pledged deposits	11,698,143	1.01	12,881,912	1.18
Other	15,135,523	1.31	51,950,965	4.75
Principal of deposits	1,140,032,219	98.54	1,072,140,898	98.10
Accrued interest	16,853,798	1.46	20,776,612	1.90
<b>Total deposits</b>	<b>1,156,886,017</b>	<b>100</b>	<b>1,092,917,510</b>	<b>100</b>

### (2) Liability Quality Analysis

In accordance with the *Liability Quality Management Measures for Commercial Banks*, the Group has established a liability quality management system and continuously improved its organizational structure and institutional framework for liability quality management. With the goal of balancing safety, liquidity, and profitability, taking into account factors such as business strategy, risk appetite, overall business characteristics, the external market environment, and regulatory requirements, the Bank focuses on 6 key elements—the stability of liability sources, the diversity of liability structure, the rationality of liability-asset matching, the proactiveness of liability acquisition, the appropriateness of liability costs, and the authenticity of liability items. It refines and implements liability quality management strategies, optimizes control and supervision systems, and ensures that liability operation comply with regulatory requirements and align with the Group's actual business operation.

During the reporting period, the Group focused on these 6 elements of liability quality and gradually improved liability quality through enhanced refined management. First, adhering to a "customer-centric" approach, the Group implemented segmented customer management, enriched its product portfolio to meet diverse customer needs, and actively expanded liability sources. Second, the Group actively expanded market-based financing channels; while consolidating deposits as the primary source of liabilities, it flexibly utilized market instruments such as financial bonds and interbank certificates of deposit to promptly replenish working capital. Third, the Group continuously refined internal and external pricing mechanisms, strictly adhered to the requirements of the market interest rate pricing self-discipline mechanism, closely monitored market prices and industry trends, dynamically adjusted pricing strategies, and effectively guided the reduction of various funding costs.

At the end of the reporting period, deposits accounted for 79.49% of the Group's total liabilities, continuing to serve as a stable source of funds; the liquidity ratio stood at 82.01%, the liquidity coverage ratio at 234.14%, and the net stable funding ratio at 135.85%, all exceeding regulatory requirements, indicating overall high-quality liabilities.

### 3. Shareholders' Equity

As of the end of the reporting period, the Group's shareholders' equity stood at RMB 132.28 billion, up by RMB 4.298 billion from the end of the previous year, representing a growth of 3.36%.

Unit: RMB 000

Item	December 31, 2025	December 31, 2024	Change from Previous Year-End (%)
Share capital	9,644,444	9,644,444	-
Capital reserve	16,540,133	16,547,850	-0.05
Other comprehensive income	4,344,486	8,394,578	-48.25
Surplus reserve	41,435,590	36,745,387	12.76
General risk reserve	16,332,963	15,354,359	6.37
Undistributed profits	39,608,122	37,149,792	6.62
Total equity attributable to shareholders of the parent company	127,905,738	123,836,410	3.29
Minority interest	4,374,556	4,145,421	5.53
Total shareholders' equity	132,280,294	127,981,831	3.36

### (III) Cash Flow Statement Analysis

During the reporting period, the Group recorded a net cash outflow of RMB 11.371 billion from operating activities, primarily attributable to cash paid for interest; a net cash outflow of RMB 17.138 billion from investing activities, primarily attributable to cash paid for investments; and a net cash inflow of RMB 40.932 billion from financing activities, primarily attributable to cash received from the issuance of bonds and interbank certificates of deposit.

#### (IV) Items in the Financial Statements with Changes Over 30% and the Reasons

Unit: RMB 000

Item	December 31, 2025	December 31, 2024	+/- from previous year-end (%)	Main Reasons for Change
Due from banks and other financial institutions	24,419,302	16,627,454	46.86	Increase in interbank deposits held domestically
Precious metals	2,435,688	181,132	1244.70	Increase in gold assets
Funds lent	77,363,567	53,683,897	44.11	Increase in interbank loans within the domestic market
Derivative financial assets	7,843,167	4,774,385	64.28	Increase in fair value of precious metal derivative financial assets
Investments in other equity instruments	611,500	361,500	69.16	Increase in equity interest in the Green Development Fund
Deferred tax assets	6,353,474	4,656,556	36.44	Increase in deductible temporary differences
Due to banks and other financial institutions	3,431,015	9,959,773	-65.55	Decrease in demand deposits with other domestic financial institutions
Held-for-trading financial liabilities	411,275	187,693	119.12	Accumulated funds Increase in trading financial liabilities
Derivative financial liabilities	2,192,096	3,176,137	-30.98	Decrease in fair value of interest rate derivative financial liabilities
Debt securities issued	120,912,596	73,589,243	64.31	Increase in interbank certificates of deposit issued
Other comprehensive income	4,344,486	8,394,578	-48.25	Decrease in valuation of other debt investments
Item	2025	2024	+/- YoY (%)	Main reasons for the change
Investment income	3,386,051	2,444,545	38.51	Increase in gains on other debt investments
Gain on changes in fair value	289,512	1,144,321	-74.70	Decrease in gains or losses from changes in fair value of financial assets held for trading
Gains/ losses on foreign exchange	426,851	212,999	100.40	Increase in foreign exchange gains and losses from foreign exchange derivatives
Other operating income	57,563	42,896	34.19	Increase in operating lease revenue
Gain on disposal of assets	348,839	549,665	-36.54	Decrease in gains on disposal of real estate
Other income	43,632	98,138	-55.54	Decrease in government grants
Asset impairment losses	4,670	1,139	310.01	Increase in impairment allowance for assets held as collateral
Non- operating income	70,815	36,695	92.98	Increase in non-operating income from recovery of replaced non-performing assets
Non- operating expenses	86,734	59,127	46.69	Increase in donations and other expenses
Net other comprehensive income, net of tax	(4,050,092)	5,083,884	-179.67	Valuation fluctuations of financial assets classified as measured at fair value with changes recognized in other comprehensive income

#### (V) Off-balance-sheet items that may have a material impact on financial and business results

Please refer to *Note X to the financial statements*.

## IV. Loan Quality Analysis

During the reporting period, the Group deepened its credit risk management system and continued to refine a data-driven, top-down, and front-loaded credit risk management mechanism. Based on a management framework covering business lines, major asset categories, key products, and key institutions, the Group conducted multi-dimensional monitoring and analysis, formulated control strategies, and intensified risk resolution efforts, resulting in overall stable asset quality.

### (I) Loan Distribution by Five-category Classification

Unit: RMB 000

Item	December 31, 2025		December 31, 2024		Change from Previous Year-End (%)
	Amount	Percentage (%)	Amount	Percentage (%)	
Normal	751,752,861	97.25	738,281,902	97.76	1.82
Special mention	13,845,153	1.79	9,641,383	1.28	43.60
Substandard	2,721,898	0.35	2,952,987	0.39	-7.83
Doubtful	766,976	0.10	731,538	0.10	4.84
Loss	3,913,990	0.51	3,610,850	0.48	8.40
Total loans and advances	773,000,878	100.00	755,218,660	100.00	2.35
Total balance of non-performing loans	7,402,864	0.96	7,295,375	0.97	1.47

During the reporting period, the Group adhered to strict criteria for classifying loan risks to accurately reflect asset quality, and the non-performing loan ratio remained stable with a slight decline. As of the end of the reporting period, the Group's total loans and advances amounted to RMB 773.001 billion, up by 2.35% from the end of the previous year; the balance of non-performing loans was RMB 7.403 billion, up by RMB 107 million from the end of the previous year; the non-performing loan ratio was 0.96%, a decrease of 0.01 percentage points from the end of the previous year; and the proportion of special-mention loans was 1.79%, up by 0.51 percentage points from the end of the previous year.

### (II) Loan Structure and Quality by Product Type

Unit: RMB 000

Item	December 31, 2025			December 31, 2024		
	Loan balance	NPL balance	NPL%	Loan balance	NPL balance	NPL%
Corporate Loans and Advances	471,155,814	4,101,295	0.87	438,347,088	4,469,608	1.02
Personal loans and advances	211,221,576	3,301,569	1.56	213,689,933	2,825,768	1.32
Bill discounting	90,623,488	-	0.00	103,181,639	-	0.00
Total loans and advances	773,000,878	7,402,864	0.96	755,218,660	7,295,375	0.97

As of the end of the reporting period, the Group's outstanding corporate loans and advances totaled RMB 471.156 billion, up by 7.48% from the end of the previous year; the non-performing loan ratio stood at 0.87%, a decrease of 0.15 percentage points from the end of the previous year; the balance of personal loans and advances was RMB 211.222 billion, a decrease of 1.16% from the end of the previous year, with a non-performing loan ratio of 1.56%, up by 0.24 percentage points from the end of the previous year; bill discounting amounted to RMB 90.623 billion, a decrease of 12.17% from the end of the previous year, with a non-performing loan ratio of 0.

### (III) Loans to the Top Ten Sectors

Unit: RMB 000

Industry	December 31, 2025			December 31, 2024		
	Loan balance	NPL balance	NPL%	Loan balance	NPL balance	NPL%
Real estate	143,115,920	1,396,899	0.98	116,721,445	1,340,172	1.15
Manufacturing	87,602,080	764,524	0.87	84,532,106	587,664	0.70
Leasing and business services	81,449,705	161,344	0.20	88,533,328	733,496	0.83
Wholesale and retail	36,776,365	856,050	2.33	37,667,357	925,698	2.46
Transportation, warehousing, and postal services	20,570,921	279,687	1.36	17,297,712	168,994	0.98
Information transmission, software, and IT services	16,411,798	67,984	0.41	13,890,412	91,934	0.66
Construction	15,421,697	297,321	1.93	12,514,308	300,301	2.40
Financial sector	14,411,731	-	0.00	13,878,816	3,884	0.03
Scientific research and technical services	6,399,286	103,553	1.62	6,136,228	71,552	1.17
Accommodation and catering	5,636,405	77,228	1.37	7,020,858	88,739	1.26

Note: This table is defined according to the type of sector of the borrower and does not include bill discounting.

During the reporting period, the Group's corporate loans were primarily concentrated in the real estate, manufacturing, and leasing and business services sectors, with loan balances accounting for 18.51%, 11.33%, and 10.54% of the Group's total loans, respectively. The Group focused on key industries, implemented credit risk controls, and effectively mitigated the pressure of new non-performing loans. As of the end of the reporting period, the non-performing loan ratios for the real estate sector and the leasing and business services sector decreased compared to the end of the previous year. Due to risk exposures from certain large corporate customers, the non-performing loan ratios for the manufacturing sector, as well as the transportation, warehousing, and postal services sector, increased compared to the end of the previous year. The Group actively implemented various measures and intensified collection and disposal efforts, effectively managing credit risks and ensuring controllable asset quality.

### (IV) Loan Structure and Quality by Region

Unit: RMB 000

Item	December 31, 2025			December 31, 2024		
	loan balance	NPL balance	NPL% (%)	loan balance	NPL balance	NPL% (%)
Shanghai	735,917,465	6,665,065	0.91	717,908,167	6,731,535	0.94
Non-Shanghai	37,083,413	737,799	1.99	37,310,493	563,841	1.51
Total loans and advances	773,000,878	7,402,864	0.96	755,218,660	7,295,375	0.97

As a regional bank headquartered in Shanghai, the Group's loans are primarily concentrated in the Shanghai region. As of the end of the reporting period, loans in the Shanghai region accounted for 95.20% of the total loan balance, while loans outside Shanghai accounted for only 4.80%; the non-performing loan ratio in the Shanghai region was 0.91%, a decrease of 0.03 percentage points from the end of the previous year; the non-performing loan ratio outside Shanghai was 1.99%, up by 0.48 percentage points from the end of the previous year.

## (V) Loan Structure and Quality by Type of Collateral

Unit: RMB 000

Item	December 31, 2025			December 31, 2024		
	loan balance	NPL balance	NPL% (%)	loan balance	NPL balance	NPL% (%)
Credit loans	168,358,604	1,648,666	0.98	154,249,916	1,734,836	1.12
Guaranteed loans	116,212,948	1,420,978	1.22	110,358,774	2,122,684	1.92
Secured loans	381,982,957	4,264,055	1.12	372,595,010	3,407,452	0.91
Pledged loans	106,446,369	69,165	0.06	118,014,960	30,404	0.03
Total loans and advances	773,000,878	7,402,864	0.96	755,218,660	7,295,375	0.97

The Group places great emphasis on the credit risk mitigation role of collateral and pledges, using them to strengthen the foundation of credit risk defense. As of the end of the reporting period, secured and pledged loans accounted for 63.19% of the Group's total loans. The non-performing loan ratios for secured and pledged loans increased compared to the end of the previous year, while those for credit and guaranteed loans decreased.

## (VI) Loan Migration Ratios

Unit: %

Item	December 31, 2025	December 31, 2024	December 31, 2023
Migration ratio of normal loans	2.84	1.85	2.24
Migration ratio of special mention loans	13.80	11.16	40.82
Migration ratio of substandard loans	94.52	95.13	20.44
Migration ratio of doubtful loans	97.98	87.37	24.33

Note: Migration ratios are calculated by the parent company definition.

At the end of the reporting period, the migration ratios for loans classified as normal, special mention, substandard, and doubtful on a parent company basis were 2.84%, 13.80%, 94.52%, and 97.98%, respectively. Among these, the migration ratios for normal, special mention, and doubtful loans increased compared to the end of the previous year, while the migration ratio for substandard loans decreased.

## (VII) Loans to the Top Ten Single Borrowers

Unit: RMB 000

Borrower	December 31, 2025	
	Amount	Percentage of total loans and advances (%)
Customer A	5,000,000	0.65
Customer B	4,603,093	0.60
Customer C	3,682,261	0.48
Customer D	3,187,500	0.41
Customer E	2,991,000	0.39
Customer F	2,606,120	0.34
Customer G	2,523,982	0.33
Customer H	2,432,414	0.31
Customer I	2,336,700	0.30
Customer J	2,061,422	0.27
Total	31,424,492	4.07

As of the end of the reporting period, the Group's largest single borrower had an outstanding loan balance of RMB 5.00 billion, accounting for 0.65% of total loans. The combined outstanding loan balance of the top ten single borrowers was RMB 31.424 billion, accounting for 4.07% of total loans.

### (VIII) Loan Distribution by Overdue Period

Unit: RMB 000

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage of total loans and advances (%)	Amount	Percentage of total loans and advances (%)
1 day-90 days overdue (inclusive)	3,904,637	0.51	4,263,345	0.56
91 days-360 days overdue (inclusive)	3,334,390	0.43	3,451,749	0.46
361 days-3 years overdue (inclusive)	3,270,013	0.42	2,847,734	0.38
3 years+ overdue	322,665	0.04	416,940	0.06
<b>Total</b>	<b>10,831,705</b>	<b>1.40</b>	<b>10,979,768</b>	<b>1.45</b>

As of the end of the reporting period, the Group's overdue loans totaled RMB 10.832 billion, accounting for 1.40% of total loans, a decrease of 0.05 percentage points from the end of the previous year. Overdue loans were primarily concentrated in the 1- to 90- day overdue range (inclusive), accounting for 0.51% of total loans, a decrease of 0.05 percentage points from the end of the previous year. The Group has implemented targeted control measures for overdue loans, carrying out collection efforts and disposal of non-performing loans through tiered and categorized approaches, while promptly adjusting resolution strategies in response to changes in risk. Overall, risks remain under control.

### (IX) Restructured Loans

Unit: RMB 000

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage of total loans and advances (%)	Amount	Percentage of total loans and advances (%)
Restructured loans	8,649,054	1.12	2,669,400	0.35

As of the reporting period, the Group's restructured loans totaled RMB 8.649 billion, accounting for 1.12% of the loan portfolio, up by 0.77 percentage points from the end of the previous year. For newly added restructured loans, the Group has strengthened "one account, one policy" management, strictly implemented post-loan management during the restructuring observation period, dynamically monitored changes in risk, and promptly adjusted management measures. For restructured loans showing signs of deteriorating risk, the Group has proactively planned follow-up disposal measures.

### (X) Changes in Loan Loss Reserve

Unit: RMB 000

Item	2025	2024
Opening balance	25,705,338	28,049,658
Accrual/(reversal) of the year	1,358,472	2,133,599
Transfers in/(out) of the year	-	-
Write-offs of the year	(3,987,024)	(4,852,918)
Recovery after write-off	1,268,835	374,999
Closing balance	24,345,621	25,705,338

### (XI) Debt Assets and Accrual of Impairment Provision

Unit: RMB 000

Category	December 31, 2025		December 31, 2024	
	Amount	Provision for Impairment	Amount	Provision for impairment
Houses and buildings	37,889	(21,597)	45,216	(17,425)

## V. Analysis of Capital Adequacy Ratio

### (I) Capital Adequacy Ratio

Unit: RMB 000

Item	December 31, 2025	December 31, 2024
Core Tier 1 Capital	129,973,653	125,816,071
Of which: Eligible portion of paid-in capital	9,644,444	9,644,444
Eligible portion of capital reserve	16,540,133	16,547,850
Surplus reserve	41,435,590	36,745,387
General risk reserve	16,332,963	15,354,359
Undistributed profits	39,608,122	37,149,792
Eligible portion of minority interest	2,067,915	1,979,660
Other	4,344,486	8,394,578
Other Tier 1 capital	275,689	263,489
Of which: Other Tier 1 capital instruments and premium	-	-
Eligible portion of minority interest	275,689	263,489
Tier 2 capital	20,809,880	20,231,396
Of which: Eligible amount of Tier 2 capital instruments and premiums	10,000,000	10,000,000
Excess loan loss reserve	10,258,404	9,706,389
Eligible portion of minority interest	551,476	525,008
<b>Total capital</b>	<b>151,059,222</b>	<b>146,310,956</b>
Less		
Core Tier 1 capital deduction	1,369,227	1,044,705
Net core Tier 1 capital	128,604,426	124,771,366
Other Tier 1 capital deduction	-	-
Net Tier 1 capital	128,880,115	125,034,855
Tier 2 capital regulatory deduction	-	-
<b>Net capital</b>	<b>149,689,995</b>	<b>145,266,251</b>
Risk-weighted assets	890,555,704	846,842,026
Of which: Credit risk-weighted assets	830,930,705	786,217,495
Market risk-weighted assets	11,179,912	12,676,409
Operational risk-weighted assets	48,445,087	47,948,122
Core Tier 1 capital adequacy ratio (%)	14.44	14.73
Tier 1 capital adequacy ratio (%)	14.47	14.76
Capital adequacy ratio (%)	16.81	17.15

Note: For more capital information, please refer to the *SHRCB FY2025 Pillar 3 Disclosure Report* disclosed on the Company's official website (<http://www.shrcb.com>).

### (II) Leverage Ratio

Unit: RMB 000

Item	December 31, 2025	December 31, 2024
Net Tier 1 capital	128,880,115	125,034,855
Adjusted on- and off-balance sheet assets	1,673,736,599	1,570,661,806
Leverage ratio (%)	7.70	7.96

### (III) Information on Various Risk Exposures

#### 1. On-and Off-Balance Sheet Credit Risk Exposure

The Company uses the weighted method to measure credit risk. As of the reporting date, the total credit risk exposure on a consolidated basis is detailed in the table below:

Unit: RMB 000

Item	Risk Exposure Before Mitigation	Risk Exposure After Mitigation
On-balance-sheet credit risk exposure	1,555,856,533	1,472,821,473
Off-balance-sheet credit risk exposure after conversion	70,649,070	53,946,829
Total	1,626,505,603	1,526,768,302

#### 2. Market Risk Exposure

The Company uses the simplified standard method to measure market risk capital. As of the reporting date, the Group's market risk capital using standardized approach under the consolidated criteria was RMB 894 million. the capital employed for specific risks is detailed in the table below:

Unit: RMB 000

Interest rate risk	Equity risk	Exchange rate risk	Commodity risk	Specific risk exposure of trading book securitization	Total
849,976	-	44,417	-	-	894,393

#### 3. Operational Risk Exposure

The Company uses the standardized approach to measure operational risk capital. As of the reporting date, the Group's consolidated operational risk capital requirement was RMB 3.876 billion.

#### 4. Other Risk Exposures

##### (1) Counterparty Credit Risk Exposure

The risk-weighted assets of the Company's counterparty credit risk exposure mainly include counterparty credit risk arising from derivative transactions and securities financing transactions. At the end of the reporting period, the Group's counterparty credit risk-weighted assets under the consolidated criteria amounted to RMB 2.044 billion.

##### (2) Bank Book Equity Risk Exposure

The Company's measurement of equity risk is in strict compliance with the relevant provisions of the *Capital Management Measures for Commercial Banks*, and the equity risk exposure of the bank book under the Group's consolidated definition is detailed in the following table:

Unit: RMB 000

Type of investee	December 31, 2025	
	Public trading risk exposure	Non-public trading risk exposure
Banking financial institutions	-	2,198,803
Non-banking financial institutions	-	11,500
Non-financial institutions	-	600,000
Total	-	2,810,303

Note: Public trading equity exposure refers to equity exposure where the investee is a listed company and non-public trading equity exposure refers to equity exposure where the investee is an unlisted company.

## VI. Operating Information of Business Segments

Please refer to *Note IX to the Financial Statements*.

## VII. Implementation of Development Strategy

During the reporting period, the Company focused on its 2023–2025 development strategy, steadfastly adhered to its three core strategies, established the "Five Major Financial Service Systems," maintained confidence, strengthened self-motivation, vigorously implemented key strategic priorities, and successfully completed the strategic tasks for this three-year cycle. The construction of the "Five Major Financial Service Systems" begun to yield results, and the Company continued to build a service-oriented bank that creates value for customers.

### (I) Market Position Steadily Improved, Brand Influence Continuously Expanded

By benchmarking against industry peers, the Company continuously improved the quality of its development. Key operational and management indicators showed sustained improvement. Economic performance metrics such as net profit, return on total assets (ROA), and return on equity (ROE) remained leading among rural commercial banks nationwide, and asset quality was at a relatively high level within the industry. **The Group's asset scale grew steadily**, exceeding RMB 1.5 trillion as of the end of the reporting period—up by RMB 306.3 billion from the start of the strategic period, representing a compound annual growth rate (CAGR) of 7.41%. **Profitability maintained strong resilience**; from 2023 to 2025, net profit attributable to shareholders reached RMB 12.1 billion, RMB 12.3 billion, and RMB 12.3 billion, respectively, with a CAGR of 3.90%. **Asset quality remained robust**, with the Group's non-performing loan ratio consistently maintained below 1% and the provision coverage ratio at a healthy level. **Capital adequacy levels remained strong**: as of the end of the reporting period, the Group's capital adequacy ratio stood at 16.81%, the Tier 1 capital adequacy ratio at 14.47%, and the core Tier 1 capital adequacy ratio at 14.44%. These figures consistently exceeded the capital requirements set by NFRA, remained at the high end of the industry, and indicated a relatively ample capital buffer.

#### As of the end of the reporting period

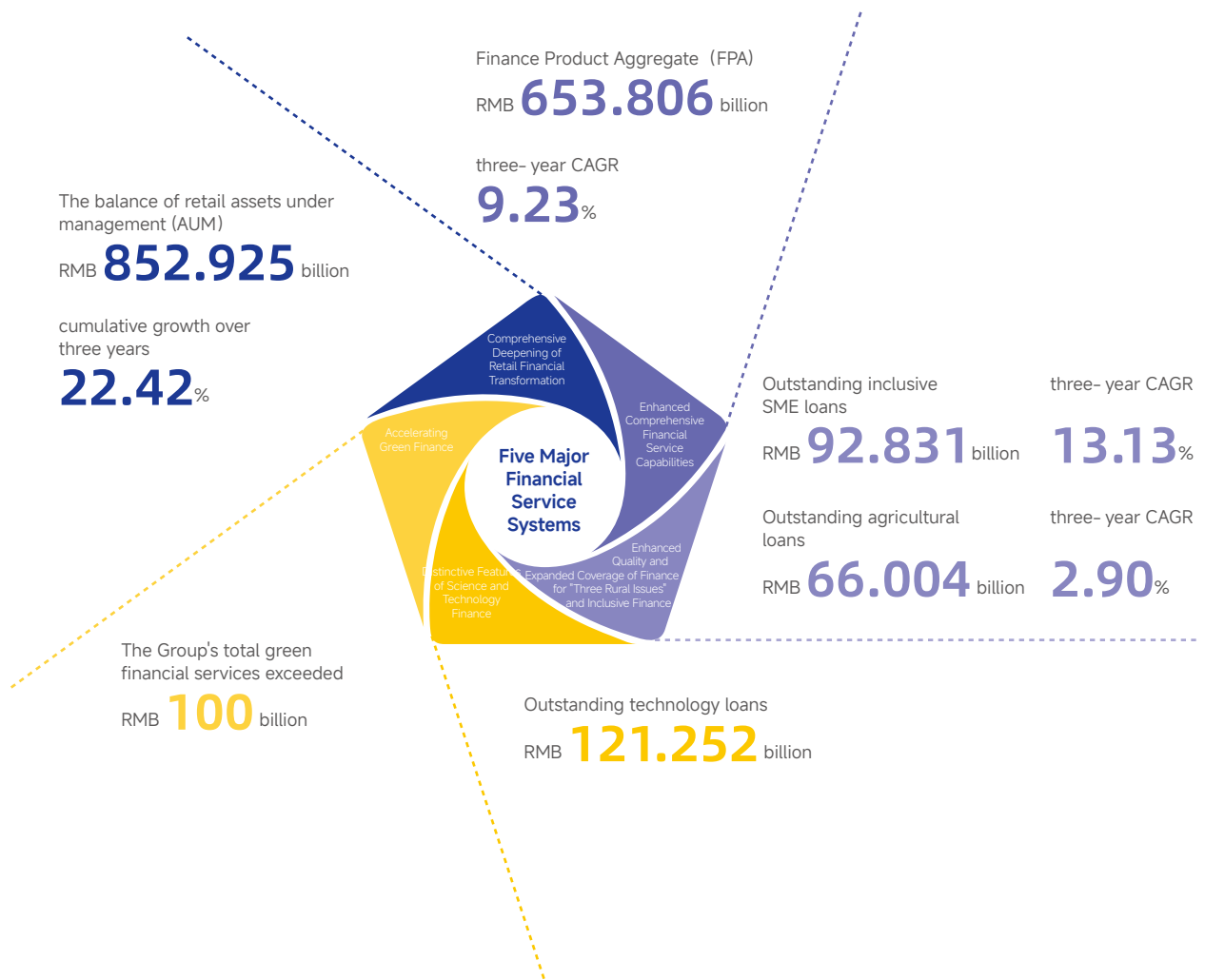
Three-year CAGR of asset scale

**7.41%**

Three-year CAGR of net profit attributable to shareholders

**3.90%**

(II) Initial Results of the Five Major Financial Service Systems



## Comprehensive Deepening of Retail Financial Transformation

The Company resolutely advanced the construction of the "Nine Systems" for retail finance<sup>7</sup>, adhering to a customer-centric approach. We deepened our engagement with key customer segments such as pension, payroll, and wealth management, focused on value creation, and comprehensively deepened the retail transformation from scale expansion to value creation. During the strategic period, the retail business achieved growth in both quantity and quality, providing a solid foundation for the Bank's high-quality development. At the end of the reporting period, the balance of retail assets under management (AUM) stood at RMB 852.925 billion, up by RMB 156.21 billion during the strategic period, representing a cumulative growth of 22.42% over three years. Revenue from personal banking continued to rise; by the end of the reporting period, it accounted for 40.29% of total revenue, up by 5 percentage points over the three-year period.

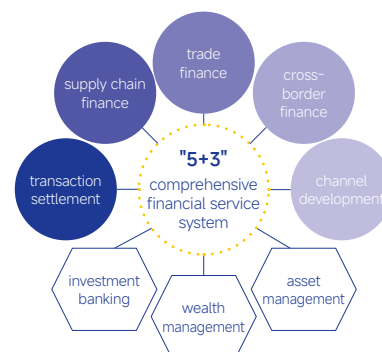
During the strategic period, the Company completed a strategic restructuring of its retail organizational system, establishing a "1+3"<sup>8</sup> collaborative business model centered on customer segment management, driving a fundamental shift in the business model from product-driven to in-depth customer engagement. Through the systematic implementation of a tiered and categorized strategy of "refining high-end segments, optimizing mid-tier segments, and solidifying the foundation," the Company, on the one hand, achieved steady expansion in the scale of high-value customer segments such as wealth management and private banking. The cumulative three-year growth rate for wealth management and private banking customers reached 22.63%, with their contribution to overall revenue significantly increasing; on the other hand, we established the "Six Specializations"<sup>9</sup> pension financial service mechanism, forming a pension service ecosystem comprising "offline outlets + online platforms + Xin Jia Yuan." The growth in the number of pension disbursements maintained the top position in the Shanghai region. The foundation of high-quality customers continued to be strengthened, laying a solid groundwork for the long-term growth of retail business.



## Enhanced Comprehensive Financial Service Capabilities

The Company continued to implement its strategic layout centered on a "comprehensive financial services system driven by transaction banking," aligning with Shanghai's development trajectory and serving national strategies. By closely integrating its business ecosystem with the customer's operational ecosystem, the Company advanced the construction of the "5+3"<sup>10</sup> system and steadily enhanced its comprehensive financial service capabilities. At the end of the reporting period, the Finance Product Aggregate (FPA) stood at RMB 653.806 billion, up by RMB 152.077 billion over the strategic period, representing a compound annual growth rate of 9.23% over three years.

The company adhered to a settlement-first philosophy. Leveraging the "Shixinshiyi" series of transaction banking products, we enhanced our comprehensive service capabilities for customers and drove the optimization of deposit costs through the deep integration of "settlement + products + scenarios." We focused on the in-depth development of the "Xinyi Treasury" business, driving the penetration of settlement services such as cloud-based multi-bank treasury and corporate cash management; built a supply chain finance ecosystem through a "four-pronged approach" of digital empowerment, industry-finance integration, ecosystem co-construction, and product innovation to create a new paradigm for supply chain finance; and implemented innovative M&A business scenarios by establishing an "M&A ecosystem" to provide comprehensive "financing + advisory + matchmaking" services; cross-border business grew rapidly, with breakthroughs in international operation; the next-generation international settlement system was launched, making the bank the first in the rural credit cooperative system to obtain direct participation qualifications for the Cross-border Interbank Payment System (CIPS); interbank finance continued to contribute value, agency business progressed steadily, custody qualifications was approved, and the scale of custody assets continued to increase. By the end of the strategic period, the interest rate on corporate deposits was reduced to 1.10%, a decrease of 39 BPs from the beginning of the period; the total transaction settlement for corporate customers increased by 4.55% compared to the same period last year.

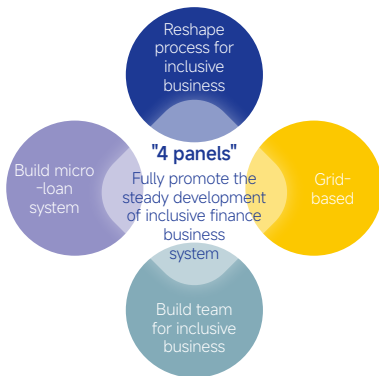


<sup>7</sup> The "Nine Systems" refer to the specialized operations system, customer management system, product and service system, channel development system, digital operation system, risk management system, team development system, performance evaluation system, and organizational operations system.

<sup>8</sup> The "1+3" collaborative business model refers to one retail finance headquarters and three profit centers: the Basic Customer Base Department, the Wealth Management and Private Banking Department, and the Personal Loan Business Department.

<sup>9</sup> "Six Specializations" refers to professional service managers, dedicated financial products, dedicated service channels, exclusive benefits, dedicated event spaces, and dedicated service manuals, providing systematic, personalized, and distinctive service solutions for the elderly customer base.

<sup>10</sup> The "5" refers to transaction settlement, supply chain finance, trade finance, cross-border finance, and channel development; the "3" refers to investment banking, asset management, and wealth management.



### Enhanced Quality and Expanded Coverage of Finance for "Three Rural Issues" and Inclusive Finance

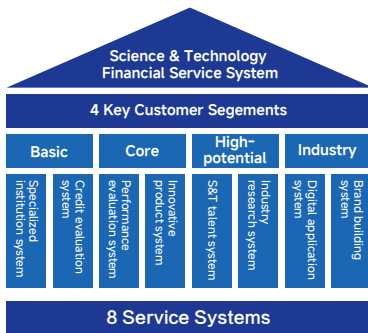
Centering on a customer-centric business philosophy and a comprehensive business strategy, the Company adhered to its business focus on Three Rural Issues, small and micro enterprises, science and technology innovation, and community residents. We built an inclusive financial service system rooted in Three Rural Issues, and fully advanced the steady development of inclusive finance through the establishment of "four task forces"<sup>11</sup>. As of the end of the reporting period, the Company's outstanding inclusive SME loans totaled RMB 92.831 billion, up by RMB 28.718 billion during the strategic period, with a three-year CAGR of 13.13%, ranking among the top in Shanghai; outstanding agriculture-related loans<sup>12</sup> stood at RMB 66.004 billion, with a cumulative increase of RMB 5.428 billion during the strategic period and a three-year CAGR of 2.90%, maintaining a leading position in the industry.

The Company deepened its inclusive micro and small business services, optimized inclusive business processes, and accelerated the digital transformation and iteration of inclusive products. During the strategic period, a Microloan Center was established, and the integrated development of inclusive microloans began to yield results. The grid-based service mechanism was advanced in depth, a specialized inclusive finance team was initially established, and vertical management along functional lines was continuously deepened. As of the end of the strategic period, the loan balance of the Microloan Center stood at RMB 2.364 billion, up by RMB 1.568 billion compared to the beginning of the strategic period.

### Distinctive Features of Science and Technology Finance

During the reporting period, the Company closely aligned with the requirements for building Shanghai's international science and technology innovation hub and the development needs of Shanghai's modern industrial system. We deepened our operational service capabilities for technology enterprises, optimized our portfolio of innovative technology finance products, and deepened innovative cooperation models in technology finance. We revitalized the "Xin Dong Neng" empowerment ecosystem, providing full-cycle support for new-quality productive forces—from technology commercialization to IPO guidance—and established ourselves as a service-oriented bank dedicated to creating value for technology enterprises. As of the end of the reporting period, the Company served 5,787 technology loan customers with a technology loan balance of RMB 121.252 billion<sup>13</sup>, achieving its three-year strategic target; the balance of intellectual property pledge loans stood at RMB 8.673 billion, serving 882 customers—representing nearly a tenfold and sixfold increase, respectively, over the past three years. Both the scale and number of customers ranked first in Shanghai for five consecutive years.

The Company closely followed the pulse of Shanghai's cutting-edge technology industries, continuously strengthened tiered management of key channels such as incubators and investment institutions, and enhanced support for the origins of technological innovation. It pioneered a "Donation+" cooperation model within the industry targeting early-stage innovation sectors such as university technology transfer, and jointly established a special technology transfer proof-of-concept fund with the University of Science and Technology Shanghai. To enhance the effectiveness of research-driven business support, we established the first Technology Finance Industry Research Institute in the sector. By integrating research with practical application, we deepened targeted customer acquisition along the industrial chain, effectively supporting business development, empowering end-to-end risk management, and scientifically cultivating professional talent.



<sup>11</sup> The "Four Task Forces" refer to the Inclusive Finance Business Process Reengineering Task Force, the Grid-Based Operation Task Force, the Microloan System Development Task Force, and the Inclusive Finance Team Building Task Force.

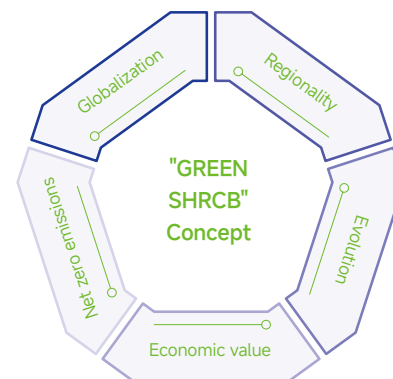
<sup>12</sup> Based on the adjusted statistical criteria for agriculture-related loans issued by the National Financial Regulatory Administration in 2025.

<sup>13</sup> The outstanding balance of technology loans and the number of technology loan customers as of the end of 2025 are calculated according to the latest regulatory criteria (Statistical Indicators for the Overall Statistical System of the "Five Major Financial Initiatives" (Shanghai Banking Circular [2025] No. 45)). The outstanding balance of technology loans, the number of technology loan customers, and the year-over-year change figures as of the end of 2024 have been retrospectively adjusted to align with these criteria. Technology loans include "loans to technology-based enterprises" and "loans to technology-related industries." Among these, technology-based enterprises are categorized using a list-based system, encompassing seven types of technology designations such as high-tech enterprises, technology-based small and medium-sized enterprises (SMEs), and specialized, refined, unique, and innovative SMEs; technology-related industries include four major sectors: high-tech manufacturing, high-tech services, strategic emerging industries, and intellectual property (patent)-intensive industries.

## Accelerating Green Finance

The Company actively implemented the national "dual carbon" goals, launched the "Lvxintongzhou" green finance brand, advanced the New Development Bank Green On-lending Program, optimized the environmental and social risk management system, strengthened green and digital infrastructure, and enhanced comprehensive ESG and green finance service capabilities. The scale of green finance loans ranked among the top in the rural commercial bank sector; the Company was successfully selected as one of Shanghai's first batch of green branches, and continued to build itself into the bank with the strongest green credentials in the Yangtze River Delta. As of the end of the reporting period, the Group's total green financial services exceeded RMB 100 billion<sup>14</sup>, with a green credit balance of RMB 68.757 billion<sup>15</sup>.

The Company continued to strengthen innovation in green financial products and services, launching pioneering initiatives such as the nation's first transition finance loan for the chemical industry and "insurance + transition finance" loans, as well as the city's first water rights pledge loan and climate loans, to support enterprises' low-carbon transitions. By utilizing green financial bonds and carbon emission reduction support tools to lower the cost of green credit, the Company introduced ESG-linked deposits/wealth management products, with its proprietary green bond holdings ranking first among rural financial institutions nationwide.



## (III) Continuous Improvement in Management Efficiency

The Company deepened its implementation of the "Focus on Execution, Strengthen Management, and Enhance Capabilities" initiative, continuously driving improvements in the quality and efficiency of management across the entire Bank. Digital transformation progressed steadily, a highly qualified and professional workforce was cultivated, organizational vitality was effectively stimulated, and resource allocation became more precise and professional.

**We firmly upheld the bottom line of risk and compliance.** During the strategic period, the Company continuously enhanced the systematic, professional, and forward-looking nature of its risk management system; improved the digital-driven comprehensive risk management and business analysis system; strengthened the Group's consolidated management system; accelerated the reengineering of the entire credit approval process; built a unified risk data mart and a comprehensive credit risk overview; established a credit risk monitoring, analysis, and management mechanism to support credit risk control; intensified monitoring in key areas; and strengthened the resolution of existing risks and the disposal of non-performing assets. We strengthened the top-level design of compliance and internal controls, revised compliance management systems, and improved the compliance management framework, promoted the standardization, systematization, and institutionalization of compliance and internal control work, established an integrated management mechanism for rectification, enhanced the quality and efficiency of rectification efforts, strengthened targeted accountability, deepened the application of AI in compliance areas, and continuously improved our ability to prevent and address issues before they arise.

**Business innovation empowered by technology.** During the strategic period, the Company steadfastly implemented its core digital transformation strategy, continuously deepened top-level design, and focused on the work path of "digitalization, data-driven operation, and intelligence." By prioritizing the integration of business and technology, we established a "joint+" working mechanism centered on "joint decision-making," "joint engagement," and "joint implementation" to support high-quality development. Data infrastructure capabilities continued to improve, with the overall automated reporting rate rising to 72.2%. The Bank successfully obtained DCMM Level 4 certification, becoming the first rural commercial bank in China to achieve this certification. A cluster of system projects—including corporate banking, retail banking, and trade finance—was implemented, and key digital transformation initiatives such as corporate marketing strategies and the "Zhixin" corporate WeChat operation management system went live. Research into new AI technologies was conducted, with pilot programs launched in high-value business scenarios; blockchain technology was innovatively applied to provide proactive credit facilities to over 1,000 high-quality small, medium, and micro enterprises in the Shanghai region.

**Organizational effectiveness was significantly enhanced.** During the strategic period, the Bank's organizational structure was refined to promote specialization; synergy and integration within the corporate banking segment were deepened; a dedicated technology finance business unit system was established; the organizational framework of the retail banking segment was upgraded; the interbank customer management system was improved and strengthened; a branch in the Lingang New Area was established; and the integration of operation and management in the Yangtze River Delta region was completed, effectively boosting organizational vitality and operational efficiency; the talent development system was established and refined, focusing on targeted empowerment and institutional support. We promoted the construction of a talent pool for the five major financial service systems—comprising "specialized, functional support, and critical shortage" roles—optimized talent assessment mechanisms, and strengthened the identification and retention of key, hard-to-find talent. During the strategic period, the employee structure continued to improve, with the proportion of highly educated staff increasing year by year and the average age of management personnel decreasing.

**Process management of capital efficiency was strengthened.** During the strategic period, the Company continuously refined its capital assessment and evaluation system, making rational use of pricing tools, pricing management, limit management, and performance evaluation to guide capital allocation toward business areas with higher returns. This promoted an effective balance between capital utilization and returns, increased internal capital accumulation, and laid a solid foundation for supporting high-quality development.

**Cost and expense control became more refined.** During the strategic period, the Company continuously enhanced the precision of its financial management. By strengthening budget discipline, advancing financial digitalization, and optimizing business processes, the Company improved the efficiency of resource allocation; refined budget management mechanisms and optimized budget control strategies to ensure resource allocation for key strategic areas; achieved digital transformation in finance by leveraging technology to increase automation in financial operation, established online, tiered financial approval workflows, enhanced systematic financial risk management capabilities, and conducted detailed cost aggregation and analysis. These efforts facilitated the transition of financial management from efficiency improvement to value creation. We comprehensively reviewed business processes and reduced daily operational costs through measures such as process reengineering, centralized management, and market-oriented operation, thereby driving cost reduction and efficiency gains.

<sup>14</sup> Green financial services include green credit, on- and off-balance-sheet green bond investments, green bond underwriting, and green leasing.

<sup>15</sup> The balance of green credit is calculated in accordance with the statistical criteria set forth in the "Notice of the Shanghai Branch of the People's Bank of China on Forwarding the Adjustment of Special Statistical Content for Green Loans" (Shanghai Banking Circular [2025] No. 21).

## VIII. Business Overview

### (I) Retail Finance

The Company has consistently adhered to a "customer-centric" approach, focusing on value creation, deepening retail transformation, and accelerating the application of digital and intelligent technologies. During the reporting period, the customer base continued to strengthen, and significant progress was made in optimizing the profit structure, achieving simultaneous growth in scale, profitability, and competitiveness. As of the end of the reporting period, retail AUM stood at RMB 852.925 billion, up by RMB 57.606 billion compared to the end of the previous year, representing a growth of 7.24%. The number of personal customers (excluding credit card customers) reached 26.4014 million, up by 1.6692 million compared to the end of the previous year, representing a growth of 6.75%. The structure of RMB savings deposits continued to improve, with the interest payout rate decreasing by 41 BPs compared to the end of the previous year.

#### Key Indicators of Retail Finance Business (Partial)

Unit: RMB 000

Dimension	Item	2025 December 31	2024 December 31	Change from the previous year (%)
Scale	Retail AUM	852,924,593	795,318,400	7.24
	- Savings AUM balance	601,503,427	560,188,277	7.38
	- Non-Savings AUM balance	251,421,166	235,130,123	6.93
	Outstanding personal loans (excluding credit cards)	191,424,003	193,408,299	-1.03
	- Outstanding mortgage loans	109,587,136	103,915,602	5.46
	- Outstanding balance of non-mortgage loans	81,836,867	89,492,698	-8.55
	Pension disbursements	4,711	4,218	11.69
Customers	Number of personal customers (excluding credit card customers) (Unit: 10,000 accounts)	2,640.14	2,473.22	6.75
	- Wealth and private banking customers (Unit: 10,000 accounts)	112.67	106.30	5.99
	Number of pension disbursement customers (Unit: 10,000 accounts)	135.59	127.51	6.33
	Number of users on personal online channels (Unit: 10,000 accounts)	688.45	649.63	5.98

#### Tailored Strategies to Strengthen the Retail Customer Base

The Company has refined its value proposition while serving the broader strategic objectives, continuously increasing resource allocation, expanding its service reach, and steadily raising the proportion of regional business. We provide diversified services centered on residents' "financial + non-financial" needs. By deepening tiered and segmented customer management strategies, we have consistently strengthened our overall customer base and achieved key breakthroughs in managing high-value customer segments such as wealth management and pension disbursement customers, thereby realizing rapid, synchronized growth in both customer scale and comprehensive value contribution.

**Deepening wealth management and private banking operation.** Focusing on value creation, we have enhanced our capabilities in full-lifecycle asset allocation and holistic solution planning for customers; established a differentiated product portfolio system; optimized digital and intelligent tools to precisely match the needs of different customer segments; and leveraged resources from the Group, the Company, inclusive finance, and technology finance to implement an integrated business model, providing high-net-worth customers with comprehensive services covering both corporate and personal financial needs. As of the end of the reporting period, the number of wealth management and private banking customers increased by 5.99% compared to the end of the previous year, maintaining a steady growth trend overall.

**Enhancing professional management capabilities for the elderly customer segment.** Accelerating the high-quality development of pension finance, we have established the "Shanghai Model of Finance for the Elderly" centered on "three initiatives"<sup>16</sup>, striving to become the bank of choice for elderly customers in Shanghai. We have advanced tiered, categorized, and differentiated elderly-friendly services, a specialized product matrix, and the co-construction of a pension ecosystem, dedicated to providing one-stop comprehensive services for the elderly; we have established a senior-friendly service channel network, with over 350 outlets across the city, including more than 100 specialized senior-focused outlets and the opening of Shanghai's first social security-themed bank. We have explored the cultivation of talent in senior financial services, assembled a team of 100 senior service managers and established a talent pool for senior financial services as well as a postdoctoral workstation. We have focused on the theme of "elderly care in a major city" to enhance our comprehensive financial and non-financial service capabilities. As of the end of the reporting period, the number of pension disbursement customers increased by 80,700 compared to the end of the previous year, representing a 6.33% growth, while the amount of pension disbursements rose by 11.69% year-over-year; AUM for customers aged 60 and above grew by 8.82% compared to the end of the previous year. During the reporting period, the Company received numerous national accolades, including the China Banking Association's "Tianji Award" for Pension Financial Services, garnering high recognition from both the industry and the market.

<sup>16</sup> The "Three initiatives" refer to: "Building a bank that offers warmer financial services for the elderly and a more compassionate customer experience; building a bank that resolves the urgent needs and concerns of the elderly with a strong sense of social responsibility; and building a bank that enhances the quality of life for the elderly with a deep commitment to supporting them."



Focusing on the payroll disbursement customer base, the Company has continued to deepen its corporate service capabilities, driving the transformation and upgrading of corporate-private collaboration toward an integrated service model. Through the integration of service resources, the Company has provided corporate customers and their employees with a more personalized, one-stop payroll management and wealth planning experience, continuously enhancing its capabilities in customer acquisition and business operation at the source. As of the end of the reporting period, the average payroll disbursement per payroll customer increased by 2.07% compared to the end of the previous year, while the average retail AUM per payroll customer rose by 9.41%, marking steady progress in our capabilities for aggregating payroll funds and managing assets.

Focusing on the trade union card customer base, the Company has strengthened internal and external coordination and cross-industry cooperation, reaching deep into industrial parks, office buildings, and enterprises to precisely deliver diversified non-financial service packages and "1+N" financial service packages to employees. Through scenario-based and customized service innovations, the Company has built multi-dimensional employee care service scenarios to enhance employees' quality of life and sense of fulfillment. As of the end of the reporting period, the Company issued 6.3779 million Trade Union Member Service cards (debit card) cumulatively, representing a 2.40% increase from the end of the previous year.

Exploring intensive management of core customer segments, the Company has utilized digital tools to pioneer new models for managing corporate and WeChat private domains, focusing on expanding the scope of customer service and establishing an intensive management pathway characterized by "broad outreach—intelligent identification—conversion of potential—delivery of value."

### Deepening Focus on Two Core Businesses: Wealth Management and Personal Loans

Facing a complex market environment, the Company has focused on its two core businesses—wealth management and personal loans. Through product innovation, structural optimization, and precise pricing, it has achieved steady growth in scale, significantly improved its revenue structure, and continuously enhanced the stability of business development and profit resilience. Through effective management of liability costs and differentiated risk-pricing capabilities, the decline in retail deposit-loan spreads has been slower than that of industry peers. Meanwhile, business structure optimization has yielded remarkable results: medium- and long-term deposits have continued to shift toward short-term deposits and non-deposit assets, while the contribution of fee income from wealth management has steadily increased, collectively driving up the proportion of net revenue from personal banking.

The wealth product system has undergone a tiered upgrade, transitioning from "product sales" to "asset allocation." The Company has established a tiered product portfolio under the "Anxiang Wealth" brand, covering the full spectrum of needs—from "liquid asset management, conservative allocation, aggressive investment, to comprehensive protection." By focusing on omnichannel deployment, key customer segments, and specific application scenarios, we continued to enrich our product offerings, providing customers with more comprehensive wealth allocation options. In terms of agency product sales, the Company actively expanded channel partnerships, resulting in significant growth in the scale of agency products. Notably, insurance sales maintained a leading position in the Shanghai region, while the scale of agency wealth management products achieved leapfrog growth, more than doubling compared to the end of the previous year. We deepened our asset allocation capabilities and leveraged digital and intelligent tools to guide customers in transitioning from single-product deposits to diversified portfolios. At the end of the reporting period, the AUM of retail non-deposit assets stood at RMB 251.421 billion, up by RMB 16.291 billion or 6.93% compared to the end of the previous year, with the scale continuing to expand.



**Retail lending focuses on high-quality assets and scenario penetration, achieving a dynamic balance between risk and return.** In the real estate mortgage loan business, the Company has actively adapted to new changes in the supply-demand dynamics of the real estate market, adhered to the principle of prudent operation, and established an integrated business model linking "real estate developer financing, sales, and customer service" to drive steady growth in mortgage business. During the reporting period, the disbursement of personal housing mortgage loans increased by 15.00% year-over-year. At the end of the reporting period, the balance of real estate mortgage loans stood at RMB 109.587 billion, up by RMB 5.672 billion or 5.46% compared to the end of the previous year. **Regarding non-real estate mortgage loan business,** the Company has actively responded to national policies promoting consumption, developing products that meet consumer needs centered on daily life scenarios such as clothing, food, housing, and transportation; proactively managed the scale of internet lending, adhering to a differentiated "one platform, one policy" approach that prioritizes compliance to maintain stable operational quality and efficiency; simultaneously, increased credit support for automobile consumption, particularly for new energy vehicles. At the end of the reporting period, the outstanding balance of non-mortgage loans stood at RMB 81.837 billion, with the balance of green auto loans surging by 181% compared to the end of the previous year, providing robust financial support for regional green development.

### Enhancing the Productivity of the Retail Finance Team

Through "forward-looking talent planning, targeted professional empowerment, and mechanism-driven reform," we have provided a solid talent foundation and support for the high-quality development of retail business, ensuring that talent development and business transformation advance in tandem. We have further refined the staffing configurations for teams including outlet managers, wealth management advisors, retail customer managers, and product managers, while accelerating the establishment of teams for elderly care service managers and retail customer managers (direct operation), continuously optimizing the professional structure. We have established a competency development mechanism that is "measurable, scalable, and replicable," scientifically develop competency models and evaluation tools for key teams, and advance differentiated training and development strategies. We have conducted tiered and categorized competency training, actively incorporated AI-enabled empowerment models, achieved comprehensive coverage of retail team development, ensured effective competency growth, and steadily increased labor productivity. We have actively explored ways to effectively transform "talent management" into "business momentum", established a standardized job classification system, refined mechanisms for personnel grading, promotion, and appointment that allow for both upward and downward mobility, and gradually built a talent profiling system covering the entire employee career cycle. We have strengthened the value loop of growth, contribution, and recognition, and improved the talent development ecosystem.

### Building a New Paradigm of Digital and Intelligent Operation

We have deepened our digital and intelligent transformation, achieving a systematic leap from tool application to intelligence-driven operation, and from business support to value creation. We have successfully built a three-dimensional, integrated omnichannel service network comprising "offline smart outlets, online digital platforms, and community ecosystem touchpoints." By focusing on resolving core pain points and eliminating key bottlenecks, we have actively explored AI application scenarios, resulting in significant improvements in service capabilities and operational efficiency.

**Comprehensively upgrading the customer experience,** we have continuously optimized the intelligence of mobile banking, and deepened video banking scenarios. Leveraging marketing strategy systems to systematically advance automated and scenario-based strategy deployment, we have coordinated multi-channel collaboration to effectively enhance our ability to understand customer needs, further improve customer satisfaction, and strengthen customer loyalty.

**Operational efficiency has been significantly enhanced** through the establishment of the "Zhixin" corporate WeChat platform, which facilitates centralized service connection for core customers. Leveraging the "Zhangxin APP," we have upgraded our mobile sales tools to empower frontline service teams to improve quality and efficiency. We have achieved a paradigm shift from experience-driven to data- and algorithm-driven operation; a precision marketing system supported by the "Smart Brain" has taken shape, substantially improving customer reach and conversion rates; the asset allocation system precisely addresses customers' personalized needs, while integrating AI coaching applications to comprehensively enhance the team's professional service capabilities.

**Management foundations have been continuously strengthened.** We have developed "Banke," a one-stop retail work platform, to digitize the entire business process and improve the real-time data visualization and analysis system, using data to drive process visualization and refined management. Intelligent risk management has been reinforced by refining the online processes of the retail anti-fraud platform and the intelligent risk monitoring system, ensuring precise control and prevention while enhancing the customer experience; through multi-dimensional segmentation, we have continuously advanced the development, iteration, and optimization of risk control models and strategies for retail loans, building more precise, agile, and intelligent risk identification and pricing capabilities. This has effectively increased the speed of risk identification and the accuracy of risk prevention, thereby fortifying the business's security defenses.

## (II) Corporate Finance

The Company closely follows national strategies and regional development plans, adhering to four major corporate finance strategic orientations: "a comprehensive financial service system driven by transaction banking; an inclusive financial service system rooted in Three Rural Issues, a technology financial service system characterized by science and technology innovation finance; and a sustainable financial service system underpinned by green finance." We continue to strengthen our service to the real economy, consolidate our customer base, innovate business models, enhance technology-driven capabilities, and improve the quality of specialized operation. As of the end of the reporting period, the Company had a total of 335,200 corporate customers; the balance of corporate loans stood at RMB 514.25 billion, up by RMB 24.56 billion compared to the end of the previous year, representing a growth of 5.02%, with corporate loans in suburban areas accounting for 61.66% of the total; the balance of corporate deposits stood at RMB 511.014 billion, up by RMB 28.626 billion (+5.93%) from the end of the previous year, with corporate deposits in suburban areas accounting for 55.95% of the total; the interest rate on corporate deposits was reduced to 1.10%, a decrease of 26 BPs from the end of the previous year.

## Key Indicators of Corporate Finance Business (Partial)

Unit: RMB 000

Dimension	Item	2025 December 31	2024 December 31	Change from the previous year (%)
Scale	Total corporate customer FPA	653,806,479	630,446,137	3.71
	-Non-loan FPA	169,850,272	166,949,062	1.74
	Outstanding corporate loans	514,249,566	489,689,119	5.02
	- Outstanding loans to the manufacturing sector	99,993,291	97,124,219	2.95
	- Outstanding loans to private enterprises <sup>17</sup>	297,076,757	297,821,075	-0.25
	- Outstanding technology loans <sup>18</sup>	121,251,645	107,456,951	12.84
	- Outstanding agricultural loans <sup>19</sup>	66,004,383	64,433,210	2.44
	- Outstanding inclusive SME loans	92,830,585	86,608,003	7.18
	- Outstanding green credit <sup>20</sup>	68,757,308	62,302,755	10.36
	Balance of Corporate Deposits <sup>21</sup>	511,013,762	482,387,448	5.93
Customers	Number of corporate customers (Unit: 10,000) <sup>22</sup>	33.52	34.54	-2.95
	- Active corporate settlement customers (account)	45,062	45,387	-0.72
	- Number of manufacturing loan customers (account)	4,662	4,602	1.30
	- Number of technology loan customers (account) <sup>23</sup>	5,787	5,281	9.58
	- Number of inclusive SME loan customers (Unit: 10,000)	5.96	5.20	14.50

### Deepening Integrated Management of Key Customer Segments

The Company implements the "ONE SHRCB" integrated business philosophy, breaking away from the traditional "silo" model centered on single products or departments. Instead, we have shifted to a systematic approach focused on the full lifecycle value and ecosystem of our customers, restructured our corporate customer system, clearly defined five tiers: strategic customers, mid-tier customers, inclusive finance customers, microloan customers, and long-tail customers, and implemented differentiated marketing strategies and management approaches, integrating "financing + intelligence" and bridging the gaps between "corporate banking + retail banking, inclusive finance + retail banking, commercial banking + investment banking, local currency + foreign currency, and onshore + offshore" to form a comprehensive financial services system. We have established cross-line and cross-departmental task forces and agile teams to ensure agile capture of customer needs and systematic improvement in overall service efficiency.

We drive the qualitative upgrade of strategic customer management by implementing a "headquarters-to-headquarters" top-level coordination mechanism to elevate marketing standards and efficiency, ensuring rapid response to customer needs; we streamline service channels to foster deep integration across corporate finance, retail finance, and interbank markets, thereby establishing an "integrated" service model; elevate our service perspective by focusing on key enterprises and major projects, actively participating in livelihood initiatives such as urban renewal and the redevelopment of urban villages, supporting the development of platform-based and headquarters-based enterprises, and enhancing the service capabilities of Shanghai's "Five Centers"; advance the development of strategic customer asset management at the head office level, guiding the evolution of bank-enterprise relationships from single-business cooperation toward a comprehensive, long-term strategic ecosystem of mutual benefit.

Focus on key customer segments in sectors such as science and technology innovation, green industries, manufacturing, cross-border trade, and rural development; implement tiered and categorized customer strategies; and provide "one account, one policy" with key products and comprehensive service plans to effectively achieve business objectives for these key segments; leveraging the "100 Parks, 10,000 Enterprises" initiative to deepen services for private enterprises, we have further strengthened ties with industrial parks and intensified targeted support for private enterprises, striving to provide more comprehensive, efficient, and high-quality financial services to the private sector. As of the end of

<sup>17</sup> In accordance with the statistical criteria of the National Financial Regulatory Administration, this includes loans to privately held enterprises and personal business loans, but excludes bill discounting.

<sup>18</sup> The outstanding balance of technology loans and the number of technology loan customers as of the end of 2025 are calculated in accordance with the latest regulatory criteria (Statistical Indicators for the Overall Statistical System of the "Five Major Articles" (Shanghai Banking Circular [2025] No. 45)). The outstanding balance of technology loans, the number of technology loan customers, and the year-over-year change figures as of the end of 2024 have been retrospectively adjusted to align with these criteria.

Technology loans include "loans to technology-based enterprises" and "loans to technology-related industries." Among these, technology-based enterprises are classified using a catalog system, encompassing seven categories of technology designations such as high-tech enterprises, technology-based small and medium-sized enterprises (SMEs), and specialized, refined, unique, and innovative SMEs; technology-related industries include four major sectors: high-tech manufacturing, high-tech services, strategic emerging industries, and intellectual property (patent)-intensive industries.

<sup>19</sup> In accordance with the adjusted statistical criteria for agriculture-related loans issued by the National Financial Regulatory Administration in 2025, the figures as of the end of 2024 and the year-over-year change calculations have been retrospectively adjusted to align with these criteria.

<sup>20</sup> In accordance with the statistical criteria set forth in the "Notice of the Shanghai Branch of the People's Bank of China on Forwarding the Adjustment of Special Statistical Content for Green Loans" (Shanghai Banking Circular [2025] No. 21), the figures as of the end of 2024 and the year-over-year changes have been retrospectively adjusted to align with these criteria.

<sup>21</sup> Includes margin deposits and other corporate deposits.

<sup>22</sup> During the reporting period, the number of corporate customers decreased by 10,200 compared to the end of 2024; 13,200 new corporate accounts were opened; and 24,200 accounts were closed, of which 11,300 were due to the centralized cleanup of enterprises deregistered or revoked by the Administration for Market Regulation, accounting for 47% of the total closed accounts.

<sup>23</sup> The adjustment to the statistical scope is the same as in Footnote 18.



the reporting period, the outstanding balance of loans to private enterprises (excluding bill discounting) was approximately RMB 232 billion, and loans to private enterprises accounted for nearly 64% of new corporate loans disbursed during the year. We have continued to advance head-to-head cooperation with chambers of commerce from other regions operating in Shanghai and optimized our engagement mechanisms with business associations. By the end of the reporting period, we had established connection with 478 business associations, conducted over 12,000 visits and engagement sessions with member enterprises throughout the year, acquired 453 new customers, and extended credit facilities totaling nearly RMB 220 billion to member enterprises of these associations.

### Steadily Advancing Comprehensive Financial Services

The Company continues to deepen the development of a comprehensive financial services system driven by transaction banking, building the "Shixinshiyi" transaction banking brand. We continuously construct a "5+3" comprehensive financial services ecosystem encompassing transaction settlement, supply chain finance, trade finance, cross-border finance, electronic channels, investment banking, asset management, and wealth management to empower the high-quality development of the real economy.

**Integrating into regional development to support the real economy.** We have increased financial support for housing projects such as urban renewal and the renovation of urban villages. We actively serve urban renewal projects in Huangpu and Hongkou, and participate in the renovation of urban villages in Qingpu and Songjiang, as well as the redevelopment of historic and cultural districts in Jiading New City. These efforts help safeguard basic living standards and promote sustainable urban development; implementing the Shanghai Municipal Government's strategic deployment for the "Five New Towns" initiative, we have strengthened credit support for new town construction. During the reporting period, the outstanding corporate credit facility in the "Five New Towns" regions reached RMB 121.189 billion, with 5,979 accounts holding credit facilities. We have continued to implement the "100 Days, 100 Towns" special campaign, driving town and village development through a multidimensional approach combining "finance, resources, and services" to strengthen the foundation of town-village cooperation. By the end of the reporting period, the Bank had a total of 420 town and village credit projects—up by 95 from the beginning of the year—with cumulative credit facilities totaling RMB 61.26 billion and disbursements during the reporting period amounting to RMB 12.73 billion. We have restructured the acceptance business process and launched the "Instant Acceptance" product, achieving industry-leading standards. As of the end of the reporting period, the cumulative number of discounting customers reached 1,292, with a bill acceptance balance of RMB 19.808 billion, a bill discounting amount of RMB 111.757 billion, a bill discounting turnover rate of 248%, and revenue from direct bill discounting and resale totaling RMB 485 million.

**Upgrading services to strengthen the foundation of transaction banking.** Focusing on the development of the "Xinyi Treasury" business, we have created convenient, flexible, intelligent, and efficient online services. We have upgraded treasury-level solutions to help municipal and district state-owned enterprise customers build centralized, standardized, and intelligent treasury management systems; multi-bank treasury services have expanded rapidly, with 13 major service centers and mobile platforms effectively enhancing service capabilities and improving the customer experience; we have launched intelligent reconciliation services integrating business and finance, empowering various scenarios such as urban governance, public services, government fund supervision, and smart office operation; comprehensively revamped cash pooling services to support diverse fund management needs, including interbank fund concentration, temporary transfers, and end-to-end online processing; managed "collective funds, assets and resources" through business-finance integration, a panoramic view, and direct bank-to-agriculture connection, supporting the digital and intelligent transformation of rural collective economies. By the end of the reporting period, the total transaction settlement amount for corporate customers increased by 4.55% year-on-year, with corporate electronic channel transaction amount reaching RMB 3.1 trillion.

**Four-pronged approach to reshaping supply chain financial services.** Strengthening technology-driven capabilities, we have built transaction-scenario-based embedded supply chain financial services and embraced blockchain technology to achieve direct data connectivity with the Shanghai Human Resources and Social Security Bureau's migrant worker wage system, the Municipal Commission of Housing and Urban-Rural Development's bidding platform, and platforms of state-owned and centrally administered enterprises. Leveraging the regulatory sandbox, we have innovated a fully online, contactless business model for supply chain-affiliated enterprises, boosting operational efficiency by over 300%; we have also established and launched the China Securities Depository and Clearing Corporation's intelligent duplication-checking system, significantly improving business processing efficiency and customer response times. Leveraging big data and artificial intelligence, the system performs automated comparisons and consistency checks on key elements, upgrading processes from "manual-driven" to "machine-driven" to improve processing efficiency. It enhances the identification and early warning of anomalies such as duplicate financing, promotes proactive risk prevention, standardized control, and traceability, and further solidifies the foundation for the refined operation and steady development of supply chain finance business. Leveraging big data-driven automated approval models, we have developed industry-leading small-value, scenario-based letter of guarantee products. During the reporting period, we serviced over 7,000 letter of guarantee projects.

**Elevating service capabilities to reshape the landscape of M&A finance.** We have deepened cooperation with M&A buyer customer groups, successfully implemented Shanghai's first batch of non-resident M&A loans in the Lingang New Area, and continued to participate in key M&A projects of municipal state-owned enterprises; we have continued to support the M&A and restructuring needs of high-quality technology companies, with M&A loans to tech firms accounting for over 40% of the total; we have established an "M&A ecosystem" with partner institutions, focusing on channels such as securities firms headquartered in Shanghai, industrial capital, and private equity funds to provide comprehensive "M&A loans + M&A advisory + M&A matchmaking" services. During the reporting period, the number of new M&A customers increased by 38% year-over-year, and new M&A loan disbursements grew by 56% year-over-year.

**Process innovation has continuously enhanced trade finance support capabilities.** We have launched Phase IV of the new international settlement system project, completed the final phase of its construction, and rolled out Foreign Exchange Funds Business 2.0, rebuilding the corporate online banking functions for foreign exchange customer fund transactions. By leveraging technology and product innovation to precisely meet corporate needs, we have effectively reduced corporate operating costs and comprehensively empowered market entities to achieve high-quality development. Through trade finance products such as domestic letters of credit, international letters of credit, and primary market forfaiting, we actively tailored comprehensive transaction banking service solutions for customers based on their trade backgrounds. During the reporting period, primary market forfaiting transactions reached RMB 17.528 billion, up by 6.04% year-on-year.

**We have deepened the development of our industry ecosystem and expanded the reach of our cross-border services.** As one of the first financial institutions to launch the "Shanghai Trade Batch Loan" program, we have introduced the "Foreign Trade Express Loan" online lending product, adding RMB as a financing currency. Leveraging the "government-bank-insurance" coordination mechanism and utilizing Fintech to empower the real economy, we have provided low-cost credit funds to small, medium, and micro foreign trade enterprises without requiring additional collateral or guarantees, thereby supporting the broader goal of stabilizing foreign trade; we have strengthened interbank cooperation and, in response to customer needs, launched new cross-border remittance products such as "Xinyi Fresh Express" and "Xinyi Multi-Currency Pass," providing more efficient and flexible settlement services to help foreign trade enterprises reach global markets and seize business opportunities; leveraging the Bank's status as a direct participant in CIPS, we have focused on cultivating the ecosystem of intermediary clearing banks, providing professional, efficient, and convenient cross-border RMB agency clearing services to domestic small and medium-sized urban and rural commercial banks, foreign banks, and financial institutions worldwide with such needs. By the end of the reporting period, we had completed the registration and account opening processes for 15 domestic small and medium-sized urban and rural commercial banks and foreign-funded legal entity banks as intermediary clearing banks, and officially commenced providing agency clearing services to them, thereby continuously enhancing our cross-border RMB clearing service network and capabilities.

**We have diversified our business portfolio and product lines, with assets under custody continuing to grow.** The Company has actively responded to market changes, vigorously promoted the expansion of asset custody business, and continuously improved its product lines and service capabilities. We have established partnerships with over 60 financial institutions, including fund companies, securities firms, and trust companies, successfully introducing and operating a diverse range of custody products such as public mutual funds, fund company asset management plans, securities firm asset management plans, standardized trust plans, and asset securitization. We have successfully launched our first equity-based public fund product, first ESG product, and first futures asset management plan, achieving sound business development. We have continuously strengthened our end-to-end compliance and risk control system to ensure the safe and stable operation of our business. By the end of the reporting period, the scale of our custody business had steadily grown to RMB 85.1 billion, and our comprehensive service levels for customers continued to improve, laying a solid foundation for the long-term development of our business. In the asset management sector, we have established a two-way business link between "funds" and "assets," promoting synergy and integration across multiple business lines. Through strategies such as using investment to drive deposit growth, underwriting, and custody services, we have enhanced our comprehensive service capabilities and continued to create value for customers.

### Improving System Development and Strengthening Team Management

Focusing on the capabilities of corporate finance account managers, the Company has established a three-pronged empowerment system comprising "mechanisms, platforms, and courses." For the first time, we have developed a credit due diligence curriculum tailored to key customer segments and implemented a "tailored evaluation" mechanism for each corporate finance account manager to hone their professional capabilities; we have established a closed-loop "training-examination-evaluation" management model to strengthen innovation capabilities in key positions. By implementing a points-based evaluation system for marketing team leaders, we ensure "measurable performance, disciplined conduct, and clear competency profiles," driving a shift in human resource allocation from "static management" to "dynamic optimization."

### Strengthening Marketing Management to Drive Digital Transformation

**Empowering marketing management through digital technology.** The Company has fully leveraged "technology + intelligence" to build a penetrative, full-cycle marketing supervision system, implementing data-driven and intelligent supervision; established a new corporate marketing strategy system to precisely execute multiple marketing scenarios—such as retaining funds during holidays, identifying newly registered enterprises, and tracking fund transfers between accounts with the same name—while automatically detecting customer behavior and pushing task leads; strengthening marketing analytics, we have achieved visual tracking and multi-dimensional evaluation of marketing activities through features such as automated weekly reports, grid maps, and customer journey management; we have reshaped opportunity management to enable the assignment, creation, and automated determination of opportunities by the system, thereby improving the closed-loop process. By digitally empowering marketing process management, we have achieved a paradigm shift from "manual-driven" to "intelligent-driven" operation.

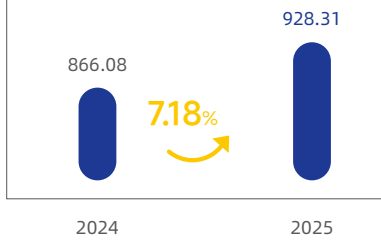
**Digital-empowered system development.** For the corporate channel system cluster, we have completed Phase 1 of the One SHRCB system construction, fully integrating business capabilities and achieving data interoperability between corporate online banking and mobile banking; the online penetration rate for channel products and services has reached 100%. According to CFCA evaluations, our corporate online banking ranks among the top in provincial rural banking sectors and has been recognized as a "pioneering case" for corporate online banking user experience. **Transaction banking system cluster:** Focusing on five major corporate treasury customer segments across multiple banks, we have launched 13 specialized service centers. By upgrading tailored treasury service solutions centered on treasury management and direct bank-to-agriculture connection, we have precisely matched and comprehensively covered scenario-based needs, revitalizing the corporate cash management system and continuously expanding the asset pool to meet customers' needs for mobilizing liquid assets. **The bill business system cluster** has introduced new online products such as "Xinmiaocheng," optimized acceptance processes, and reduced transaction processing time by 67%. It has broken through the constraints of trading hours and methods at bill exchanges, enabling 24/7 bill business services and batch bill disassembly and endorsement services.

### Inclusive Finance

During the reporting period, the Company remained committed to serving the real economy, adhered to its business strategy of "focusing on small and diversified businesses," promoted the high-quality and sustainable development of inclusive finance, and accelerated the improvement of the inclusive finance system. As of the end of the reporting period, the Company's balance of inclusive loans to small and

**Outstanding Inclusive SME Loans**

Unit: RMB 100 million



micro enterprises stood at RMB 92.831 billion, representing a 7.18% increase from the end of the previous year; the number of inclusive SME loan customers reached 59,600, a 14.50% increase from the end of the previous year. The scale of inclusive finance achieved steady growth, with customer coverage expanding in both scope and quality, and the depth and breadth of the "focusing on small and diversified businesses" business strategy significantly enhanced. During the reporting period, the weighted average interest rate on newly issued inclusive SME loans was 3.98%, remaining at a reasonable level. Meanwhile, closely aligning with the national strategy of rural revitalization, the Company continued to broaden the scope of its agricultural support and benefit services. As of the end of the reporting period, the Company's outstanding balance of agriculture-related loans<sup>24</sup> stood at RMB 66.004 billion, representing a 2.44% increase from the end of the previous year. Focusing on an agriculture-related ecological layout, the Company leveraged financial resources to precisely empower the modernization of the agricultural industry. Business disbursements in agriculture-related scenarios exceeded RMB 2.5 billion during the year, injecting robust financial momentum into rural revitalization.

**We have improved the inclusive finance management system to drive development.** By strengthening top-level design, we have implemented national and regulatory policies on inclusive finance, established a robust institutional framework, and promoted the transition of inclusive finance from scale expansion to high-quality, sustainable development. We have optimized resource allocation by continuously increasing support for inclusive micro and small business loans, refined a multi-dimensional and differentiated performance evaluation system, and fully stimulated the intrinsic motivation of frontline staff to serve inclusive finance. We have continuously optimized the inclusive financial product portfolio to enhance the customer experience, actively implemented seamless loan renewal policies, improved the efficiency of capital rollovers for small and micro enterprises, and reduced overall financing costs. During the reporting period, the cumulative amount of principal-free loan renewals exceeded RMB 47 billion, benefiting nearly 6,000 enterprises, with the proportion of principal-free loan renewals in inclusive finance rising to 75%.

**We have expanded channels and deepened management of inclusive finance customer segments.** We have actively implemented the financing coordination mechanism for small and micro enterprises to comprehensively expand customer acquisition channels, achieving full coverage of catalogue enterprises and providing tiered, categorized, and targeted services. We have upgraded and launched the Inclusive Customer Segment Management Special Campaign ("Partner Plan") 3.0, systematically establishing a complete customer conversion framework encompassing non-borrowers, borrowers, active accounts, and high-value accounts. We have formulated an integrated payroll disbursement promotion strategy, precisely pushing out the "Three Lists," effectively enhancing the comprehensive contribution of payroll settlement services, and deepening cooperation with municipal guarantee agencies to drive innovation. As of the end of the reporting period, the Bank's municipal guarantee business balance stood at RMB 16.311 billion, with the cumulative business volume over the years remaining among the highest in the industry; specifically, the cumulative scales of innovation guarantees and agricultural guarantees both ranked first. The Bank successfully implemented the city's first principal-free loan renewal under the innovation guarantee program, the first government procurement guarantee loan, and the first "fixed-asset loan for facility agriculture" under the agricultural guarantee program.

**We have vigorously advanced finance for Three Rural Issues.** By improving institutional safeguards, strengthening the financial ecosystem for this customer base, and empowering the development of rural collective economies, we have supported the comprehensive revitalization of rural areas. We have introduced special subsidy policies for agriculture-related loans, ensuring that financial resources are prioritized for the agricultural sector. We have provided in-depth support for the high-quality development of our agricultural customer base, made every effort to expand financial coverage for new types of agricultural business entities, and focused on key areas such as germplasm and seed sources to innovate agricultural financial products and services. By the end of the reporting period, the credit coverage rate for leading agricultural industrialization enterprises at both the municipal and district levels exceeded 40%, and the account coverage rate for farmers' professional cooperatives was nearly 80%. We have expanded into the agricultural technology sector, innovatively establishing a service system for agricultural technology enterprises. By coordinating resources from multiple stakeholders—including government, research institutions, and platforms—we have empowered technological innovation and the commercialization of research outcomes. By the end of the reporting period, credit facilities had been extended to 135 agricultural technology enterprises, with an outstanding loan balance of RMB 2.026 billion. We have accelerated the city-wide rollout of direct bank-to-agriculture link functions and fully supported the construction of the municipal rural collective "funds, assets and resources" management system.

**We have deepened the development of the grid-based financial service system.** We have optimized and upgraded the grid-based financial service work plan and formulated a business plan for whole-village credit-based consumer scenarios to meet the small-amount, flexible, and convenient consumer finance needs of members of collective economic organizations. We have piloted the appointment of dedicated product managers for Three Rural Issues, to professionally and focusedly drive the deepening and solidification of financial services for these sectors within our jurisdiction. We have continued to improve the rural credit evaluation system, standardized the assessment system and procedures for credit-worthy villages and towns, revised the *SHRCB Credit-Worthy Village (Town) Assessment Management Measures*, and intensified efforts to designate credit-worthy villages and build credit-worthy households. By the end of the reporting period, 101 new credit-worthy villages were designated, bringing the cumulative total to 369 credit-worthy villages and 10 credit-worthy towns (townships).

**We have deepened the development of the micro-loan system to drive integrated growth.** We have preliminarily established a dual-driven marketing management system combining "physical grids" and "industry grids." Through "channel penetration, specialized product offerings, and micro-level service delivery," we have fully leveraged the advantages of localized operation and continued to strengthen the effective leadership of industry-specific clusters in customer acquisition. We have continued to optimize the operational model of microloan centers, advancing the integrated development of "head office direct operation + branch management." By deeply engaging with local markets and continuously extending our reach to serve local inclusive finance customer segments, the number of branches integrating microloan services increased from 2 to 6, establishing a replicable model for the integration of inclusive finance and microloans. Through cross-selling between microloan and traditional business lines and complementary product offerings, we have achieved a mutually reinforcing synergy between traditional and microloan operation. During the reporting period, the Company added over 600 new first-time microloan customers, with new first-time microloan credit facilities exceeding RMB 600 million, and an average ticket size of RMB 1.33 million.

**We have strengthened the inclusive finance talent pool and build professional capabilities.** We have deepened vertical management across business lines in parallel and introduced management guidelines for inclusive finance account managers to standardize the entire process of "selection, appointment, training, retention, and termination." We have accelerated the development of the micro-loan system to drive integrated growth, facilitated a smooth transition of employees between professional tracks, and broken down departmental barriers. Leveraging the "Three-Education System," we have established the Inclusive Finance Academy and thoroughly implemented training programs such as "Xinbing," "Xinxing," and "Xinshi" to build a full-cycle training chain covering all levels; established a dynamic mechanism for optimizing productivity and efficiency to ensure that professional development effectively translates into a leap in production capacity.

**We have advanced digital transformation to build an intelligent ecosystem.** We have enhanced the service capabilities of the unified

<sup>24</sup> In accordance with the adjusted statistical scope for agriculture-related loans issued by the National Financial Regulatory Administration in 2025.

inclusive finance channel centered on the "Aixinrong" mini-program. Twelve inclusive finance products now support online application, disbursement, and repayment, resulting in a significant increase in user numbers and average online time. The online submission rate for municipal guarantee business materials reached 90%, with user stickiness and retention rates steadily improving. We have optimized inclusive finance business processes, piloted online signing of corporate electronic contracts, and promoted the use of electronic documentation for corporate credit services. This has significantly reduced paper documentation by 60%, while the end-to-end circulation of electronic images improved approval efficiency. We have continued to deepen the application of external big data from tax, industrial and commercial, judicial, and property registration sources to enrich the granularity of customer profiles and enhance the accuracy of intelligent risk control.

## Science and Technology Finance

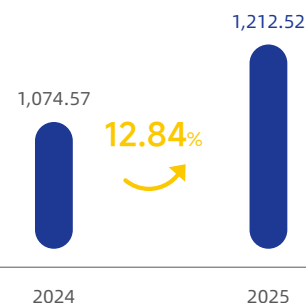
Adhering to the service philosophy that "promoting science and technology innovation is promoting the future," the Company fully implements the strategic requirements for Shanghai's International Science and Technology Innovation Center to accelerate its transformation into a "high-functioning" hub. By closely aligning with the cutting-edge industrial layout of Shanghai's core science and technology innovation zones, the Company has established a technology finance service system characterized by science and technology innovation finance. During the reporting period, the Company focused on advancing efforts across multiple dimensions, including deepening customer relationship management for technology finance customers, strengthening professional support through industry research, revitalizing the technology finance empowerment ecosystem, innovating the technology finance product system, and enhancing the development of the technology finance team, thereby continuously improving its professional and comprehensive service capabilities in technology finance. As of the end of the reporting period, there were 5,787 technology loan customers, with a technology loan balance of RMB 121.252 billion<sup>25</sup>.

**We have continued to consolidate our operation across the four major technology finance customer segments.** The Company has focused on targeting high-potential startup enterprises, serving high-quality early-stage technology companies by deepening engagement with customer acquisition channels such as incubators, investment institutions, co-working spaces, and university science parks, while continuously optimizing product and service solutions. During the reporting period, a cumulative total of 987 enterprises were served through incubators and investment institutions. We have strengthened support for science and technology innovation hubs by pioneering the "Donation+" service model—a collaborative initiative with major Shanghai universities and high-quality science and technology investment institutions—through charitable donations. We have also established a dedicated proof-of-concept fund for technology transfer in partnership with the University of Science and Technology of China to build an ecosystem for technology commercialization. **We have steadily expanded our core customer base in industrial parks** by promoting the innovative "Park + Enterprise + Bank" service model centered on Shanghai's key science and technology innovation zones. We have continued to advance the "Lingang Park Sci-Tech Loan 4.0" initiative. By the end of the reporting period, the Company had provided credit support to nearly 1,200 enterprises in the Lingang Industrial Park, with cumulative disbursements exceeding RMB 12.5 billion. **We have continued to deepen engagement with the core "Specialized, Refined, Unique, and Innovative (SRUI) customer base,** focusing on high-tech enterprises, SRUI SMEs, and SRUI "Little Giant" enterprises, and implementing a "one company, one policy" approach. As of the end of the reporting period, the number of SRUI SME customers stood at 2,348, with an outstanding loan balance of RMB 44.663 billion, representing year-on-year growth of over 158% and 86% in the past three years. The number of SRUI "Little Giant" enterprise customers reached 273, with an outstanding loan balance of RMB 9.92 billion, reflecting year-on-year growth of over 127% and 91% in the past three years. **We have focused on penetrating the customer base of industry leaders,** concentrated on Shanghai's key industries, and deeply engaged in major projects of state-owned enterprises to enhance our comprehensive service capabilities for industry leaders, listed technology innovation companies, and other top-tier enterprises. As of the end of the reporting period, the Bank had served approximately one-third of Shanghai's unicorn enterprises and over 40% of its "Single Champion" enterprises in the manufacturing sector.

**We have deepened the professional support provided by industry research.** We have further optimized the management and application mechanisms for industry research, promoting standardization and results-oriented approaches in industry research work to effectively support business development and empower end-to-end risk control. By focusing on strategic emerging and cutting-edge industries, the Company has achieved notable results in mapping key industry landscapes, serving high-quality technology enterprises, innovating industry-specific products, and monitoring risks in critical sectors. This was accomplished through more scientific sector selection, more standardized work requirements, more effective coordination between headquarters, branches, and sub-branches, and more professional internal and external collaborative research. Meanwhile, through industry research, the Company is dedicated to building a specialized, multidisciplinary team capable of understanding industries, engaging with scientists, and addressing the pain points of entrepreneurs, thereby ensuring the steady and sustainable development of tech finance.

### Outstanding Technology Loans

Unit: RMB 100 million



**鑫科快贷**  
鑫有期“贷”速享未来

线上申请，科技型企业成长加速器

**准入条件** 高新技术企业、企业技术中心、专精特新企业等科技型企业，近三年中国创新创业大赛市赛立项（含国赛入围）企业。

**授信方案**

- 授信额度最高达2000万
- 授信期限长达3年

**产品优势**

- 线上申请快速到账
- 高效快捷审批快贷
- 自主提款循环使用

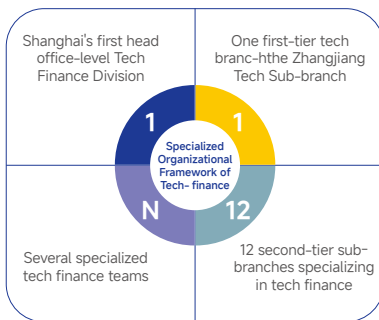
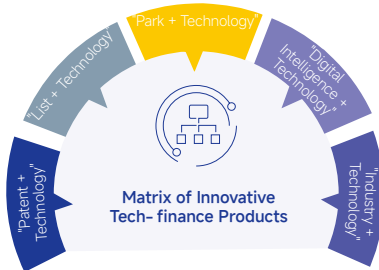
\*请向上海农商银行各营业网点或客服热线021-962999，咨询以本行实际审批的授信额度及授信品种为准。

<sup>25</sup> As of the end of 2025, the outstanding balance of technology loans and the number of technology loan customers were calculated in accordance with the latest regulatory criteria (Statistical Indicators for the Overall Statistical System of the "Five Major Articles" (Shanghai Banking Circular [2025] No. 45)). The outstanding balance of technology loans, the number of technology loan customers, and the year-over-year change figures as of the end of 2024 have been retrospectively adjusted to align with the same criteria.

Technology loans include "loans to technology-based enterprises" and "loans to technology-related industries." Among these, technology-based enterprises are categorized using a catalogue system, encompassing seven types of technology designations such as high-tech enterprises, technology-based small and medium-sized enterprises (SMEs), and specialized, refined, unique, and innovative SMEs; technology-related industries include four major sectors: high-tech manufacturing, high-tech services, strategic emerging industries, and intellectual property (patent)-intensive industries.

**Revitalizing the tech finance empowerment ecosystem.** During the reporting period, the Company closely adhered to the core philosophy of "Five Specialized Services + Six- Dimensional Empowerment"<sup>26</sup>, focusing on the diverse "financial + non- financial" comprehensive needs of "Xin Dong Neng" customers, continued to deepen, solidify, and refine the six- dimensional empowerment system, providing "Xin Dong Neng" customers with precise and efficient, companion- style empowerment services. We launched the "Xin Dong Neng+" online empowerment platform, the industry's first open empowerment ecosystem platform dedicated to technology enterprises and the core vehicle for our systematic delivery of empowerment services. By integrating high- quality ecosystem resources, we have successfully connected over 100 professional institutions, including investment firms, industrial parks, incubators, securities companies, and tax firms. Through an open and shared ecosystem service model, we have continued to inject new momentum into the growth of technology enterprises and the innovation and upgrading of industries. As of the end of the reporting period, the "Xin Dong Neng" platform had 1,245 customers, including over 160 listed companies and nearly 100 pre- IPO companies in the coaching and filing stage, demonstrating significant achievements in the tiered cultivation of science and technology enterprises.

**Optimizing the matrix of innovative tech- finance products.** The Company drives product innovation and optimization from a "customer perspective," refining its product lines based on the metrics of "enterprise potential + technological value + business scenarios" to align with the development patterns and growth needs of technology enterprises. The **"Patent + Technology"** approach promotes the commercialization and application of patents; during the reporting period, the Company received the "Shanghai Intellectual Property Finance Work Outstanding Contribution Award" (the highest honor) and the "Shanghai Intellectual Property Finance Work Pioneering Innovation Award" (the only award- winning bank) from the Shanghai Intellectual Property Finance Service Alliance. **"List + Technology"** drives services for high- quality enterprises, launching dedicated product series such as the SRUI Loan and the "Single Champion" Loan, thereby establishing a systematic cultivation mechanism for SRUI enterprises. **"Park + Technology"** drives the clustering of technology industries, optimizing and iterating the Lingang Park Sci- Tech Innovation Loan product, innovating the "Star- Based Loan Approval" access model, and implementing mechanisms for joint project evaluation and joint enterprise incubation. **"Digital Intelligence + Technology"** drives the transformation of credit processes, launching the "Xinke Express Loan 2.0" online product to enable online credit limit assessment and online disbursement under a revolving loan model. **"Industry + Technology"** drives product innovation in niche sectors, introducing industry- specific solutions such as the AI "Smart Driving Loan," the space equipment "Satellite and Rocket Loan," and the elderly care industry "Integrated Medical and Elderly Care Loan."



**Strengthening the development of specialized tech finance teams.** The Company has established a "1+12+N" specialized organizational framework centered around Shanghai's key industrial clusters. We have established Shanghai's first head office- level Tech Finance Division, set up one first- tier tech branch—the Zhangjiang Tech Sub- branch—12 second- tier sub- branches specializing in tech finance, and several specialized tech finance teams. The Company operates 3 tech sub- branches officially registered with regulatory authorities, ranking first among peers in Shanghai in terms of the number of such branches. We have established a dual- track mechanism comprising a "specialized organizational structure + open training platform." Internally, we are strengthening the development of our industry research institute and talent pool for technology finance. Externally, we are innovating a collaborative talent development model involving government, industry, academia, and research institutions to cultivate "venture capital- style" thinking and industry insight. This approach aims to build a dedicated team of technology finance professionals capable of spanning front- , middle- , and back- office, with expertise in industry research, product innovation, and ecosystem integration. Supported by three distinctive mechanisms— customized performance evaluations, centralized approval processes, and error tolerance and liability exemption—we foster a talent development environment that encourages "the courage, willingness, and ability to lend," thereby stimulating the team's intrinsic motivation and innovative vitality.

<sup>26</sup> "Five Specialized Services" refers to a dedicated approval mechanism, exclusive financial products, a professional service team, specialized service plans, and a dedicated benefits system; "Six-Dimensional Empowerment" refers to six dimensions: industrial resource integration, policy resource alignment, introduction of investment institutions, professional guidance and consulting, talent management services, and technology transfer empowerment.

## Green Finance

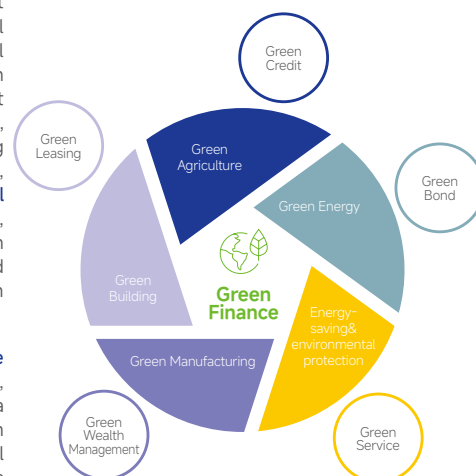
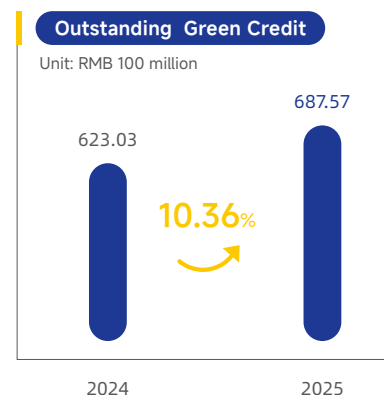
The Bank actively implements the directives of the CPC Central Committee and the State Council regarding the proactive and steady advancement of carbon peaking and carbon neutrality, and the development of green finance. Guided by the *SHRCB 2021-2025 Green Finance Development Strategy* and the *SHRCB Work Plan for Carbon Peaking and Carbon Neutrality during the 14th Five-Year Plan Period* as its dual pillars, the Bank positions green finance strategy as a key driver of high-quality development and continues to deepen the comprehensive development of green finance. We focus on five core sectors—green agriculture, green energy, energy conservation and environmental protection, green manufacturing, and green construction—and provide green financial services across five business areas: green credit, green bonds, green services, green wealth management, and green leasing. As of the end of the reporting period, the scale of the Bank's green financial services continued to expand, with the Group's total green financial services exceeding RMB 100 billion<sup>27</sup>. Specifically: the balance of green loans stood at RMB 68.757 billion<sup>28</sup>, representing a 10.36% increase from the end of the previous year, primarily supporting major municipal and district-level green projects in Shanghai such as centralized fishery-solar complementary projects, wind power facilities, and green data centers. On-balance-sheet green bond investment balances stood at RMB 16.596 billion, up by 9.10% from the end of the previous year; off-balance-sheet wealth management investments in green bonds totaled RMB 2.510 billion, up by 7.54% from the end of the previous year; and green lease balances reached RMB 17.720 billion<sup>29</sup>, up by 26.08% from the end of the previous year.

**Focusing on key green customer segments, we continue to optimize the structure of green finance. We have strengthened services for "foundational green" customers** by utilizing green monetary policy tools—such as green financial bonds and carbon emission reduction support instruments—to channel credit funds toward green sectors including green IDC, environmental infrastructure, and energy infrastructure. In collaboration with third-party professional institutions, we have carried out capacity-building initiatives such as green credit certification support, transition loan assessment, and application for inclusion in green finance project databases, thereby supporting the construction of multiple major projects at the national, municipal, and district levels. As of the end of the reporting period, the Company's outstanding green loan balance in the infrastructure green upgrade sector exceeded RMB 44 billion, solidifying the foundation for green credit scale. **We have innovatively supported "industrial green" customer segments** by refining operational procedures for sustainability-linked loans, water rights pledge loans, and green factory loans, while conducting research into green energy sub-sectors such as distributed photovoltaic and energy storage. We have developed green finance service plans for green industries, prioritizing support for green energy, green manufacturing, and energy conservation and environmental protection sectors.

**We have strengthened our quantitative assessment capabilities to actively address climate change.** The Company has actively promoted the upgrading of customers' Environmental, Social, and Governance (ESG) management systems, focusing on establishing a comprehensive, multi-dimensional ESG evaluation model covering the entire industry. Through tiered classification and leveraging opportunities for cooperation with international multilateral institutions, we have explored refined ESG risk management models for customers. We have continued to deepen carbon accounting for our own operation and investment and financing activities, continuously optimizing methodologies to cover Scopes 1, 2, and 3 emissions, with industry-leading levels of measurement and disclosure. We have persistently employed a bottom-up approach to conduct climate transition risk stress tests, proactively assessing our ability to address climate risks under the "Dual Carbon" goals.

**Innovating green financial products and enhancing the green finance brand.** During the reporting period, the Company developed a series of pioneering products, including Shanghai's first water rights pledge loan, Shanghai's first "Climate Loan" business, the Bank's first aviation industry transition finance loan, and the innovative "Xinyi ESG" corporate wealth management product system, thereby continuously improving the effectiveness of green financial services. We launched the "Lvxitongzhou" green finance brand, and three of our branches were selected as part of Shanghai's first batch of green branches under the standards set by the Financial Regulatory Bureau.

**Talent development drives the growth of our professional team.** The Company has established a comprehensive talent development system for green finance professionals to enhance competitiveness in this field. We have formulated implementation rules for the



<sup>27</sup> Green financial services include green credit, on- and off-balance-sheet green bond investments, green bond underwriting, and green leasing.

<sup>28</sup> Based on the statistical criteria set forth in the "Notice of the Shanghai Branch of the People's Bank of China on Forwarding the Adjustment of Special Statistical Content for Green Loans" (Shanghai Banking Circular [2025] No. 21).

<sup>29</sup> Based on the statistical criteria set forth in the "Notice of the Shanghai Branch of the People's Bank of China on Forwarding the Adjustment of Special Statistical Content for Green Loans" (Shanghai Banking Circular [2025] No. 21).

green finance talent pool, establishing full-cycle management protocols covering "access, training, incentives, and exit," thereby laying the institutional foundation for the standardized operation of the core talent pool. We have designed the first curriculum system for the green finance talent pool, categorizing learning requirements based on job functions and selecting the first cohort of members. Through multiple parallel initiatives, we have intensified training and outreach efforts, conducting over 2,400 training sessions during the reporting period to continuously enhance the entire bank's understanding of green finance.

**Technology serves as the engine driving the leap forward in green finance management.** The Company actively embraces the digital economy, focusing on core scenarios such as management systems, and leverages system development and data applications to empower the healthy development of business operation. We have upgraded the green intelligent identification model to support identification and classification in accordance with the latest regulatory requirements, enhancing the efficiency and accuracy of green asset recognition. This has equipped business expansion with an "intelligent engine," helping to uncover more potential green finance opportunities. We have developed auxiliary functions such as mobile applications and OCR, significantly improving daily operational efficiency and comprehensively enhancing the quality and effectiveness of green finance management. We have launched modules such as customer ESG ratings and carbon accounting systems, further accelerating the digital and intelligent transformation of green finance.

### (III) Financial Markets and Financial Institution (FI) Business

During the reporting period, the Company's financial markets business centered on a "trading + agency" dual-core strategy. Facing a complex macroeconomic and financial environment, the business maintained a steady pace in asset-liability allocation, strengthened the optimization of investment and trading strategies, and strived to enhance the operational efficiency of core businesses while providing diversified financial support for key sector projects. Efforts were also focused on advancing the development of the FI customer management system, deepening business synergy both within and outside the Group, and improving the quality and efficiency of comprehensive financial services; We iteratively upgraded the functionality of customer-managed products, expanded product categories, and strengthened strategic support to create value in areas such as liquidity management and service synergy.

#### Agency Business

**The number of active customers in the agency business has grown steadily.** During the reporting period, the Company focused on optimizing the management and service system for agency products, building the "Xinxiangying" agency brand, and enhancing customer loyalty through high-quality services. **Regarding RMB agency business:** First, we covered three major product systems—quotation-based, liability-based, and hedging-based—to enrich the existing product matrix and improve the quality and efficiency of customer service. Through a series of measures, such as launching the SHRCB Brand Gold, expanding the range of counter bond investment products, and adding corporate counter bond pledge functions, we enriched customers' investment, financing, and guarantee channels and methods, thereby enhancing product competitiveness and the user trading experience. Second, to meet customers' diverse needs for investment, financing, and risk hedging, we regularly published product strategy research reports and market analysis to strengthen support for investment strategy services. During the reporting period, the number of active customers for the Company's RMB agency products increased by over 80% year-over-year. **Regarding foreign exchange agency business,** the Company actively promoted the concept of exchange rate risk neutrality, improved the foreign exchange agency product system, and worked to encourage corporate customers to hedge exchange rate risks through foreign exchange derivatives. During the reporting period, the trading volume of the Company's foreign exchange derivative products reached USD 4.763 billion, representing a year-over-year increase of 5.47%.

#### FI Business

**FI business serves as a "synergy engine."** During the reporting period, the Company continued to expand the breadth and depth of its FI cooperation, solidifying its comprehensive financial service capabilities. **First,** we accelerated comprehensive cooperation with FI customers, signing strategic cooperation agreements with Guotai Haitong, Shenwan Hongyuan, and Orient Securities, and bringing together more than 40 financial institutions to host a customer exchange event in the Yangtze River Delta region. This initiative deepened cooperation among financial institutions and fostered a collaborative ecosystem characterized by the sharing of regional financial resources and complementary strengths. **Second,** we shifted FI cooperation from isolated breakthroughs to comprehensive collaboration. By leveraging complementary licensing advantages, we continued to provide mutual business empowerment in areas such as industrial customer acquisition and employee services for FI customers, thereby maximizing the utility of FI resources. During the reporting period, the number of industrial customers referred by industry peers increased by over 10% year-on-year. **Third,** we deepened the development of the industry ecosystem around cross-border business, upgraded marketing strategies, conducted mutual visits with foreign peer institutions to explore business cooperation potential across multiple sectors, and focused on maintaining and expanding our global correspondent banking network. As of the end of the reporting period, the total number of the Company's global correspondent banks stood at 632, continuing to maintain a leading position within the domestic agricultural finance system.

#### Investment and Trading

**Optimized asset-liability management and increased support for key sectors.** During the reporting period, the Company's proprietary investment and trading operation adhered to a long-term perspective and upheld a prudent business philosophy. **First,** we remained committed to the fundamental mission of financial services supporting the real economy, continuously increasing support for key sectors such as green finance, science and technology innovation, Three Rural Issues, as well as the local economy of the Yangtze River Delta. Notably, the scale of our green debt financing instruments ranked first among domestic rural financial institutions. **Second,** we actively responded to the market environment characterized by low interest rates and high volatility, strengthening forward-looking analysis of market trends. By dynamically selecting optimal sector rotations and product structures based on internal and external conditions, we balanced the defensive nature of our accounts with strategic flexibility, driving a steady increase in comprehensive returns. **Third,** we earnestly fulfilled our duties as a Primary Dealer in open market operation, a spot market maker in the interbank bond market, a pilot market maker for RMB foreign exchange, and an underwriter of government bonds and policy financial bonds. We effectively facilitated liquidity transmission and market-making pricing, and repeatedly participated in the underwriting of thematic bonds such as those for "Supporting National Reserve Forest Construction," "Supporting Shanghai's Stabilization of Foreign Trade and Promotion of Development," and "Supporting Autumn Grain

Procurement in Northeast China," thereby demonstrating our commitment to social responsibility. **Fourth**, we proactively integrated into innovations in the capital markets, participating in numerous "first-of-its-kind" and "first-batch" transactions, including the inaugural trading of China Bond's centralized bond lending business, the first-day trading of new standard interest rate swap contracts, and the trading of new physical-delivery standard bond forward contracts; we established the "Shanghai State-Owned Enterprises High-Grade Credit Bond Basket," which was recognized as the Exchange's Monthly Active Basket. We launched the market's first "Shanghai State-Owned Enterprises Preferred Bond Index" and the first structured deposit product linked to this index, guiding market resources to enhance state-owned asset allocation in the Shanghai region. We also launched the market's first structured deposit product linked to the Yangtze River Delta daily temperature index, which was honored as one of the "Top Ten Cases of Green Financial Innovation in the 3rd Pudong Green Finance Innovation Awards."

## Asset Management

During the reporting period, the Company's asset management business operated steadily. Grounded in a customer-centric perspective and the principle of suitability, we continuously refined our product portfolio, refined investment strategies, strengthened our professional investment research capabilities, and enhanced risk management standards, maintaining a steady growth trajectory. As of the end of the reporting period, the Company had 347 active wealth management products with a total scale of RMB 156.524 billion, and the wealth management products has maintained a 0% principal loss record.

**Guided by our "inclusive and senior-friendly" positioning, we have refined our product portfolio.** We have continued to strengthen the supply of inclusive and senior-friendly products characterized by stability and low volatility, comprehensively covering needs ranging from short-term liquidity management to medium- and long-term steady appreciation, thereby offering middle-aged and elderly wealth management customers more stable product options. The "Anxiang" series maintained a 100% redemption rate, effectively meeting the stable investment needs of our core customer base. Meanwhile, the Bank has actively embraced the "new era" of asset allocation in a low-interest-rate environment, proactively developing a "fixed income +" multi-asset, multi-strategy product line. It has launched its first hybrid "Xinxiang Diversified Allocation" series, which adheres to a balanced and prudent investment philosophy. By rebalancing risk and return, these products provide customers with diversified wealth management tools.

**We have deepened our focus on differentiated operation to support key industries.** We have actively implemented the "Five Major Articles", identifying and expanding investment opportunities and support in areas such as inclusive finance, green finance, and technology finance. Under the "Xinyi ESG" corporate wealth management product framework, we offered dedicated thematic wealth management products to help enterprises improve their ESG performance through differentiated financial services; we launched our first "Excellence Weekly" ESG-themed product, prioritizing strictly screened ESG assets such as green bonds, carbon-neutral assets, and social responsibility bonds to reinforce the delivery of green and low-carbon value.

During the reporting period, leveraging its comprehensive strengths in wealth management and professional asset management capabilities, the Company was honored with the "Yinghua Award" in China Banking Wealth Management, the "Golden Bull Award" from China Fund News, and the "Jinyu Award" from Puyi Standard, among others. In total, the Company received 15 awards from 9 institutions, reflecting the industry's high recognition of the Company's wealth management business development and enhancing the market brand image of Xinyi Wealth Management.

## Strengthening Professional Development and Driving Team Growth

We have comprehensively enhanced the strategic support, market competitiveness, and innovation-driven capabilities of the financial market and FI business teams. **First**, we have deepened investment research capabilities and enhanced asset allocation efficiency by continuously advancing the establishment of a specialized and standardized investment research system. This enabled forward-looking assessments of interest rate cycles and sector rotations, improving the timing and selection ability; strengthened credit analysis and yield spread analysis to ensure the absolute returns and margin of safety of investment portfolios; and built a systematic fund research and evaluation system to provide core decision-making support for selecting high-quality underlying assets; refined the multi-asset strategy toolkit, strengthened strategy research, and improved the asset allocation efficiency of wealth management products; **second**, restructured the organizational framework for FI customer management by establishing a new FI Customer Department (a secondary department) within the Financial Markets Department to lead business operation, while simultaneously advancing the development of specialized teams to continuously enhance comprehensive service capabilities for FI customers and elevate FI business from "single-transaction cooperation" to "comprehensive value co-creation."

## (IV) Fintech

During the reporting period, the Company steadily advanced the *SHRCB 2023-2025 Digital Transformation and Fintech Development Strategy* to ensure its successful completion. The Fintech organizational framework represented by the "1+1+1+10+N" model<sup>30</sup> and the "Integration+" working mechanism centered on the "Three Joins" have been fully implemented. Organizational and institutional innovations have effectively ensured the implementation of the work guidelines of "upholding bottom lines, strengthening management, and promoting development." Digital transformation has been fully integrated into the construction of the "Five Major Financial Service Systems," solidifying the foundation for business operation management and intelligent risk control across the entire industry.

During the reporting period, the Company's investment in technology continued to grow. As of the end of the reporting period, investment in IT reached RMB 1.439 billion, up by 7.79% from the end of the previous year. The number of full-time Fintech personnel stood at 948, accounting for 10.16% of the total workforce, representing a 4.87% increase from the end of the previous year. The Company holds 25 software copyrights and 5 national patents, including 3 invention patents. During the reporting period, the Company received the People's Bank of China Fintech Development Award; the "Pioneer Enterprise in Digital and Intelligent Transformation" award in the 6th Outstanding Cases Evaluation in Digital and Intelligent Transformation of Financial Institutions; third prize in the 2025 National Rural Financial Institutions Digital Transformation Vocational Skills Improvement and High-Quality Development Empowerment Competition; second place in the finals of the 2025 Shanghai Banking Industry Cybersecurity Attack and Defense Drill Skills Competition; the "Outstanding Case in Digital and Intelligent Application Innovation" award in the 2025 Selection of Outstanding Cases in Technological Innovation of Rural Financial Institutions;

<sup>30</sup> "1+1+1+10+N" refers to 1 FinTech and Innovation Business Committee, 1 Digital Transformation Office, 1 FinTech Department, 10 head office business departments defining the FinTech architecture, and N branches strengthening FinTech support

and the Third Prize in the Team Category at the Finals of the Cybersecurity Track of the China Financial Trade Union's Financial Industry Digital Transformation Skills Competition, among other Fintech competitions and innovation awards.

## Deepening Top-Level Design and Mechanism Development for Digital Transformation

Adhering to a goal-oriented approach, we have formulated the *2026–2028 Business Digital Transformation Plan*. Driven by business value creation and guided by strategy and planning, this plan establishes clear objectives, defined pathways, and practical implementation measures for the Bank's digital transformation efforts. It promotes cross-sector collaboration, strengthens the sharing and reuse of foundational capabilities, and fosters business model innovation and service level improvements.

Adhering to a problem-oriented approach, we have completed a comprehensive upgrade of the "Woodpecker Management Platform" system. We have continuously collected and addressed feedback from frontline employees regarding digital transformation, streamlined information channels, and activated cross-domain innovation synergies. By ensuring that requirements stem from genuine customer needs, we have improved the quality of these requirements and advanced digital transformation across all business sectors of the bank.

Adhering to a results-oriented approach, we have focused on core pain points, strengthened methodological empowerment, and advanced the "8+25"<sup>31</sup> process innovation project; improved the evaluation mechanism for process innovation projects, enhanced the standardization and cross-business reuse of best practices, and promoted the quality and efficiency of process innovation efforts. This has effectively reduced the time required for key business processes, improved the customer experience in handling transactions, and alleviated the workload while empowering frontline employees.

Adhering to a talent-oriented approach, we have established a dual-track assurance mechanism of "process tracking + quality verification" to ensure the efficiency of the "Strengthening Capabilities" initiative within Fintech and the high quality of its outcomes; drove the implementation of a series of landmark achievements, including the integration of corporate electronic channels, the visualization of inclusive finance operation, and the automation of retail marketing, thereby providing a solid talent foundation for the bank's digital transformation.

## Strengthening Core Fintech Capabilities

During the reporting period, the Company focused on the main themes of digital transformation and high-quality development, continuously strengthening its foundational Fintech capabilities, with steady improvements in technology management and support capacity.

**The R&D management system has undergone continuous upgrades.** The R&D Process 3.0 initiative was completed, supporting the full-scale implementation of agile methodologies, enabling rapid iteration of version releases, and ensuring the efficient operation of the entire R&D, testing, and deployment workflow. The technology delivery cycle was significantly shortened compared to the same period last year, with delivery capabilities markedly enhanced and R&D efficiency steadily improving.

**We have continuously improved the testing management and quality control systems.** We implemented Testing Management 3.0, established a new generic test suite system and the second-generation testing management platform, thereby enhancing testing quality and efficiency. We advanced the operation of Quality Control System 1.0, gradually transitioning quality control management to an online platform.

**We have continued to strengthen the coordinated planning and construction of systems.** An enterprise-level architect team was formed, a tiered training mechanism was established, and technical line empowerment was reinforced. We improved the tiered technical review mechanism to enhance review efficiency and standardization. We refined the architecture management system development plan, advanced enterprise-level architecture planning, preliminarily completed technology selection for the three major technical lines, and further promoted the implementation of Infrastructure 2.0. We iterated on the layered and domain-based views of application systems and application system development strategies. We continued to improve the information system infrastructure, advancing the active-active migration according to plan, resulting in a significant increase in coverage.

**We have continuously strengthened IT risk management capabilities.** By focusing on risk analysis, risk investigation, and risk indicators as our three key areas, we thoroughly investigated the root causes of issues, accurately identified potential risks, and systematically advanced the closed-loop resolution of problems. We deepened the governance of information system failures and continuously improved the quality of information system R&D and operation and maintenance. During the reporting period, the number and severity of information system failures at the Company decreased significantly, and system stability continued to improve, providing robust technical support for business management and customer service.

**We have built a new ecosystem for the development of Fintech talent to fully unleash their value and vitality.** We deepened and optimized structural reforms within our workforce to unlock the potential of our talent and strengthen the foundation of our talent pipeline. We established a career development ladder that combines vertical specialization with horizontal integration, reinforcing the "dual-track" talent development mechanism. We accelerated the recruitment and cultivation of talent in large-scale models to build a hub for AI application talent. We improved the selection mechanism for technology experts and established a training ecosystem centered on internal development. We continued to optimize the performance evaluation framework to ensure precise incentives for talent value. We fostered an open and collaborative organizational culture to fully stimulate the creative vitality of our technology teams.

## Enhancing Data Governance Capabilities

During the reporting period, the Company leveraged the experience and outcomes of the DCMM Level 4 assessment to deepen the development of its data governance system and strengthen full-lifecycle data management. We refined the data quality control mechanism centered on "proactive prevention, enhanced control, and timely resolution," and issued SOP management guidelines for data information items. We implemented data modeling tools and AI technologies to advance the online implementation of data standards. We initiated the construction of a data portal to improve data application efficiency. We strengthened the refined management of external data, reduced

<sup>31</sup> "8+25" refers to 8 "priority-class" process innovation projects and 25 "promotion-class" process innovation projects.

acquisition costs, and directed resources toward high- value application scenarios. We continued to increase the automation rate of financial reporting. Through measures such as establishing a unified regulatory reporting platform and building Regulatory Data Mart 2.0, we improved the accuracy and timeliness of regulatory reporting data. We advanced data- driven business management by establishing a closed- loop tracking and analysis mechanism encompassing "problem identification—root cause analysis—strategy formulation—outcome tracking," thereby comprehensively enhancing the Company's data capabilities.

Advanced the construction of an enterprise- level data security governance system. Adjusted the division of responsibilities within the Leading Group for Data Governance and Security, formulated or revised specialized regulations such as the *Data Security Management Measures* and *Data Emergency Management Measures*, and established a three- tier responsibility system comprising "decision- making, management, and execution levels." Adhering to the core principle that "whoever manages the business, manages the business data, and manages data security," we reinforced primary responsibility for data security. We improved technical safeguards for data security, strengthened capabilities in formulating technical standards and specifications, and building dynamic data masking platforms for web page displays. By embedding data security into the full lifecycle management of systems, we fortified our data security defenses.

### Deepening the Application of Fintech Innovation

The Company continues to deepen the use of AI technology to empower business development. We have established a dedicated task force for large- scale model research to explore practical implementation methods and planning pathways, while simultaneously developing a comprehensive technical research framework for large- scale models; focused on pilot business scenarios, deployed multiple mainstream large- scale models, and conducted applied research; vigorously advanced the operation of joint laboratories, put Fintech innovation research methodologies into practice, and continuously invigorated technological innovation; closely monitored emerging concepts and technological developments such as FDE (Frontline Deployment Engineers), AI security, and embodied intelligence to elevate the level of Fintech research.

### Strengthen Security Operation and Information Protection

The Company has established a "two- site, three- center" disaster recovery architecture in Shanghai and Shenzhen to further strengthen its disaster recovery capabilities. It has also established corresponding production and operation management mechanisms and teams. The Company has obtained Level 3 (Robust) certification for Data Center Service Capability Maturity and continues to enhance its ISO 20000 IT Service Management System to provide fundamental support for digital transformation. During the reporting period, the Company's information systems operated stably and reliably.

The Company maintains a strong cybersecurity posture. While deepening IT governance and advancing the process of informatization, we have consistently prioritized the security of our networks and information systems. We have established a sustainable cybersecurity framework and developed a routine operational mechanism, ensuring that cybersecurity risks remain generally under control.

### Strengthening Fintech to Empower Digital Transformation

During the reporting period, the Company continued to deepen the use of Fintech to empower business development and accelerate the enhancement of business value creation.

**Focusing on value creation to drive high- quality development of retail financial services.** We upgraded retail financial products and services, deepened system integration with multiple wealth management partners, and expanded product offerings. We launched the Yield Center and smart investment features to enhance users' investment planning capabilities; advanced the standardization of loan partnership scenarios and expanded into diverse loan partnership scenarios; established a diversified risk management mechanism to support the optimization and dynamic adjustment of credit asset structures, thereby safeguarding the development of credit operation; enhanced the retail channel experience and operation; the mobile banking app completed over ten process upgrades, including the "Anxiang Edition" voice assistant, cross- border wealth management, loans, and savings plans, to improve the customer experience; upgraded the "Xin Jia Yuan" platform to establish a three- pronged integrated operational model linking "services, activities, and users," precisely empowering the senior customer segment. Upgraded the bank- wide voice platform and intelligent assistant to help customers access high- quality, efficient services. We deployed device fingerprinting and smart verification codes to diversify security verification methods and ensure transaction security. To empower retail customer management and operation, we built the "Banke" one- stop work desk, digitizing operational standards for key retail positions. We developed the "Zhangxin" mobile app to integrate retail mobile business applications into a unified portal. Additionally, we established the "Zhixin" corporate WeChat Operation Management System to empower customer managers with online lead generation, customer acquisition, engagement, and retention. The Retail Marketplace has strengthened its data service capabilities, providing robust support for internal management, loan operation, and online operation. During the reporting period, the "Digital and Intelligent Empowerment Project for Rural Financial Institutions in Pension Finance and Public Welfare" won the Third Prize in the People's Bank of China's 2024 Fintech Development Awards and was recognized as a typical case in the 5th (2025) "Jinxintong" Fintech Innovation Application Awards.

**Adopting a business- oriented mindset to strengthen corporate finance.** The "Xin Dong Neng" online empowerment platform was launched, establishing the industry's first open online platform dedicated to technology enterprises. The Multi- Bank Treasury System 2.0 was comprehensively upgraded, with 13 specialized centers launched to serve five major customer segments, and six core management modules of the in- house treasury system were enhanced to achieve "visible, controllable, adjustable, and user- friendly" fund management. Launched Phase IV of the New International Settlement Project, adding modules for international letters of credit, collections, letters of guarantee, and forfaiting, with the online penetration rate for trade finance and settlement products exceeding 90%. Continued to upgrade Corporate Online Banking 3.0 and Corporate Mobile Banking 5.0 services, achieving channel integration for corporate customers, and redesigned online processes for spot, forward, and swap foreign exchange transactions to provide customers with a superior financial service experience. New regulatory modules were established for prepaid funds from elderly care institutions, pre- sale funds for commercial housing, and prepaid funds from single- purpose cards, building a multi- scenario fund supervision system to strengthen the defense against fund risks. The Corporate Marketing Strategy System was launched, and four major marketing strategy scenarios were precisely implemented to facilitate fund retention and settlement conversion; the "standardized, visualized, and refined" management of corporate customer marketing

processes was achieved, integrating multi-source data to establish customer profiles and providing robust data support for customer management. During the reporting period, the Company was honored as the "Most Trusted Financial Service Provider for Chinese Trade and Economic Enterprises" at the 15th China Trade and Economic Enterprises Awards (Golden Trade Award). The "Construction Project of a Cross-Border Comprehensive Service Platform Based on a Middle-Platform Architecture" won the Third Prize at the 2025 Shanghai Financial System Employees' Fintech Innovation Application Competition, and the Company's "Corporate Business System Suite CCRM 3.0" received the Tonghuashun Fintech Best Practice Award.

**Through collaborative efforts, we have supported financial innovation and development within the industry.** We refreshed and upgraded our agency products, facilitated the launch of our proprietary gold brand, and expanded the range of physical gold products. We enriched our wealth management product lineup and enhanced smart operational capabilities. We issued cyclical wealth management products for customers, supported regular investment and redemption management, and effectively boosted market competitiveness; added a bond settlement module directly connected to the Shanghai Clearing House to improve operational automation; integrated with the Shanghai and Shenzhen Stock Exchanges to expand trading markets; and optimized online management of non-standard assets to enhance investment and trading efficiency; improved service quality and efficiency to help expand custody scale, adding support for various products such as asset securitization.

**Enhance risk control capabilities to support the digital transformation of credit business.** We have launched the Personal Credit Business Operation Center to advance the digitization and intelligence of credit approval processes; launched the Unified Credit Business Portal to consolidate access points for credit-related systems; launched the Personal Credit Limit Center to implement lifecycle management of personal credit limits; launched the Real-time Loan Decision System to enhance credit risk identification and control capabilities during pre-loan and in-process stages; launched the Personal Early Warning and Post-loan Management Centers to establish a post-loan management system for personal loans that is primarily early warning-driven while combining early warnings with manual intervention.

## (V) Channel Development

During the reporting period, the Company thoroughly implemented requirements regarding financial services supporting the real economy and digital transformation. We prioritized channel system development as a key driver for enhancing comprehensive financial service capabilities and operational resilience, and continued to advance the coordinated and integrated operation of our channels. We firmly established the core positioning of physical outlets as the primary operational units, and coordinated efforts to optimize outlet layout and build online channel capabilities. This drove the effective concentration of resources toward key regions and target customer segments, further strengthening the channel system's role in supporting business development.

Centering on the development path of "online intelligence, offline scenarios, and omnichannel synergy," the Company has continuously refined its channel operating mechanisms and service models. The breadth of channel coverage, service accessibility, and operational efficiency have steadily improved, resulting in a channel system with a more rational layout, higher operational efficiency, and closer coordination.

### Network Management

During the reporting period, the Company continued to optimize its network layout to enhance the offline channels' reach and service coverage, establishing a branch distribution system characterized by extensive coverage, clear tiers, and rational layout. Building on the existing advantages of outlets in townships and rural areas, the Company focused on the development of Shanghai's "Five New Towns" and "large residential communities." Through coordinated planning and optimized site selection, the Company effectively expanded service coverage and improved access to financial services.

As of the end of the reporting period, the Company operated a total of 362 branches/sub-branches, including 355 in the Shanghai region and 7 outside Shanghai. Across Shanghai's 108 townships, the Company maintained a total of 243 outlets, achieving near-complete coverage. Specifically, 126 were established in the "Five New Towns," and 28 were established within a 2-kilometer radius of large residential communities citywide. During the reporting period, the Company completed the optimization of 12 outlets, including 1 new establishment, 8 relocations, and 3 closures or mergers.

The specific distribution of outlets is shown in the table below:

Branch Name	Business Address	Number of Branches	Number of Employees	Asset Size (million)
Headquarters Business Department	No. 70, Zhongshan Road (East-2), Huangpu District, Shanghai, China	1	128	150,162.68
Pudong Branch	Floors 1-6, Building 4, No. 58 Yaoyuan Road, Pudong New District, Shanghai	44	776	165,046.30
Minhang Branch	1-2/F, No. 670, Qixin Road, Minhang District, Shanghai	26	521	85,815.09
Jiading Branch	1F, No. 3081, Huyi Highway, Jiading District, Shanghai; 1F, No. 557, 561, Yecheng Road; Room 206, 207, 22F, 23F, 25F, 26F. No. 565	26	451	63,610.24
Baoshan Branch	No. 1198, Mudanjiang Road, Baoshan District, Shanghai	26	442	74,355.12
Songjiang Branch	No. 405, North Renmin Road, Songjiang District, Shanghai	24	498	66,548.80
Jinshan Branch	No. 505, West Weiqing Road, Jinshan District, Shanghai	20	441	59,557.06
Qingpu Branch	No. 399, Gongyuan Road, Qingpu District, Shanghai	22	442	65,432.23
Fengxian Branch	No. 2251, 2259, 2263, 2267, Wangyuan South Road; No. 399,407, Zhanyuan Road, Fengxian District, Shanghai	25	430	60,077.30

Branch Name	Business Address	Number of Branches	Number of Employees	Asset Size (million )
Lingang New Area Branch	1st Floor, No. 162; 2nd Floor, No. 628-2, Yunjuan Road , Shengang Avenue, Nanhui New Town, Pudong New District, Shanghai	30	503	97,196.60
Chongming Branch	No. 188, Beimen Road, Chengqiao Town, Chongming Township, Shanghai	31	406	63,755.47
Putuo Branch	No. 599, Xincun Road, Putuo District, Shanghai	18	295	40,353.70
Changning Branch	No. 8, Lane 555, Gubei Road, Changning District, Shanghai	9	180	17,383.97
Xuhui Branch	No. 3-7, Lane 9, Zhaojabang Road, Xuhui District, Shanghai	16	292	39,652.34
Hongkou Branch	L1-01, 1st Floor, 339 Dongchangzhi Road, Hongkou District, Shanghai	9	185	18,316.53
Yangpu Branch	No. 1599, Huangxing Road, Yangpu District, Shanghai	9	203	22,343.15
Huangpu Branch	1st Floor, 29 Jianguo Middle Road, Huangpu District, Shanghai	5	134	26,966.32
Jing'an Branch	No. 770, West Beijing Road, Jing'an District, Shanghai	10	177	18,205.69
Zhejiang Yangtze River Delta Integration Demonstration Zone Sub-branch	No. 67-63, Jiashan Avenue, Luoxing Sub district, Jiashan Township, Zhejiang Province	2	50	7,451.08
Kunshan Sub-Branch	Room 1-5, Building 18, No. 388, Station Road, Kunshan Development Zone, Jiangsu Province, China	2	72	6,832.69
Xiangtan County Branch	No. 598, Jingui South Road, Yisuhe Town, Xiangtan County, Hunan Province	3	66	3,426.92
Zhangjiang Science and Technology Sub-branch	Rooms 103-108, No. 8, Block B, Lane 500, Zhangheng Road, Pudong New District, Shanghai	3	104	10,571.76
Shanghai Yangtze River Delta Integration Demonstration Zone Branch	1F, No. 652 and No. 658, Panglong Road, Qingpu District, Shanghai, China	1	132	10,982.95

Note: The asset size of the Shanghai Yangtze River Delta Integration Demonstration Zone Branch includes two outlets.

During the reporting period, the Company continuously optimized its network environment and service systems, steadily enhancing the comprehensive operational capabilities of its network. Focusing on the actual needs of the elderly customer base, the Company systematically advanced the implementation of the "Six Specializations"<sup>52</sup> pension financial service mechanism. By the end of the reporting period, the Company had established a total of 115 specialized pension financial service outlets, featuring seven thematic focuses: Peaceful and Healthy Living, Cultural Resonance, Red Party Building, Government Services, Anti- Fraud and Anti- Illegal Activities, Intergenerational Integration, and Bridging the Digital Divide. These initiatives drove the evolution of outlet services from "functional provision" to "emotional connection" and "value- driven companionship."

As of the end of the reporting period, the Company had a total of 804 smart teller machines, offering 176 business functions.

## Online Channels

**Online service channels have become more convenient, intelligent, and user- friendly.** With personal mobile banking at the core, the Company has deepened the intelligent and specialized development of online channels, resulting in steady growth in user base and user engagement. As of the end of the reporting period, the number of users on personal online channels reached 6.8845 million<sup>53</sup>, up by 5.98% compared to the end of the previous year. Among these, registered users of personal mobile banking grew by 7.37% year- over- year, while the growth of monthly active users increased by 10.87 percentage points compared to the end of the previous year. Focusing on pension finance, we have continuously optimized the "Anxiang Edition" of our personal mobile banking app. Centered on the principles of "simplicity, security, and companionship," we have redesigned key business processes, promoted barrier- free and elder- friendly upgrades, and provided exclusive services such as one- click customer service calls, screen- reading for transfer information, and the Anxiang Wealth Zone. We have also upgraded the Message Manager and intelligent voice interaction features while enhancing security protections, helping the elderly bridge the digital divide and significantly improving the customer experience. The service capabilities and operational efficiency of online channels have steadily improved. Electronic channels now handle 96.99% of the Bank's wealth management transactions and 98.92% of its fund transactions, becoming the core vehicle for converting retail business value.

**We continue to enhance the intelligence of our remote banking services.** The Company remains committed to optimizing service processes and system support, deepening the application of artificial intelligence technology, and improving service quality and efficiency. As of the end of the reporting period, the satisfaction rate for the Company's remote banking customer service reached 99.44%.

<sup>52</sup> "Six Specializations" refers to dedicated service managers, exclusive financial products, dedicated service channels, exclusive benefits, dedicated activity spaces, and dedicated service manuals, providing a systematic, personalized, and distinctive service solution for the elderly customer base.

<sup>53</sup> The number of users on personal online channels includes users of personal mobile banking, personal online banking, and WeChat banking.

## (VI) Major Subsidiaries

The Company strictly complies with the relevant provisions of the *Company Law*, the *Commercial Bank Law*, the *Guidelines on the Consolidated Management and Supervision of Commercial Banks*, the *Code of Corporate Governance for Banking and Insurance Institutions* and other laws and regulations to exercise shareholders' rights in compliance with the law and continuously improve the management of its subsidiaries. During the reporting period, the Company exercised comprehensive and continuous control over corporate governance, capital management, risk management, financial management, incentives and restraints of its subsidiaries, strengthened the Group's strategic leading role over subsidiaries, enhanced the business synergy between the Group and subsidiaries, established a Group link management mechanism, formed integrated service within the Group, and continuously enhanced its regional competitive advantages.

### 1. SHRCB Rural Banks

In response to the call of the CPC Central Committee, the State Council and the former CBRC, the Company established the first rural bank in Chongming Township in 2009 to fill the gap in rural financial services, meet the increasingly diversified rural financial needs and promote the development of the township, SMEs and the development of "Three Rural Issues". In 2011, it initiated and established 34 rural banks in Shandong, Hunan and Yunnan provinces and in Beijing and Shenzhen, forming a strategic layout of "an organic integration of eastern, central, and western regions, with southern and northern areas complementing each other". At the end of the reporting period, the registered capital of the 35 SHRCB rural banks totaled RMB 2.938 billion, of which the Company held 1.870 billion shares.<sup>34</sup>

During the reporting period, SHRCB rural banks actively responded to the general requirement of deleveraging, improving quality and efficiency, and de-risking through reform, deeply understood the principles of "Four Autonomies" and "Three Characteristics"<sup>35</sup>, adhered to grid-based marketing, implemented cost control, further consolidated their foothold in rural communities, strengthened asset quality, strived to enhance market competitiveness, and promoted the restoration of the business ecosystem.

As of the end of the reporting period, the total assets of SHRCB rural banks amounted to RMB 32.767 billion, with total net assets of RMB 3.774 billion. The principal balance of deposits stood at RMB 27.467 billion, and the principal balance of loans at RMB 20.096 billion. Loans to farmers and small and micro enterprises accounted for 93.28% of the total loan portfolio. During the reporting period, SHRCB rural banks collectively generated operating income of RMB 831 million and net profit of RMB 36 million.

### 2. Yangtze United Financial Leasing Co., Ltd.

Founded in June 2015, Yangtze United Financial Leasing Co., Ltd. is one of the first financial leasing companies under banking system in China to implement the mixed ownership reform of state-owned enterprises under the State Council and comprehensively implement the market-oriented operation mechanism. As of the end of the reporting period, the registered capital of Yangtze Financial Leasing Co., Ltd. was RMB 2.45 billion, and the Company controlled 54.29% of its equity.

During the reporting period, Yangtze United Financial Leasing practiced the core values of "integrity, responsibility, innovation and win-win", adhered to the vision of "building a leading financial leasing brand with distinctive professional features and convenient customer service capabilities", based on the Yangtze River Delta city cluster, focused on three major business directions: modern manufacturing, modern logistics and modern energy, and promoted three strategic layouts: inclusive leasing, green leasing and equipment leasing, striving to provide professional, efficient, and convenient financial services for SMEs, becoming the bridgehead for SHRCB Group's strategic expansion into the Yangtze River Delta region. As of the end of the reporting period, Yangtze United Financial Leasing had total assets of RMB 50.474 billion and net assets of RMB 5.881 billion. During the reporting period, it generated operating income of RMB 1.354 billion and net profit of RMB 705 million.

## (VII) Major Participating Companies

During the reporting period, the Company continued to strengthen strategic coordination with its participating banks in the Yangtze River Delta region, aiming to align with the national strategy for the integrated development of the Yangtze River Delta, proactively pursue coordinated regional development, and use capital as a "link" to connect rural financial institutions in the region, thereby forming a collective force for development. The Company achieved certain synergistic results with its participating banks in the Yangtze River Delta region in areas such as mutual customer referrals, financial investments, bill discounting, foreign exchange trading, and financial leasing. In the future, the Company will continue to strengthen regional coordination within the Yangtze River Delta region to jointly serve the Yangtze River Delta integration development strategy.

At the end of the reporting period, the Company's major equity participation companies included Jiangsu Haimen Rural Commercial Bank Co., Ltd. and Hangzhou United Rural Commercial Bank Co., Ltd. with shareholding ratios of 8.96% and 4.00% respectively. Other major equity participation companies include Rural Credit Banks Funds Clearing Center Co., Ltd. and National Green Development Fund Co., Ltd., with shareholdings of 5.76% and 1.13%, respectively.

<sup>34</sup> In 2025, the Company completed targeted capital increases for Shandong Tai'an Rural Commercial Bank and Rizhao Rural Commercial Bank, with 20 million shares each, and finalized the transfer of 12.66 million shares in Beijing Fangshan Rural Commercial Bank. Following the capital increase, the registered capital of the 35 SHRCB rural banks rose to RMB 2.938 billion, with the Company's shareholding increasing to 1.870 billion shares.

<sup>35</sup> "Four Autonomies" refer to autonomous operations, self-assumed risk, self-sustaining profitability, and self-discipline; "Three Characteristics" refer to safety, liquidity, and profitability.

## IX. Key Focuses in Operation

### (I) Net Interest Margin

During the reporting period, the Group's net interest margin was 1.37%, a decrease of 13 BPs (bps) from the previous year and 2 bps from the first half of the year, with the marginal decline notably narrowing. The decline in the net interest margin was primarily due to continued pressure on the return on assets. Influenced by factors such as reductions in existing mortgage rates, LPR repricing, and insufficient effective credit demand, loan yields continued their downward trend. Meanwhile, as the market interest rate anchor followed policy rates downward, the yields on market-based assets such as bond investments and bills also continued to decline. During the reporting period, the Group's return on assets decreased by 45 BPs compared to the previous year. To mitigate the downward trend in the return on assets, the Group optimized its credit structure by increasing the proportion of relatively high-yielding loans and accelerating the turnover of low-interest-rate assets. Concurrently, the Group further reduced funding costs on the liability side to offset the impact of the decline in the return on assets. On the one hand, the Group continued to strengthen proactive management of funding costs. While stabilizing core deposits, it flexibly adjusted deposit pricing strategies to further reduce the proportion of long-term, high-cost deposits and lower overall deposit costs. On the other hand, by comprehensively analyzing the funding costs across diverse channels—including interbank liabilities, market-based financing, and central bank borrowings—the Group dynamically planned its liability sources and structure, driving a synchronous decline in other funding costs. During the reporting period, the Group's cost of funds decreased by 33 BPs compared to the previous year, effectively supporting a marginal slowdown in the narrowing of the Group's net interest margin.

Looking ahead to 2026, banks' net interest margin will remain under pressure in a low-interest-rate market environment. Due to persistently insufficient effective credit demand and the lingering impact of previous policy rate cuts, the Group's return on assets will continue to decline, exerting sustained pressure on the net interest margin. However, compared to previous years, multiple positive factors are gradually accumulating, supporting the expectation that the net interest margin will achieve marginal stabilization within the year. First, self-regulatory mechanisms are playing a positive role in standardizing industry competition, guiding the reasonable pricing of deposit and loan rates, and helping to stabilize the Group's net interest margin. Second, the overall cost of social financing remains at historically low levels, reducing the need for significant policy rate cuts in the short term. Third, a series of prior financial policies are working in concert to drive sustained economic recovery, and market confidence is expected to gradually improve.

In 2026, the Group will strengthen proactive asset-liability management and leverage synergies between assets and liabilities to facilitate the stabilization of the net interest margin as soon as possible. On the liability side, we will continue to consolidate the achievements in reducing funding costs, orderly advance the repricing of maturing time deposits, and continuously reduce the proportion of high-cost deposits; we will deepen the "Ten Settlement Initiatives" and focus on key customer segments, leveraging the integration of "settlement + products + scenarios" to enhance the retention of demand deposits; we will strengthen market analysis, coordinate various financing channels, and reduce the cost of other liabilities. On the asset side, we will increase the disbursement of proprietary loans, reduce the proportion of low-yield assets, optimize the structure of major asset classes, and improve the efficiency of capital allocation; we will strengthen tiered and categorized management of loan interest rate pricing to stabilize the overall return on assets.

### (II) Net Non-Interest Income

During the reporting period, the Group generated net non-interest income of RMB 6.553 billion, representing a year-on-year increase of 0.29%. This accounted for 25.33% of total operating income, up by 0.80 percentage points compared to the previous year. Specifically:

Regarding fee and commission income, the Group further focused on wealth management services. The scale of wealth management products, such as third-party wealth management products, achieved rapid growth. The structure of insurance sales continued to improve, with the proportion of high-commission third-party insurance increasing, driving a 1.03% year-on-year increase in agency business fees. Regarding other non-interest income, the Group strengthened its comprehensive investment research capabilities, proactively seized trading opportunities, and optimized the asset allocation structure, resulting in a combined 2.42% year-on-year increase in investment income and gains from changes in fair value.

Looking ahead to 2026, the economy is expected to maintain a stable and positive trajectory. The recovery of capital markets, coupled with deposit rates remaining at relatively low levels, will continue to unleash household demand for wealth management, providing significant support for net non-interest income. The Group will primarily advance the high-quality development of net non-interest income through the following measures: First, fully leverage the role of wealth management as a growth engine by offering diversified wealth products and services, while utilizing Fintech to enhance the customer experience in wealth asset allocation; second, continue to build a comprehensive financial services system driven by transaction banking, deepen the "settlement + products + scenarios" integration model and expand from single-settlement services to diverse scenarios such as treasury management, bill and letter of credit services, and bond underwriting; third, deepen macro and industry research to "drive investment through research," closely track market fluctuations, dynamically optimize asset portfolio structure and duration, and further refine strategy management.

### (III) Capital Management

During the reporting period, the Company adhered to the policy orientation of the new capital regulations, actively promoted the concepts of capital constraints and value creation, and strengthened refined capital management. First, we improved capital planning and management by clarifying capital adequacy ratio targets and acceptable ranges, strengthening the integration of capital planning with comprehensive budget management, and dynamically balancing capital supply and demand; second, we leveraged capital to drive business development, continuously advancing operational transformation and business structure optimization. We increased support for key sectors such as inclusive finance, green finance, technology finance, Three Rural Issues, as well as elderly care, thereby enhancing the quality and efficiency of our services to the real economy; third, we improved our internal capital management system, continued to implement economic capital limit management, and reasonably allocated and coordinated the use of economic capital. We optimized the capital assessment and

evaluation mechanism to guide capital toward business areas with higher returns; fourth, we adhered to endogenous capital accumulation as the primary method of capital replenishment, maintaining healthy and stable profitability and ensuring adequate and reasonable provisioning levels; fifth, we balanced shareholder returns with capital accumulation, formulated industry-leading dividend policies, and achieved a balance between shareholder value and long-term, steady development. During the reporting period, the Group's capital adequacy ratios at all levels consistently met regulatory requirements, with the core Tier 1 capital adequacy ratio consistently ranking among the top in the industry, and capital buffers remaining relatively ample.

Looking ahead to 2026, the Company will seize the opportunity presented by the new round of capital planning to continuously strengthen its capabilities in refined capital management, optimize resource allocation, enhance coordinated management, improve capital utilization efficiency, boost internal capital accumulation capacity, and establish a sound long-term capital replenishment mechanism. This will ensure that capital adequacy ratios at all levels continue to meet regulatory requirements while maintaining a reasonable margin of safety and buffer range, thereby laying a solid capital foundation for achieving high-quality development.

#### (IV) Asset Quality

Facing a volatile and complex domestic and international economic environment, the Group has adhered to a prudent risk appetite, and asset quality has remained generally stable. As of the end of the reporting period, the Group's non-performing loan ratio stood at 0.96%, a decrease of 0.01 percentage points from the end of the previous year, reflecting a steady decline; the special-mention loan ratio was 1.79%, up by 0.51 percentage points from the end of the previous year; and the overdue loan ratio was 1.40%, a decrease of 0.05 percentage points from the end of the previous year.

During the reporting period, the Company continued to advance data-driven comprehensive risk management. Through a comprehensive credit risk monitoring tool, we precisely identified risks within a management framework organized by business lines, major asset classes, key products, and key institutions. We improved the credit risk diagnostic mechanism, strengthened risk prevention at the source, and continuously reinforced the concept of proactive and forward-looking risk management. Through digital-enabled process reengineering, the Company focused on five key stages—customer onboarding, due diligence, credit approval, loan disbursement, and collateral management—to address weaknesses, strengthen areas of deficiency, and improve operational efficiency. This enhanced digital risk prevention capabilities and work efficiency, achieving closed-loop management of systems, processes, and operation, and comprehensively solidifying the foundation for end-to-end credit management. We remained committed to generating returns through the recovery of non-performing assets. By outsourcing risk management, we advanced the disposal and diversion of non-performing assets through the "write-off but retain case files" approach, while intensifying efforts in debt transfer to promote the market-oriented and large-scale disposal of non-performing assets.

**Regarding inclusive micro and small business loans**, as of the end of the reporting period, the Company's non-performing loan ratio for this segment stood at 1.83%, a decrease of 0.09 percentage points from the end of the previous year. Given that inclusive micro and small business customers are generally smaller in scale and have relatively weaker risk resistance, making them more susceptible to the impact of the external macroeconomic environment, the Company has continued to prioritize inclusive micro and small business loans as a key area of risk management. During the reporting period, the Company implemented multiple measures to enhance the quality and effectiveness of risk management for inclusive lending operation. First, we strengthened digital empowerment to advance the construction of a risk control system for inclusive business, utilizing data-driven risk control tools such as intelligent risk control systems and transaction history due diligence systems to improve the accuracy of risk identification and rigorously fortify the first line of defense in risk control; second, we strengthened process management, standardized customer acquisition channels, strictly prevented the involvement of illegal intermediaries, controlled risks at the source, and reinforced the implementation of the "three checks" for loans; third, we strengthened customer segment management by coordinating the development and risk management of inclusive SME customer segments, enhancing customer loyalty, and securing high-quality assets.

**Regarding retail internet loans**, during the reporting period, the Company adhered to a strategy of prudent operation and steady development. First, we strengthened market analysis and assessment of the internet loan sector, enhanced internal management in line with new regulations on internet-assisted lending, and proactively scaled back. By the end of the reporting period, the balance of internet loans had decreased by 30% compared to the end of the previous year, and the net generation of non-performing loans stabilized as business scale and structure adjusted; second, based on customer segmentation, risk levels, and marginal returns, we strengthened differentiated management of platforms and dynamically adjusted business strategies; third, we strengthened post-loan management and internal resource integration. Through outsourced collection and bulk debt transfers, we improved the cash recovery rate and disposal efficiency of non-performing loans, maintaining relatively stable operational quality and efficiency overall.

Looking ahead to 2026, the Group will continue to deepen the systematic, professional, and forward-looking development of its risk management system. We will continuously refine a data-driven, top-down, and front-loaded comprehensive risk management mechanism, further optimize the full-process management of credit approval, enhance the quality and efficiency of credit approval through professionalization, improve risk early warning and resolution capabilities in key areas, and strengthen the recovery and resolution of large-value risks and non-performing loans, thereby establishing a solid risk foundation for high-quality growth.

#### (V) Loan Allocation

As Shanghai's economic momentum shifts from traditional infrastructure to key sectors supporting the development of the "Five Centers," market demand is undergoing structural diversification. The Company actively responds to these market changes by prioritizing major municipal and district projects, urban renewal and urban village revitalization initiatives, and infrastructure projects in key areas. We actively engage with key customers at the municipal and district levels, as well as enterprises in towns and villages, to advance green and low-carbon transformation in sectors such as energy-saving upgrades in industrial parks, manufacturing transformation, and the upgrading of modern service industries. The top three sectors for loan disbursement are real estate, leasing and business services, and manufacturing. In terms of personal loan business, the Company actively responds to national policies for optimizing the real estate sector and measures to promote auto consumer finance, with loan disbursements primarily focused on residential mortgage needs and auto loans.

In 2026, the Company plans to intensify efforts to advance the marketing and implementation of key local projects, urban renewal projects, and urban village projects. Concurrently, it will prioritize science and technology innovation finance, green finance, advanced manufacturing, and strategic emerging industries as the main areas for credit structure adjustment and enhancement. By deeply engaging with industrial parks and providing comprehensive financial services, the Company aims to strengthen ties with high-quality customers and enhance overall returns; leveraging our strengths as a local bank, we will continue to deepen our presence in towns, villages, and Three Rural Issues, forging strong ties with the local economy. We will persist in enhancing comprehensive financial services for these communities, providing town and

village collective enterprises with all-around support that extends beyond credit, settlement, and treasury services; we will maintain a focus on specialized industrial parks, serving as an enabling bank for industrial clusters. By signing cooperation agreements with key industrial parks, we will provide construction financing to park developers and offer standardized, bulk financing tools along with differentiated comprehensive financial services to enterprises within the parks; strengthen strategic resolve by focusing on key priorities, deepening our unique strengths, and driving innovation to achieve balanced development in scale, profitability, and quality. Through localized, rapid, and professional services, we will maintain our competitive edge and contribute more significantly to the development of Shanghai as an international financial center and the high-quality growth of the real economy. In terms of M&A finance, we will prioritize breakthroughs in mixed-ownership reform of state-owned enterprises and restructuring of listed companies, while accelerating industrial consolidation. We aim to build an M&A finance brand with specialized strengths in specific industry sectors, focusing on advancing industrial M&A transactions and promoting share purchase business by actual controllers, thereby achieving a qualitative leap in our M&A business. In cross-border finance, we will accelerate asset deployment and enhance capital utilization efficiency. We will prioritize supporting Chinese enterprises in "going global," focusing on industries such as high-end component manufacturing and information processing and storage. We will give priority to promoting cross-border RMB and bilateral foreign exchange loans, cross-border M&A, and overseas loan disbursements.

In terms of inclusive finance, the Company will continue to thoroughly implement national policies aimed at serving the real economy and supporting inclusive finance; precisely target key customer groups such as Three Rural Issues, science and technology innovation businesses; foreign trade; small and micro enterprises (and their owners); and individual business operators; continuously optimize our business structure, with a focus on supporting mortgage loans, policy-guaranteed loans, online credit loans, and scenario-based business; focus on standardizing mortgage loans and enhance the customer experience, closely monitor changes in collateral risks, and prioritize real estate in core regions; improve the standardization of policy-guaranteed business, with a focus on supporting "single champion" manufacturers, various technology-based and specialized, refined, unique, and innovative enterprises, as well as customers in strategic emerging and green industries; enhance our ability to utilize external data to enable rapid iteration of credit products through a "common foundation + scenario modules" model, thereby optimizing service delivery; deepen scenario-based financial services, build a core credit foundation based on closed-loop real transactions, and prioritize non-cyclical sectors such as consumption, healthcare, elderly care, and public welfare; focus on supporting service industry operators and further expand the coverage of inclusive financial services.

Regarding the layout of personal loan business, we will continue to optimize resource allocation and focus on the retail asset side, with loan disbursements primarily concentrated in the consumer sector where there are stable repayment sources and strong application scenarios. Personal housing mortgage loans will remain the cornerstone, while we will further expand auto consumer finance—particularly for new energy vehicles—to effectively respond to the national policy call to "support residents' reasonable housing needs and expand consumption."

## (VI) Key Priorities of the New Three-Year Strategy

The Company has formulated the *SHRCB 2026–2028 Development Strategy*. Over the next three years, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank will thoroughly implement the spirit of the 20th National Congress of the Communist Party of China, all plenary sessions of the 20th CPC Central Committee, and all plenary sessions of the 12th Shanghai Municipal Party Committee. We will earnestly fulfill the work requirements of SASAC Shanghai and financial regulatory authorities, firmly uphold the political, people-oriented, and professional nature of financial work, and focus on serving the construction of Shanghai's "Five Centers" and advancing the "Five Major Articles." We will adhere to a customer-centric approach, uphold inclusive finance, advance digital transformation, and maintain our business strategy of "serving small and diversified businesses." We will accelerate the pace of innovative development, cultivate the distinctive characteristics of rural commercial banking, continuously enhance our core competitiveness, and build a service-oriented bank that creates value for our customers.

The Company has established its strategic objectives for the next three years: to become a regional benchmark bank with core competitiveness; to become a value-creating bank distinguished by its customer-centric operation; and to become a national model bank that empowers social governance through inclusive finance. To achieve these strategic objectives, the Company will implement strategic initiatives through a five-pronged strategic framework. **First, demonstrate the responsibility of a state-owned enterprise by actively serving major national and regional strategies.** We will earnestly implement the strategic directives of the CPC Central Committee, the State Council, the Shanghai Municipal Party Committee and Municipal Government, and SASAC Shanghai, fully supporting major national and regional strategies, serving the real economy and local public welfare, and faithfully fulfilling the corporate responsibilities and mission of a local legal entity bank. **Second, we will maintain strategic resolve, focus on the "Five Major Articles," and continue to advance the development of the "Five Major Financial Service Systems."**(1) Strengthen the retail financial services system driven by pension and wealth management, continue to deepen the development of the "nine systems" in retail finance, build a business system that comprehensively covers all retail customer segments, provide omnichannel services, deepen support throughout the entire customer lifecycle, and further enhance the value creation capabilities of the retail business.(2) Vitalize the comprehensive financial service system driven by transaction banking. Using the "Shixinshiyi" product matrix as a vehicle, we will promote the deep integration of transaction banking across the entire asset-liability chain. Through the synergistic combination and precise alignment of product systems, we will comprehensively enhance the level of comprehensive service capabilities;(3) Deepen the inclusive financial services system rooted in Three Rural Issues. Leveraging the Bank's traditional strengths in towns and villages, we will further focus on small-scale and diversified businesses, reach out to grassroots customer segments, deepen our engagement in Three Rural Issues, and inclusive finance businesses, and refine the inclusive financial services system;(4) Specialize in a technology finance service system characterized by technology innovation finance. Adhering to the service philosophy of "leading in innovation, comprehensive in technology, and pioneering in research," we will strengthen the "three key competitive advantages"—specialized business mechanisms, industry research, and channel ecosystems—to build an innovation-empowered ecosystem and create new momentum and advantages for the development of technology finance; (5) Strengthen a sustainable finance service system underpinned by green finance, foster the development of green productive forces, enhance the momentum of green development, support energy structure adjustment and industrial transformation, and solidify the foundation for green finance development. **Third, we will fully advance the construction of the FI ecosystem.** We will cultivate FI customer relationships, deepen the "FI+" business model, maintain our influence in various factor markets and financial infrastructure, while actively promoting the establishment and operation of the wealth management company and vigorously expanding custody services to enhance market competitiveness. **Fourth, we will advance integrated operation to enhance comprehensive returns for customers.** We will reinforce the "ONE SHRCB" philosophy, break down silos between business lines, and deepen integrated operation across public and private sectors, inclusive retail, domestic and international markets, RMB and foreign currencies, commercial and investment banking, and "FI + Retail" segments. This will build a deeply synergistic customer ecosystem and resource-sharing system to consolidate our collective strength for development. **Fifth, we will drive the deep integration of business and technology to vigorously develop digital finance.** Following the implementation path of "digitalization, data-driven transformation, and intelligentization," we will leverage digital tools to facilitate the improvement, reshape business processes, optimize workflows and the customer experience, and enhance capabilities in management, operation, and risk control, thereby building a digitally driven smart bank.

## X. Risk Management

During the reporting period, faced with a complex and volatile domestic and international economic environment, the Company adhered to the philosophy of "enhancing risk management capabilities and creating value through risk management." We maintained a prudent risk appetite, guided by the principles of comprehensiveness, independence, foresight, and professionalism in risk management. Leveraging digital risk control as a key driver, we upheld the bottom line of preventing systemic risks, continuously improved our comprehensive risk management system, and enhanced our overall risk control capabilities.

### (I) Credit Risk Management

Credit risk refers to the risk arising from a debtor or counterparty's failure to fulfill contractual obligations or from changes in credit quality.

To effectively manage credit risk, the Company has clarified management principles, improved the management framework, implemented management responsibilities, continuously refined methods for identifying, measuring, monitoring, and controlling credit risk, and optimized risk reporting and information disclosure practices.

During the reporting period, the Company deepened the systematic, professional, and forward-looking requirements of its credit risk management system, continuously improved its data-driven, top-down, and front-loaded credit risk management mechanisms, and ensured that the asset quality of the entire bank continued to improve steadily. First, we scientifically formulated annual credit policies, increased support for key sectors such as agriculture, small and micro enterprises, science and technology innovation, and green finance, promoted the quantitative expression of credit policies, improved the monitoring and review of credit policies, strengthened the evaluation and management of policy implementation, and advanced the optimization of the credit structure. Second, we improved the Group's consolidated management system, expanded the coverage of unified credit control, established a system for managing maximum risk limits and integrated it into the entire credit process, and completed the construction of a unified credit system at the Group level. Third, we created a comprehensive credit risk overview to analyze credit risks across all business lines, major asset classes, key products, and key institutions. We monitored risks daily, reported findings weekly, and conducted analysis monthly to promptly identify issues and implement control measures. Fourth, we fully implemented a comprehensive reshaping of the credit management process, focusing on enhancing the digitalization, intelligence, and technological sophistication of the entire credit business process, improving operational efficiency while further ensuring the substantive, effective, and precise nature of risk control. Fifth, we continued to carry out post-loan management, risk monitoring, risk screening, and various inspection activities; deepened the management of large-exposure credit business, gained a clear understanding of the actual situation, adhered to strict classification of credit asset risks, and accurately reflected asset quality. Sixth, we continued to improve the large-exposure risk management system, advancing system development and data governance. During the reporting period, the Company's various large-exposure regulatory indicators consistently met regulatory requirements.

During the reporting period, the Company's credit risk remained generally under control.

### (II) Market Risk Management

Market risk refers to the risk of losses arising from adverse changes in market prices (interest rates, exchange rates, stock prices, and commodity prices) in the Bank's on- and off-balance-sheet operation. It is categorized into interest rate risk, foreign exchange risk, equity price risk, and commodity price risk. The Company's market risk stems from the trading book and the banking book, with interest rate risk and foreign exchange risk being the primary market risks faced by the Company.

The Company adheres to the basic principles of "independence, matching returns with risks, combining quantitative and qualitative approaches, and gradual and dynamic adjustments." It maintains a relative independence and effective separation between risk management functions and business operation. The level of market risk assumed is aligned with the Company's business objectives, development plans, and financial budgets. By employing a combination of quantitative and qualitative analysis, the Company promptly adjusts its market risk management policies, systems, technologies, and methods in response to external environment and business development trends.

#### 1. Interest Rate Risk Management

Interest rate risk refers to the risk that adverse changes in interest rate levels, term structures, and other factors may result in losses to the economic value and overall returns of the trading book and banking book.

##### (1) Interest Rate Risk Management in the Trading Book

The Company primarily employs various methods, including Value at Risk (VaR), stress testing, sensitivity analysis, exposure analysis, profit and loss analysis, and price monitoring, to measure and manage interest rate risk in the trading book. By integrating business development dynamics with risk management requirements, the Company continuously optimizes the market risk limit management system and dynamic management mechanisms based on trading portfolios, relying on the market risk management system to achieve rapid and flexible limit monitoring and dynamic adjustments.

During the reporting period, the Company continuously optimized its market risk management framework in accordance with the *Market Risk Management Measures* and the latest management practices; based on domestic and international economic and financial trends, business development plans, and its own risk tolerance, it established the 2025 market risk limit system and conducted daily monitoring, measurement, and reporting; continued to advance the digital transformation of the market risk management system, continuously improving the quality of market risk data and the level of measurement; closely tracked financial market conditions and strengthened analysis and forecasting of interest rate and exchange rate trends; identified and assessed risks associated with new products and business lines, and established corresponding risk management systems and processes; and continuously conducted multi-dimensional, tiered analysis of trading book activities and profit attribution across the front and middle offices to enhance the precision of market risk management. During the reporting

period, market risk indicators and stress test results remained consistently within management targets, and the overall risk level was under control.

## (2) Interest Rate Risk Management in the Banking Book

In accordance with external regulatory requirements and internal management regulations, the Company has established and continuously improved its interest rate risk management system for the banking book, clarified the interest rate risk governance structure, and established management processes for the identification, measurement, monitoring, control, and reporting of interest rate risks in the banking book. The Company primarily employs methods such as repricing gap analysis and scenario simulation to measure and analyze interest rate risks in the banking book.

During the reporting period, the Company adhered to a sound and prudent interest rate risk appetite for the banking book, closely monitored changes in the external environment and the structure of internal interest rate exposures, and conducted continuous monitoring and analysis of various types of interest rate risks. The Company adhered to a proactive interest rate risk management strategy with flexible adjustments, utilizing management tools such as price guidance and risk limits to implement effective controls. During the reporting period, the Company's banking book interest rate risk indicators and stress test results remained within limits and warning thresholds, and the overall level of banking book interest rate risk remained stable and controllable.

## 2. Foreign Exchange Risk Management

Foreign exchange risk refers to the risk arising from fluctuations in exchange rates on the Company's positions in each foreign currency and foreign exchange derivative instruments. The objective of foreign exchange risk management is to match assets and liabilities across currencies as much as possible and to keep foreign exchange risk within the limits set by the Company.

The Company's exchange rate risk management for the trading book covers all proprietary and agency businesses, and sets up, among other indicators, exposure limits, sensitivity limits, stop-loss limits, etc., and monitors their implementation on a daily basis. The Company's risk management of exchange rate in the banking book sets indicators for cumulative foreign exchange exposure limits, and strictly controls the overall foreign exchange risk within the risk tolerance range through regular monitoring.

During the reporting period, the Company established risk tolerance limits in accordance with internal and external management requirements and monitored their implementation on a daily basis; closely monitored exchange rate trends and conducted regular exchange rate risk stress tests; and strictly controlled the scale of foreign exchange exposure in light of domestic and international macroeconomic conditions. At the end of the reporting period, all exchange rate risk indicators in the trading book were within target ranges, the scale of foreign exchange exposure in the banking book remained at a relatively low level, and the overall exchange rate risk level was stable.

## (III) Liquidity Risk Management

Liquidity risk refers to the risk that commercial banks are unable to obtain sufficient funds timely at a reasonable cost to pay due debts, perform other payment obligations and meet other capital needs of normal business development. The events or factors that cause liquidity risk include withdrawal of deposit from deposit customers, withdrawal from loan customers, debtor's delayed payment, mismatching of asset and liability structure, difficulty in asset monetization, operational loss, transaction risk of derivatives and related risks of affiliated institutions, etc.

The Company aims to establish a liquidity risk management system commensurate with the scale of its assets and liabilities, as well as the characteristics and complexity of its business structure; continuously improve its liquidity risk appetite and limit management system to achieve a reasonable balance among capital safety, liquidity, and profitability; optimize its funding management mechanisms to align with the development needs of the entire business; and comprehensively assess the Group's overall liquidity position to effectively prevent the transmission of risks within the Group.

During the reporting period, the Company's liquidity position remained generally sound and appropriate. Based on macroeconomic conditions, market environment, and business development plans, the Company established annual liquidity risk appetite indicators, defined management objectives, and formulated corresponding measures; made reasonable use of tools such as internal funds transfer pricing to continuously optimize the maturity structure of assets and liabilities; strengthened liquidity risk identification and management across all business lines, and reasonably set liquidity risk limits for each line; actively expanded market financing channels, flexibly conducted proactive liability operation to supplement long-term stable funds; strengthened the management of liquidity risk indicators, implemented dynamic tracking and forward-looking forecasting of indicators to ensure compliance, achievement of targets, and relative stability; strengthened stress testing management, optimized liquidity risk stress testing scenarios and parameters, and systematically advanced stress testing efforts; improved the liquidity risk emergency management system, conducted group-wide emergency drills, and continuously enhanced risk awareness, emergency response capabilities, and risk resolution capabilities; deepened the application of the liquidity management information system, optimized system functions, strengthened data quality management, and enhanced technological support capabilities; continuously improved the liquidity risk management system, refined institutional processes, and elevated the Group's liquidity management standards.

As of the reporting period, the Group's liquidity ratio stood at 82.01%, the liquidity coverage ratio at 234.14%, and the net stable funding ratio at 135.85%, all of which exceeded regulatory requirements and aligned with the Group's annual liquidity risk appetite.

## Liquidity Coverage Ratio

Unit: RMB 000

The Group	December 31, 2025
Liquidity coverage ratio (%)	234.14
Eligible high-quality liquid assets	240,700,903
Net cash outflow over the next 30 days	102,799,956

## Net Stable Funding Ratio

Unit: RMB 000

The Group	December 31, 2025	September 30, 2025
Net stable fund ratio (%)	135.85	139.50
Stable fund available	1,093,971,733	1,061,075,958
Stable fund needed	805,273,200	760,627,227

## (IV) Operational Risk Management

Operational risk refers to the risk of loss arising from deficiencies in internal processes, employees, IT systems, or external events.

During the reporting period, the Company continued to improve its operational risk management system with the goal of preventing systemic operational risks and significant operational risk losses. The Company continuously strengthened management activities related to the identification, assessment, monitoring, and measurement of operational risk, and enhanced operational risk management at the Group level: first, we improved the operational risk management system framework to enhance the compliance, comprehensiveness, and practicality of the regulations. Second, we continued to deepen the application of the three major operational risk management tools, conducted self-assessments of operational risk and controls, refined key risk indicators, strengthened the collection and analysis of loss data, improved the quality of operational risk management data, and enhanced risk early warning and rectification tracking to increase the effectiveness and precision of risk prevention and control. Third, we continuously iterated and upgraded the operational risk management system, optimizing the performance of various management tools and the capital measurement system. Fourth, we adopted the standardized approach to measure operational risk-weighted assets, refined the capital measurement framework, and advanced preparations for the regulatory application to "adopt self-calculated internal loss multipliers for operational risk capital measurement." Fifth, we strengthened consolidated operational risk management by promoting loss data collection, operational risk and control self-assessments, and monitoring of key risk indicators at subsidiaries. Sixth, we improved the operational risk management evaluation mechanism, conducted training and awareness campaigns on operational risk management for branches/sub-branches, advanced the compilation of operational risk case studies, actively shared best practices in operational risk management, fostered a sound operational risk management culture, and further enhanced the capability and effectiveness of operational risk management. Seventh, we regularly conducted outsourcing risk assessments and strengthened outsourcing risk management.

During the reporting period, the Company's operational risk remained generally under control.

## (V) Compliance Risk Management

Compliance risk refers to the risk that the Company may face legal sanctions or regulatory penalties, significant financial losses, or reputational damage due to failure to comply with national laws and regulations, regulatory requirements, and the Company's internal rules and regulations.

During the reporting period, the Company proactively benchmarked against the requirements of the *Administrative Measures for Compliance of Financial Institutions*, revised relevant compliance management rules and regulations, and consolidated resource support for compliance work in terms of appointment management, assessment mechanisms, and remuneration guarantees. We strengthened the independence of compliance work and enhanced the soft power of compliance risk management; fully focused on professional development goals and strengthened the compliance environment, enhanced the management of compliance and internal control officers at branches/sub-branches by implementing a "three-pronged" management mechanism where the head office took the lead in personnel selection, performance reporting, and evaluation; vigorously advanced the concept of "moving the compliance defense line forward," leveraging the deterrent effect of compliance; integrated the principles of accountability for violations and exemption from liability for due diligence into daily operation. Through various means, such as compiling case studies and issuing notifications of violations, the Company exerted a deterrent and warning effect. All departments and branches/sub-branches closely monitored key personnel, critical business operation, and key behaviors, rigorously ensuring the implementation of responsibilities; dedicated to advancing the digital and intelligent empowerment of compliance, continuously deepened the application of AI in the compliance. Through advanced technologies such as data mining and machine learning, we stimulated compliance momentum, promoted the deep integration of case prevention with daily operational management, and enhanced early warning capabilities for compliance risks.

During the reporting period, the Company's compliance risks remained generally under control.

## (VI) Money Laundering Risk Management

Money laundering risk refers to the risks of money laundering, terrorist financing, and proliferation financing that the Company faces when conducting business and management operation, which may be exploited by illegal and criminal activities, as well as the resulting reputational and legal risks, leading to customer attrition, business losses, and financial losses.

The Company thoroughly implements the "risk-based" principle, complies with anti-money laundering laws and regulations, actively fulfills all anti-money laundering obligations, and establishes a comprehensive anti-money laundering risk management organizational structure to ensure the effectiveness of such management. During the reporting period, the Company's anti-money laundering risk management measures included, but were not limited to: closely aligning with the requirements of the *Anti-Money Laundering Law* and supporting regulations, the Company continuously improved its internal anti-money laundering control system to ensure compliance with laws and regulations; launched the development of a new-generation intelligent anti-money laundering system to enhance the quality and efficiency of anti-money laundering risk management; strengthened proactive management by functional departments and business lines to support the implementation of beneficial owner identification; conducted internal money laundering risk self-assessments to continuously improve the effectiveness of anti-money laundering efforts; organized multi-level training for senior management and all employees to foster a company-wide culture of compliance; and ensured the dissemination of awareness and management oversight across subsidiaries to maintain consistency in the Group's money laundering risk management.

During the reporting period, the Company's money laundering risks remained generally under control.

## (VII) Legal Risk Management

Legal risk refers to risks including, but not limited to, the possibility that contracts entered into by the commercial bank may be revoked or declared invalid in accordance with the law due to violations of laws or administrative regulations; the possibility that the commercial bank may be sued or subject to arbitration due to breach of contract, tort, or other causes, and may be liable for compensation in accordance with the law; and the possibility that the commercial bank's business activities may violate laws or administrative regulations, resulting in potential administrative or criminal liability.

During the reporting period, the Company continued to monitor changes in laws and regulations and provided interpretations and guidance on major regulatory requirements; continuously revised and improved relevant rules and regulations for legal risk management. The General Counsel issued legal opinions on major investments, major decisions, and major operational matters; provided robust legal and compliance support; reviewed the Bank's internal rules and regulations as well as legal documents; and supported business development; continued to oversee the review and revision of model contract templates; actively organized participation in the 9th Shanghai Corporate Legal Skills Competition; and conducted training on legal judicial interpretations and the use of internal model contract templates.

During the reporting period, the Company's legal risks remained generally under control.

## (VIII) Reputational Risk Management

Reputational risk refers to the risk that stakeholders, the general public, the media, or others may form a negative perception of the bank due to the conduct of the commercial bank, the actions of its employees, or external events.

During the reporting period, the Company continued to benchmark against regulatory requirements and industry standards, strengthening proactive reputation risk management across the entire process, including identification, monitoring, early warning, and assessment. By reinforcing source management and improving the analysis and assessment of hot-button issues, the Company promoted the refinement and deepening of its management practices. Overall, the reputation risk situation remained stable during the reporting period. Meanwhile, the Company adhered to a dual-pronged approach of "in-depth planning and timely reporting." Focusing on themes such as the "Five Major Articles," Finance for the People, the 20th anniversary of the Company's restructuring and establishment, and three-dimensional value creation, the Company planned and implemented a series of integrated brand communications campaigns. These efforts comprehensively showcased the achievements in serving the real economy and people's livelihoods, continuously building reputational capital and enhancing the brand's resilience against risks.

During the reporting period, the Company's reputation risk situation remained stable, with no major reputation incidents occurring.

## (IX) Strategic Risk Management

Strategic risk refers to risks arising from inappropriate business strategies or changes in the external operating environment during the formulation and execution of a commercial bank's strategies.

During the reporting period, the Company took the formulation of a new strategic plan as a breakthrough, continuously deepened the quality and efficiency of strategic OKR management, advanced the institutionalization and standardization of strategic management mechanisms, and strengthened strategic risk management. Closely adhering to the guiding principles of "cherishing heritage, strengthening execution, and self-motivation," the Company systematically advanced the formulation of the 2026-2028 development strategy and the 15th Five-Year Plan; comprehensively updated the OKR evaluation model, strengthened end-to-end strategic management, and provided precise support for operational decision-making; focused on strategic priorities and key issues to conduct analytical research, significantly enhancing the impact of external research, with the findings empowering strategic decision-making; and coordinated the strategic management, synergy, and governance of subsidiaries and equity-held companies at the Group level, driving the Group's overall development toward higher quality and greater efficiency through strategic synergy.

During the reporting period, the "Five Major Financial Service Systems" outlined in the Company's strategic plan were highly aligned with the central government's requirements to advance the "Five Major Articles" in finance, ensuring the strategy maintained strong guidance.

## (X) IT Risk Management

IT risk refers to operational, legal, and reputational risks arising from natural factors, human factors, technical vulnerabilities, and management deficiencies during the use of IT.

During the reporting period, the Company further advanced the digital transformation of IT risk management, strengthened management effectiveness, promoted the standardization and refinement of management processes, consolidated the data foundation, and enhanced preemptive early warning capabilities; expanded the scope of IT risk management, comprehensively optimized the IT risk assessment and monitoring indicator systems, actively conducted specialized risk assessments in key areas, advanced comprehensive risk monitoring and analysis, promptly identified and addressed risks, strengthened closed-loop management, and continuously improved IT risk prevention capabilities and standards; continued to conduct risk reviews for major projects, with a focus on risks related to business continuity and data security; continued to strengthen risk control over IT outsourcing, conducting risk reviews during the onboarding phase of outsourcing service providers as well as on-site risk assessments of key outsourcing service providers, to prevent supply chain security risks such as information security, service continuity, and service quality in outsourcing management; deepened business continuity management efforts, actively conduct training, guidance, and awareness campaigns on business continuity management, performed annual business impact analyses, led the revision of business continuity plans and emergency response plans, promoted standardized management of drills, and strengthened full-scale drills covering all critical business operation and information systems within a three-year cycle to effectively enhance the level of business continuity management.

During the reporting period, the Company's information systems operated smoothly, and risks were generally under control.

## (XI) Country Risk Management

Country risk refers to the borrower or debtor's inability or refusal to pay the banking institution's debts, or losses on the banking institution's commercial presence etc. in that country or region or other risk of loss on banking financial institutions due to economic, political, social changes and events in that country or region.

Against the backdrop of an increasingly complex international landscape, the Company places high importance on country risk management. We continuously monitor developments in key countries and regions worldwide, integrate country risk management into our comprehensive risk management system, and conduct regular risk monitoring. The Company manages country risk through a series of management tools, including country risk assessment and rating, country risk limit controls, and country risk stress testing. Additionally, the Company continues to advance the digitalization of country risk management to enhance its capabilities and efficiency.

During the reporting period, the Company's country risk exposure was primarily concentrated in low-risk and lower-risk countries or regions, and country risk remained generally manageable.

## XI. Future Development Outlook

2026 marks the opening year of the 15th Five-Year Plan. China's economy will enter a new phase of high-quality development. Under the general principle of "seeking progress while maintaining stability, and improving quality and efficiency," the foundation for China's macroeconomic recovery and positive momentum will be further consolidated, safeguarding stable economic growth and providing ample room for the sustainable development of the banking sector.

Meanwhile, global economic divergence, geopolitical tensions, and regional conflicts will persist. Coupled with increasing economic uncertainties both domestically and internationally, as well as intensifying market competition, the divergence in the banking sector's performance will further widen. Amid expectations of interest rate cuts, pressure on net interest margin remains, while rising credit risks continue to weigh on asset quality. Furthermore, the expansion of major banks into lower-tier markets continues to squeeze the market space for small and medium-sized banks. In 2026, the banking sector must capitalize on policy dividends and opportunities arising from the development of modern industries. Focusing on the cultivation of new-quality productive forces, the revitalization and upgrading of consumption policies, and the accelerated pace of domestic enterprises "going global," the sector should concentrate on the "five major financial initiatives," optimize business structures, and deepen operational transformation. Through high-quality development, the sector will serve the construction of Chinese-style modernization while effectively addressing various challenges in the industry's development.

2026 also marks the inaugural year of the Company's 2026-2028 development strategy. The Company will uphold the political and people-oriented nature of financial work, adhere to a customer-centric approach and value creation, continuously advance the three core strategies, continue to strengthen the construction of the "Five Major Financial Service Systems," reinforce integrated operation and business innovation, accelerate digital transformation, enhance the level of refined management, strive to cultivate distinctive operational characteristics, actively create new business growth poles, and make every effort to provide customers with higher-quality and more efficient comprehensive financial services.

**First, focus on serving small and diversified businesses to elevate the level of our corporate financial services.** We will continue to build a comprehensive financial service system driven by transaction banking, deepen the integrated "settlement + products + scenarios" model, and cultivate supply chain financial services to enhance customer loyalty; integrate into regional economic development, vigorously support key industries such as manufacturing and integrated circuits, as well as landmark projects like urban renewal and the redevelopment of urban villages, and comprehensively serve the construction of Shanghai's "Five Centers"; reshape the inclusive finance business model, strengthen the integrated link between inclusive and retail finance, actively promote the conversion of long-tail customers, advance the integrated development of inclusive microloans, and enhance the value contribution of inclusive finance; deepen our commitment to serving Three Rural Issues, actively participate in the construction of the rural credit system, increase support for new types of agricultural entities, improve the agricultural technology service system, and empower the modernization of agriculture and rural areas; build a technology-driven financial service system powered by the dual engines of "industry finance + technology innovation ecosystem," refine the risk management model for

technology innovation finance, focus on Shanghai's key strategic industries to deepen the supply of "finance + non- finance" services under the "Xin Dong Neng" brand, and construct an open and shared empowerment ecosystem; expand cross- border financial services to support local enterprises' "going global" strategic initiatives and promote integrated development both domestically and internationally.

**Second, deepen the retail transformation and tap into new drivers of value growth.** We will improve the corporate- personal banking integration mechanism and vigorously develop distinctive pension finance services. Use payroll and pension disbursement as leverage to deepen the management of key retail customer segments and drive the conversion of trade union cardholders into high- value customers; promote the restructuring and expansion of wealth management business, strengthen the distinctive features of inclusive and senior- friendly asset management, increase the proportion of non- deposit retail business, expand the issuance of high- quality mortgage loans and proprietary consumer loans, and boost the revenue contribution of retail business.

**Third, strengthen "FI+" collaboration to build an FI cooperation ecosystem characterized by resource sharing and value co- creation.** Accelerate partnerships with small and medium- sized financial institutions to establish a distinctive FI business brand; deepen the integrated development of investment banking and commercial banking, leverage FI channel advantages to enhance outreach to industrial customers, and build a new service ecosystem for industrial customers through "investment banking + commercial banking" and "financial + non- financial" services; shape a brand for RMB and foreign currency agency services, optimize the supply of wealth appreciation and financing risk- hedging products, and enhance customer value empowerment.

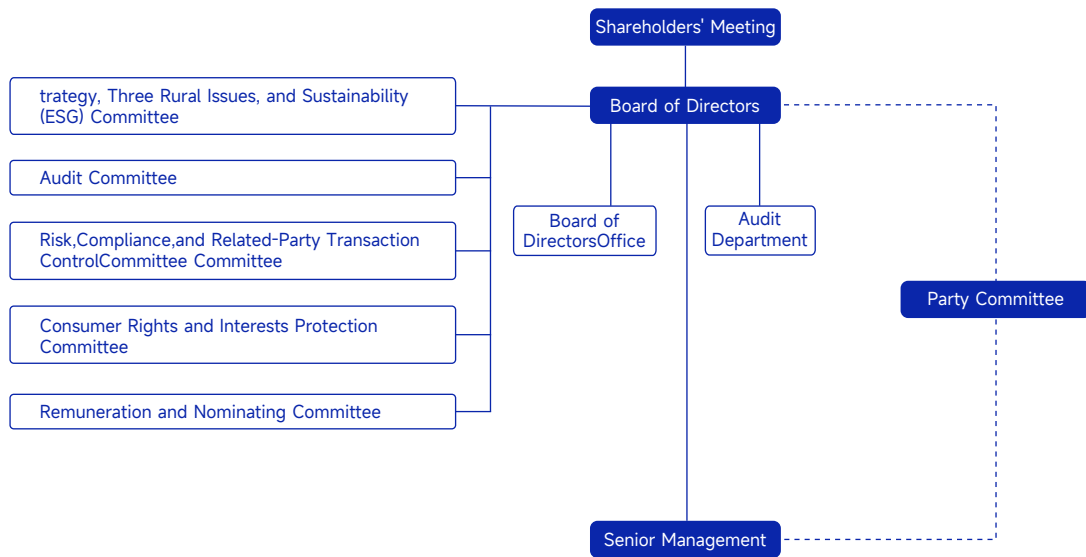
**Fourth, accelerate digital and intelligent transformation to improve operational and management efficiency.** Deepen the advancement of intelligent development, accelerate the mastery of core technologies in large language models, strengthen the application of large language models in practical scenarios, and promote AI- enabled solutions in marketing, office operation, and knowledge bases; advance digital governance, streamline business processes, and enhance customer experience and operational efficiency.

**Fifth, strengthen comprehensive risk management and improve the quality and effectiveness of risk and compliance management.** Deepen the systematic, professional, and forward- looking nature of the risk management system; continuously refine the data- driven, top- down, and front- loaded comprehensive risk management mechanism; and enhance risk early warning and response capabilities in key areas; establish and improve a research- oriented audit mechanism, strengthen the coordination of the internal "three lines of defense," and promote the shift from risk management to risk- based operation.

**Sixth, persist in advancing "execution, management, and internal capabilities" to solidify the foundation for high- quality development.** Establish a smart operation system aligned with the principles of "standardization, centralization, and intelligence," enhance strategic and refined human resources management, promote cost reduction and efficiency gains in property leasing and outlet operation, deepen strategic synergy with equity- held companies, and advance work style improvement in a routine and sustainable manner to boost the internal momentum of business development.

# Corporate Governance, Environment, and Society

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## I. Overview of Corporate Governance

During the reporting period, the Company, in accordance with the provisions of laws and regulations such as the *Company Law*, the *Securities Law*, and the *Commercial Bank Law*, as well as regulatory requirements from NFRA and CSRC, systematically advanced corporate governance reforms. The Company completed the revision of its *Articles of Association*, dissolved the Board of Supervisors and supervisors, and transferred the relevant powers of the Board of Supervisors to the Audit Committee of the Board of Directors, thereby formally establishing a single-tier corporate governance structure. We continued to refine the "1+4+N" corporate governance system based on the *Articles of Association* and framed by the standardized operating rules of the four major governance bodies: the Party Committee, the Shareholders' Meeting, the Board of Directors, and senior management. We optimized and adjusted the authorization for the Shareholders' Meeting and the Board of Directors to improve the authorization management system. We developed a list of matters subject to Board review to further clarify the boundaries of responsibilities among the various governance bodies and continuously enhance the effectiveness of corporate governance.

The Company has established a corporate governance framework characterized by "statutory powers and responsibilities, clear boundaries, coordinated operation, and effective checks and balances" among the Party Committee, the Shareholders' Meeting, the Board of Directors, and senior management. We fully demonstrate the political and people-oriented nature of financial work by establishing the statutory status of the Party organization within the Company's corporate governance structure in the *Articles of Association*. Shareholders' Meetings are convened and held in accordance with laws and regulations, ensuring that shareholders—especially small and medium-sized shareholders—enjoy equal status and are able to fully exercise their rights. The Company's shareholders exercise their rights and fulfill their obligations in accordance with the *Articles of Association*. No instances have been identified where shareholders have abused their rights in violation of the *Articles of Association* to the detriment of the Company, other shareholders, or creditors. The Board of Directors has deepened strategic leadership, overseen the overall business operation, strengthened risk prevention and control, and made scientific and efficient decisions, effectively fulfilling its functions of "setting strategy, making decisions, and preventing risks." Under the authorization and supervision of the Board of Directors, senior management has maintained strategic resolve, actively implemented the requirements to improve "execution, management, and internal capabilities," emphasized value creation, prioritized the cultivation of distinctive strengths, and deepened the development of the five major financial service systems. By effectively fulfilling its functions of "focusing on execution, planning operation, and promoting development," senior management successfully completed the strategic tasks for 2023–2025, achieving notable results in operational management.

During the reporting period, the Company was recognized by the China Listed Companies Association as a "Best Practice Case for Listed Company Boards of Directors in 2025," fully demonstrating the capital market's acknowledgment of the Company's efforts to continuously improve corporate governance and pragmatically advance management innovation.

During the reporting period, there were no material discrepancies between the Company's actual corporate governance practices and the regulatory documents on listed company governance issued by NFRA and CSRC.

## II. Integrate Party Leadership into Corporate Governance

The Company adheres to the "Two Consistencies," integrating Party leadership and Party building into every aspect of corporate governance, at all levels, and in all facets of daily operation, fully leveraging the Party Committee's leadership role in "setting the direction, overseeing the overall situation, and ensuring implementation." The Company has clarified the boundaries of authority and responsibility among various governance entities, established a comprehensive list of requirements and procedures for the Party Committee's prior review and discussion of major operational and management matters, defined the scope of the Party Committee's deliberation and decision-making on major issues, and enhanced the quality and efficiency of such prior review and discussion.

## III. Directors and Senior Management

### (I) Current Directors and Senior Management

Name	Position	Gender	Year of Birth	Term of Office	No. of shares at the beginning of the period (share)	No. of shares at the end of the period (share)	Change of shares during the reporting period	Remuneration before tax from the Company during the reporting period (RMB 10,000)	Remuneration from the Company's related parties
Xu Li	Chairman, Executive Director	Male	1967	January 2019 – end of term	103,000	103,000	-	100.39	No
Wang Ming	Vice Chairman, Executive Director, President	Male	1975	September 2025 – end of term	-	20,000	20,000	53.58	Yes
Ying Changming	Employee Director	Male	1972	September 2024 – end of term	355,500	385,500	30,000	91.13	No
Guan Wei	Non-Executive Director	Female	1971	August 2025 – end of term	-	-	-	-	Yes
Zhang Xueyan	Non-Executive Director	Female	1974	September 2023 – end of term	-	-	-	-	Yes
Wang Juan	Non-Executive Director	Female	1972	September 2021 – end of term	-	-	-	-	Yes
Liu Yu	Non-Executive Director	Male	1984	March 2024 – end of term	-	-	-	-	Yes
Ruan Liya	Non-Executive Director	Female	1983	November 2020 – End of term	-	-	-	-	Yes
Le Jiawei	Non-Executive Director	Male	1977	September 2023 – end of term	-	-	-	-	Yes
Huang Jixian	Independent Director	Male	1959	November 2023 – end of term	-	-	-	-	No
Chen Ying	Independent Director	Female	1971	November 2023 – end of term	87,900	87,900	-	45.50	No
Chen Gui	Independent Director	Male	1978	November 2023 – end of term	-	-	-	45.50	No
Liu Yunhong	Independent Director	Male	1976	January 2024 – end of term	-	-	-	38.00	No
Li Peigong	Independent Director	Male	1981	September 2023 – end of term	-	-	-	38.00	No
Zhang Hongbiao	Vice President	Male	1968	November 2020 – End of term	697,000	759,800	62,800	82.03	No
Gu Xianbin	Vice President	Male	1979	November 2020 – End of term	421,900	488,200	66,300	84.28	No
Shen Dong	Vice President	Male	1980	February 2022 – End of term	354,900	434,900	80,000	106.78	No
Zhan Lingling	Vice President	Female	1981	July 2025 – End of term	19,900	-	-19,900	53.20	No
Zhang Yuehong	Vice President	Female	1977	August 2025 – End of term	74,000	74,000	-	53.20	No
Yao Xiaogang	Secretary to the Board	Male	1974	May 2024 – end of term	150,000	150,000	-	137.72	No

Note: 1. In accordance with regulatory requirements, the start dates of the terms of office for directors and senior management listed in the table above are calculated from the date of their initial appointment in cases of reappointment. The Company's Articles of Association stipulate that the commencement date of a director's term of office, in the case of reappointment, is calculated from the date of the resolution's adoption by the shareholders' meeting; in the case of a new appointment, it is calculated from the date of approval by the banking regulatory authority. The commencement date of a senior management's term of office, in the case of reappointment, is calculated from the date of the resolution's adoption by the board of directors; in the case of a new appointment, it is calculated from the date of approval by the banking regulatory authority.

- On November 20, 2025, the Company's First Ad-hoc General Meeting of 2025 elected Ms. Liang Xiaoli and Mr. Ye Bo as non-executive directors of the Company, and elected Mr. Chu Xiaoming as an independent director of the Company. Ms. Liang Xiaoli's qualification as a director and Mr. Chu Xiaoming's qualification as an independent director were approved by the Shanghai Financial Regulatory Bureau on January 6, 2026, while Mr. Ye Bo's qualification as a director was approved by the Shanghai Financial Regulatory Bureau on March 10.
- On April 15, 2026, Mr. Ying Changming, an employee director of the Company, resigned from his positions as a director of the Company and a member of the Board Audit Committee due to a change in employment.
- During the reporting period, there were corresponding changes in the shareholdings of certain directors and senior management, all of which were compliant increases or decreases in holdings on the secondary market.
- The total pre-tax remuneration of the Company's executive directors, employee directors, and senior management includes remuneration received from the Company during the reporting period attributable to the current year, as well as the employer's contributions to social insurance, housing provident fund, and other benefits.
- The final remuneration for the Company's executive directors, employee directors, and senior management for the 2025 fiscal year is pending confirmation by the competent authorities; the remaining portions will be disclosed upon confirmation.
- During the reporting period, the remuneration received by Mr. Wang Ming from the Company's related parties consists of remuneration paid during his tenure at Shanghai Bank Co., Ltd.
- The remuneration of the Company's independent directors is implemented in accordance with the remuneration management measures approved by the shareholders' meeting; among them, Independent Director Huang Jixian does not receive remuneration from the Company in accordance with the relevant requirements of his former employer.

## (II) Outgoing Directors and Senior Management

Name	Position Prior to Resignation	Gender	Year of Birth	Term of Office	No. of shares at the beginning of the period (share)	No. of shares at the end of the period (share)	Change of shares and reasons	Remuneration before tax from the Company during the reporting period (RMB 10,000)	Remuneration from the Company's related parties
Gu Jianzhong	Vice Chairman, Executive Director, and President	Male	1974	January 2019–April 2025	600,000	757,300	157,300	30.56	Yes
Ye Peng	Non-Executive Director	Male	1972	March 2017–May 2025	-	-	-	-	Yes
Li Guanying	Non-Executive Director	Male	1977	October 2023–October 2025	-	-	-	-	Yes
Jin Jianhua	Vice President	Male	1965	September 2010–April 2025	990,000	846,000	-144,000	25.81	No

Note: During the reporting period, certain directors and senior management purchased or sold the Company's A-shares on the secondary market using their own funds, resulting in corresponding changes in shareholdings. The reasons for these changes were all due to increases or decreases in holdings.

## (III) Major Work Experience of Directors and Senior Management

### 1. Directors

**Xu Li, male, born in December 1967, holds a postgraduate degree and a Master of Economics. He is a Senior Economist, an alternate member of the 12th Shanghai Municipal Committee of the Communist Party of China, and a member of the 14th Shanghai Municipal Committee of the Chinese People's Political Consultative Conference.**

Currently serves as Party Secretary and Chairman of SHRCB, and concurrently serves as Deputy Director of the Rural Cooperative Finance Working Committee of the China Banking Association and Vice President of the Council of the Shanghai Listed Companies Association. Previously served as General Manager of the Corporate Finance Department of the Shanghai Branch of Industrial and Commercial Bank of China, Ltd.; Party Branch Secretary and Branch Manager of the Shanghai Bund Sub-branch of Industrial and Commercial Bank of China, Ltd.; Assistant Branch Manager of the Shanghai Branch of Industrial and Commercial Bank of China, Ltd.; Member of the Party Committee and Vice President of the Shanghai Branch of Industrial and Commercial Bank of China, Ltd.; and Deputy Party Secretary, Vice Chairman, and President of SHRCB.

**Wang Ming, male, born in April 1975, holds a bachelor's degree in economics and is a certified economist.**

Currently serves as Deputy Secretary of the Party Committee, Vice Chairman, and President of SHRCB. Previously served as Deputy General Manager of the Corporate Finance Department and General Manager of the Key Customers Department at Bank of Shanghai Co., Ltd.; Member of the Party Committee, Secretary of the Discipline Inspection Commission, and Vice President of the Beijing Branch of Bank of Shanghai Co., Ltd.; Deputy General Manager of the FI Department and General Manager of the Corporate Business Department at Bank of Shanghai Co., Ltd.; Party Secretary and President of the Puxi Branch of Bank of Shanghai Co., Ltd.; Chairman of BOSCA Asset; and Member of the Party Committee, Vice President, General Counsel, and Chairman of the Labor Union at Bank of Shanghai Co., Ltd.

**Ying Changming, male, born in November 1972, holds a postgraduate degree and a Master of Science.**

Former Deputy Secretary of the Party Committee, Chairman of the Labor Union, and Employee Director of SHRCB; Director of the Office of the Shanghai Municipal Committee of the Communist Youth League; Secretary of the Directly Related Party Committee, Director of the Party Committee Office, and Director of the General Office of SHRCB; Secretary of the Party Committee and President of the Jiading Sub-branch of SHRCB; and Vice President of SHRCB.

**Guan Wei, female, born in August 1971, holds a bachelor's degree and a Master of Management degree, and is a Senior Accountant.**

Currently serves as a Member of the Party Committee, Deputy General Manager, and Chief Financial Officer of Shanghai International Group Co., Ltd.; Party Committee Secretary and Chairman of Shanghai State-owned Assets Management Co., Ltd.; Director of Shanghai Pudong Development Bank Co., Ltd.; Director of Guotai Haitong Securities Co., Ltd.; Standing Council Member of the 8th Council of the Shanghai Finance Society; Vice President of the Shanghai State-owned Enterprises Corporate Governance Association; and Non-Executive Director of SHRCB. Previously served as Assistant Manager of the Financial Management Department at Shanghai Shentong Group Co., Ltd.; Deputy Manager and Manager of the Financial Management Department, Member of the Discipline Inspection Commission, Manager of the Audit and Supervision Department, and Supervisor of the Board of Supervisors at Shanghai Jiushi Company; General Manager and Party Branch Secretary of Shanghai City Tour Card Development Co., Ltd.; and Chief Financial Officer of Shanghai Land (Group) Co., Ltd.

**Zhang Xueyan, female, born in March 1974, holds a postgraduate degree and a Master of Economics, and is a Senior Economist.**

Currently serves as Deputy General Manager of the Capital Operation Division at China COSCO Shipping Corporation Co., Ltd., and as a non-executive director of COSCO Shipping Development Co., Ltd., COSCO Shipping International (Hong Kong) Co., Ltd., COSCO Shipping Investment Holdings Co., Ltd., The Piraeus Port Authority S.A., and SHRCB. Previously served as Deputy Manager of the Capital Operation Office, Strategic Development Department, COSCO (Group) Corporation / China Ocean Shipping (Group) Company, and Manager of the Capital Operation Office, Capital Operation Division, China COSCO Shipping Corporation Co., Ltd.

**Wang Juan, female, born in November 1972, holds a master's degree in economics and is a Senior Accountant and Certified Public Accountant.**

Currently serves as a Standing Committee Member of the Party Committee, Deputy General Manager, Chief Financial Officer, and Board Secretary of BaoSteel; Vice Chairman of BAP AL-KHAIR STEEL COMPANY; Deputy Director of the Board Secretary Committee of the 4th Council of the Shanghai Listed Companies Association; Member of the Investor Relations Management Professional Committee, Executive Deputy Director of the Board Secretary Professional Committee, and Member of the Women Directors Professional Committee of the China Listed Companies Association; Member of the Expert Pool of the Shanghai Accounting Series Senior Professional Title Evaluation Committee; Member of the Finance Work Committee of the China Iron and Steel Association; Graduate Supervisor at the Shanghai National Accounting Institute; and Non-Executive Director of SHRCB. Previously served as Director of the Business and Finance Department at Baosteel; Director of Asset Management at Baosteel Group; Director of the Management Department at Baosteel-NSC/Arcelor Automotive Steel Sheets Co., Ltd.; Director of the Capital Management Office in the Finance Department at Baosteel; Comprehensive Supervisor of the Asset Group in the Finance Department of the Baosteel Branch at Baosteel; Director of the Asset Management Office in the Finance Department at Baosteel; and Comprehensive Supervisor of the Capital Unit in the Accounting Division of the Planning and Finance Department at Baosteel.

**Liu Yu, male, born in January 1984, holds a bachelor's degree and a master's degree in management, and is a Senior Accountant.**

Currently serves as General Manager of the Financial Management Department at Shanghai Jiushi (Group) Co., Ltd. and Non-Executive Director of SHRCB. Previously served as Supervisor, Assistant to the General Manager, Senior Supervisor, and Deputy General Manager of the Financial Management Department at Shanghai Jiushi (Group) Co., Ltd.

**Ruan Liya, female, born in January 1983, holds a master's degree in science and is a Senior Economist.**

Currently serves as a member of the Party Committee and Deputy General Manager of Zhejiang Expressway Co. Ltd., Director of Zheshang Securities Co., Ltd., Director of Yangtze United Financial Leasing Co., Ltd., Vice President of the Council of the Zhejiang Institute of International Finance, member of the Second Council of the Transportation Investment and Financing Branch of the China Highway Society, and Non-executive Director of SHRCB. Previously served as Investment Manager at Zhejiang Jinji Real Estate Co., Ltd.; Head of the Investment and Development Department, Assistant Manager, Assistant General Manager of the Strategic Development and Legal Affairs Department, and Deputy General Manager of the Strategic Development and Legal Affairs Department at Zhejiang Communications Investment Group Co., Ltd.; and Chief Financial Officer at Zhejiang Expressway Co., Ltd.

**Le Jiawei, male, born in August 1977, holds a bachelor's degree in economics. He is a Senior Accountant and a Certified Public Accountant.**

Currently serves as General Manager of the Capital and Finance Department at Shanghai Shendi (Group) Co., Ltd., Supervisor at Value Retail Village (Shanghai) Co., Ltd., and Non-Executive Director of SHRCB. Previously served as Deputy General Manager (in charge of operation) of the Capital and Finance Department at Shanghai Shendi (Group) Co., Ltd.; Director of Finance and Taxation and General Manager of the Planning and Finance Headquarters, Deputy Director of Finance and General Manager of the Planning and Finance Headquarters, Manager of the Planning and Finance Department, and Deputy Manager of the Finance Department at Shanghai Center Tower Construction and Development Co.; Assistant Manager of the Planning and Finance Department at Shanghai Chengtou Property Co., Ltd.; and Assistant Manager of the Planning and Finance Department of the Real Estate Business Division at Shanghai Chengtou Corporation.

**Huang Jixian, male, born in April 1959, holds a bachelor's degree and a Master of Business Administration (International) degree, and is a Senior Economist.**

Currently serves as an independent director of SHRCB. Previously served as Vice President of the Shanghai Branch of the Industrial and Commercial Bank of China (ICBC); Deputy Party Secretary and Vice President of the Hebei Branch of ICBC; Party Secretary and President of the Hebei Branch of ICBC; Party Secretary and President of the Jiangsu Branch of ICBC; and Director of Shanghai branch of ICBC's Internal Audit Bureau.

**Chen Ying, female, born in March 1971, holds a bachelor's degree and a Master of Business Administration (MBA), and is a Senior Accountant.**

Currently serves as an independent director of Orient Overseas (International) Limited, CSIC, Broad Fund Management Co., Ltd., and MMG; an external director of COSCO Shipping Lines Co., Ltd.; and an independent director of SHRCB. Previously served as Assistant General Manager and Board Secretary, and Deputy General Manager and Board Secretary of Baosteel; and Vice Chairman of Shanghai Chongyang Investment Management Co., Ltd.

**Chen Gui, male, born in September 1978, holds a master's degree in law and a Ph.D. in Business Administration, and is a licensed attorney.**

Currently serves as a partner at Beijing AnJie Shize (Shanghai) Law Firm; member of the Legislative Affairs Committee of the Central Committee of China National Democratic Construction Association; Vice President of the Pudong Federation of Industry and Commerce; arbitrator at the Shanghai Arbitration Commission and the Shanghai International Economic and Trade Arbitration Commission; and independent director of China Insurance Investment Co., Ltd., Zijin Tianfeng Futures Co., Ltd., Orient International Venture Co., Ltd., and SHRCB. Previously served as an attorney at Beijing Dacheng Law Firm; Board Secretary and Chief Compliance Officer at Fortune Lyonnais Securities Limited; Chief Compliance Officer at Morgan Stanley Securities (China) Co., Ltd.; Deputy Director of the Financial Affairs Office of Jinshan District, Shanghai (on secondment); and Partner at Shanghai Yingming Law Firm.

**Liu Yunhong, male, born in November 1976, holds a master's degree, a Doctor of Law (J.D.), and has completed postdoctoral research in both economics and law; he is a Research Fellow.**

Currently serves as Deputy Director of the International M&A and Investment Research Institute of Renmin University of China; Director of the Qianhai Life Insurance Co., Ltd. (Shanghai) Research Institute; Vice Chairman of the M&A Financing Committee and Member of the Independent Directors Professional Committee of the China Listed Companies Association; Adjunct Professor and PhD/Master's Supervisor at Renmin University of China, East China University of Political Science and Law, and other institutions; Independent Director of Sinolink Securities Co., Shanghai Electric Group Co., Ltd., BOCOM International Trust Co., Ltd., and ABC-CA Fund Management Co., Ltd.; and Independent Director of SHRCB. Previously served as Head of Legal Affairs at Guotai Fund Management Co., Ltd., Postdoctoral Researcher at the Shanghai Stock Exchange, General Manager of the Investment Banking Department at CASIC, and Assistant President and General Manager of the Investment Banking Department at Hwabao Securities Co., Ltd.

**Li Peigong, male, born in July 1981, holds a postgraduate degree and a Ph.D. in Management, and is a professor.**

Currently serves as Dean of the School of Accounting and Distinguished Professor at Shanghai Lixin School of Accounting and Finance; Deputy Director and Secretary-General of the Financial Management Subcommittee of the Chinese Society of Management Science; Vice President of the Accounting Society for Foreign Economic Relations and Trade of China; Vice President of the Shanghai Accounting Society; and Independent Director of Huzhou Shenke Biotechnology Co., Ltd., Xinxiang Richful Co., Ltd., and SHRCB. Previously served as a Research Assistant at the Global Economy and Financial Center of the Chinese University of Hong Kong; Assistant Professor, and Associate Professor at the School of Management, Xiamen University; and Visiting Scholar at Florida State University, USA.

## 2. Senior Management

**Wang Ming (Refer to work experience of Directors for details).**

**Zhang Hongbiao, male, born in January 1968, holds a postgraduate degree and a Master of Business Administration (MBA), and is a certified economist.**

Currently serves as Vice President of SHRCB and concurrently serves as a Director of the Shanghai Financial Consumer Dispute Mediation Center. Previously served as Party Branch Secretary and President of the Songjiang Branch of Bank of Shanghai (BOS), Director of the General Office and Director of the Party Committee Office of BOS, Party Committee Secretary and President (Director-level) of the BOS Shinan Branch, Ltd., Chairman of Minhang BOS Rural Bank, and President of the Yangtze River Delta Financial Headquarters of SHRCB.

**Gu Xianbin, male, born in October 1979, holds a bachelor's degree and a Master of Business Administration (MBA).**

Currently serves as Vice President of SHRCB and concurrently holds the positions of President of the Shanghai Rural Revitalization Youth Talent Association, Executive President of the Shanghai Young Entrepreneurs Association, Council Member of the Shanghai Enterprise and Institution Security Protection Association, Representative of a member representative of China Banking Association's Inclusive Finance Committee, and member representative of China Banking Association's Self-discipline Supervision and Inspection Expert Committee for Wealth Management Business. Previously served as Party Secretary and Branch Manager of the Chongming Branch of SHRCB; Director of the General Office, General Manager of the Corporate Finance Department, Director of Corporate Business, and Chief Risk Officer of SHRCB; and Party Secretary and Chairman of Yangtze United Financial Leasing Co., Ltd.

**Shen Dong, male, born in May 1980, holds a bachelor's degree and a master's degree in engineering.**

Currently serves as Vice President, Chief Information Officer, and General Manager of the Operation Management Department at SHRCB, and concurrently serves as a Director of the Shanghai Payment and Clearing Association. Previously served as Deputy General Manager of the Risk Management Department at Bank of Ningbo Co., Ltd. (BON); General Manager of the Technology Department, Member of the IT Management Committee, and Employee Supervisor at BON; General Manager of the Fintech Department, Director of the Office of the Fintech Management Committee, and Member of the IT Management Committee at BON; and General Manager of the Fintech Department at SHRCB.

**Zhan Lingling, female, born in September 1981, holds a master's degree and a Master of Business Administration (MBA) and is a Certified Economist.**

Currently serves as Vice President of SHRCB and concurrently serves as an Executive Director of the China Gold Association. Previously served as Deputy General Manager of the International Business Department, the Trade Finance Department, and the Risk Management Department at SHRCB; Vice President of the Minhang Sub-branch; Deputy Party Secretary of the Qingpu Sub-branch; and Party Secretary and President of the Qingpu Sub-branch of SHRCB.

**Zhang Yuehong, female, born in August 1977, holds a master's degree in management and is a Certified Economist.**

Currently serves as Vice President of SHRCB and General Manager of the Corporate Finance Department, and concurrently serves as a Director of the Shanghai Qiyuan Innovation Foundation. Previously served as Deputy General Manager of the Corporate Finance Department

and General Manager of the Investment Banking Department at SHRCB; Deputy Party Secretary and Vice President, Party Secretary and President of the Xuhui Sub-branch of SHRCB; and General Manager of the Inclusive Finance Department at SHRCB.

**Yao Xiaogang, male, born in October 1974, holds a bachelor's degree in Economics.**

Currently serves as Board Secretary of SHRCB and concurrently holds positions as Executive Director of the China Listed Companies Association, Executive Director of the Shanghai Finance Society, Director of the Shanghai State-Owned Enterprises Corporate Governance Association, and Member of the Board Secretaries Professional Committee of the China Listed Companies Association. Previously served as Deputy General Manager of the Capital and Finance Department and Deputy General Manager of the Planning and Finance Department at Bank of Shanghai Co., Ltd., as well as President of the Jing'an Sub-branch; and as Deputy General Manager (at the General Manager level), General Manager of the Planning and Finance Department, General Manager of the Asset Management Department, General Manager of the Asset-Liability Management Department, Director of the Listing Office, and Chief Financial Officer at SHRCB.

#### (IV) Remuneration of Directors and Senior Management

Decision-Making Procedures for Director and Senior Management Remuneration	The remuneration of non-executive directors (including independent directors) receiving remuneration from the Company is reviewed and approved by the Shareholders' Meeting. The remuneration of the Company's legal representative is reviewed and determined by the competent authority and submitted to the Board of Directors for approval. The remuneration of the Company's senior management is reviewed and approved by the Board of Directors.
Whether Directors Recuse Themselves When the Board Discusses Their Own Remuneration	Yes
Specific Details Regarding Recommendations Made by Independent Directors on Remuneration Matters for Directors and Senior Management	The remuneration management measures for directors of the Company are formulated in accordance with the relevant work deployment and requirements of the competent regulatory authorities and the actual situation of the Company, and the formulation and deliberation procedures are in compliance with the relevant laws and regulations, including the Company Law and the Articles of Association, and there are no circumstances that would jeopardize the interests of the Company and its shareholders, in particular the small and medium-sized shareholders. The remuneration of the Company's professional managers are determined in accordance with the relevant work deployment and requirements of the competent regulatory authorities and the actual situation of the Company, and the formulation and deliberation procedures are in compliance with the relevant laws and regulations such as the Company Law and the Company's Articles of Association, and there are no circumstances that would jeopardize the interests of the Company and its shareholders, in particular the small and medium-sized shareholders.
Actual Payment of Remuneration to Directors and Senior Management	The actual payment of remuneration to directors and senior management during the reporting period is detailed in <i>Sections (I) and (II) of this section</i> .
Total Actual Remuneration Received by All Directors and Senior Management	During the reporting period, the total remuneration received by the Company's directors and senior management from the Company amounted to RMB 9,856.8 million. The final total remuneration for certain directors and senior management whose remunerations were paid by the Company is still pending confirmation by the competent authorities and will be disclosed once determined. The remaining portion of the annual salary payable for the 2024 fiscal year, received by certain directors and senior management of the Company following performance evaluations during the reporting period, is as follows: Chairman and Executive Director Xu Li: 417,300; Non-executive Director and Employee Director Ying Changming: 538,200; Vice President Zhang Hongbiao: 913,600; Vice President Gu Xianbin: 951,800; Vice President Shen Dong: 1,281,000; Former Vice Chairman, Executive Director, and President Gu Jianzhong: 1,076,100; Former Vice President Jin Jianhua: 872,400.
Performance Evaluation Criteria and Achievement for Actual Remuneration Received by All Directors and Senior Management	The Company has established an internal incentive and accountability mechanism consistent with the modern financial enterprise system. The remuneration of executive directors and employee directors is determined in accordance with the relevant regulations of the competent authorities and the Company's performance evaluation and remuneration systems; the remuneration standards for the Chairman are determined by the competent authorities based on the relevant systems for the remuneration management of state-owned enterprise leaders and the results of annual performance evaluations; shareholder directors and independent directors are remunerated in accordance with the <i>SHRCB Director Remuneration Management Measures</i> approved by the Company's shareholders' meeting. The Board of Directors defines the requirements for performance evaluation and remuneration allocation for senior management in accordance with the <i>SHRCB Professional Manager Performance Evaluation Management Measures</i> and the <i>SHRCB Professional Manager Remuneration Management Measures</i> . The Board of Directors evaluates the performance of senior management and reviews the results of performance evaluations. The evaluation process combines annual and term-based evaluations, with annual evaluation conducted each year and term-based evaluation conducted upon the expiration of the term of office.
Deferred Payment Arrangements for Actual Remuneration Received by All Directors and Senior Management	The Company has established a mechanism for the deferred payment and clawback of employee performance-based remuneration. The remuneration payment period is aligned with the duration of the associated business risks and covers all directors and senior management.
Suspension and Reclamation of Actual Remuneration Received by All Directors and Senior Management	During the reporting period, there were no instances of suspension or clawback involving the actual remuneration received by all directors and senior management.

## (V) Changes in Directors and Senior Management

Date	Name	Position Held	Change Details	Reason for Change
April 24, 2025	Gu Jianzhong	Vice Chairman and President	Resigned as Vice Chairman and President of the Company	Change in employment
April 24, 2025	Jin Jianhua	Vice President	Resignation as Vice President of the Company	Retire upon age
May 23, 2025	Ye Peng	Non-Executive Director	Resignation as Non-Executive Director of the Company	Change in employment
July 21, 2025	Zhan Lingling	Vice President	Appointed as Vice President of the Company by the Company's Board of Directors at its fourth meeting of 2025, and approved by the Shanghai Financial Regulatory Bureau	Appointment by the Board of Directors
August 5, 2025	Zhang Yuehong	Vice President	Appointed as Vice President of the Company by the Company's Board of Directors at its fourth meeting of 2025, and approved by the Shanghai Financial Regulatory Bureau	Appointed by the Board of Directors
August 18, 2025	Guan Wei	Non-Executive Director	Elected as a Non-Executive Director of the Board at the Company's 2024 Annual General Meeting of Shareholders, and approved by the Shanghai Financial Regulatory Bureau	Election by the Annual General Meeting
September 30, 2025	Wang Ming	Vice Chairman, Executive Director, and President	Appointed as President of the Company by the Company's Board of Directors at its fourth meeting of 2025; elected as Vice Chairman of the Company by the Company's Board of Directors at its fifth meeting of 2025; elected as an Executive Director of the Board by the Company's 2024 Annual General Meeting of Shareholders; and approved by the Shanghai Financial Regulatory Bureau	Appointed by the Board of Directors / Elected by the Annual General Meeting
October 17, 2025	Li Guanying	Non-Executive Director	Resignation as Non-Executive Director of the Company	Change in employment

## (VI) Penalties Imposed by Securities Regulatory Authorities on Current and Former Directors and Senior Management During the Reporting Period Over the Past Three Years

There have been no penalties imposed by securities regulatory authorities in the past three years.

## IV. Board of Directors

### (I) Responsibilities of the Board of Directors

The Board of Directors is the Company's primary decision-making body for business operation. It formulates strategies, makes decisions, and manages risks, and bears ultimate responsibility for the Company's operation and management. The Board is responsible for convening shareholders' meetings, executing resolutions of shareholders' meetings, determining business plans and investment proposals, reviewing and approving annual financial budget proposals and final accounts, determining the structure of internal management bodies, formulating basic management systems, appointing and dismissing senior management, and, in accordance with the provisions of the *Articles of Association* or within the scope of authority granted by the shareholders' meeting, deciding on major matters such as significant investments, major asset acquisitions, major asset disposals and write-offs, and major related-party transactions, as well as other matters within the authority prescribed by the *Articles of Association* and granted by the shareholders' meeting.

### (II) Composition of the Board of Directors

As of the end of the reporting period, the Company's Board of Directors consisted of 14 directors, including 2 executive directors, namely Mr. Xu Li and Mr. Wang Ming; 1 employee director, namely Mr. Ying Changming; 6 non-executive directors, namely Ms. Guan Wei, Ms. Zhang Xueyan, Ms. Wang Juan, Mr. Liu Yu, Ms. Ruan Liya, and Mr. Le Jiawei; and 5 independent directors, namely Mr. Huang Jixian, Ms. Chen Ying, Mr. Chen Gui, Mr. Liu Yunhong, and Mr. Li Peigong. Two of the executive directors have long been engaged in financial management and possess extensive banking management experience; one employee director serves as Deputy Secretary of the Party Committee and Chair of the Labor Union at the Company, possessing extensive experience in safeguarding the vital interests of employees; 6 non-executive directors come from large state-owned enterprises, holding key positions such as Deputy General Manager and Chief Financial Officer, and possess extensive experience in corporate management, finance, and accounting; the 5 independent directors have diverse backgrounds and possess strong professional expertise and social influence in areas such as commercial bank operation and risk management, financial accounting, auditing, and law.

### (III) Board of Directors' Meetings

The Board of Directors complies with laws, regulations, and the provisions of the *Articles of Association*, making scientific and prudent decisions, maintaining strategic resolve, and fully leveraging its role in guiding decision-making. During the reporting period, the

Board of Directors held a total of 8 meetings, including 6 hybrid meetings (combining in-person and correspondence meetings) and 2 correspondence meetings. The Board reviewed 103 proposals and listened to 33 reports, covering important matters such as the Board of Directors' Work Report, the Management Work Report, the operating budget and profit distribution proposal, periodic reports, remuneration and performance, risk and internal control, major related-party transactions, major asset acquisitions and disposals, write-offs of non-performing assets, and the formulation and revision of key policies.

For details regarding the convening of Board meetings, please refer to the Board resolution announcements published by the Company on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) and the Company's website ([www.shrcb.com](http://www.shrcb.com)).

#### (IV) Implementation of Shareholders' Meeting Resolutions by the Board of Directors

During the reporting period, the Company's Board of Directors strictly implemented the relevant resolutions approved by the Shareholders' Meeting and conscientiously carried out matters such as the 2024 profit distribution proposal, the 2025 budget plan, and the 2025 interim dividend arrangement approved by the Shareholders' Meeting.

#### (V) Directors' Performance of Duties

##### 1. Director Attendance at Board and Shareholders' Meetings

During the reporting period, all directors of the Company performed their duties with integrity, diligence, professionalism, and efficiency. Each director personally attended more than two-thirds of the in-person Board meetings, with an average personal attendance rate of 93%. The directors' attendance at in-person meetings, proxy attendance, and time spent fulfilling their duties all complied with regulatory requirements. The directors' attendance at General Shareholders' Meetings and Board meetings as follows:

Director Name	Board of Directors						Shareholders' Meeting
	Number of Board Meetings Scheduled for the Year	Number of in-person attendances <sup>1</sup>	Participation by correspondence	Number of times attended by proxy <sup>2</sup>	Number of Absences	Failure to attend two consecutive meetings in person	Number of shareholder meetings attended / Total number of meetings during tenure
<b>Executive Director</b>							
Xu Li	8	8	2	0	0	No	2/2
Wang Ming	1	1	0	0	0	No	1/1
<b>Non-Executive Director</b>							
Ying Changming	8	7	2	1	0	No	1/2
Guan Wei	2	2	0	0	0	No	0/1
Zhang Xueyan	8	8	6	0	0	No	1/2
Wang Juan	8	7	5	1	0	No	1/2
Liu Yu	8	7	5	1	0	No	1/2
Ruan Liya	8	8	8	0	0	No	0/2
Le Jiawei	8	7	3	1	0	No	0/2
<b>Independent Director</b>							
Huang Jixian	8	7	4	1	0	No	1/2
Chen Ying	8	7	3	1	0	No	1/2
Chen Gui	8	8	5	0	0	No	0/2
Liu Yunhong	8	7	4	1	0	No	1/2
Li Peigong	8	7	5	1	0	No	2/2
<b>Outgoing Director</b>							
Gu Jianzhong	2	2	1	0	0	No	0/0
Ye Peng	4	4	4	0	0	No	0/0
Li Guanying	7	7	7	0	0	No	1/1

Note: 1. The "number of in-person attendances" at meetings includes both physical attendance and participation via telephone or video conference.

2. Directors who were unable to attend Board meetings in person have all delegated other directors to attend and exercise their voting rights on their behalf.

## 2. Directors' Objection to Relevant Matters of the Company

During the reporting period, no directors of the Company raised objections to the resolutions of the Board of Directors for the current year.

## 3. Adoption of Directors' Recommendations

During the reporting period, the Company's directors maintained a continuous understanding of strategic management, corporate governance, business operation and investments, and risk management. They participated in meetings, submitted proposals, and exercised voting rights in accordance with laws and regulations. They raised numerous opinions and suggestions both during and between meetings, all of which were adopted and addressed by the Company.

## 4. Performance of Duties of Independent Directors

As of the end of the reporting period, the Company's Board of Directors comprised 5 independent directors, accounting for more than one-third of the total number of directors. Independent directors actively participated in Board meetings, meetings of various specialized committees, and dedicated meetings for independent directors. During the reporting period, the Board held a total of 8 meetings, with independent directors achieving a 90% attendance rate at Board meetings and a 100% attendance rate at dedicated meetings for independent directors. The time spent by independent directors on Company business met the regulatory requirement of no fewer than 15 working days. Among them, the independent directors serving as chairs of the Audit Committee and the Risk, Compliance, and Related-Party Transaction Control Committee met the regulatory requirement of no fewer than 20 working days.

During the reporting period, the Company actively implemented the "six-in-one" independent director performance system, which includes mechanisms for deliberation, information sharing, research, training, empowerment, and safeguards. This system fully leveraged the roles of independent directors in decision-making participation, oversight and checks and balances, and professional consultation, ensuring scientific decision-making by the Board of Directors and empowering the Company's high-quality development. First, they expressed objective and impartial independent opinions on matters discussed by the Board of Directors, offering professional advice and recommendations on the Company's strategic planning, corporate governance, internal audit, group management, risk compliance, and related-party transactions. They convened 3 special meetings of independent directors, reviewed 16 agenda items, and listened to reports on 3 items, thereby providing robust support for the Board's scientific decision-making and faithfully safeguarding the rights and interests of depositors and minority shareholders. Second, actively monitored the latest developments in the banking sector and among listed companies, studied laws, regulations, supervisory requirements, and compiled materials related to banking operation and management, and maintained regular communication with other directors, the Board Secretary, and management through both in-person and online channels. Third, proactively initiated and advanced specialized research on asset quality, providing effective guidance in areas such as risk control, macroeconomic research, digital and intelligent management, and asset disposal; reviewed reports on audit plans and the performance evaluation of the leadership team, participated in tripartite meetings with regulatory authorities, and enhanced oversight effectiveness in key areas. Fourth, actively participated in various professional training activities related to board duties organized by the Shanghai Stock Exchange, the Listed Companies Association, and the Company, continuously improving their professional capabilities. Fifth, actively participated in the Company's key events, such as earnings releases and investor relations activities, paid close attention to the reasonable concerns of minority shareholders, proactively addressed issues of interest to investors, and ensured that information disclosure is standardized and transparent.

## (VI) Performance of the Board's Specialized Committees

As of the end of the reporting period, the Company's Board of Directors comprised 5 specialized committees: the Strategy, Three Rural Issues, and Sustainability (ESG) Committee; the Audit Committee; the Risk, Compliance, and Related-Party Transaction Control Committee; the Consumer Rights and Interests Protection Committee; and the Remuneration and Nomination Committee. During the reporting period, the Company's Board Specialized Committees conscientiously fulfilled their duties, fully leveraging their roles in professional research and decision-making support, provided expert opinions and recommendations to effectively support the Board's scientific decision-making, holding a total of 31 meetings, reviewing 124 proposals, and listening to 46 reports.

### 1. Strategy, Three Rural Issues, and Sustainability (ESG) Committee

As of the end of the reporting period, the Strategy, Three Rural Issues, and Sustainability (ESG) Committee consisted of 6 directors: Mr. Xu Li (Chair), Mr. Wang Ming, Ms. Guan Wei, Ms. Zhang Xueyan, Ms. Chen Ying, and Mr. Li Peigong.

The Strategy, Three Rural Issues, and Sustainability (ESG) Committee is primarily responsible for formulating the Company's operational management objectives as well as its medium- and long-term and sustainable development strategies; supervising and inspecting the implementation of annual business plans and investment proposals; and researching, monitoring, and evaluating the Company's business development and fulfillment of responsibilities in sustainable development areas such as inclusive finance, Three Rural Issues finance, green finance, and social responsibility (ESG).

During the reporting period, the Strategy, Three Rural Issues, and Sustainability (ESG) Committee convened 6 meetings<sup>36</sup> (March 28, April 24, May 23, July 25, August 29, and October 30), during which it reviewed the 2025 strategic OKR tasks for the Head Office and senior management, the 2024 strategic execution assessment report, the annual profit distribution proposal, the 2025 interim dividend arrangement, the valuation enhancement plan, the proposal to adjust the investment plan for establishing a wealth management subsidiary, organizational structure optimization and adjustments, the Pillar 3 disclosure report, the 2024 Social Responsibility and ESG Report, the 2024 Environmental Disclosure Report, the 2024 Progress Report on the Responsible Banking Signatories, and the 2024 Assessment Report on Major and Controlling Shareholders, among 35 other agenda items, and reviewed 11 reports, including the operational management status of Yangtze

<sup>36</sup> Due to the merger of committees, meetings of specialized committees held on the same day are not counted twice.

Financial Leasing, the market capitalization management report, the annual post- investment evaluation of equity investments, the annual green finance development report, and the inclusive (Three Rural Issues) financial services report. The Strategy, Three Rural Issues, and Sustainability (ESG) Committee focused on strategic direction and value creation, urging management to effectively implement all strategic initiatives within the strategic period and drive the completion of strategic implementation; guided by sustainable development, it maintained continuous oversight of the bank's overall operation and management, directed management to strengthen the management of material ESG issues, and promoted improvements in ESG ratings; strengthened investment management, accelerated the reform of village and township banks, closely monitored the development of subsidiaries and equity- held companies, and conducted regular post- investment evaluations; firmly established a mindset focused on shareholder returns, promoted the formulation of a market capitalization management enhancement plan and a special action plan for "Improving Quality, Enhancing Efficiency, and Prioritizing Returns," and worked to ensure that market valuations reasonably reflect the company's quality.

## 2. Audit Committee

As of the end of the reporting period, the Audit Committee consisted of 4 directors: Ms. Chen Ying (Chair), Mr. Ying Changming, Mr. Huang Jixian, and Mr. Chen Gui.

The Audit Committee is primarily responsible for reviewing the Company's risk and compliance status, accounting policies, and financial condition; auditing the Company's financial information and disclosures; issuing judgment report on the authenticity, accuracy, completeness, and timeliness of the audited financial reports; making recommendations regarding the appointment and replacement of external audit firms; and appointing or dismissing the Company's Chief Financial Officer. It also oversees and evaluates the Company's internal and external audit work and internal controls, and assumes other powers of the Board of Supervisors as stipulated by the Company Law.

During the reporting period, the Audit Committee convened 6 meetings (on January 24, March 28, April 24, May 23, August 28, and October 30), reviewed 14 agenda items including periodic reports, amendments to the internal audit charter, the annual internal audit work report, the reappointment of the accounting firm, the appointment of the Chief Auditor, and the internal control evaluation report; and listened to 15 reports, including those on the special audit of comprehensive risk management, audits of related- party and internal transactions, and the internal control audit assessment. The Audit Committee fully exercised its review, examination, and oversight functions, earnestly fulfilled its relevant duties, reviewed the Company's financial reports and issued opinions thereon to ensure their authenticity, accuracy, and completeness; organized the revision of the internal audit charter, guided the conduct of the annual internal audit and ensured its implementation, and improved the internal audit system; conducted regular evaluations of external audit firms and facilitated the reappointment of the accounting firm, while coordinating communication between internal and external auditors; implemented the new *Company Law* and relevant requirements from competent and regulatory authorities, and actively explored ways for the Audit Committee to effectively assume and exercise the powers of the Board of Supervisors as stipulated by the *Company Law*.

## 3. Risk, Compliance, and Related-Party Transaction Control Committee

As of the end of the reporting period, the Risk, Compliance, and Related- Party Transaction Control Committee consisted of 5 directors: Mr. Huang Jixian (Chair), Mr. Wang Ming, Ms. Wang Juan, Mr. Chen Gui, and Mr. Liu Yunhong.

The Risk, Compliance, and Related- Party Transaction Control Committee is primarily responsible for formulating risk management strategies and overall risk and compliance management policies consistent with the Company's strategic objectives; supervising senior management's control of risks such as credit risk, liquidity risk, market risk, operational risk, compliance risk, and reputational risk; periodically evaluating the Company's risk policies, management status, and risk tolerance; and proposing recommendations to improve the commercial bank's risk compliance and internal controls; reviewing and controlling related- party transactions, with a focus on their compliance, fairness, and necessity.

During the reporting period, the Risk, Compliance, and Related- Party Transaction Control Committee held 7 meetings<sup>37</sup> (March 28, April 24, June 12, June 27, August 29, October 30, and December 26), reviewing 49 agenda items, including the self- assessment of comprehensive risk and compliance risk management, internal control evaluation, major related- party transactions, the formulation of the annual risk appetite strategy, and the assessment of liability quality management; listened to 15 reports, including those on the implementation of the expected credit loss approach, the assessment of internet lending operation, the self- assessment of data governance, anti- money laundering efforts, the assessment of employee conduct, and risk stress testing. The Risk, Compliance, and Related- Party Transaction Control Committee strengthened top- level design and promoted the internalization of external regulations; enhanced risk analysis and judgment, prudently formulated and dynamically adjusted risk management strategies; focused on risk exposures in key areas, intensified risk research and control in priority sectors such as online lending, technology innovation, and SME loans; deepened oversight of related- party transactions, promoted the refinement of management requirements for related parties and related- party transactions, and enhanced management quality and efficiency; and conducted reviews of major related- party transactions in accordance with laws and regulations, with a focus on compliance, fairness, and necessity, ensuring that approval procedures and filings for major related- party transactions comply with regulatory requirements.

<sup>37</sup> Due to the merger of committees, meetings of specialized committees held on the same day are not counted twice.

#### 4. Consumer Rights and Interests Protection Committee

As of the end of the reporting period, the Consumer Rights and Interests Protection Committee consisted of 4 directors: Mr. Wang Ming (Chair), Ms. Wang Juan, Ms. Ruan Liya, and Mr. Chen Gui.

The Consumer Rights and Interests Protection Committee is primarily responsible for formulating the Company's consumer rights and interests protection strategies, policies, and objectives; regularly reviewing reports from senior management on the progress of consumer rights and interests protection initiatives; and evaluating and overseeing the implementation of consumer rights and interests protection measures.

During the reporting period, the Consumer Rights and Interests Protection Committee held 1 meeting (on March 28), reviewed two agenda items—the 2024 work summary and the 2025 work plan for consumer rights and interests protection—and reviewed special audit report on consumer rights and interests protection. Focused on key issues of concern to financial consumers, the Consumer Rights and Interests Protection Committee promoted the strengthening of end-to-end process controls for consumer rights and interests protection, guided and supervised the orderly advancement of consumer rights and interests protection work, and focused on enhancing "digital and intelligent consumer protection capabilities" to upgrade the consumer protection ecosystem.

#### 5. Remuneration and Nomination Committee

As of the end of the reporting period, the Remuneration and Nomination Committee consisted of 4 directors: Mr. Liu Yu, Mr. Le Jiawei, Mr. Liu Yunhong, and Mr. Li Peigong.

The Remuneration and Nomination Committee is primarily responsible for formulating the procedures and criteria for the selection and appointment of directors and senior management; conducting preliminary reviews of candidates for directors and senior management positions and their qualifications, and making recommendations to the Board of Directors; promoting and regularly reviewing the implementation of board diversity; reviewing the Company's remuneration management systems and policies; formulating performance evaluation standards and remuneration plans for directors and senior management; and making recommendations to the Board of Directors while overseeing their implementation.

During the reporting period, the Remuneration and Nomination Committee held 7 meetings (January 24, March 28, April 24, May 23, June 12, August 29, and October 30), reviewing 24 agenda items, including the annual performance evaluation of directors, the 2024 annual and term-based performance evaluation results for professional managers, and the nomination and selection of director and executive candidates; and listened to 4 reports, including the independent directors' work reports, the Company's remuneration management status, and a special audit on remuneration and performance management. The Remuneration and Nomination Committee facilitated the formation of the new Board of Directors, implemented rolling term management, and continuously optimized the structure of the directorate; strengthened the management of directors' performance, and orderly advanced the annual and term-based performance evaluations of professional managers; promoted the implementation of prudent remuneration management, and supervised the implementation of remuneration management across the entire bank.

## V. Senior Management

### (I) Responsibilities of Senior Management

The Company operates under a president-responsibility system under the leadership of the Board of Directors. The President is accountable to the Board of Directors and organizes and conducts business operation in accordance with laws, administrative regulations, the *Articles of Association*, and the Board's authorization. Specific authorities include presiding over operational management, implementing Board resolutions, and reporting to the Board; submitting business plans and investment proposals to the Board on behalf of senior management; proposing annual financial budget and final account plans as well as profit distribution plans; formulating plans for the establishment of internal management structures and branches; drafting basic management systems; and formulating specific regulations.

### (II) Composition of Senior Management

Pursuant to the *Articles of Association*, the Company's senior management consists of the President, Vice Presidents, Chief Financial Officer, Board Secretary, and other personnel designated by the Board of Directors. As of the end of the reporting period, the Company had a total of 7 senior management personnel, including 1 President, Mr. Wang Ming; 5 Vice Presidents, namely Mr. Zhang Hongbiao, Mr. Gu Xianbin, Mr. Shen Dong, Ms. Zhan Lingling, and Ms. Zhang Yuehong; and 1 Board Secretary, Mr. Yao Xiaogang.

## VI. Employees of the Parent Company and Major Subsidiaries

### (I) Employees

Unit: Person

Number of Employees at the Parent Company and Major Subsidiaries	11,218
Number of employees at the parent company	9,329
Number of employees at major subsidiaries	1,889
Number of retired employees at the parent company and major subsidiaries	3,059
<b>Professional composition of parent company employees</b>	
Management	1,164
Banking staff	7,006
Technical Staff	872
Administrative Staff	287
<b>Parent Company Employees by Educational Level</b>	
College degree or below	575
Bachelor's degree	6,282
Master's and Doctoral Degrees	2,472

### (II) Remuneration Policy

The Company implements performance evaluations based on the principle of "distribution according to work and performance-based evaluation." We have established a performance evaluation system comprising indicators in the areas of compliance, risk management, operational efficiency, development and transformation, and social responsibility. This system emphasizes results-oriented outcomes, strengthens positive incentives, increases the weight of risk and compliance-related evaluation indicators, and continuously improves the efficiency of resource allocation.

The Company has formulated the *SHRCB Measures for the Deferred Payment and Reclamation of Performance-Based Remuneration*, establishing a mechanism for the deferred payment and reclamation of employee performance-based remuneration. The remuneration payment period is reasonably determined based on the achievement of performance targets and changes in risk associated with the business activities of the position. In cases where employees receive disciplinary sanctions for violations or are involved in major risk incidents, the Company convenes an annual meeting of the Leading Group on Deferred Payment and Reclamation of Performance-Based Remuneration to propose accountability and penalty measures, and implements deferred payment, salary deductions, and reclamation procedures. During the reporting period, the amount of deferred performance-based remuneration for the Company's employees was RMB 381 million, and the amount reclaimed due to such circumstances was RMB 4.1464 million.

The Company's remuneration policy applies to all employees who have established an employment contract with the Company; there are no exceptions exceeding the original remuneration plan.

### (III) Training Program

During the reporting period, the Company implemented a series of tiered and categorized employee training programs centered on strategic direction, business development, and talent development needs, with a strong emphasis on training effectiveness. By continuously refining a high-quality, closed-loop training system—establishing competency profiles for key positions, building a systematic curriculum framework, optimizing instructor allocation, and strengthening mentorship collaboration—the Company has established a standardized training system. Leveraging a variety of formats—including blended online and offline learning and the integration of theory and practice—along with refined training models, the Company has effectively enhanced employees' overall competence and professional capabilities, providing a solid talent foundation and capacity assurance for the Bank's high-quality development.

Regarding executive training, we have deepened the integration of Party building with business management to comprehensively enhance the strategic implementation and overall management capabilities of managers at all levels. For middle-level managers, we have organized two specialized training sessions in collaboration with Tsinghua University and Zhejiang University, and implemented dedicated training programs for newly appointed middle-level managers, grassroots Party branch secretaries, and non-Party members. For management successors, we held the fourth "Training Program for Young and Middle-Aged Executives" to enhance their strategic thinking, innovation and transformation, and team management capabilities. For existing and newly appointed front-line managers, we implemented elective training programs and blended online-offline instruction. Additionally, high-performing staff were selected to participate in advanced overseas training programs to gain in-depth exposure to cutting-edge concepts and practices in Fintech, digital transformation, and ESG management.

In terms of professional training, we have closely aligned efforts with strategic requirements, using scenario-based instructional design to

meet real- world training needs; systematically advanced tiered training programs across business lines—including corporate finance, retail, risk, operation, and technology—to drive business growth through enhanced professional capabilities. In line with the requirements of the "Five Major Articles" and the Company's business priorities, we have conducted specialized training for talent across the five major financial service systems to comprehensively improve the professional competence and service standards of personnel in relevant positions.

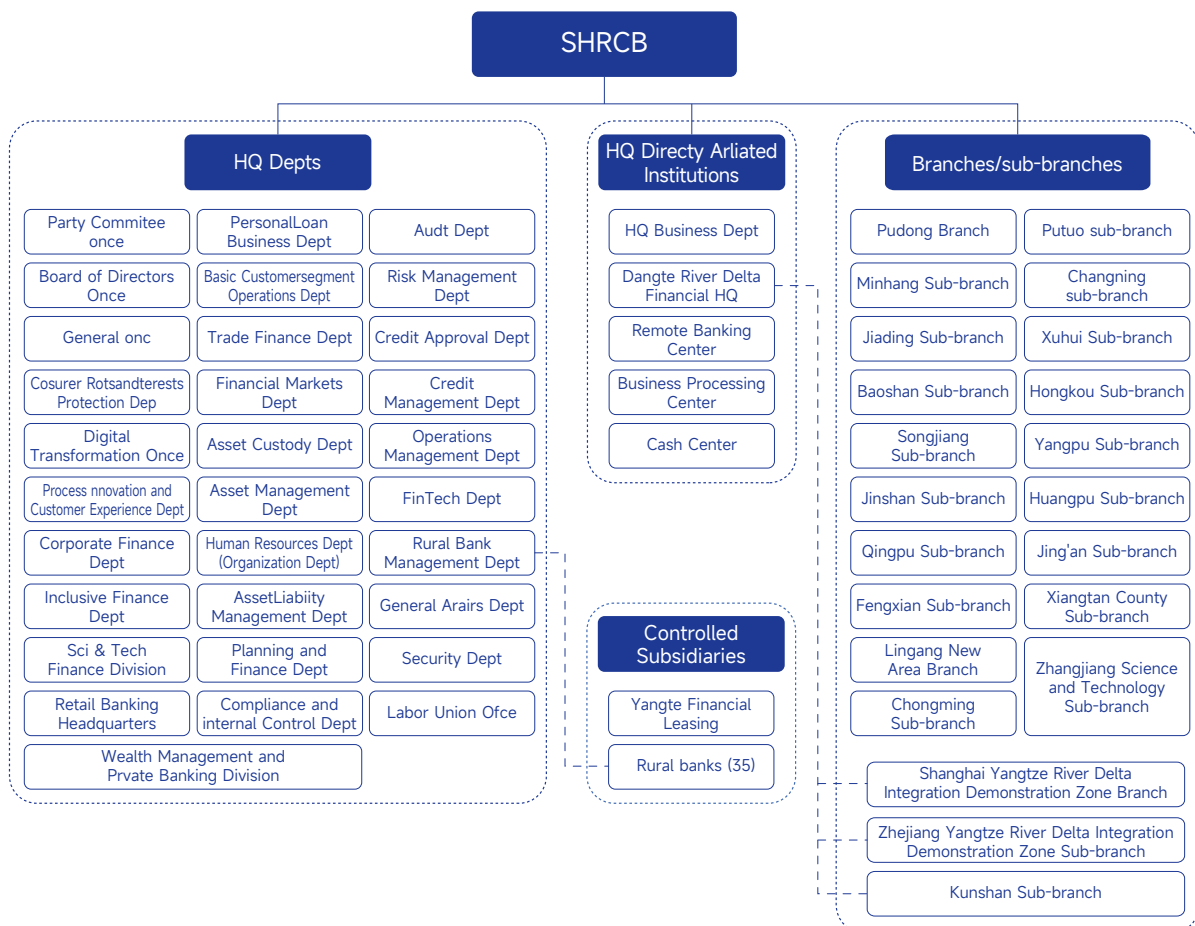
Regarding new employee development, we have established a differentiated training model covering both campus and social recruitment. For campus recruits, we implement the "Xinmiao Program" onboarding training, which features phased, multi- level, and systematic development arrangements, along with a mentor- apprentice on- the- job coaching mechanism, to systematically cultivate new talent and empower the growth of young employees. For social recruits, we regularly conduct online and offline training to accelerate cultural integration and strengthen compliance awareness.

#### (IV) Labor Dispatch

The Company employs labor dispatch personnel and has entered into labor dispatch agreements with the respective labor dispatch agencies. The Company pays all social insurance premiums and housing provident fund contributions for labor- dispatched employees in accordance with national and local government regulations. There have been no instances of salary arrears for labor- dispatched employees, nor have there been any major labor disputes or conflicts with labor dispatch agencies or dispatched employees. Furthermore, the Company has not received any administrative penalties from relevant labor authorities or labor inspection agencies.

Total Working Hours of Dispatched Workers	6,348 person-months
Total remuneration paid for labor dispatch	RMB 161 million

### VII. Company Organizational Chart



### VIII. Proposal for Profit Distribution Ordinary Shares or Conversion of Capital

## Reserve to Share Capital

### (I) Formulation, Implementation, or Adjustment of the Cash Dividend Policy

During the reporting period, the implementation of the Company's 2024 annual and 2025 interim profit distribution plans strictly adhered to the relevant provisions of the *Articles of Association* and the resolutions of the shareholders' meeting. The standards and ratios for cash dividends were clear and explicit, and the relevant decision-making procedures and mechanisms were sound. All independent directors fulfilled their duties, issued clear opinions on the profit distribution plans, and played their due roles. Minority shareholders had ample opportunities to express their opinions and concerns, and their legitimate rights and interests were fully protected. The Company's Board of Directors has fully implemented this profit distribution plan.

### (II) 2025 Profit Distribution Proposal

1. Statutory surplus reserve is accrued at 10% of the Company's audited net profit of RMB 12.02 billion for 2025, totaling RMB 1.202 billion.
2. General risk reserve is accrued at the difference between accrued reserve and 1.5% of the risk asset balance at the end of the period, amounting to RMB 1.015 billion.
3. Following the above profit distribution, as of December 31, 2025, the Company's balance of undistributed profits was RMB 36.035 billion. A discretionary surplus reserve of RMB 3.603 billion was provided at 10% of this amount.
4. Based on the total share capital registered on the date of registration for equity distribution, a cash dividend of RMB 1.94 (including tax) per 10 ordinary shares will be distributed, totaling RMB 1.871 billion (including tax). Combined with the RMB 2.324 billion (including tax) in cash dividends already distributed during the first half of 2025, the cumulative cash dividends distributed in 2025 amount to RMB 4.195 billion (including tax). After the above distribution, the remaining undistributed profits will be carried forward to the next year. In 2025, the Company does not issue bonus shares nor convert capital reserves into share capital.

The aforementioned profit distribution proposal is subject to approval by the Company's 2025 Annual General Meeting of Shareholders.

### (III) The Company's Plan or Proposal for Dividend Distribution, and Conversion of Capital Reserve to Share Capital for the Past Three Years

#### 1. Cash Dividends on Ordinary Shares

Unit: RMB 000

Year of dividend distribution	Number of bonus shares per 10 shares (shares)	Dividends per 10 shares (yuan) (tax included)	Number of conversions per 10 shares (shares)	Amount of cash dividends (tax included)	Net profit attributable to ordinary shareholders of the listed company in the consolidated statements for the year of dividend distribution	Ratio of net income attributable to ordinary shareholders of the listed company in the consolidated statements (%)
2025	-	4.35	-	4,195,333	12,312,825	34.07
2024	-	4.32	-	4,166,400	12,288,156	33.91
2023	-	3.79	-	3,655,244	12,141,958	30.10

#### 2. Cash Dividends on Ordinary Share for the Last 3 Fiscal Years

Unit: RMB 000

Cumulative cash dividends paid (including taxes) for the last three fiscal years (1)	12,016,978
Cumulative amount repurchased and canceled for the last three fiscal years (2)	-
Cumulative amount of cash dividends paid and shares repurchased and canceled for the last three fiscal years (3) = (1) + (2)	12,016,978
Average annual net profit for the last three fiscal years <sup>1</sup> (4)	12,247,647
Cash dividend ratio (%) for the last three fiscal years (5) = (3) / (4)	98.12
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the last fiscal year	12,312,825
Undistributed profit at the end of the last fiscal year in the parent company's financial statements	38,251,906

Note: The average annual net profit is the average net profit attributable to ordinary shareholders of listed companies in the consolidated statements.

## IX. The Company's Independence from the Controlling Shareholder in Terms of Assets, Personnel, Finance, Organization, and Business

The Company has no controlling shareholder.

## X. Status and Impact of the Company's Equity Incentive Plans, Employee Stock Ownership Plans, or Other Employee Incentive Measures

During the reporting period, the Company did not implement any equity incentive plans, employee stock ownership plans, or other employee incentive measures.

## XI. Establishment and Implementation of Performance Evaluation and Incentive Mechanisms for Senior Management

The Company has established an internal incentive and restraint mechanism matching the modern financial enterprise system. The Board of Directors has made clear the requirements for performance evaluation and remuneration distribution of the Senior Management in accordance with the *SHRCB Professional Managers' Assessment Management Measures*, and *SHRCB Professional Managers' Remuneration Management Measures*.

The Board of Directors evaluates the performance of senior management and reviews the results of performance evaluations. The evaluation process combines annual evaluations with term-based evaluations; annual evaluations are conducted each year, and term-based evaluations are conducted at the end of each term. Following the assessment, Chairman and Executive Director Xu Li, Non-Executive Director and Employee Director Ying Changming, Vice Presidents Zhang Hongbiao, Gu Xianbin, and Shen Dong, former Vice Chairman, Executive Director, and President Gu Jianzhong, and former Vice President Jin Jianhua received the following amounts from the Company as part of their 2024 medium- and long-term incentives/ term-based incentives attributable to the 2024 fiscal year: RMB 373,100, 496,300, 957,500, 972,100, 1,307,500, 1,051,200, and 922,000, respectively.

## XII. Internal Control

During the reporting period, the Company adhered to the internal control philosophy of "institutionalizing management, proceduralizing systems, and digitizing processes." We continued to strengthen the three pillars of systems, processes, and IT, driving internal control management toward greater precision, intelligence, and efficiency to safeguard high-quality development.

First, we continued to improve the internal control management system. We established and improved mechanisms for managing internal control deficiencies, systematically constructing a framework and operational model covering process control and deficiency management; revised the implementation rules for internal control evaluation to further clarify regulatory requirements, and continuously enhanced the systematic nature and effectiveness of internal controls.

Second, we deeply advanced the use of technology to empower internal control management. We actively embraced cutting-edge technologies such as AI to promote the deep application of AI in internal control management, enabling intelligent analysis of regulations and automatic extraction of key clauses; continuously optimized the intelligent compliance management system, strengthened the off-site capabilities of the CIS system, and comprehensively enhanced the level of digital and intelligent compliance and internal control.

Third, we conducted internal control evaluations on a regular basis; implemented the ONE SHRCB Group's integrated management philosophy, coordinated and promoted internal control evaluations across all branches/sub-branches, head office departments, and consolidated entities, and continuously improved the Group's overall risk, internal control, and compliance management standards.

The Company's Board of Directors reviewed and approved the *SHRCB 2025 Annual Internal Control Evaluation Report*. The Company maintained effective internal controls in all material aspects of both financial and non-financial reporting. The internal control system operated effectively overall and complied with relevant information disclosure requirements for listed companies. No material or significant internal control deficiencies were identified. Regarding the general internal control deficiencies identified during the evaluation, the Company has taken proactive measures for rectification.

KPMG Huazhen LLP audited the effectiveness of the Company's internal controls over financial reporting as of December 31, 2025, and issued an unqualified *Internal Control Audit Report of SHRCB*.

For the specific details of the report, please refer to the relevant announcements published by the Company on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) and the Company's website ([www.shrcb.com](http://www.shrcb.com)).

## XIII. Internal Audit

The Company implements an independent and vertically integrated internal audit management system. The Board of Directors bears ultimate responsibility for the independence and effectiveness of internal audit, approves the Internal Audit Charter and medium- to long- term audit plans, reviews the annual audit work report, and appoints the Chief Auditor, thereby providing the necessary safeguards for the independent and objective conduct of internal audit work. The Head Office has established an Audit Department to specifically undertake internal audit responsibilities, operating under the direct leadership of the Company's Party Committee, the Board of Directors, and the Chief Auditor.

During the reporting period, the Company strengthened the political guidance of the Party Committee's Audit Work Leading Group over internal audit activities, deepened the coordination among audit, discipline inspection, and inspection teams, and promoted complementary strengths and synergistic efforts among various supervisory forces; revised the *Internal Audit Charter of SHRCB* to further improve the internal audit system and enhance the independence and effectiveness of internal audit; and deepened the centralized management of internal audit to further build a centralized, unified, comprehensive, authoritative, and efficient internal audit supervision system; with the goal of ensuring the implementation of macro policies, internal audit closely aligned with the Company's strategy, internal and external risks, and regulatory priorities, focusing particularly on science and technology finance, green finance, market risk, credit risk, operational risk, capital management, information systems, payment security, and the economic responsibilities of leading cadres; promoted the transformation of audit work, conducted research-based audits from multiple perspectives, and continuously expanded the depth and breadth of audit oversight; continued to optimize the audit system, advanced model iterations, deepened the integration of business and technology, enhanced the effectiveness of audit projects, and empowered the development of audit operation; further improved the audit rectification mechanism, reinforced accountability for rectification, and deepened the application of audit findings to provide a strong guarantee for the company's sound operation and high-quality development.

## XIV. Information Disclosure and Insider Information Management

The Company's Board of Directors and senior management attach great importance to information disclosure and insider information management. We continuously advance the development of information disclosure management mechanisms, strengthen the management of insider information, and effectively safeguard the rights of all shareholders—particularly small and medium-sized investors—to obtain information in a timely, accurate, and equitable manner.

Adhering to the principles of "openness, fairness, and impartiality," the Company discloses corporate governance and operational management information truthfully, accurately, and completely, ensuring that disclosed content is concise, clear, and easy to understand, while maintaining the continuity and consistency of information disclosure. The Company diligently carries out information disclosure work, maintains open communication channels with regulatory authorities, and engages external audit firms to audit its annual financial reports.

During the reporting period, the Company issued four periodic reports, 48 interim announcements, and 117 disclosure documents, with voluntary disclosures accounting for 20% of the total. The disclosures covered major matters such as resolutions of the shareholders' meeting and the board of directors, profit distribution, the listing and circulation of restricted shares, initiatives to improve quality, enhance efficiency, and increase returns, bond issuances, and records of investor relations activities. No errors or omissions in information disclosure occurred. In addition to conventional disclosure channels, the Company actively explored and adopted formats such as H5 and WeChat long images to centrally present key data indicators from periodic reports, thereby enhancing the reading experience for investors.

During the reporting period, the Company strictly implemented relevant regulatory requirements for information disclosure by listed companies and continuously optimized and improved its information disclosure management system. Currently, a relatively comprehensive information disclosure framework has been established, including the Information Disclosure Management Measures, the Insider Information Management Measures, the Annual Report External Audit Work Management Measures, the Measures for Accountability for Major Errors in Annual Report Disclosure, and the Procedures for the Preparation of Periodic Reports. Regarding periodic reports, we have focused on conveying value and addressing market concerns, striving to enhance the reports' effectiveness and their value as decision-making references. First, we have further enriched and refined the content of the "Management Discussion and Analysis" section, clarifying the value logic at the strategic, financial, and operational levels. Second, we have increased voluntary disclosures to highlight our strengths and address market concerns. Third, we have expanded the disclosure of ESG management in the "Corporate Governance, Environment, and Social" section to ensure closer alignment with our ESG report. Regarding interim announcements, we have organized internal self-assessments of major information reporting, and periodically issued notices and reminders to improve the timeliness and accuracy of reporting on major sensitive information. We have effectively mitigated the risk of insider trading, continuously strengthened the foundational management of information disclosure, and ensured investors' right to fair and timely information.

During the reporting period, the Company maintained its Grade A rating in the Shanghai Stock Exchange's information disclosure evaluation.

## XV. Investor Relations Management

The Company has established an efficient, professional, and collaborative investor relations management system. During the reporting period, the Company deepened the top-level design of market capitalization management, researched and formulated the *Market Capitalization Management Measures*, revised the *Investor Relations Management Measures*, and disclosed the *Valuation Enhancement Plan*, thereby continuously strengthening the institutional foundation of investor relations work; continued to improve investor communication channels, establishing a multi-channel, high-frequency communication mechanism with investors. Through channels such as the Company's official website, investor mailbox, inquiry hotline, the "SSE e-Interaction" platform, and through various formats such as shareholder meetings, investor briefings, special investor open days, research visits, and roadshows, the Company addressed questions raised by investors, securities analysts, and other capital market participants regarding the Company's strategic operation and business development. By

combining "online exchanges" with "offline interactions," the Company continuously improved its investor interaction mechanisms, effectively enhancing the depth and effectiveness of communication with investors and conveying the Company's investment value.

During the reporting period, the Company held a total of 3 results briefings. The Company organized the 2024 Annual Results Briefing under the theme "Seeking Progress While Maintaining Stability, A Promising Future," utilizing a format combining "live video streaming, on-site interaction, and online text-based interaction," which garnered nearly 550,000 cumulative views. The Company also actively participated in the 2025 Shanghai-based Listed Companies Collective Reception Day and the interim and third-quarter results briefings, engaging in online interactions with a wide range of small and medium-sized investors.

During the reporting period, the Company adhered to a strategy of combining "going out" with "bringing in" to enhance mutual understanding and communication with the market. We refined and innovated the formats of our investor relations activities, successfully hosting specialized investor events on science and technology finance and the "I Am a Shareholder" initiative—where small and medium-sized investors visited the Company—which received widespread acclaim from participating investors; actively participated in investment strategy meetings and exchange sessions organized by securities firms, hosted research visits by securities analysts and institutional investors, and proactively conducted roadshows and visits to numerous institutions. Throughout the year, we reached over 600 institutional investors through various forms of investor engagement activities. The Company places great importance on protecting the rights and interests of retail investors, handling more than 100 calls from retail investors during the year, with a 100% timely response rate on "e-Interaction," fully meeting the communication needs of both institutional and retail investors.

During the reporting period, the Company was awarded the "2024 Best Practice in Investor Relations Management for Listed Companies" by the China Listed Companies Association; received the "2024 China Listed Companies Yinghua Award" for "A-Share Value Demonstration Case" and the "Outstanding Board Secretary Award" from China Fund News; and won "Best Capital Markets Communication Award" and "Best ESG Award" at the 8th China Excellence in IR Awards hosted by RoadshowChina, and the Investor Relations Gold Award (2024) organized by ir.p5w.net, including "Outstanding IR Chairman," "Outstanding Shareholder Returns," and "Outstanding Market Capitalization Management Award," effectively enhancing recognition and understanding within the capital markets.

## XVI. ESG Management

As the first commercial bank in Shanghai to commit to adhering to the United Nations Principles for Responsible Banking (PRB), the Company has deeply integrated the concept of sustainable development into the entire process of operational management and business development. We are fully committed to serving the real economy, Three Rural Issues, as well as small and micro enterprises, science and technology innovation enterprises, and community residents. In the process of achieving the coexistence and mutual prosperity of economic benefits and social value, we actively fulfill the mission and responsibilities of a responsible bank.

The Company places great emphasis on sustainable development management, integrating ESG factors into its development and operational strategies, and has established a three-tier governance structure for sustainable development comprising the "governance level—management level—executive level." As the highest governing body for ESG management, the Board of Directors has established the Strategy, Three Rural Issues, and Sustainability (ESG) Committee to provide comprehensive leadership and coordinate the Bank's ESG initiatives. The management has established an ESG Leading Group, co-chaired by the Chairman and the President, to study and make decisions on important ESG matters. At the executive level, the Board Office serves as the lead department for the Bank's ESG work, collaborating with all departments at the head office, branches/sub-branches, and controlled subsidiaries to ensure the effective implementation of specific ESG initiatives.

During the reporting period, the Company's ESG performance received high external recognition, with leading rankings among all listed banks in China in major domestic and international ESG ratings. For details regarding the Company's fulfillment of social responsibilities, please refer to the *SHRCB 2025 Sustainability Report* published on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) and the Company's website ([www.shrcb.com](http://www.shrcb.com)).

### (I) Environment

#### 1. Strengthening Climate Resilience

**Regarding carbon accounting for investments and financing**, the Company strictly adheres to the methodology of the Partnership for Carbon Accounting Financials (PCAF), comprehensively utilizing carbon emission data disclosed by customers and industry-specific carbon emission factors to calculate carbon emissions for corporate loans where data is available. Concurrently, in accordance with the People's Bank of China's Comprehensive Evaluation Standards for Green Finance, the Company implements specialized accounting for loans to the eight high-emission industries to quantitatively assess climate risk exposure.

**Regarding carbon accounting for our own operation**, the Company has strengthened the management of operational carbon emissions and conducted a comprehensive calculation of carbon emissions generated by our own operation during the reporting period. Building on the ongoing calculation of Scope 1 (direct emissions) and Scope 2 (indirect emissions), we have further expanded the scope of coverage and deepened the calculation of Scope 3 (other indirect emissions).

**Regarding customer ESG risk management**, the Company is focused on building a multi-dimensional customer ESG evaluation model covering all industries. Drawing extensively on mainstream international ESG rating frameworks and domestic regulatory guidelines, and taking into account the Company's customer structure and business characteristics, we have established an indicator system encompassing three dimensions: environmental performance, fulfillment of social responsibilities, and corporate governance standards. We have also introduced an industry-specific weighting adjustment mechanism to enhance the scientific rigor and applicability of the evaluation.

## 2. Advancing Green Finance

**In terms of green credit**, the Company prioritizes investments in energy conservation and environmental protection, clean production, clean energy, ecological conservation, green infrastructure upgrades, and green services. The Company continues to refine its operational framework, formulating and issuing service plans for green factory loans and Inclusive Carbon Benefit Mechanism support for distributed photovoltaic projects. It has completed industry research on distributed photovoltaic power stations, energy storage facilities, and the aviation sector to empower the development of green and transition-related businesses.

**In terms of green bonds**, the Company continues to diversify its green bond investment portfolio, strengthen the identification, evaluation, and management of green projects, and ensure that raised funds are specifically directed toward green and sustainable development sectors. During the reporting period, the Company maintained a leading position in the industry regarding the scale of its green bond investments and continued to optimize its bond portfolio structure, contributing to the achievement of regional carbon peaking and carbon neutrality goals as well as the sustainable economic development of the Yangtze River Delta region.

**In terms of green leasing**, our wholly-owned subsidiary, Yangtze Financial Leasing, was among the first batch of companies to sign agreements following the launch of the new policy "Pilot Program for Expanding the Business Scope of Financial Leasing Project Companies in the Shanghai Lingang New Area." It successfully implemented the nation's first SPV-based smart manufacturing leasing project, providing financial support for the green transformation and sustainable development of the smart logistics equipment sector.

**In terms of biodiversity finance**, the Company has explicitly incorporated biodiversity into its support priorities and key focus areas, exploring and innovating more suitable financial products and services. During the reporting period, the Company disbursed multiple biodiversity loans to support projects related to animal welfare protection, natural ecosystem restoration, and water environment remediation.

## 3. Practicing Green Operation

**In terms of green office practices**, the Company has incorporated energy conservation and carbon reduction performance metrics into the 2025 strategic OKR evaluation system for branches/sub-branches, coordinating efforts to promote energy conservation, carbon reduction, water conservation, paperless operation, and compliant waste disposal. We regularly organize various green office training sessions, promote the "Low-Carbon Life" app, and guide employees to consciously adopt green and low-carbon work and lifestyle practices. During the reporting period, the Company was awarded the title of "2024 Advanced Collective for Carbon Peaking, Carbon Neutrality, and Energy Conservation and Emission Reduction in Huangpu District, Shanghai."

**In terms of green network construction**, the Company has incorporated green principles into the entire process of network planning, design, construction, and operation in accordance with the *Shanghai Banking Green Network Applicable Technology Catalog*, creating a new type of people-oriented, green, and low-carbon banking network. During the reporting period, 6 outlets, including the Jiangwan Sub-branch and the Zhujiajiao Sub-branch, passed the evaluation by the Shanghai Green Building Association and were awarded the titles of "Green Banking Demonstration Outlet" or "Compliant Outlet". The Zhangjiang Technology Sub-branch has achieved operational carbon neutrality for five consecutive years and received a carbon neutrality certificate issued by the Shanghai Environment Exchange.

## (II) Social Responsibility

### 1. Supporting Rural Revitalization

**In terms of supporting the development of modern agriculture**, the Company has actively responded to Shanghai's modern facility agriculture construction initiatives; explored and optimized financing channels for facility agriculture construction and operational entities, conducted multiple research studies in collaboration with the Shanghai Municipal Commission of Agriculture, the Municipal Agricultural Economics Station, and the Municipal Guarantee Center, and actively pursued financial innovation in the facility agriculture sector. We have successfully implemented the city's first "Facility Agriculture Fixed Asset Loan" under an agricultural guarantee, injecting new momentum into the high-quality development of Shanghai's facility agriculture through a "finance + guarantee" collaborative model.

**In terms of building a digital ecosystem for agriculture**, the Company fully supports the development of Shanghai's rural collective funds, assets and resources management system. We have integrated the "Bank-Agriculture Direct Connect" system, which combines Shanghai's collective asset supervision functions with convenient fund disbursement and usage, to help rural collective organizations effectively coordinate the operation of resources such as funds, land, and projects. By the end of the reporting period, the Company had successfully connected the accounts of collective economic organizations in 8 suburban districts and 2 central urban districts across the city, contributing financial strength to Shanghai's efforts to establish a national model for "collective funds, assets and resources" supervision.

**In terms of revitalizing rural development**, the Company leverages diverse financial products and services to promote the deep integration of the primary, secondary, and tertiary sectors in rural areas, effectively generating value-added returns from industrial development for farmers. During the reporting period, the Company innovatively supported the "Manshan Xiangyu" rural revitalization project in Dongshu Village, Liantang Town, Qingpu District, Shanghai. By revitalizing idle rural housing resources within the village, the project created an integrated "whole-village operation" model combining "residence, dining, countryside, and wellness," providing a replicable financial solution for light-asset, long-term rural cultural and tourism projects.

**In terms of supporting regional brand agricultural products**, the Company has collaborated with the Shanghai Supply and Marketing Cooperative and the city's village-based guidance officers (First Secretaries) to launch the "Rural Revitalization Supply and Sales Market" initiative. This effort fully supports the city's village-pairing assistance work, bringing Shanghai's distinctive rural goods, fruits, and products from the fields to the city center. Furthermore, leveraging the "Agricultural Products Discount Purchase" section of the Company's "Heart Home" online platform, we expand sales channels for high-quality local agricultural products both online and offline.

## 2. Consolidating the Achievements of Poverty Alleviation

**In terms of supporting rural development**, the Company has maintained its paired assistance relationship with Maguan County, Wenshan Prefecture, Yunnan Province. Focusing on promoting the development of collective economies, we donated RMB 500,000 to the Agricultural and Sideline Products Sorting Center project in Renhe Town, Maguan County, to help strengthen the collective economic capacity of the village and create employment opportunities for residents in surrounding villages. The Company continues to carry out a new round of comprehensive rural assistance with Chongming District (2023-2027), donating RMB 5 million for the investment and construction of comprehensive rural assistance projects to support the development and expansion of distinctive rural industries. The Company regards the paired assistance work between urban and rural Party organizations as a key measure to fulfill social responsibility and serve rural revitalization, investing RMB 1.97 million in 16 villages and towns across Chongming and Fengxian Districts to help improve people's livelihoods and enhance governance.

**In terms of focusing on children's development**, the Company donated RMB 215,000 to launch the "Companion for Children: Shanghai Seedlings Growth" public welfare project to care for rural children. This initiative supports primary schools in areas such as Mile and Ruili in Yunnan Province, continuing the three sub-projects "Shanghai Book," "Shanghai Care," and "Shanghai Classroom." The Company has established, improved, or upgraded reading areas for two schools, provided various cultural and sports facilities tailored to the schools' unique characteristics and needs, improved students' living conditions, and helped enhance the quality of education in rural areas.

## 3. Empowering Social Governance

**In terms of building a service network**, the Company has established the "Xin Jia Yuan" public service project brand to achieve the financial integration of social resources, the financial resolution of social issues, and comprehensive services for social needs. By the end of the reporting period, the Company had established 1,040 "Xin Jia Yuan" public service stations, building a comprehensive service network anchored by 362 business outlets and supported by these public service stations. Throughout the year, the Company conducted nearly 20,000 diverse public service activities.

**In terms of deepening cooperation models**, the Company has partnered with over 1,500 public welfare partners, including government agencies, enterprises, public institutions, and grassroots social organizations, to continuously enrich the scope of "Xin Jia Yuan" services. During the reporting period, the Company collaborated with renowned physicians from top-tier hospitals to provide over 170 face-to-face health education sessions and medical consultations, thereby promoting the extension of high-quality medical resources to communities; with the support of the Shanghai Municipal Education Commission, the Shanghai University for the Senior, and other organizations, we have continued to advance the development of "Xin Jia Yuan" senior universities. By the end of the reporting period, the Company had established over 120 teaching centers; we have also established platforms for cultural exchange and talent showcases—such as square dancing, vocal music, and Shanghai dialect opera—across various districts of Shanghai to enrich the spiritual and cultural lives of the elderly.

**In terms of financial literacy promotion**, the Company focuses on key demographics such as the elderly, the youth, new urban residents, and foreigners. Leveraging "Xin Jia Yuan" public service stations and outlet networks, it regularly conducts financial education campaigns covering all 16 administrative districts of Shanghai. During the reporting period, the Company reached out to villages, communities, campuses, and industrial parks, conducting a total of 6,980 financial education activities and engaging 4.7518 million financial consumers.

## 4. Strengthening Consumer Rights and Interests Protection

**Regarding product and service review**, the Company has established a management system with clearly defined responsibilities. Relying on institutionalized and standardized review processes, we routinely conduct product and service reviews to rigorously fortify financial security defenses and are committed to providing customers with a transparent, reliable, and high-quality financial experience.

**Regarding consumer complaint management**, the Company has continuously improved its complaint management system. It has publicized information on complaint submission channels through various channels, including outlets, the official website, and mobile banking, while continuously refining complaint handling procedures to enhance response speed and resolution efficiency. During the reporting period, the Company received 6,546 consumer complaints (excluding duplicate complaints) and achieved a 100% complaint response rate.

**Regarding consumer rights and interests protection training**, the Company conducts annual training sessions on consumer rights and interests protection for all employees who interact with customers. During the reporting period, the Company organized 262 online and offline consumer rights and interests protection training sessions, with 22,764 participants, achieving 100% training coverage.

## 5. Strengthening Data Security and Privacy Protection

**Regarding the collection, use, and retention of customer data**, the Company adheres to the principle of data minimization in all stages of personal information and data collection, use, and storage. We strictly control access permissions and employ technical measures such as encryption and de-identification to ensure data confidentiality and integrity.

**Regarding customer control over personal information**, the Company has established multiple personal information protection policies covering the entire lifecycle of personal information processing. We fully respect and effectively safeguard customers' statutory rights to access, correct, and delete their personal information, and have established standardized procedures to respond to customer requests.

**Regarding the prevention and response to data security incidents**, the Company has built a comprehensive cybersecurity protection system, deployed various security devices and software, and established a proactive cybersecurity defense platform. The Company has established a data breach emergency response mechanism, formulated specialized contingency plans, and regularly conducted cybersecurity attack-defense drills and anti-phishing email drills to enhance employees' security awareness and emergency response capabilities.

Regarding third-party supplier management, the Company implements strict data security management practices for third-party suppliers, requiring them to sign confidentiality agreements to ensure that data processing complies with the Company's security policies. Prior to establishing a partnership, the Company conducts due diligence on necessary suppliers to verify their data security compliance, and provides regular monitoring and training throughout the partnership to enhance their information security awareness.

## 6. Commitment to Employee Development

In terms of diverse and equitable employment, the Company is committed to fostering a diverse, equitable, and inclusive work environment, explicitly rejecting any form of unfair treatment in recruitment, training, promotion, and other related processes. During the reporting period, the Company revised and improved the *Special Collective Agreement on the Protection of Female Employees' Rights*, clarifying measures to prevent and stop workplace violence and sexual harassment, and actively promoting the protection of female employees' rights. As of the end of the reporting period, female employees accounted for 53.17% of the total workforce, and female managers accounted for 48.62%.

In terms of talent attraction and development, the Company has launched initiatives such as the "Xin Experience" Internship Program and the Fintech Trainee Program to attract top talent and optimize workforce development; through a dual-track promotion mechanism combining "management + professional" paths and an internal job rotation system, the Company provides employees with clear career development pathways. During the reporting period, a total of 529 new employees were hired, accounting for 5.40% of the total workforce, with an employee turnover rate of 2.71%, remaining unchanged from the same period last year.

In terms of employee development and benefits, the Company has established a comprehensive employee development system covering new employee onboarding training, leadership training, and professional skills training, and has implemented educational subsidy mechanisms for academic advancement and professional certification exams. The Company has established a full-process performance management system to ensure fair and transparent evaluations, and offers a competitive remuneration package that includes fixed pay, variable pay, and benefits.

In terms of employee communication mechanisms, the Company has clearly established a democratic management system centered on the Employee Representative Assembly. Through various channels—including dedicated email accounts, hotlines, office software platforms, and "Executive Reception Days"—the Company actively solicits employee feedback to safeguard employees' rights to information, participation, and oversight.

In terms of occupational health and safety, the Company systematically advances the development of a healthy enterprise, improves occupational health examination mechanisms, provides self-service mental health support, and expands and operates multifunctional integrated service centers offering fitness training, health monitoring, and remote medical consultations. During the reporting period, the Company was recognized as one of the first national "Pilot Units for High-Quality Workplace Health Management."

## 7. Commitment to Public Welfare and Charity

In terms of focusing on financial literacy education for children, the Company has consolidated its public welfare brand "Little Financiers: Calculating a Better 'Xin' Life" and continued to carry out a series of activities. During the reporting period, the Company organized multiple bank open days, using fun parent-child games and interactive challenges to cultivate financial literacy among children and adolescents; it also advanced volunteer training and the "Summer Care Class" project, delivering over 650 financial literacy classes to 456 summer care class locations, reaching more than 24,000 children and adolescents and providing them with joyful and meaningful financial literacy experiences.

In terms of campus soccer initiatives, in response to the national call to promote ethnic unity and coordinated regional development, the Company has used campus soccer as a platform to continuously deepen its public welfare practices in youth sports. During the reporting period, the Company launched the "Shanghai Training" program for youth soccer in Shigatse, Tibet, and donated RMB 500,000; it also launched the "Chasing Dreams on the Green Field" program for youth soccer in Karamay, Xinjiang, and donated RMB 500,000, supporting the development of youth soccer players and sports education in Shigatse, Tibet, and Karamay, Xinjiang.

In terms of promoting intangible cultural heritage, the Company is actively engaged in the protection and transmission of China's outstanding traditional culture. During the reporting period, through collaboration with the Shanghai Children's Art Theater of the China Welfare Institute, the Company organized the annual special performance of "Gather Up! Superhero", established outlets featuring intangible cultural heritage, and launched themed cultural weeks and intangible cultural heritage workshops, enabling everyone to learn about and share in the beauty of traditional Chinese art.

## (III) Governance

In terms of corporate governance, the Company continuously improves its governance mechanisms, actively builds a diversified and professional board of directors, optimizes the structure of the board, and comprehensively enhances the board's effectiveness. The Company has established a strategic OKR evaluation mechanism for senior management, emphasizing process evaluation and strategic value contribution. The performance evaluation system covers core dimensions such as operational efficiency, development and transformation, risk management, and compliance, guiding senior management to focus on long-term value creation and the fulfillment of social responsibilities.

In terms of the protection of investor rights and interests, the Company places great emphasis on market capitalization management. During the reporting period, it disclosed a valuation enhancement plan and a special action plan titled "Improving Quality, Enhancing Efficiency, and Prioritizing Returns" to drive the enhancement of the Company's investment value. It has established an efficient, professional, and collaborative investor relations management system, continuously expanded investor communication channels, and promptly fulfilled information disclosure obligations to safeguard the legitimate rights and interests of investors.

In terms of business ethics management, the Company adheres to compliant operation as its duty, prioritizes risk prevention and control, and

aims to improve the quality of risk management. It has established a long-term mechanism for internal control and compliance management and is deeply cultivating a culture of compliant operation. The Company resolutely implements the major decisions and deployments of the Party Central Committee regarding Party conduct, integrity, and the fight against corruption. We consistently maintain a strict tone, measures, and atmosphere, adhering to the integrated approach of deterring, preventing, and combating corruption. We strengthen political oversight, intensify supervision and discipline enforcement, enhance integrity education, resolutely curb the emergence of corruption issues, and foster a clean and upright financial ecosystem.



## Major Events

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## I. Commitments made by the Company's actual controller, shareholders, related parties, acquirers, and other relevant parties in/as of the reporting period

Background of Commitments	Type of Commitment	Committing Party	Main Content of the Commitment	Commitment Date	Yes/No deadline for performance	Commitment duration
Commitments related to the IPO	Avoid horizontal competition	Shanghai State-owned Assets Management Co., Ltd., China COSCO Shipping Corporation Ltd., BaoSteel Corporation Ltd., Shanghai Jiushi (Group) Co., Ltd., China Pacific Life Insurance Co., Ltd., Shanghai Guosheng Assets Co., Ltd., Zhejiang Expressway Co., Ltd., Shanghai International Group Co., Ltd., Shanghai International Group Asset Management Co., Ltd.	The Company undertakes to treat fairly the commercial banks invested by the Company and the enterprises controlled by the Company and will not use its position as a major shareholder of SHRCB or use the information obtained from such position to make decisions or judgments that are unfavorable to SHRCB but favorable to other commercial banks invested by the Company and the enterprises controlled by the Company. In exercising its rights as a shareholder of SHRCB, the Company will exercise its rights as a shareholder in the best interests of SHRCB, exercise its rights and perform its obligations as a shareholder on an equal footing with other shareholders, and will not compromise its judgment as a shareholder of SHRCB as a result of the Company's and its controlled enterprises' investments in other commercial banks.	At the time of the Company's initial public offering	Yes	During the period as a major shareholder of SHRCB
	Regulate related-party transactions	Shanghai State-owned Assets Management Co., Ltd., China COSCO Shipping Corporation Ltd., BaoSteel Corporation Ltd., Shanghai Jiushi (Group) Co., Ltd., China Pacific Life Insurance Co., Ltd., Shanghai Guosheng Assets Co., Ltd., Zhejiang Expressway Co., Ltd., Shanghai International Group Co., Ltd., Shanghai International Group Asset Management Co., Ltd.	The Company will strictly regulate the related-party transactions with SHRCB and its subsidiaries (controlling/wholly owned). When conducting related-party transactions, it will strictly follow the market rules and conduct transactions in a fair and reasonable manner based on the general commercial principles of equality, mutual benefit, and compensation of equal value, and fulfill the related-party transaction procedures and information disclosure obligations in accordance with relevant laws and regulations as well as regulatory documents and the Articles of Association of SHRCB. If the Company violates the above commitments, it shall immediately stop the relevant related-party transactions and take necessary measures to correct and remedy them in a timely manner.	At the time of the Company's initial public offering	Yes	During the period as a major shareholder of SHRCB
	Restrictions on the sale of shares	Employee directors, employee supervisors, and senior management holding shares of the Company, as well as natural person shareholders who have been granted rights to more than 50,000 shares of the Company's internal employee stock	Restrictions on the transferability of shares held by relevant shareholders prior to the Company's issuance, and shareholders' commitments to voluntarily lock up their shares (see the Company's Prospectus for the Initial Public Offering of Shares (A-shares) for details).	At the time of the Company's initial public offering	Yes	During the post-listing lock-up period
Other commitments	Restrictions on the sale of shares	Senior management of the Company	Purchased ordinary shares of SHRCB on the secondary market with their own funds between October 30 and November 1, 2023. These shares are subject to a two-year lock-up period starting from the date of purchase.	Upon purchasing the Company's shares	Yes	Two years from the date of purchase
Other commitments	Restrictions on the sale of shares	Senior management and certain directors and supervisors of the Company	Purchased ordinary shares of SHRCB on the secondary market using their own funds between August 19, 2024, and December 4, 2024. These shares are subject to a two-year lock-up period starting from the date the share purchase plan is completed (December 4, 2024).	Upon purchasing the Company's shares	Yes	Two years from the date the share purchase plan was completed

Background of Commitments	Type of Commitment	Committing Party	Main Content of the Commitment	Commitment Date	Yes/No deadline for performance	Commitment duration
Other commitments	Restrictions on the sale of shares	Senior management of the Company	Purchased ordinary shares of SHRCB on the secondary market using their own funds between November 13 and November 17, 2025, with the shares subject to a two-year lock-up period starting from the date of purchase.	Upon purchasing the Company's shares	Yes	Two years from the date of purchase
Whether the commitment was fulfilled in a timely and strict manner			Yes			
Specific reasons for non-fulfillment and next steps (if any)			Not applicable			

## II. Fund Occupancy and Recovery Progress in the Reporting Period

During the reporting period, there was no non-operating occupancy of funds by the controlling shareholder and its related parties.

## III. Non-Compliant Guarantees

During the reporting period, the Company had no instances of non-compliant guarantees.

## IV. Analysis of the Reasons and Impact of Changes in Accounting Policies, Accounting Estimates, or Corrections of Material Accounting Errors

In 2025, the Group did not implement any significant changes to its accounting policies.

Effective from 2024, the Group has implemented the Ministry of Finance's *Interpretation No. 17 of the Accounting Standards for Business Enterprises* (Caikuai [2023] No. 21) and *Interpretation No. 18 of the Accounting Standards for Business Enterprises* (Caikuai [2024] No. 24). The adoption of these provisions has not had a material impact on the Group's financial position or operating results.

## V. Appointment of Accounting Firm and Sponsoring Institution

The Company has engaged KPMG Huazhen LLP as its external auditor for 2025.

	Current Appointment
Name of the auditor	KPMG Huazhen LLP
Remuneration for the auditor	RMB 3.7 million
Terms of audit	4 years
Name of CPA of the auditor	Shi Haiyun, Zhang Chenchen
Cumulative number of years of auditing services by CPA of accounting firms	Shi Haiyun (3 years), Zhang Chenchen (2 years)

	Name	Fees
Internal Control Audit Firm	KPMG Huazhen LLP	RMB 650,000

## VI. Major Litigation and Arbitration

During the reporting period, there were no material litigation or arbitration matters.

## VII. Related-Party Transactions

### (I) Overview of Related-Party Transactions

The Company carries out related-party transactions in accordance with national laws and regulations, the regulatory requirements of the State Financial Supervisory Administration and CSRC, the business rules of the Shanghai Stock Exchange and the accounting standards for enterprises, and has continued to improve its management structure and strengthen its infrastructure, so as to effectively enhance the quality and efficiency of the management of related-party transactions.

Transactions between the Company and its related parties are routine business within the normal scope of the Bank's operation, which follow market-based pricing principles and are carried out on terms no better than those for similar transactions with unrelated parties, in line with the principles of compliance, fairness and necessity for related-party transactions.

The transactions between the Company and the related parties do not involve any transfer of benefits, are not detrimental to the interests of the Company and its shareholders, and will not adversely affect the Company's ability to continue as a going concern, its profit and loss or the condition of its assets.

### (II) Approval of Major Related-Party Transactions

In accordance with relevant regulations issued by NFRA, CSRC, and the Shanghai Stock Exchange, the Company has reasonably estimated the annual limit for routine related-party transactions for 2025 by category, conducted major related-party transactions, and fulfilled the corresponding approval and disclosure procedures by the Board of Directors or the Shareholders' Meeting. The specific details are as follows:

Upon approval by the Company's Board of Directors at its third meeting of 2025, the *Proposal on the Company's 2025 Plan for Deposit-Related Related-Party Transactions* was adopted. For details, please refer to the *SHRCB Announcement on the 2025 Plan for Deposit-Related Related-Party Transactions* (Announcement No. 2025-010) disclosed on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)).

Upon approval by the Company's 2024 Annual General Meeting of Shareholders, the estimated limit for routine related-party transactions for 2025 was set at RMB 106.15 billion. For further details, please refer to the *SHRCB Announcement on the Estimated Limit for Routine Related-Party Transactions for 2025* (Announcement No. 2025-009) disclosed on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)).

Upon approval by the Company's Board of Directors at its 5th meeting of 2025, the *Proposal on Related-Party Transactions with Shanghai International Resort Hengmian Development, Construction, and Management Co., Ltd.* was approved. For further details, please refer to the *SHRCB Announcement on Related-Party Transaction Matters* (Announcement No. 2025-023) disclosed on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)).

Upon approval by the Company's Board of Directors at its 7th meeting of 2025, the *Proposal on Related-Party Transactions of the Company* was approved. For further details, please refer to the *SHRCB Announcement on Related-Party Transactions* (Announcement No. 2025-035) disclosed on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)).

### (III) Related-Party Transactions<sup>38</sup>

As of the end of the reporting period, the Company's outstanding balance of credit related-party transactions was RMB 31,489,522,400, of which: the outstanding balance of credit transactions with related legal entities was RMB 31,321,006,900, and the outstanding balance of credit transactions with related natural persons was RMB 168,515,500.

During the reporting period, the cumulative amount of the Company's asset transfer related-party transactions was RMB 1.1349 million, the cumulative amount of service related-party transactions was RMB 159.6727 million, and the cumulative amount of deposit and other-related transactions was RMB 21,578.4744 million.

During the reporting period, the Company's credit balance with any single related party did not exceed 10% of the net capital at the end of the previous quarter; the aggregate credit balance with customers belonging to the group of any single related legal entity or unincorporated organization did not exceed 15% of the net capital at the end of the previous quarter; and the total credit balance with all related parties did not exceed 50% of the net capital at the end of the previous quarter. All indicators comply with the requirements for the management of related-party transactions.

## VIII. Major Contracts and Performance

### (I) Custody, Contracts and Leases

During the reporting period, the Company did not engage in any material custody, contracting, or leasing matters requiring disclosure.

### (II) Guarantees

During the reporting period, the Company had no other material guarantee matters requiring disclosure, except for financial guarantee

<sup>38</sup> According to G15 reporting standards, the credit balance excludes margin deposits, bank certificates of deposit, government bonds, and non-principal-protected wealth management products.

business within the scope of operation approved by the banking regulatory authorities.

### (III) Entrusted Cash Asset Management

During the reporting period, the Company did not engage in any cash asset management entrusted to third parties outside the scope of its normal business operation.

### (IV) Performance of Major Procurement Contracts and Major Sales Contracts

During the reporting period, the Company did not enter into any material procurement or sales contracts outside the scope of its normal business operation.

### (V) Other Material Contracts and Material Non-Equity Investments

During the reporting period, the Company did not enter into any other material contracts or make any material non-equity investments outside the scope of its normal business operation.

## IX. Penalties and Rectifications Imposed on the Company, Its Controlling Shareholders, Actual Controllers, Directors, and Senior Management

During the reporting period, the Company did not receive any notifications regarding the Company, its directors, senior management, or its largest shareholder being investigated by competent authorities; subject to compulsory measures by judicial or disciplinary inspection authorities; referred to judicial authorities or held criminally liable; investigated or administratively penalized by CSRC; subject to market entry bans; deemed unsuitable candidates; or publicly reprimanded by stock exchanges. Nor did the Company receive any penalties from other regulatory authorities that would have a material impact on its operation. During the reporting period, the Company was not subject to administrative regulatory measures by CSRC or its local branches, nor were any rectification requirements with specified deadlines imposed.

## X. Integrity of the Company and Its Largest Shareholder During the Reporting Period

During the reporting period, neither the Company nor its largest shareholder failed to comply with effective court judgments or failed to repay substantial debts upon maturity.

## XI. Other Major Events

### (1) Amendment of the *Articles of Association*

During the reporting period, the Company amended its *Articles of Association* in accordance with the Company Law, the Notice of NFRA on *Matters Concerning the Coordination of Corporate Governance Regulatory Provisions with the Company Law*, CSRC *Guidelines on Articles of Association for Listed Companies*, the Shanghai SASAC *Guidelines on Deepening the Development of Boards of Directors in State-Owned Enterprises under Shanghai's Jurisdiction*, and the *Implementation Plan for the Reform of Board of Supervisors in State-Owned Enterprises under Shanghai's Jurisdiction*, among other relevant regulations, and in light of the Company's actual circumstances. The amendments were approved by NFRA. For details, please refer to the relevant announcements published by the Company on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) and the Company's website ([www.shrcb.com](http://www.shrcb.com)).

The amended *Articles of Association* and the relevant annexes, including the *Rules of Procedure for Shareholders' Meetings* and the *Rules of Procedure for Board of Directors Meetings*, completed the industrial and commercial registration and filing procedures on October 27, 2025.

Upon the effective date of the amended *Articles of Association*, the Company's Board of Supervisors and its members has been dissolved simultaneously. The Audit Committee assumes and exercises the powers of the Board of Supervisors as prescribed by the Company Law, and all systems related to the operation of the Board of Supervisors and the performance of duties by its members are abolished simultaneously.

## (2) Implementation of the "Improving Quality, Enhancing Efficiency, and Prioritizing Returns" Special Action Plan and the Valuation Enhancement Plan

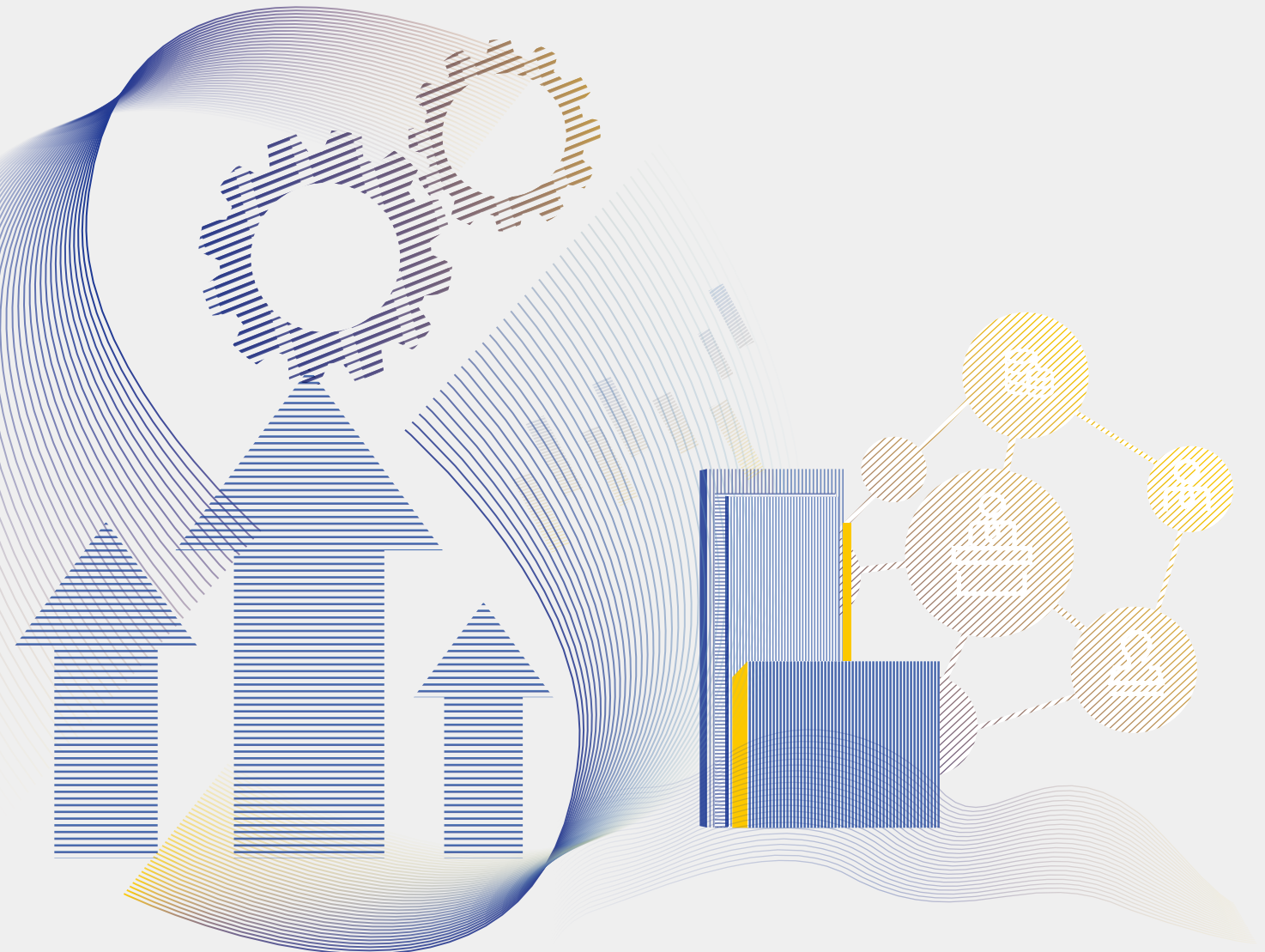
On April 24, 2025, the Company disclosed the *Valuation Enhancement Plan of SHRCB*; on August 30, 2025, the Company disclosed the *Special Action Plan for Improving Quality, Enhancing Efficiency, and Prioritizing Returns' of SHRCB*. For specific details, please refer to the relevant announcements published on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) and the Company's website ([www.shrcb.com](http://www.shrcb.com)).

During the reporting period, the Company firmly upheld the principle of returning value to shareholders, adhered to an investor-centric approach, optimized operational management, enhanced corporate governance, strengthened market capitalization management, prioritized investor returns, continuously promoted high-quality development, and actively implemented the action plan. For details on the specific measures taken by the Company to implement the Action Plan, the progress made, and the results achieved, please refer to the relevant sections in *Chapter III, "I. Overall Business Performance," "VII. Implementation of Development Strategies," and "VIII. Business Overview,"* as well as *Chapter IV, "IV. Board of Directors," "VIII. Proposal for Profit Distribution of Ordinary Shares or Capitalization of Capital Reserves," and "XV. Investor Relations Management."*

# 06

## Changes in Shares and Particulars of Shareholders

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## I. Changes in Shares

### (I) Changes in Ordinary Share Capital

Unit: Shares

Shareholder Type	Before Change		Change during reporting period quantities	After change	
	No. of shares	Percentage to the total		No. of shares	Percentage to the total
I. Restricted shares	327,860,836	3.40%	-57,857,794	270,003,042	2.80%
1. Shareholding by the State	-	-	-	-	-
2. Shareholding by state-owned legal entities	-	-	-	-	-
3. Shareholding by other domestic entities	327,860,836	3.40%	-57,857,794	270,003,042	2.80%
Including: Shareholding by domestic legal entities	1,065,288	0.01%	-243,992	821,296	0.01%
Shareholding by domestic natural person	326,795,548	3.39%	-57,613,802	269,181,746	2.79%
4. Shareholding by foreign entities	-	-	-	-	-
Including: Shareholding by foreign legal entities	-	-	-	-	-
Shareholding by foreign natural person	-	-	-	-	-
II. Unrestricted shares	9,316,583,609	96.60%	57,857,794	9,374,441,403	97.20%
1. RMB Ordinary Shares	9,316,583,609	96.60%	57,857,794	9,374,441,403	97.20%
2. Domestically listed foreign shares	-	-	-	-	-
3. Overseas-listed foreign shares	-	-	-	-	-
4. Other	-	-	-	-	-
III. Total shares	9,644,444,445	100.00%	-	9,644,444,445	100.00%

### (II) Changes in Ordinary Share

During the reporting period, among the Company's ordinary shares, restricted shares decreased by 57,857,794 shares, while unrestricted tradable shares increased by 57,857,794 shares. This was attributable to the listing and trading of the Company's initial public offering restricted shares (with a 48-month lock-up period) on August 19, 2025, as well as the registration and confirmation of ownership rights for restricted shares held by internal employee shareholders.

### (III) Impact of Changes in Ordinary Share on Financial Indicators Such as Earnings Per Share and Net Asset Per Share for the Most Recent Year and the Most Recent Period

Not applicable.

### (IV) Changes in Restricted Shares

During the reporting period, the Company's restricted shares from its initial public offering (subject to a 48-month lock-up period) became tradable on August 19, 2025, with 57,857,794 shares released from the lock-up.

## II. Stock Issuance and Listing

### (I) Shares Issuance During the Reporting Period

During the reporting period, the Company did not issue shares.

### (II) Changes in the Total Number of the Company's Ordinary Shares, Structure of Shareholders, and Structure of the Company's Assets and Liabilities

See "Changes in Ordinary Share" in this chapter and "Chapter III Management Discussion and Analysis" for more details.

### (III) Existing Internal Employee Shares

As of the end of the reporting period, among the Company's restricted circulation shares, the number of internal employee shares was 270,003,042 shares.

Issue date of internal employee shares	Issue price of internal employee shares (RMB)	Number of internal employee shares issued (shares)
-	-	270,003,042
Description of the status of existing internal employee shares	Employee shares are primarily acquired through the following methods: 1. Shares of the Company subscribed by internal employees at the time of establishment; 2. Shares issued from capital reserves after the Company's establishment; 3. Shares acquired through inheritance, court judgments, or other means.	

## III. Shareholders

### (I) Total Number of Shareholders

No. of shareholders of ordinary shares as of the end of the reporting period	64,600
No. of shareholders of ordinary shares as of the end of the previous month prior to the disclosure data of the annual report	63,047
No. of shareholders of preferred shares with restored voting rights as of the end of the reporting period	0
No. of shareholders of preferred shares with restored voting rights as of the end of the previous month prior to the disclosure data of the annual report	0

### (II) Top 10 Shareholders and Top 10 Floating Shareholders (or Shareholders without Restriction) as of the End of the Reporting Period

Unit: Shares

Top 10 shareholders (excluding shares lent through refinancing)							
Shareholder's name (full name)	Increase/decrease during the reporting period	No. of shares held at the end of period	Percentage (%)	No. of restricted shares	Pledged/arked/frozen shares		Nature of shareholder
					Status	No. of shares	
Shanghai State-owned Assets Management Co., Ltd.	-	895,796,176	9.29	-	-	-	State-owned legal entity
China COSCO Shipping Corporation Ltd.	-	800,000,000	8.29	-	-	-	State-owned legal entity
BaoSteel Corporation Ltd.	-	800,000,000	8.29	-	-	-	State-owned legal entity
Shanghai Jiushi (Group) Co., Ltd.	-	751,186,846	7.79	-	-	-	State-owned legal entity

Unit: Shares

## Top 10 shareholders (excluding shares lent through refinancing)

Shareholder's name (full name)	Increase/decrease during the reporting period	No. of shares held at the end of period	Percentage (%)	No. of restricted shares	Pledged/arked/frozen shares		Nature of shareholder
					Status	No. of shares	
China Pacific Life Insurance Co., Ltd.	-	560,000,000	5.81	-	-	-	State-owned legal entity
Shanghai Guosheng Assets Co., Ltd.	-	481,151,214	4.99	-	-	-	State-owned legal entity
Zhejiang Expressway Co., Ltd.	-	477,915,621	4.96	-	-	-	State-owned legal entity
Taiping Life Insurance Co., Ltd.	-	414,904,000	4.30	-	-	-	State-owned legal entity
Shanghai Shendi (Group) Co., Ltd.	-	357,700,000	3.71	-	-	-	State-owned legal entity
Jianyuan Trust Co., Ltd.	+283,030,000	289,491,400	3.00	-	-	-	State-owned legal entities

Unit: Shares

## Top 10 unrestricted shareholders (excluding shares lent through refinancing and those locked by senior management)

Shareholder name	No. of unrestricted floating shares	Type and number of shares	
		Type	Number
Shanghai State-owned Assets Management Co., Ltd.	895,796,176	RMB Ordinary share	895,796,176
China COSCO Shipping Corporation Ltd.	800,000,000	RMB Ordinary share	800,000,000
BaoSteel Corporation Ltd.	800,000,000	RMB ordinary shares	800,000,000
Shanghai Jiushi (Group) Co., Ltd.	751,186,846	RMB Ordinary share	751,186,846
China Pacific Life Insurance Co., Ltd.	560,000,000	RMB Ordinary share	560,000,000
Shanghai Guosheng Assets Co., Ltd.	481,151,214	RMB Ordinary share	481,151,214
Zhejiang Expressway Co., Ltd.	477,915,621	RMB Ordinary share	477,915,621
Taiping Life Insurance Co., Ltd.	414,904,000	RMB Ordinary share	414,904,000
Shanghai Shendi (Group) Co., Ltd.	357,700,000	RMB Ordinary share	357,700,000
Jianyuan Trust Co., Ltd.	289,491,400	RMB Ordinary share	289,491,400
Description of repurchase special account among the top ten shareholders	Not applicable		
Description of the above shareholders' proxy and abstention from voting rights	Not applicable		
Description of the above shareholders' related relationship or concerted action	There are no related relationships or concerted action relationships among the aforementioned top ten shareholders.		
Description of shareholders of preferred shares with restored voting rights and the number of shares held	Not applicable		

**(III) Top 10 Shareholders' Share Lending in the Refinancing Business**

During the reporting period, none of the Company's top ten shareholders participated in margin trading activities.

**(IV) Changes in the Top Ten Shareholders Compared to the Previous Period**

During the reporting period, among the Company's top ten shareholders, the tenth-ranked shareholder changed from Lanhai Holding (Group) Co., Ltd. to Jianyuan Trust Co., Ltd. Prior to the change, Lanhai Holdings (Group) Co., Ltd. held 336,000,000 shares, representing a 3.48% stake. Following the change, Jianyuan Trust Co., Ltd. holds 289,491,400 shares, representing a 3.00% stake.

(V) Number of Shares Held by the Top Ten Restricted Shareholders and Conditions of Restricted Sale

Unit: Shares

No.	Name of restricted shareholders	No. of restricted shares held	Eligibility of restricted shares for trading		Restriction conditions
			Date of eligibility for trading	Number of newly tradable shares	
1	8 natural person shareholders who held 500,000 internal employee shares at the time of the Company's IPO	350,000	To be released in batches, specifically: August 19, 2026: 75,000 shares; August 19, 2027: 25,000 shares; August 19, 2029: 250,000 shares.	75,000	-
2	1 natural person shareholder who held 499,200 internal employee shares at the time of the Company's IPO	349,440	To be released in batches, specifically: August 19, 2026: 74,880 shares; August 19, 2027: 24,960 shares; August 19, 2029: 249,600 shares.	74,880	-
3	5 natural person shareholders who held 496,000 internal employee shares at the time of the Company's IPO	347,200	To be released in batches, specifically: August 19, 2026: 74,400 shares; August 19, 2027: 24,800 shares; August 19, 2029: 248,000 shares.	74,400	-
Description of the above shareholders' related relationship or concerted action		The Company is not aware of any connection between the above shareholders or whether they are acting in concert.			

IV. Major Shareholders

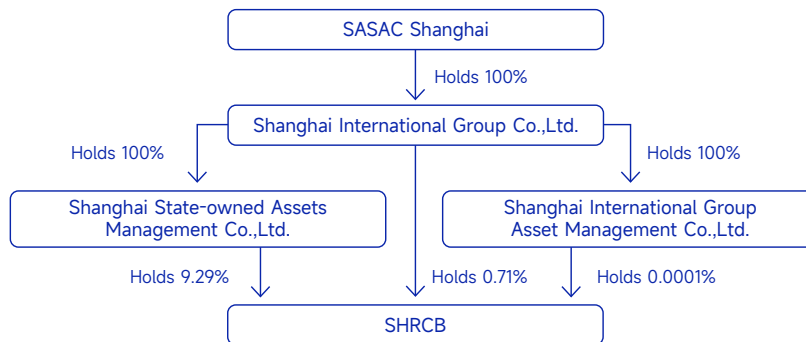
(I) Controlling Shareholders and Actual Controllers

The Company has no controlling shareholder or actual controller.

During the reporting period, the Company's equity structure was relatively dispersed, with no single shareholder holding a stake of 30% or more. Neither the equity stake of the single largest shareholder nor the combined equity stake of the largest shareholder(s) could control more than half of the voting rights at the shareholders' meeting. No shareholder or its affiliated parties could control the shareholders' meeting or exert a decisive influence on the resolution of the shareholders' meeting. No shareholder or its affiliated parties nominated more than one-third of the total number of board members. No shareholder can control the Company's board of directors or exert a decisive influence on its resolutions; the Company's senior management is appointed and removed by the Board of Directors in accordance with the Company's Articles of Association, and no shareholder can control or exert a significant influence over them. Accordingly, the Company has no controlling shareholder or actual controller.

(II) Information on the Company's Largest Shareholder on a Consolidated Basis

Ownership and control relationships between the Company and its largest shareholder on a consolidated basis:



At the end of the reporting period, Shanghai International Group Co., Ltd. and its related parties and concert parties Shanghai State- owned Assets Management Co., Ltd., and Shanghai International Group Asset Management Co., Ltd. held a combined 9.99% of the Company's shares, and there was no pledge of the Company's shares. Including:

**Shanghai International Group Co., Ltd.** was established on April 20, 2000, with a registered capital of RMB 30 billion. The legal representative is Zhou Jie. Registered address is No. 511 Weihai Road, Jing'an District, Shanghai. Unified social credit code is 91310000631757739E. Its business scope includes: investment dominated by financial investment and supported with non- financial investment, capital operation and asset management, financial research, and social and economic consultation. As of the end of the reporting period, Shanghai International Group Co., Ltd. held 68,638,200 shares of the Company, accounting for 0.71% of the Company's total share capital. Nominated by Shanghai International Group Co., Ltd., Ms. Guan Wei is a director of the Company. The controlling shareholder and the actual controller of Shanghai International Group Co., Ltd. is SASAC Shanghai. The ultimate beneficiary is Shanghai International Group Co., Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks*, and *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of Shanghai International Group Co., Ltd. include Shanghai State- owned Assets Management Co., Ltd., Shanghai International Group Asset Management Co., Ltd., Shanghai Guoxin Investment Development Co., Ltd., etc.

**Shanghai State- owned Assets Management Co., Ltd.** was established on September 24, 1999 with a registered capital of RMB 28 billion. The legal representative is Guan Wei. Registered address is Building 1, No.1 Nandan Road, Xuhui District, Shanghai. The unified social credit code is 91310000631604599A. The business scope includes: industrial investment, capital operation, asset acquisition, packaging and transfer, enterprise and asset custody, debt restructuring, property brokerage, real estate intermediary, financial consulting, investment consulting and consulting services related to the business scope, guarantee related to asset operation and capital operation business. As of the end of the reporting period, Shanghai State- owned Assets Management Co., Ltd. held 895,796,176 shares of the Company, accounting for 9.29% of the Company's total share capital. The controlling shareholder of Shanghai State- owned Assets Management Co., Ltd. is Shanghai International Group Co., Ltd.; the actual controller, SASAC Shanghai; and the ultimate beneficiary, Shanghai State- owned Assets Management Co., Ltd. According to the relevant provisions of the *Interim Measures for Equity Management of Commercial Banks*, and *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of Shanghai State- owned Assets Management Co., Ltd. include Shanghai International Group Co., Ltd., Shanghai International Group Asset Management Co., Ltd., Shanghai Guoxin Investment Development Co., Ltd., etc.

**Shanghai International Group Asset Management Co., Ltd.** was established on December 16, 1987 with a registered capital of RMB 3.5 billion. Legal representative is Liu Guangan. Registered address is Zone C, 3/F, No. 511, Weihai Road, Jing'an District, Shanghai. Unified social credit code is 91310106132201066T. Business scope includes: various domestic and foreign investment business, asset management business, enterprise management, financial consultation (not engaging in agency bookkeeping), investment consultation (not engaging in brokerage). As of the end of the reporting period, Shanghai International Group Asset Management Co., Ltd. held 10,000 shares of the Company, accounting for 0.0001% of the Company's total share capital. The controlling shareholder of Shanghai International Group Asset Management Co., Ltd. is Shanghai International Group Co., Ltd.; the actual controller, SASAC Shanghai; and the ultimate beneficiary, Shanghai International Group Asset Management Co., Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks*, and *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of Shanghai International Group Asset Management Co., Ltd. include Shanghai International Group Co., Ltd., Shanghai State- owned Assets Management Co., Ltd., Shanghai Xiayang Lake Investment Management Co., Ltd., etc.

### (III) Other Shareholders with over 5% of the Company's Shares

#### China COSCO Shipping Corporation Ltd.

China COSCO Shipping Corporation Ltd. was established on February 5, 2016 with a registered capital of RMB 11 billion. The legal representative is Wan Min. The registered address is No. 628, Minsheng Road, Pilot Free Trade Zone, China (Shanghai). The unified social credit code is 91310000MA1FL1MMXL. The business scope includes: international shipping, international maritime auxiliary business; import and export business of goods and technology; international freight forwarding business of sea, land and aviation; proprietary ship leasing; sale of ships, containers and steel; offshore engineering equipment design; terminal and port investment; sale of communication equipment, information and technology services; warehousing (except for hazardous chemicals); development, transfer, consultation, services of technology related to ships and spare parts, and equity investment funds.

As of the end of the reporting period, China COSCO Shipping Corporation Ltd. held 800,000,000 shares of the Company, accounting for 8.29% of the Company's total share capital. Ms. Zhang Xueyan was proposed to be nominated by China COSCO Shipping Group Company Limited to be a director of the Company. The controlling shareholder and actual controller of China COSCO Shipping Corporation Ltd. is SASAC, and the ultimate beneficiary is China COSCO Shipping Corporation Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks*, and *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of China COSCO Shipping Corporation Ltd. include COSCO Shipping Co., Ltd., China Shipping Group Co., Ltd., COSCO Shipping Bulk Co., Ltd., etc. As of the end of the reporting period, China COSCO Shipping Corporation Ltd., its related parties and concerted actors jointly held 8.29% of the Company's shares, and there was no pledge of the Company's shares.

## BaoSteel Corporation Ltd.

BaoSteel Corporation Ltd. was established on February 3, 2000 with a registered capital of RMB 21,908,643,999. The legal representative is Zou Jixin. Registered address is No. 885, Fujin Road, Baoshan District, Shanghai. Unified social credit code 91310000631696382C. Business scope includes: licensed projects: production of hazardous chemicals; hazardous chemicals business; hazardous waste management; power generation business, power transmission business, power supply (distribution) business; port operation; road cargo transportation (excluding hazardous goods); road transport of hazardous goods; special equipment manufacturing; motor vehicle inspection and testing services. (Projects subject to approval in accordance with the law, approved by the relevant departments before operating activities, and specific business projects subject to the relevant department approval documents or permits) general projects: steel, iron smelting; steel rolling processing; commonly used non-ferrous metal smelting; non-ferrous metal rolling processing; coal and products sales; metal ore sales; metal materials sales; high-quality special steel materials sales; special equipment sales. Sales of renewable resources; sales agents; technology services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; production of chemical products (excluding licensed chemical products); sales of chemical products (excluding licensed chemical products); manufacturing of basic chemical raw materials (excluding the manufacture of hazardous chemicals and other licensed chemicals); general cargo warehousing services (excluding hazardous chemicals and other items subject to licensing approval); domestic cargo transportation, domestic freight forwarding agent; domestic container freight forwarding agent; non-residential real estate leasing; land use rights leasing; machinery and equipment leasing; transportation equipment leasing services; ship leasing; special equipment leasing; drafting, computing and measuring instruments manufacturing; drafting, computing and measuring instruments sales; business management consulting; environmental protection monitoring; bidding agency services; motor vehicle repair and maintenance; goods import and export; technology import and export; import and export agent; metal scrap and scrap processing.

As of the end of the reporting period, BaoSteel Corporation Ltd. held 800,000,000 shares of the Company, accounting for 8.29% of the Company's total share capital. Ms. Wang Juan was nominated by BaoSteel Corporation Ltd. as the director of the Company. China Baowu Steel Group Co., Ltd. is the controlling shareholder of BaoSteel Corporation Ltd.; the actual controller, SASAC; and the ultimate beneficiary, BaoSteel Corporation Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks*, and *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of BaoSteel Corporation Ltd. include Shanghai Meishan Iron and Steel Co., Ltd., Baosteel Zhanjiang Co., Ltd., Wuhan Iron and Steel Co., Ltd., etc. As of the end of the reporting period, BaoSteel Corporation Ltd., its related parties and concerted actors jointly held 8.29% of the Company's shares, and there was no pledge of the Company's shares.

## Shanghai Jiushi (Group) Co., Ltd.

Shanghai Jiushi (Group) Co., Ltd. was founded in December 12, 1987, with a registered capital of RMB 60 billion. The legal representative is Guo Jianfei, and registered address is No. 28 Zhongshan South Road, Huangpu District, Shanghai. The unified social credit code is 9131000013221297X9. Business scope includes: the use of domestic and foreign funds, urban transportation operation, infrastructure investment management and resource development and utilization, land and property development and operation, property management, sports and tourism operation, equity investment, management and operation, information technology services, automobile leasing, and consulting business.

As of the end of the reporting period, Shanghai Jiushi (Group) Co., Ltd. held 751,186,846 shares of the Company, accounting for 7.79% of the total share capital of the Company. Shanghai Jiushi (Group) Co., Ltd. nominated Mr. Liu Yu as a director of the Company. The actual controller of Shanghai Jiushi (Group) Co., Ltd. is SASAC-Shanghai, and the ultimate beneficiary is Shanghai Jiushi (Group) Co., Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks*, and *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of Shanghai Jiushi (Group) Co., Ltd. include Shanghai Qiangsheng Holding Co. Ltd., Shanghai Jiushi Public Transportation Group Co., Ltd., Shanghai Jiushi Sports Industry Development (Group) Co., Ltd., and Shanghai Public Transportation Card Co., Ltd., etc. As of the end of the reporting period, Shanghai Jiushi (Group) Co., Ltd. held 7.79% of the Company's shares in combination with its related parties and concerted actors, and there was no pledge of the Company's shares.

## China Pacific Life Insurance Co., Ltd.

China Pacific Life Insurance Co., Ltd. was established on November 9, 2001 with a registered capital of RMB 8,628,200,000. The legal representative is Li Jingsong. The registered address is 71 Shouning Road, Huangpu District, Shanghai. The unified social credit code is 91310000733370906P. The business scope includes: underwriting various personal insurance businesses in RMB and foreign currency, including life insurance, health insurance, accidental injury insurance and other insurance businesses, the reinsurance of the aforementioned businesses, various legal personal insurance business; establish agency and business relationship with domestic and foreign insurance and related institutions, handle loss appraisal, claim settlement and other related matters entrusted by foreign insurance institutions, insurance fund utilization business stipulated by the *Insurance Law* and relevant laws and regulations, participate in international insurance activities upon approval and other businesses approved by insurance regulatory authorities.

As of the end of the reporting period, China Pacific Life Insurance Co., Ltd. held 560,000,000 shares of the Company, accounting for 5.81% of the Company's total share capital. Mr. Ye Bo was nominated by China Pacific Life Insurance Co., Ltd. as a director of the Company<sup>39</sup>. The controlling shareholder of China Pacific Life Insurance Co., Ltd. is China Pacific Insurance (Group) Co., Ltd. without actual controller, and the ultimate beneficiary is China Pacific Life Insurance Co., Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks*, and *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the

related parties of China Pacific Life Insurance Co., Ltd. also include Pacific Insurance Pension Industry Investment Management Co., Ltd,

<sup>39</sup> The Proposal to Elect Mr. Ye Bo as a Non-Executive Director of the Company was approved at the First Ad-hoc General Meeting of Shareholders held on November 20, 2025, and his appointment was approved by the regulatory authorities on March 10, 2026.

Pacific Asset Management Co., Ltd., CPIC Allianz Health Insurance Co., Ltd., etc. As of the end of the reporting period, China Pacific Life Insurance Co., Ltd. held 5.81% of the Company's shares in combination with its related parties and concerted actors, and there was no pledge of the Company's shares.

## (IV) Other Major Shareholders Under Banking Regulatory Definition

### Shanghai Guosheng Assets Co., Ltd.

Shanghai Guosheng Assets Co., Ltd. was established on January 26, 2010 with a registered capital of RMB 7 billion. Legal representative is Chen Ying. Registered address is Room 601F, Building 2, No.80 Moling Road, Jing'an District, Shanghai, China. Unified social credit code is 91310106550053414B. Business scope includes: industrial investment, investment in real estate and its related industries, urban infrastructure investment, capital operation, asset acquisition, packaging and transfer, enterprise and asset custody, debt restructuring, entrusted investment, investment consulting, financial consultant, consulting and agency for corporate restructuring and merger, corporate financial consulting, consulting services related to business scope.

As of the end of the reporting period, Shanghai Guosheng Assets Co., Ltd. held 481,151,214 shares of the Company, accounting for 4.99% of the Company's total share capital. Ms. Liang Xiaoli was nominated by Shanghai Guosheng Assets Co., Ltd. as the director of the Company<sup>40</sup>. The controlling shareholder of Shanghai Guosheng Assets Co., Ltd. is Shanghai Guosheng (Group) Co., Ltd.; the actual controller, SASAC Shanghai; and the ultimate beneficiary, Shanghai Guosheng Assets Co., Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks*, and *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of Shanghai Guosheng Assets Co., Ltd. include Shanghai Assets Equity Group Limited Co., Shanghai Lvhong Investment Development Co., Ltd., etc. As of the end of the reporting period, Shanghai Guosheng Assets Co., Ltd. held 4.99% of the Company's shares together with its related parties and concerted actors, and there was no pledge of the Company's shares.

### Zhejiang Expressway Co., Ltd.

Zhejiang Expressway Co., Ltd. was established on March 1, 1997 with a registered capital of RMB 6,038,114,642. Legal representative is Yuan Yingjie. Registered address is Room 501, Building 2, Pearl International Business Centre, Shangcheng District, Hangzhou, Zhejiang Province, China. Unified social credit Code is 91330000142942095H. Business scope includes licensed items: highway management and maintenance; Construction project construction; Construction engineering design; Catering service; Labor dispatch service; Food sales; Urban distribution and transportation services (excluding dangerous goods); Accommodation services; Power generation, power transmission, and power supply (distribution) (projects that are subject to approval according to law can only be carried out after approval by relevant departments, and the specific business projects are subject to the approval results). General projects: equity investment; Technical service, technical development, technical consultation, technical exchange, technology transfer and technology popularization; Information technology consulting services; Car trailer, help, obstacle clearing service; Car wash service; Parking service; General cargo storage services (excluding dangerous chemicals and other items that need permission and approval); Small grocery store (three small industries); Business training (excluding education training, vocational skills training and other training that requires permission); Catering management; Travel agency service outlets to attract tourists and provide consulting services; Wholesale of aquatic products; Agricultural and sideline products sales; Daily necessities sales; Internet sales (except the sale of goods that need permission); Electronic product sales; Sales of office equipment consumables; Centralized fast charging station; Road freight transport station management; Manufacture of special equipment for traffic safety and control; Traffic facilities maintenance; Motor vehicle repair and maintenance; Operation of electric vehicle charging infrastructure; sale of vehicle charging services; solar power generation technical services (except for projects subject to approval according to law, independently carry out business activities according to law with business license).

As of the end of the reporting period, Zhejiang Expressway Co., Ltd. held 477,915,621 shares of the Company, accounting for 4.96% of the Company's total share capital. Ms. Ruan Liya was nominated by Zhejiang Expressway Co., Ltd. as the director of the Company. The controlling shareholder of Zhejiang Expressway Co., Ltd. is Zhejiang Communications Investment Group Co., Ltd.; the actual controller, SASAC Zhejiang; and the ultimate beneficiary, Zhejiang Expressway Co., Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks*, *Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of Zhejiang Expressway Co., Ltd. include Zhejiang Shangsang Expressway Co., Ltd., Zhejiang Jinhua Yongjin Expressway Co., Ltd., and Zhejiang Longli-Lilong Expressway Co., Ltd., etc. As of the end of the reporting period, Zhejiang Expressway Co., Ltd. and its related parties and concerted actors jointly held 4.96% of the Company's shares, and there was no pledge of the Company's shares.

<sup>40</sup> The Proposal to Elect Ms. Liang Xiaoli as a Non-Executive Director of the Company was approved at the First Ad-hoc General Meeting of Shareholders held on November 20, 2025, and her appointment was approved by the regulatory authorities on January 6, 2026.

### Shanghai Shendi (Group) Co., Ltd.

Shanghai Shendi (Group) Co., Ltd. was established on August 8, 2010 with a registered capital of RMB 22,250,650,000. Legal representative is Guan Taoping. Registered address is No.88 Shendi South Road, Pudong New District, Shanghai. Unified social credit code is 913100005601172662. Business scope includes: licensed projects: real estate development and operation. (Projects subject to approval in accordance with the law, approved by the relevant authorities before the commencement of business activities, specific business projects subject to the relevant approval documents or permits); general projects: investment activities with proprietary funds; non-residential real estate leasing; parking services; advertising design, agency; digital advertising design, agency; advertising; advertising production; digital advertising release; digital advertising production; conference and exhibition services; hotel management; electric vehicle charging infrastructure operation; engineering management services; municipal facilities management; electronic and mechanical equipment maintenance (excluding special equipment); information consulting services (excluding licensed information consulting services); business management consulting; financial consulting; import and export of goods; technology import and export.

As of the end of the reporting period, Shanghai Shendi (Group) Co., Ltd. held 357,700,000 shares of the Company, accounting for 3.71% of the Company's total share capital. Mr. Le Jiawei was proposed to be nominated by Shanghai Shendi (Group) Co., Ltd. as a director of the Company. Shanghai Shendi (Group) Co., Ltd. has no controlling shareholder; the actual controller, SASAC Shanghai; and the ultimate beneficiary, Shanghai Shendi (Group) Co., Ltd. According to the relevant provisions of the *Interim Measures for the Equity Management of Commercial Banks, Management Measures for Related-party Transactions of Banking and Insurance Institutions*, the related parties of Shanghai Shendi (Group) Co., Ltd. also include Shanghai Shendi Construction Co., Ltd., Shanghai Shendi Tourism and Resort Development Co., Ltd., Shanghai Shendi Development Co., Ltd., etc. As of the end of the reporting period, Shanghai Shendi (Group) Co., Ltd. held 3.71% of the Company's shares in combination with its related parties and concerted actors, and there was no pledge of the Company's shares.

## V. Other Information Required by Banking Regulators

During the reporting period, the 336 million shares of the Company held by the former shareholder, Lanhai Holding (Group) Co., Ltd., which were subject to pledges/judicial restrictions, have been fully disposed of through judicial proceedings<sup>41</sup>.

Of the 336 million shares of the Company held by the former shareholder, Lanhai Holding (Group) Co., Ltd., 288 million shares were acquired through competitive bidding by Jianyuan Trust Co., Ltd.; 48 million shares were acquired through competitive bidding by Lian Life Insurance Co., Ltd. – Lianfu (Type D) Annuity Insurance and Lian Life Insurance Co., Ltd. – Lianxi Annuity Insurance (Dividend Type).

During the reporting period, the Company complied with regulatory requirements and restricted the voting rights of shareholders at the shareholders' meeting and of their appointed directors (if any) at the board of directors when the number of shares pledged by a shareholder reached or exceeded 50% of their equity interest in the Company.

<sup>41</sup> As of January 20, 2026, the transfer registration of the shares of Lanhai Holdings (Group) Co., Ltd. subject to judicial enforcement has been fully completed, and Lanhai Holdings (Group) Co., Ltd. is no longer a shareholder of the Company.

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# 07

## Financial Statements

The Company's 2025 annual financial report has been audited by KPMG Huazhen LLP, with CPA Shi Haiyun and Zhang Chenchen signing off on it and issuing a standard unqualified audit report. The full text of the financial report is attached.



## Written Confirmation by the Directors and Senior Management of SHRCB Regarding the 2025 Annual Report

In accordance with relevant regulations and requirements, as directors and senior management of the Company, we have thoroughly reviewed and examined the Company's 2025 Annual Report and hereby issue the following opinion:

1. The Company operates in strict compliance with enterprise accounting standards and relevant regulations. The Company's 2025 Annual Report fairly presents the Company's financial position and operating results for the reporting period.
2. All data included in the Annual Report has been verified and validated, reflecting the principles of soundness, prudence, objectivity, truthfulness, accuracy, and comprehensiveness. We believe that the Company's 2025 Annual Report contains no false statements, misleading representations, or material omissions, and we assume legal responsibility for the truthfulness, accuracy, and completeness of its contents.
3. The Company's 2025 annual financial statements have been audited by KPMG Huazhen LLP, which issued a standard unqualified audit report.

### Signature of Directors

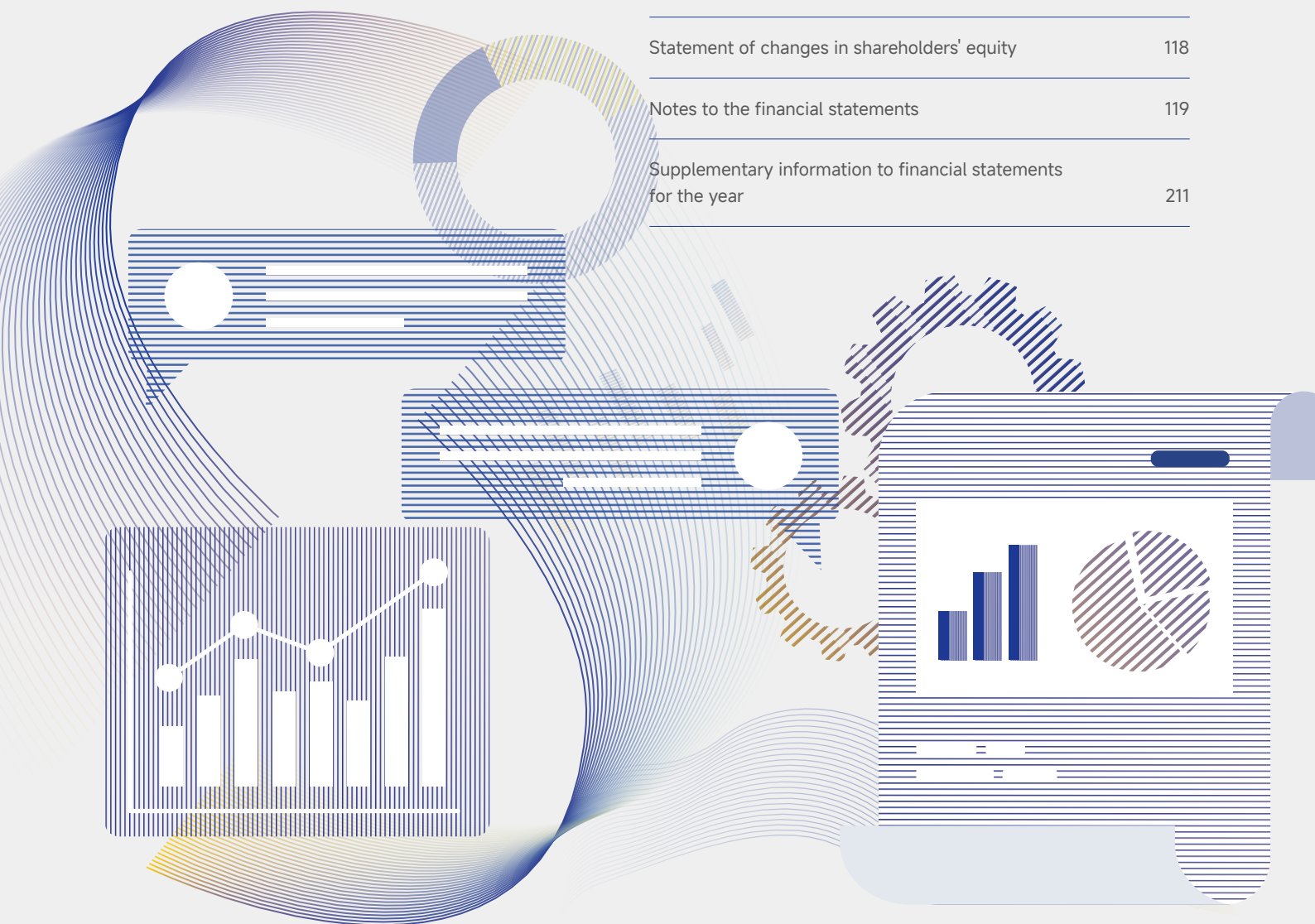
_____ Xu Li _____	_____ Wang Ming _____	_____ Guan Wei _____	_____ Zhang Xueyan _____	_____ Wang Juan _____	_____ Liu Yu _____
_____ Ye Bo _____	_____ Liang Xiaoli _____	_____ Ruan Liya _____	_____ Le Jiawei _____	_____ Huang Jixian _____	_____ Chu Xiaoming _____
_____ Chen Ying _____	_____ Chen Gui _____	_____ Liu Yunhong _____	_____ Li Peigong _____	_____ _____	_____ _____

### Signature of Senior Management

_____ Wang Ming _____	_____ Zhang Hongbiao _____	_____ Gu Xianbin _____	_____ Shen Dong _____	_____ Zhan Lingling _____
_____ Zhang Yuehong _____	_____ Yao Xiaogang _____			

# Financial Statements and Auditor's Report For the year ended 31 December 2025

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## AUDITOR'S REPORT

KPMG Huanzhen Shenzi NO.2610679

### The Shareholders of Shanghai Rural Commercial Bank Co., Ltd.:

#### I. Opinion

We have audited the accompanying financial statements of Shanghai Rural Commercial Bank Co., Ltd. (hereinafter referred to as "Shanghai Rural Commercial Bank" or the "Bank"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2025, the consolidated income statement and income statement, the consolidated cash flow statement and cash flow statement, and the consolidated statement of changes in shareholders' equity and statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, Shanghai Rural Commercial Bank's and consolidated financial position of as at 31 December 2025, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

#### II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the China Code of Ethics for Certified Public Accountants ("the Code") and the Independence Standards for Chinese Certified Public Accountants No. 1 – Independence Requirements for Audit and Review Engagements, as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### III. The Key Audit Matter

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

Determination of provision for losses of loans and advances to customers	
Refer to the accounting policies described in Note III.8 <i>Financial instruments (7) Impairment</i> and Note III.30 <i>Significant accounting estimates and judgements</i> to the financial statements and Note V.6 <i>Loans and advances to customers</i> and Note XII.1 <i>Credit risks</i> to the financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
Shanghai Rural Commercial Bank measured the provision for losses of loans and advances to customers with an expected credit loss (ECL) model in accordance with CAS No.22 – Financial Instruments: Recognition and Measurement (Revised). Shanghai Rural Commercial Bank established relevant internal controls for the measurement of ECL.	<p>Our audit procedures to the evaluation of the provision for losses of loans and advances to customers included the following:</p> <ul style="list-style-type: none"> <li>· understanding and evaluating the design and operating effectiveness of key internal control over financial reporting related to provision for losses of loans and advances to customers.</li> <li>- understanding and evaluating the design and operating effectiveness of key internal control over financial reporting related to credit approval, recording, monitoring, regular credit re-rating and provision for impairment loss; particularly, evaluating the design and operating effectiveness of key internal control over financial reporting related to staging classification based on the credit quality of loans and advances to customers at all levels;</li> <li>- understanding and evaluating, with the assistance of our information technology experts, the design and operating effectiveness of relevant information system control, including general IT control of the system, data transmission between systems, mapping of the ECL model parameters, and system calculation logic setting of the ECLs of loans and advances to customers etc.</li> </ul>

Determination of provision for losses of loans and advances to customers

Refer to the accounting policies described in Note III.8 *Financial instruments (7) Impairment* and Note III.30 *Significant accounting estimates and judgements* to the financial statements and Note V.6 *Loans and advances to customers* and Note XII.1 *Credit risks* to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>Determining the provision for losses of loans and advances to customers with the ECL model involves application of certain key parameters and assumptions, including classification of credit risk stages and estimation of probability of default (PD), loss given default (LGD), exposure at default (EAD), discount rate and other parameters, as well as consideration of forward-looking adjustments, so a considerable level of management judgement is required in the selection and assumption of these parameters.</p> <p>The external macro environment and Shanghai Rural Commercial Bank internal credit risk management strategy have a significant impact on the determination of the ECL model. In assessing key parameters and assumptions, factors considered by Shanghai Rural Commercial Bank for corporate loans and advances to customers include historical loss rates, internal credit ratings and other adjustment factors; factors considered for personal loans and advances include historical overdue data for personal loans and advances, historical loss experience and other adjustment factors.</p>	<ul style="list-style-type: none"> <li>with the assistance of our financial risk management experts, evaluating the appropriateness of the ECL model and parameters used to evaluate the ECL of Shanghai Rural Commercial Bank, the completeness of key internal historical data, and evaluated the reasonableness of PD, LGD, EAD, discount rate, forward-looking adjustments and the key management judgement involved prudently;</li> <li>evaluating the completeness and accuracy of the key data used in the ECL model. For key internal data related to the original business file, we compared the total amount in the list of loans and advances to customers used by management to assess the provision for losses with the general ledger, so as to evaluate the completeness of the list; and we compared information on individual loans and advances with relevant agreements and other relevant documents on a sampling basis to evaluate the accuracy of the list. For key external data, we reconciled them with publicly available sources to evaluate its accuracy;</li> <li>evaluating input parameters involving subjective judgement, including seeking supporting evidence from external sources and comparing internal records such as historical loss experience and guarantee methods. Inquiring of management about the rationale for adjustments made to key assumptions and input parameters and considering the consistency of the judgements applied by management, as part of the above procedures. Comparing the economic factors used in the model with market information to evaluate whether it is consistent with market and economic developments;</li> </ul>
<p>Based on whether the credit risk of a financial instruments has increased significantly and whether it has considered to be credit impaired since initial recognition, Shanghai Rural Commercial Bank classified the financial instruments into three risk stages, and measured loss allowances at an amount equal to 12-month or lifetime ECLs for the following financial instruments.</p> <p>Management also exercises judgement in determining the loss given default based on a range of factors, in order to determine the recoverable amount. These factors include the borrower's financial condition, the means of guarantee, the order in which claims are paid, the recoverable amount of the collateral, and the borrower's other sources of repayment. In evaluating the value of collateral, management refers to the collateral evaluation report issued by a qualified third-party evaluation agency and also considers the market price, status quo and uses of the collateral. In addition, the enforceability, timing and manner of realisation of the collateral will also affect the recoverable amount of the collateral.</p>	<ul style="list-style-type: none"> <li>for the key internal data to be generated by system operation, reconciling the system input data with the original business file on a sampling basis to evaluate the data accuracy. In addition, we tested the logic of compiling information on overdue loans and advances to customers on a sampling basis, by leveraging the work of our IT experts;</li> <li>evaluating the reasonableness of the judgements made by management as to whether the credit risk has increased significantly since initial recognition and whether credit impairment has occurred. We analysed the corporate loans and advances to customers based on the industry classification. When selecting samples, we considered the industries that are greatly affected by the current industry cycle and control policies, focused on loans in high-risk area, and selected credit-impaired loans, loans overdue but without credit-impairment and borrowers with negative warning signals, negative media news, split ratings and other risk factors as samples of credit review. Based on the selected samples, we checked business files, overdue information, inquired of the credit managers about the borrowers' business operations, checked the borrowers' financial information, and researched market information related to the borrowers' businesses and operations;</li> </ul>
<p>We identified the determination of the provision for losses of loans and advances to customers as a key audit matter due to the inherent uncertainty and management judgement involved in the determination of the provision for losses of loans and advances to customers, as well as its significant impact on the financial performance and capital position of Shanghai Rural Commercial Bank.</p>	<ul style="list-style-type: none"> <li>when conducting credit review on the selected credit-impaired corporate loans and advances to customers, we evaluated the estimated recoverable amount through inquiries, professional judgements, independent queries, etc.; We also evaluated the timing and manner of realisation of the collaterals, and considered other sources of repayment asserted by the management. In addition, we evaluated the consistency in the application of key assumptions by management and compared them with our data sources;</li> <li>reviewing the calculation accuracy of ECLs on a sampling basis, so as to evaluate Shanghai Rural Commercial Bank's application of the ECL model;</li> <li>performing a retrospective review on the components and important assumptions of the ECL model, using actual observation data to test the estimated elements of the model, and evaluating whether there are signs of management bias in the estimation of provision for losses of loans and advances to customers;</li> <li>evaluating the reasonableness of financial statement disclosures related to the provision for losses of loans and advances to customers in accordance with relevant accounting standards.</li> </ul>

Consolidation of structured entities

Refer to the accounting policies described in Note III.4 *Criteria of control and preparation of consolidated financial statements* and Note III.30 *Significant accounting estimates and judgements* to the financial statements and Note VIII *Interests in other entities* to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities.</p> <p>Shanghai Rural Commercial Bank may have an interest in structured entities by initiating, holding investments in or retaining shares of interest in these entities. These structured entities mainly include wealth management products, fund trust plans, asset management plans, fund investments, asset-backed securities, etc.</p>	<p>Our audit procedures to evaluate the consolidation of structured entities included the following:</p> <ul style="list-style-type: none"> <li>inquiring of management and inspecting files related to process of management's judgement of whether consolidation is required for the structured entities to evaluate the completeness of procedures set up in this regard;</li> <li>performing the following audit procedures on structured entities on a sampling basis: <ul style="list-style-type: none"> <li>inspecting the related contracts, internally established documents and information disclosed to the investors to understand the purpose of the establishment of the structured entity and Shanghai Rural Commercial Bank's involvement with the structured entity and to evaluate management's judgement over whether Shanghai Rural Commercial Bank has the ability to exercise power over the structured entity;</li> <li>examining the design of risk and reward of the structured entity, including any capital owned in the structured entity or guarantees made on its earnings, arrangements for the provision of liquidity support, payment of commissions and distribution of earnings, in order to evaluate management's judgement regarding Shanghai Rural Commercial Bank's exposure to the structured entity, its power and impact on variable returns as a result of its involvement in the relevant activities of the structured entity;</li> </ul> </li> </ul>

Consolidation of structured entities

Refer to the accounting policies described in Note III.4 *Criteria of control and preparation of consolidated financial statements* and Note III.30 *Significant accounting estimates and judgements* to the financial statements and Note VIII *Interests in other entities* to the financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p>When determining whether the structured entity should be included in Shanghai Rural Commercial Bank's consolidation, management should consider Shanghai Rural Commercial Bank's power over the entity, the variable returns it enjoys and the ability to use its power to influence the amount of returns. These factors are not purely quantitative and the substance of the transaction needs to be considered collectively.</p> <p>We identified the consolidation of structured entities as a key audit matter because some of these structured entities are complex in nature and judgement is required when Shanghai Rural Commercial Bank performs qualitative assessment of terms and transaction substance for each structured entity.</p>	<ul style="list-style-type: none"> <li>- inspecting management's analysis of the structured entity including qualitative analysis and calculations of the magnitude and variability associated with Shanghai Rural Commercial Bank's economic interests in the structured entity to assess management's judgement over Shanghai Rural Commercial Bank's ability to influence its variable returns from the structured entity;</li> <li>- evaluating management's judgement over whether the structured entity should be consolidated or not;</li> <li>- evaluating the reasonableness of financial statement disclosures related to the structured entities in the financial statements in accordance with relevant accounting standards.</li> </ul>

## IV. Other Information

Management of Shanghai Rural Commercial Bank is responsible for the other information. The other information comprises all the information included in 2025 annual report of Shanghai Rural Commercial Bank, other than the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

## V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of Shanghai Rural Commercial Bank to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Shanghai Rural Commercial Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Shanghai Rural Commercial Bank's financial reporting process.

## VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs 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 financial statements.

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

- (1) Identify and assess the risks of material misstatement of the 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.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management'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 Shanghai Rural Commercial Bank'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 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 Shanghai Rural Commercial Bank to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Shanghai Rural Commercial Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

KPMG Huazhen LLP  
Beijing, China

Registered in the People's Republic of China Certified Public Accountants  
Shi Haiyun (Engagement partner)

Zhang Chenchen

Date: 22 April 2026

## Shanghai Rural Commercial Bank Co., Ltd. Consolidated balance sheet and balance sheet

31 December 2025

	Note	The Group		The Bank	
		2025	2024	2025	2024
<b>Assets</b>					
Cash and deposits with central bank	V.1	72,109,155	72,922,497	69,924,471	68,006,673
Due from placements with other banks and financial institutions	V.2	24,419,302	16,627,454	20,545,891	10,783,936
Precious metal		2,435,688	181,132	2,435,688	181,132
Placements with banks and other financial institutions	V.3	77,363,567	53,683,897	82,103,914	56,092,298
Derivative financial assets	V.4	7,843,167	4,774,385	7,843,167	4,774,385
Financial assets purchased under resale agreements	V.5	32,922,952	27,155,019	31,760,812	25,698,913
Loans and advances to customers	V.6	750,433,414	731,185,347	731,132,705	711,982,425
<b>Financial investment:</b>					
- Financial assets held for trading	V.7	59,138,453	51,633,537	98,922,543	92,348,085
- Debt investments	V.8	205,762,238	186,537,759	204,269,683	185,072,962
- Other debt investments	V.9	290,343,496	285,584,050	237,997,442	233,164,261
- Investments in other equity instruments	V.10	611,500	361,500	611,500	361,500
Finance lease receivables	V.11	8,121,083	7,527,254	-	-
Long-term receivables	V.11	36,388,325	31,979,353	-	-
Long-term equity investments	V.12	2,198,803	2,021,112	4,961,697	4,750,780
Fixed assets	V.13	4,883,987	5,182,859	4,540,921	4,836,160
Construction in progress		978,495	831,592	953,652	803,680
Right-of-use assets	V.14	544,500	663,028	454,154	539,386
Deferred tax assets	V.15	6,353,474	4,656,556	6,054,268	4,548,580
Other assets	V.16	4,814,664	4,301,164	3,384,992	2,767,258
<b>Total assets</b>		<b>1,587,666,263</b>	<b>1,487,809,495</b>	<b>1,507,897,500</b>	<b>1,406,712,414</b>

The notes on pages 119 to 212 form part of these financial statements.

## Shanghai Rural Commercial Bank Co., Ltd. Consolidated balance sheet and balance sheet (continued)

31 December 2025

	Note	The Group		The Bank	
		2025	2024	2025	2024
<b>Liabilities and shareholders' equity</b>					
<b>Liabilities</b>					
Borrowings from central bank	V.18	47,888,042	48,734,870	47,435,662	48,362,242
Due to placements with other banks and financial institutions	V.19	3,431,015	9,959,773	10,946,592	14,346,954
Placements from banks and other financial institutions	V.20	76,413,578	72,208,279	41,648,744	40,017,772
Financial liabilities held for trading		411,275	187,693	410,003	181,075
Derivative financial liabilities	V.4	2,192,096	3,176,137	2,192,096	3,176,137
Financial assets sold under repurchase agreements	V.21	35,632,757	47,405,245	24,294,781	37,528,488
Customer deposits	V.22	1,156,886,017	1,092,917,510	1,128,578,845	1,062,311,891
Employee benefits payables	V.23	3,313,614	3,476,755	3,033,242	3,194,975
Taxes payables	V.24	893,905	756,105	813,389	645,886
Debt securities issued	V.25	120,912,596	73,589,243	120,912,596	73,589,243
Lease liabilities	V.14	528,682	648,588	440,007	526,105
Provisions	V.26	906,197	749,501	906,197	749,501
Other liabilities	V.27	5,976,195	6,017,965	1,815,072	1,959,299
<b>Total liabilities</b>		<b>1,455,385,969</b>	<b>1,359,827,664</b>	<b>1,383,427,226</b>	<b>1,286,589,568</b>
<b>Shareholders' equity</b>					
Share capital	V.28	9,644,444	9,644,444	9,644,444	9,644,444
Capital reserve	V.29	16,540,133	16,547,850	16,784,499	16,784,499
Other comprehensive income	V.30	4,344,486	8,394,578	3,442,838	6,929,863
Surplus reserve	V.31	41,435,590	36,745,387	40,657,936	36,077,895
General risk reserve	V.32	16,332,963	15,354,359	15,688,651	14,766,676
Retained earnings	V.33	39,608,122	37,149,792	38,251,906	35,919,469
Total equity attributable to shareholders of the Bank		127,905,738	123,836,410	124,470,274	120,122,846
Non-controlling interests		4,374,556	4,145,421	-	-
<b>Total shareholders' equity</b>		<b>132,280,294</b>	<b>127,981,831</b>	<b>124,470,274</b>	<b>120,122,846</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,587,666,263</b>	<b>1,487,809,495</b>	<b>1,507,897,500</b>	<b>1,406,712,414</b>

The notes on pages 119 to 212 form part of these financial statements.

These financial statements were approved by the Board of Directors of the Bank on 22 April 2026.

Xu Li

Wang Ming

Chen Nanhua

Legal representative

President

Head of the accounting  
department

## Shanghai Rural Commercial Bank Co., Ltd. Consolidated income statement and income statement

In 2025

	Note	The Group		The Bank	
		2025	2024	2025	2024
<b>I. Operating Income</b>					
Interest income		41,064,911	44,898,761	37,790,140	41,323,376
Interest expense		(21,747,858)	(24,792,180)	(20,639,647)	(23,438,681)
Net interest income	V.34	19,317,053	20,106,581	17,150,493	17,884,695
Fee and commission income		2,235,978	2,280,509	2,250,879	2,304,524
Fee and commission expense		(234,990)	(238,310)	(221,211)	(225,940)
Net fee and commission income	V.35	2,000,988	2,042,199	2,029,668	2,078,584
Investment income	V.36	3,386,051	2,444,545	3,510,173	2,562,528
Including: Income from investments in associates		225,332	223,642	225,332	223,642
Income from derecognition of financial assets measured at amortised cost		-	5,940	-	-
Other income		43,632	98,138	20,307	37,364
Gains from changes in fair value	V.37	289,512	1,144,321	286,965	1,142,595
Exchange gains		426,851	212,999	426,851	212,999
Other operating income		57,563	42,896	41,388	39,903
Gains from asset disposals		348,839	549,665	348,727	549,710
Operating income		25,870,489	26,641,344	23,814,572	24,508,378
<b>II. Operating expenses</b>					
Taxes and surcharges		(310,626)	(304,791)	(297,618)	(292,749)
Operation and administrative expenses	V.38	(8,519,455)	(8,854,271)	(7,785,067)	(8,151,180)
Credit impairment losses	V.39	(2,030,260)	(2,468,288)	(1,604,602)	(1,920,080)
Asset impairment losses		(4,670)	(1,139)	(15,515)	-
Other operating costs		(16,339)	(16,945)	(16,163)	(16,225)
Operating expenses		(10,881,350)	(11,645,434)	(9,718,965)	(10,380,234)
<b>III. Operating Profit</b>					
		14,989,139	14,995,910	14,095,607	14,128,144
Add: Non-operating income		70,815	36,695	68,962	35,583
Less: Non-operating expenses		(86,734)	(59,127)	(78,574)	(54,072)
<b>IV. Profit before income tax</b>					
		14,973,220	14,973,478	14,085,995	14,109,655
Less: Income tax expenses	V.40	(2,323,802)	(2,365,869)	(2,065,854)	(2,106,419)

The notes on pages 119 to 212 form part of these financial statements.

## Shanghai Rural Commercial Bank Co., Ltd.

### Consolidated income statement and income statement (continued)

In 2025

	Note	The Group		The Bank	
		2025	2024	2025	2024
<b>V. Net profit</b>		12,649,418	12,607,609	12,020,141	12,003,236
(I) Net profit classified by continuity of operations:					
Net profit from continuing operations		12,649,418	12,607,609	12,020,141	12,003,236
Net profit from discontinued operations		-	-	-	-
(II) Net profit classified by ownership:					
Shareholders of the Bank		12,312,825	12,288,156	12,020,141	12,003,236
Non-controlling interests		336,593	319,453	-	-
<b>VI. Other comprehensive income, net of tax</b>	V.30	(4,050,092)	5,083,884	(3,487,025)	4,245,474
(I) Other comprehensive income (net of tax) attributable to shareholders of the Bank		(4,050,092)	5,083,884	(3,487,025)	4,245,474
1. Items that will not be reclassified to profit or loss					
(1) Remeasurement of defined benefit plan		(1,887)	(38,523)	(1,887)	(38,523)
2. Items that may be reclassified to profit or loss					
(1) Other comprehensive income recognised under the equity method		(35,096)	32,686	(35,096)	32,686
(2) Changes in fair value of financial asset designated at fair value through other comprehensive income		(4,197,240)	4,950,685	(3,634,173)	4,112,275
(3) Credit losses of financial asset designated at fair value through other comprehensive income		184,131	139,036	184,131	139,036
(II) Other comprehensive income (net of tax) attributable to non-controlling interests		-	-	-	-
<b>VII. Total comprehensive income</b>		8,599,326	17,691,493	8,533,116	16,248,710
Total comprehensive income attributable to shareholders of the Bank		8,262,733	17,372,040	8,533,116	16,248,710
Total comprehensive income attributable to non-controlling interests		336,593	319,453	-	-
<b>VIII. Earnings per share</b>					
Basic and diluted earnings per share	V.41	1.28	1.27		

The notes on pages 119 to 212 form part of these financial statements.

## Shanghai Rural Commercial Bank Co., Ltd. Consolidated cash flow statement and cash flow statement

In 2025

	Note	The Group		The Bank	
		2025	2024	2025	2024
<b>Cash flows from operating activities:</b>					
Net increase in placements from banks and other financial institutions		-	25,909,777	-	22,633,776
Net increase in the amount due to customers and due from placements with other banks and financial institutions		61,364,865	58,699,854	66,637,668	59,597,095
Net increase in financial assets sold under repurchase agreements		-	15,793,036	-	20,132,168
Net decrease in the amount due from placements with central bank and other banks and financial institutions		-	10,761	-	-
Net decrease in placements with banks and other financial institutions		-	2,180,309	-	80,309
Net decrease in financial assets held for trading		-	8,726,700	-	6,188,536
Interest received		31,603,638	34,007,974	27,162,500	30,126,639
Fee and commission received		2,372,773	2,420,512	2,387,630	2,444,478
Proceeds from other operating activities		1,820,188	1,276,315	1,788,939	915,936
Sub-total of cash inflows		97,161,464	149,025,238	97,976,737	142,118,937
Net increase in the amount due from placements with central bank and other banks and financial institutions		(1,467,772)	-	(4,296,206)	(1,584,561)
Net increase in placements with banks and other financial institutions		(17,049,097)	-	(19,549,098)	-
Net increase in financial assets purchased under resale agreements		(5,781,924)	(9,102,125)	(6,075,705)	(8,712,444)
Net increase in loans and advances to customers		(18,422,041)	(45,709,610)	(18,134,629)	(45,394,491)
Net increase in financial assets held for trading		(7,626,535)	-	(6,698,625)	-
Net decrease in borrowings from the central bank		(823,843)	(1,352,805)	(903,605)	(1,365,228)
Net decrease in placements from banks and other financial institutions		(239,779)	-	(2,853,779)	-
Net decrease in financial assets sold under repurchase agreements		(11,769,997)	-	(13,231,169)	-
Net payment for lease assets		(5,535,491)	(4,745,657)	-	-
Interest paid		(23,796,376)	(23,138,172)	(22,494,491)	(21,870,699)
Fee and commission paid		(248,262)	(251,866)	(234,484)	(239,497)
Payment to and for employees		(5,636,041)	(5,644,424)	(5,109,773)	(5,121,790)
Net payment of various taxes		(4,493,533)	(4,486,746)	(4,165,637)	(4,189,892)
Other cash payments relating to operating activities		(5,642,141)	(3,390,836)	(4,873,077)	(2,511,257)
Sub-total of cash outflows		(108,532,832)	(97,822,241)	(108,620,278)	(90,989,859)
Net cash flows from operating activities	V. 42(1)	(11,371,368)	51,202,997	(10,643,541)	51,129,078

The notes on pages 119 to 212 form part of these financial statements.

## Shanghai Rural Commercial Bank Co., Ltd. Consolidated cash flow statement and cash flow statement (continued)

In 2025

	Note	The Group		The Bank	
		2025	2024	2025	2024
<b>Cash flows from investing activities:</b>					
Proceeds from disposal of investments		195,718,890	123,441,290	195,298,890	121,922,290
Investment returns received		13,788,937	12,625,712	13,877,679	12,696,499
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		373,303	579,344	372,418	578,072
Sub-total of cash inflows		209,881,130	136,646,346	209,548,987	135,196,861
Payment for acquisition of investments		(225,924,755)	(154,730,865)	(224,796,997)	(153,791,445)
Net payment for acquisition of subsidiaries, joint ventures or associates		(8,740)	-	(48,740)	(41,120)
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(1,085,567)	(1,162,487)	(1,052,422)	(1,015,133)
Sub-total of cash outflows		(227,019,062)	(155,893,352)	(225,898,159)	(154,847,698)
Net cash flow from investing activities		(17,137,932)	(19,247,006)	(16,349,172)	(19,650,837)
<b>Cash flows from financing activities:</b>					
Proceeds from issue of bonds and interbank certificates of deposit		147,341,764	109,468,723	147,341,764	109,468,723
Sub-total of cash inflows from financing activities		147,341,764	109,468,723	147,341,764	109,468,723
Repayments of borrowings		(100,074,891)	(128,066,460)	(100,074,891)	(128,066,460)
Payment for dividends, profit distributions or interest		(6,067,037)	(8,125,747)	(5,957,881)	(8,019,344)
Repayments of lease liabilities		(267,398)	(280,718)	(232,240)	(247,751)
Sub-total of cash outflows from financing activities		(106,409,326)	(136,472,925)	(106,265,012)	(136,333,555)
Net cash flows from financing activities		40,932,438	(27,004,202)	41,076,752	(26,864,832)
Effect of foreign exchange rate changes on cash and cash equivalents		(108,474)	21,418	(108,474)	21,418
Net increase in cash and cash equivalents	V. 42(2)	12,314,664	4,973,207	13,975,565	4,634,827
Add: Cash and cash equivalents at the beginning of the year		34,245,715	29,272,508	28,846,222	24,211,395
Closing balance of cash and cash equivalents	V. 42(3)	46,560,379	34,245,715	42,821,787	28,846,222

The notes on pages 119 to 212 form part of these financial statements.

Shanghai Rural Commercial Bank Co., Ltd.  
Consolidated statement of changes in shareholders' equity

In 2025

	Attributable to shareholders of the Company							Non-controlling interests	Total
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Retained earnings	Sub-total		
I. Balance at 1 January 2025	9,644,444	16,547,850	8,394,578	36,745,387	15,354,359	37,149,792	123,836,410	4,145,421	127,981,831
II. Changes for the year									
(i) Total comprehensive income	-	-	(4,050,092)	-	-	12,312,825	8,262,733	336,593	8,599,326
(ii) Shareholders' contributions and decrease of capital									
1. Change in capital of subsidiaries	-	(6,618)	-	-	-	-	(6,618)	6,618	-
2. Change in equity ratio of controlling subsidiaries	-	(1,099)	-	-	-	-	(1,099)	(7,641)	(8,740)
(iii) Appropriation of profits									
1. Appropriation for surplus reserve	-	-	-	4,690,203	-	(4,690,203)	-	-	-
2. Appropriation for general risk reserve	-	-	-	-	978,604	(978,604)	-	-	-
3. Distributions to shareholders	-	-	-	-	-	(4,185,688)	(4,185,688)	-	(4,185,688)
4. Dividends distributions of subsidiaries	-	-	-	-	-	-	-	(106,435)	(106,435)
III. Balance at 31 December 2025	9,644,444	16,540,133	4,344,486	41,435,590	16,332,963	39,608,122	127,905,738	4,374,556	132,280,294

The notes on pages 119 to 212 form part of these financial statements.

Shanghai Rural Commercial Bank Co., Ltd.  
Consolidated statement of changes in shareholders' equity (continued)

In 2024

	Attributable to shareholders of the Company							Non-controlling interests	Total
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Retained earnings	Sub-total		
I. Balance at 1 January 2024	9,644,444	16,550,194	3,310,694	32,135,260	14,511,669	36,274,720	112,426,981	3,931,514	116,358,495
II. Changes for the year									
(i) Total comprehensive income	-	-	5,083,884	-	-	12,288,156	17,372,040	319,453	17,691,493
(ii) Shareholders' contributions and decrease of capital									
1. Change in equity of subsidiaries	-	(2,344)	-	-	-	-	(2,344)	2,344	-
(iii) Appropriation of profits									
1. Appropriation for surplus reserve	-	-	-	4,610,127	-	(4,610,127)	-	-	-
2. Appropriation for general risk reserve	-	-	-	-	842,690	(842,690)	-	-	-
3. Distributions to shareholders	-	-	-	-	-	(5,960,267)	(5,960,267)	-	(5,960,267)
4. Dividends distributions of subsidiaries	-	-	-	-	-	-	-	(107,890)	(107,890)
III. Balance at 31 December 2024	9,644,444	16,547,850	8,394,578	36,745,387	15,354,359	37,149,792	123,836,410	4,145,421	127,981,831

The notes on pages 119 to 212 form part of these financial statements.

## Shanghai Rural Commercial Bank Co., Ltd. Statement of changes in shareholders' equity

In 2025

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Retained earnings	Total
I. Balance at 1 January 2025	9,644,444	16,784,499	6,929,863	36,077,895	14,766,676	35,919,469	120,122,846
II. Changes for the year							
(i) Total comprehensive income	-	-	(3,487,025)	-	-	12,020,141	8,533,116
(ii) Appropriation of profits							
1. Appropriation for surplus reserve	-	-	-	4,580,041	-	(4,580,041)	-
2. Appropriation for general risk reserve	-	-	-	-	921,975	(921,975)	-
3. Distributions to shareholders	-	-	-	-	-	(4,185,688)	(4,185,688)
III. Balance at 31 December 2025	9,644,444	16,784,499	3,442,838	40,657,936	15,688,651	38,251,906	124,470,274

The notes on pages 119 to 212 form part of these financial statements.

## Shanghai Rural Commercial Bank Co., Ltd. Statement of changes in shareholders' equity (continued)

In 2024

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk reserve	Retained earnings	Total
I. Balance at 1 January 2024	9,644,444	16,784,499	2,684,389	31,571,069	13,956,709	35,193,293	109,834,403
II. Changes for the year							
(i) Total comprehensive income	-	-	4,245,474	-	-	12,003,236	16,248,710
(ii) Appropriation of profits							
1. Appropriation for surplus reserve	-	-	-	4,506,826	-	(4,506,826)	-
2. Appropriation for general risk reserve	-	-	-	-	809,967	(809,967)	-
3. Distributions to shareholders	-	-	-	-	-	(5,960,267)	(5,960,267)
III. Balance at 31 December 2024	9,644,444	16,784,499	6,929,863	36,077,895	14,766,676	35,919,469	120,122,846

The notes on pages 119 to 212 form part of these financial statements.

# Shanghai Rural Commercial Bank Co., Ltd.

## Notes to the financial statements

### I. General information

Shanghai Rural Commercial Bank Co., Ltd. (the "Bank") is a joint-stock commercial bank reconstructed from the former Shanghai Rural Credit Cooperatives, including one municipal cooperative agency, 14 county-level cooperative agencies and 219 credit cooperatives sub-agencies. It was incorporated in Shanghai, the People's Republic of China ("China") on 23 August 2005, headquartered in Shanghai. The Bank went public on Renminbi ordinary share market ("A-share") in August 2021 and is traded under the code 601825 in Shanghai Stock Exchange.

The Bank obtained its finance approval license No. B0228H231000001 from former China Banking Regulatory Commission ("CBRC") and obtained its business license No. 310000000088142 from Shanghai Municipal Administration of Industry and Commerce. The registered address of the Bank is No. 70 of East Zhongshan Number Two Road, HuangPu District, Shanghai and the unified social credit code is No. 913100007793473149.

The Bank and its subsidiaries (the "Group") are all in financial industry, of which the scope of business is commercial banking business approved by the People's Bank of China and CBRC, including: domestic deposits, short-term, mid-term and long-term loans, domestic and foreign settlements, bill acceptance and discount, government bonds distributing, redeeming and underwriting as an agency of government, government bonds and banking notes trading, inter-bank borrowing and lending, bank card services, foreign currency deposits, loans and remittance, international settlements, inter-bank foreign currency borrowing and lending, credit investigation, consultation and assurance businesses, funds collection and commissioning, custodian service, finance lease, purchase and sales of foreign currency (versus RMB) and other business activities approved by National Financial Regulatory Administration.

In respect of these financial statements, Mainland China excludes Hong Kong Special Administrative Region of the PRC ("Hong Kong"), Macau Special Administrative Region of the PRC ("Macau") and Taiwan; areas outside Mainland China refer to Hong Kong, Macau, Taiwan and other countries and regions.

For key subsidiaries included in the consolidation scope for the year, refer to Note V. 12.1.

### II. Basis of preparation

The financial statements have been prepared on a going concern basis.

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards ("CAS") issued by the Ministry of Finance ("MOF"). These financial statements present truly and completely the consolidated financial position and financial position of the Bank as at 31 December 2025, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Bank for the year then ended.

These financial statements also comply with the disclosure requirements of "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No. 15: General Requirements for Financial Reports" as revised by the China Securities Regulatory Commission ("CSRC") in 2023.

### III. Significant accounting policies and accounting estimates

#### 1. Accounting period

The accounting period is from 1 January to 31 December.

#### 2. Functional currency, methodology in determination of materiality and basis for selection

The Bank's functional currency is Renminbi and these financial statements are presented in Renminbi. The functional currency is determined by the Bank and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled.

The Group determines the importance of financial information based on the environment, considering both the nature and amount of the matter. When assessing whether a matter is significant from nature perspective, the Group primarily considers whether it is part of the Group's operating activities and whether it significantly impacts the Group's financial position, operating results and cash flows. When assessing whether a matter is significant from amount perspective, the Group considers the proportion of the amount of the matter to the amount of operating income, total assets, total liabilities, total equity, profit for the year and total comprehensive income or to the amount of the account caption.

The Group formulates specific accounting policies and accounting estimates based on the characteristics of relevant business operations, which are mainly reflected in the impairment of financial assets, judgment of control over structured entities, interest income and expense, fee and commission income, financial guarantee contracts and loan commitments. See the relevant notes below for further details.

### 3. Accounting treatments for business combinations involving entities under common control and not under common control

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group should perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

#### (1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

#### (2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously-held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. If (1) is less than (2), the difference is recognised in profit or loss for the current period. Other acquisition-related costs are expensed when incurred. The acquiree's identifiable assets, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair values. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination involving entities not under common

control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognised in other comprehensive income and other changes in the owners' equity under equity accounting in prior reporting periods relating to the previously-held equity interest that may be reclassified to profit or loss are transferred to investment income at the date of acquisition. For any previously-held equity interest that is designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognised in prior reporting periods is transferred to retained earnings and surplus reserve at the date of acquisition.

### 4. Criteria of control and preparation of consolidated financial statements

#### (1) General principles

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Bank and its subsidiaries (including the structured entities controlled by the Bank). Control exists when the investor has all of the following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

A structured entity is one that is not designed to have voting or similar rights as a determining factor when determining its controlling party. The basis for the activities related to this entity is usually a contractual arrangement or other forms of arrangement.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Bank, the Bank makes necessary adjustments to the financial statements of the subsidiary based on the Bank's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in full in the financial statements.

#### (2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of

the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the reporting period through a business combination involving entities not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair values of those identifiable assets and liabilities at the acquisition date.

### (3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period. The remaining equity investment is re-measured at its fair value at the date when control is lost, and any resulting gains or losses are also recognised as investment income for the current period.

When the Group loses control of a subsidiary in multiple arrangements in which it disposes of its long-term equity investment in the subsidiary in stages, the following factors are considered to determine whether the Group should account for the multiple arrangements as a single transaction:

- arrangements are entered into at the same time or in contemplation of each other;
- arrangements work together to achieve an overall commercial effect;
- the occurrence of one arrangement is dependent on the occurrence of at least one other arrangement;
- one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

If each of the multiple arrangements does not form part of a single transaction, the arrangements conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained.

If each of the multiple arrangements forms part of a single transaction which eventually results in the loss of control in the subsidiary, these multiple arrangements are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each arrangement prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

### (4) Changes in non-controlling interests

Where the Bank acquires more interest in a subsidiary from the subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without losing control, the difference between the portion of the interest in the subsidiary's net assets being acquired or disposed of and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

## 5. Foreign currency translation

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates or rates that approximate the spot exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the financial reporting date are translated into Renminbi at the foreign exchange rates ruling at that date. Changes in the fair value of monetary items denominated in foreign currency classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of these items and other changes in the carrying amount of these items. Translation differences related to changes in the amortised cost are recognised in the profit or loss, and other changes in the carrying amount are recognised in other comprehensive income. Any foreign exchange gains and losses on monetary items denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of equity investments at fair value through other comprehensive income, which are recognised in other comprehensive income.

## 6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

## 7. Precious metal

Precious metals comprise gold, silver and other precious metals. The Group's non-trading precious metals are initially measured at cost at the time of acquisition and subsequently measured at the lower of cost and net realisable value. The Group's precious metals acquired for trading purposes are initially recognised at fair value at the time of acquisition and subsequently measured at fair value at the balance sheet date, with the relevant changes recognised in profit or loss.

## 8. Financial instruments

Financial instrument refers to any contract that gives rise to a financial asset of a party and a financial liability or equity instrument of another party.

### (1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities measured at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs.

## (2) Classification and subsequent measurement of financial assets

### (a) Classification of financial assets

The classification of financial assets is generally based on the business model under which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis, and the instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

### (b) Subsequent measurement of financial assets

#### Financial assets at fair value through profit or loss

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

#### Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and that is not part of a hedging relationship should be recognised in profit or loss when the financial asset is derecognised, reclassified, amortised under the effective interest method or when an impairment gain or loss is recognised.

#### Debt investments measured at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, and impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

#### Equity investments designated at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

### (3) Classification and subsequent measurement of financial liabilities

#### Financial liabilities at fair value through profit or loss

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

These liabilities are subsequently measured at fair value. The gain or loss on the financial liability is recognised in profit or loss, except when:

- the financial liability is part of a hedging relationship;
- the financial liability is a financial liability designated at fair value through profit or loss, and changes in its fair value arising from changes in the Group's own credit risk are recognised in other comprehensive income.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities arising from transfers of financial assets that do not qualify for derecognition or from continuing involvement in the transferred financial assets, financial guarantee contracts and loan commitments.

### (4) Financial guarantee contracts and loan commitments

#### Financial guarantee contracts

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value on the date of providing the guarantee. Subsequent to initial recognition, deferred income related to financial guarantee is amortised in profit or loss in accordance with relevant accounting policies. A financial guarantee liability is measured at the higher of:

- the amount of the loss allowance determined in accordance with the impairment policies for financial instruments (see Notes III.8(7)); and
- the amount initially recognised less the cumulative amount of income.

#### Loan commitments

The term "loan commitments" refers to definite commitments to provide credit pursuant to terms and conditions prescribed in advance.

The Group provides loan commitments that are assessed for impairment based on ECLs. The Group has not committed to grant loans at any below-market interest rates or to make cash payments or issue other financial instruments as a net settlement of loan commitments.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as an provision. However, for contracts that

include both a loan and an undrawn commitment and the Group can not separately identify the ECL on the undrawn commitment component from those on the loan component, the ECL on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined ECL exceed the gross carrying amount of the loan, the ECL are recognised as a provision.

### (5) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognised amounts;
- the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

### (6) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred; and although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

the financial asset has been transferred; and if the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, and it retains control over the transferred asset, then the relevant financial asset is recognised to the extent of continuing involvement in the transferred financial asset, and the corresponding liability is recognised as well.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

## (7) Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost;
- contract assets;
- debt investments measured at FVOCI;
- lease receivables;
- loan commitments and financial guarantee contracts issued, which are not measured at FVTPL.

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

### (a) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The Group measures ECLs of a financial instrument in a way that reflects: (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; and (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

The Group applies a 'three-stage model' for measuring ECLs for financial instruments based on significant changes or credit impairment in credit risk since initial recognition:

Stage 1: Financial instruments that have not had a significant increase in credit risk since initial recognition. For these assets, 12-month expected credit losses are recognised;

Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised;

Stage 3: Financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised.

Note XII.1.3 provides more detailed information on how to measure the expected credit loss provision.

### (b) Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investments that are measured at FVOCI, the loss allowance is recognised in other comprehensive income and not deducted from the carrying amount of the assets. For loan commitments and financial guarantee contracts issued, which are not measured at FVTPL, an allowance for losses is recognised in the provisions (see Note V.26).

### (c) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This generally occurs when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

## (8) Amendments to financial asset contracts

In some cases (e.g. restructured loans), the Group may modify or renegotiate its contracts for financial assets. The Group assesses whether the terms of the modified or renegotiated contract have changed substantially.

If there is a material change in the terms of the modified contract, the Group derecognises the original financial asset and recognises a new financial asset in accordance with the modified terms.

If there is no substantial change in the terms of the modified contract but it results in a change in contractual cash flows, the Group recalculates the carrying amount of the financial asset and recognises the relevant gains or losses in profit or loss. The recalculated carrying amount of the financial assets shall be recognised at the present value determined by discounting the amended or renegotiated contractual cash flows by the original effective interest rate of the financial assets (or the credit-adjusted effective interest rate of purchased or originated credit-impaired financial assets). For all the costs or expenses arising from an

amended or renegotiated contract, the Group shall adjust the carrying amount of the financial assets and amortise them for the remaining life of the amended financial assets. The Group shall compare the risk of default at the balance sheet date based on the new contract terms with the risk of default at initial recognition based on the original contract terms when evaluating whether the credit risk of the relevant financial instrument has increased significantly.

## (9) Equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Relevant transaction fee is adjusted to the share premium in the capital reserve, with any excess adjusted to surplus reserve and retained earnings. Consideration and transaction costs paid by the Group for repurchasing self-issued equity instruments are deducted from shareholders' equity.

## 9. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date when the derivative transaction contract is entered into and are subsequently measured at their fair value. A derivative financial instrument with a positive fair value is recognised as an asset and a negative fair value is recognised as a liability.

If the hybrid contract contains a host contract that is an asset under the financial instruments standards, derivatives embedded in contracts where the host is a financial asset are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. If the hybrid contract contains a host contract that is not an asset under the financial instruments standards, when certain embedded derivative financial instruments are not closely related to the economic characteristics and risks of their host contracts, a separate instrument with the same terms as the embedded derivative instrument meets the definition of a derivative financial instrument, and the hybrid instrument is not measured at fair value with changes in fair value recognised in profit or loss, the embedded derivative financial instruments should be separated from the hybrid contract and treated as a separate derivative financial instrument. These embedded derivative financial instruments are measured at fair value and the corresponding changes in fair value are included in profit or loss.

Gains or losses derived from changes in the fair value of derivative financial instruments that do not qualify for hedge accounting should be recognised directly in profit or loss.

## 10. Financial assets purchased under resale agreements and financial assets sold under repurchase agreements

Financial assets purchased under resale agreements are capital where the Group acquires financial assets which will be resold at a fixed price under resale agreements. Financial assets sold under repurchase agreements are capital where the Group sells financial assets which will be repurchased at a fixed price under repurchase agreements.

Financial assets purchased under resale agreements and financial assets sold under repurchase agreements are reflected in the balance sheet based on the actual payments or receipts when

incurred. Financial assets purchased under resale agreements are not recognised and are recorded off-balance sheet; underlying assets sold under repurchase agreements are still reflected in the balance sheet.

The bid-ask spread of financial assets purchased under resale agreements and sold under repurchase agreements is amortised using the effective interest method in the relevant transaction period and is recognised as interest income and interest expense accordingly.

## 11. Long-term equity investments

### (1) Investment cost of long-term equity investments

#### (a) Long-term equity investments acquired through a business combination

The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Group's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted to retained earnings.

For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Group, in exchange for control of the acquiree.

#### (b) Long-term equity investments acquired other than through a business combination

A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

### (2) Subsequent measurement of long-term equity investment

#### (a) Investments in subsidiaries

In the Bank's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method unless the investment is classified as held for sale. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Group recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of investments in subsidiaries, refer to Note III.17.

In the Group's consolidated financial statements, subsidiaries are accounted for in accordance with the policies described in Note III.4.

**(b) Investment in joint ventures and associates**

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.11(3)) and rights to the net assets of the arrangement.

An associate is an entity over which the Group has significant influence (see Note III.11(3)).

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

The accounting treatments under the equity method adopted by the Group are as follows:

- After acquiring the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group.
- In calculating its share of the investee's net profit or loss, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income based on the fair value of the investee's identifiable net assets at the date of acquisition after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in full in the financial statements.
- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

For the impairment of the investments in joint ventures and associates, refer to Note III. 17.

**(3) Criteria for determining the existence of joint control or significant influence over an investee**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's relevant activities unilaterally;
- Whether decisions relating to the investee's relevant activities require the unanimous consent of all participant parties that share control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but is not control or joint control of those policies.

**12. Fixed assets****(1) Recognition of fixed assets**

Fixed assets represent the tangible assets held by the Group for use in the supply of services, for rental or for administrative purposes with useful lives over one accounting year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note III.13.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

**(2) Depreciation of fixed assets**

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale. The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Residual value rate	Annual depreciation rate
Plant and buildings	20	5.00%	4.75%
Transportation facilities	5 - 11	5.00%	8.64 - 19.00%
Electronic equipment	5 - 10	5.00%	9.50 - 19.00%
Machinery and equipment	5 - 10	5.00%	9.50 - 19.00%
Office equipments	5 - 10	5.00%	9.50 - 19.00%

Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

(3) For the impairment of fixed assets, refer to Note III.17.

#### (4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

- on disposal; or
- when no future economic benefits are expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in profit or loss on the date of retirement or disposal.

### 13. Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs, and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is classified as construction in progress and transferred to fixed assets when it is ready for its intended use. No depreciation is recorded against construction in progress.

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note III.17).

### 14. Intangible assets

Useful life and amortisation methods

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note III.17). For an intangible asset with finite useful life, its cost estimated less residual value and accumulated impairment losses is amortised on the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale.

Useful lives and amortisation methods of intangible assets with finite useful lives are reviewed at least at each year-end.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

### 15. Long-term deferred expenses

Expenditures incurred with a beneficial period of over one year are recognised as long-term deferred expenses. Long-term deferred expenses are amortised over their beneficial periods, and are stated in the balance sheet at cost less accumulated amortisation and impairment losses.

### 16. Foreclosed assets

Foreclosed assets refer to the physical assets or property rights of the debtor, guarantor or third party that are compensated by the Group for exercising creditor's rights or security interests in accordance with the law.

The foreclosed financial assets are initially measured at fair value, subsequently classified and measured in accordance with the accounting policy set out in Note III.8(2).

The foreclosed non-financial assets are initially measured at the fair value of the relinquished claims and other costs such as taxes that can be directly attributed to the assets, and subsequently measured at the lower of the carrying amount and the recoverable amount of the foreclosed assets, the impairment test method and provisioning method for impairment are set out in Note III.17.

### 17. Impairment of assets other than financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- right-of-use assets
- intangible assets
- long-term equity investments
- long-term deferred expenses
- foreclosed non-financial assets, etc.

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually and the recoverable amounts of goodwill and intangible assets with indefinite useful lives at each year-end, irrespective of whether there is any indication of impairment. For the purposes of impairment testing, goodwill is allocated to each asset group, or set of asset groups, that is expected to benefit from the synergies of the business combination.

The recoverable amount of an asset (or asset group or set of asset groups) is the higher of its fair value (see Note III.18) less costs of disposal and the present value of its expected future cash flows.

An asset group is composed of assets related to cash generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of an asset's expected future cash flows is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly to reduce the carrying amount to the recoverable amount. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocations would not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal (if measurable), the present value of its expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it should not be reversed in a subsequent period.

## 18. Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

## 19. Provisions and contingent liabilities

Contingencies refer to potential obligations arising from past transactions or events, its existence must be verified through the occurrence or non-occurrence of uncertain future events; or in respect of present obligations arising from past transactions or events, the performance of such obligations is not likely to cause economic benefits to flow out of the Group or the impact amount of the obligation cannot be reliably measured. These obligations are not recognised, but only disclosed in Note X. Commitments and contingencies to the financial statements.

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-

point of that range. In other cases, the best estimate is determined as follows:

- Where the contingency involves a single item, the best estimate is the most likely outcome.
- Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amounts of provisions at the balance sheet date and adjusts their carrying amounts to the current best estimates.

## 20. Dividends distributions

Dividends distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

## 21. Fiduciary activities

The Group acts as a manager, trustee or agent for its clients in its fiduciary activities. The Group's balance sheet does not include assets held by the Group as a result of the fiduciary activities and commitments relating to the surrender of such assets to the customers, which are at the risk and return of the customers.

Through the entrusted loan agreement entered into with the customers, the customer provides funds ("entrusted loan funds") to the Group, and the Group issues loans ("entrusted loans") to third parties in accordance with the instructions of the customers. As the Group does not undertake the risks and rewards of entrusted loans and related entrusted loan funds, the Group's entrusted loans and entrusted loan funds are recognised as off-balance sheet items based on their principal, and no provision for impairment is made for these entrusted loans.

## 22. Revenue recognition

### (1) Interest income

For all financial assets measured at amortised cost and financial assets at fair value through other comprehensive income, interest income is measured at the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the rate of book value of financial asset or amortised cost of financial liability. The calculation of effective interest rate requires consideration of the contractual terms of the financial instrument (such as prepayment rights) and includes all fees and transaction costs attributable to the effective interest rate components (excluding ECL).

The Group recognises the interest income based on the book value of financial assets multiplied by the effective interest rate and presents it as interest income, except for the following cases:

- For the purchased or originated credit loss occurred financial

assets, the Group calculates and recognises their interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.

- As for financial assets purchased or originated credit-impaired but credit-impaired in subsequent periods, its interest income is recognised by computing at amortised cost (i.e., the net amount after the expected credit loss provision is deducted from the book value) and effective interest rate of the financial asset. If no credit impairment exists in the financial instruments due to the improvement of its credit risk in the subsequent period, and this improvement can be objectively related to an event that occurs after the application of the provisions above, the interest income should be calculated and recognised as effective interest rate multiplying the book value of financial assets.

## (2) Fee and commission income

The Group collects fees and commissions by providing services to customers. Fee and commission income is recognised when the Group satisfies the performance obligation, either over time or at a point in time when a customer obtains control of the service.

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, the performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the services provided during the Group's performance; or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

## (3) Dividend income

Dividend income from equity instruments is recognised when the right to receive the dividend is established.

## 23. Expenses

### (1) Interest expense

Interest expense on financial liabilities is calculated on the basis of the amortised cost of the financial liabilities, the timing of the funds employed, using the effective interest method, and is recognised in the corresponding period.

### (2) Other expenses

Other expenses is recognised on an accrual basis.

## 24. Employee benefits

### (1) Short-term employee benefits

Employee wages or salaries, bonuses, and social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

### (2) Post-employment benefits

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group's employees participate in a basic pension insurance plan in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate. In addition to basic social pension insurance, the Group's employees also participate in the enterprise annuity plan approved by the board of directors and submitted to the labour and social security administration. Enterprise annuity is calculated based on the annuity plan and is recognised in profit or loss when the contribution is incurred.

### (3) Termination benefits

When the Group terminates an employee's employment before the employment contract expires, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits provided in an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

## 25. Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contributions from the government in the capacity as an investor in the Group. A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attached to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-

operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognised. Otherwise, the grant is included in other income or non-operating income directly.

## 26. Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

If a single transaction is not a business combination, it will not affect accounting profits or taxable income (or deductible losses) when the transaction occurs, and the initially recognized assets and liabilities have not resulted in equal taxable temporary differences and deductible temporary differences, then the temporary differences generated in the transaction will not generate deferred income tax. The temporary difference caused by the initial recognition of goodwill does not generate relevant deferred income tax.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amounts of the assets and liabilities, according to the issued tax law, using tax rates enacted at the balance sheet date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reductions are reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

- the taxable entity has a legally enforceable right to offset current tax liabilities and current tax assets;
- they relate to income taxes levied by the same tax authority

on either: the same taxable entity; or different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

## 27. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be explicitly or implicitly specified in a contract and are physically distinct, or may be a portion of an asset's capacity or other portion of an asset that is not physically distinct but represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains multiple separate lease components, the lessee and the lessor separate the lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate the lease components from the non-lease components.

### (1) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to obtain the ownership of the lease asset by the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated over the shorter of the lease term or the remaining useful life of the lease asset. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note III.17.

The lease liability is initially measured at the present value of the

lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability are charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the lease commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or the Group has exercised the extension or termination option in a different manner from the original assessment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (A leased asset is of low value individually when it is new). The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate over the lease term.

## (2) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the asset under finance lease. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term with a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are accounted for in accordance with the accounting policy in Note III.8. Variable lease payments not included in the measurement of net investment in the lease are

recognised as income as they are earned.

Lease receipts from operating leases are recognised as rental income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

## 28. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Bank is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Bank determines related parties based on the disclosure requirements of the Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

## 29. 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 after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are the same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to provide the products or provide the services, and the nature of the regulatory environment. Reportable segments are identified based on operating segments taking into account of materiality principle.

For segment reporting, inter-segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare the consolidated financial statements.

## 30. Significant accounting estimates and judgements

The preparation of financial statements requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as the underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the course of implementing the Group's accounting policies, management will make estimates and assumptions about the impact of future uncertainties on the financial statements. The management makes the following estimates and major assumptions on the significant future uncertainties at the balance sheet date, which may result in a significant adjustment in the carrying amount of the assets and liabilities in the next accounting period.

### Measurement of ECLs

As for debt instrument investments carried at amortized cost and

FVOCI and loan commitments and financial guarantee contracts, complicated models and a huge amount of assumptions were adopted in the ECL measurement. These models and assumptions relate to the future macroeconomic conditions and the borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). Explanation of inputs, assumptions and estimation techniques of ECL measurement are indicated in Note XI.1.1 *Credit risk*.

#### Income tax

The Group needs to make judgements about the future tax treatment of certain transactions for the purpose of recognising the income tax. The Group makes prudent judgements about the income tax effects corresponding to the transactions and makes provision for income tax accordingly in accordance with the relevant tax regulations. Deferred tax assets are recognised only to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. Significant judgement is required with respect to the tax treatment of certain transactions and significant estimates are required as to whether it is probable that sufficient future taxable income will be available against which the deferred tax assets can be utilised.

#### Fair value of financial instruments

The fair value of a financial instrument, for which there is no active market, is determined by using valuation methods. Valuation methods include estimation by reference to transaction prices determined in arm's length transactions between economic agents with complete information available in the market and willingness to buy and sell, by reference to the fair value of another similar financial instrument in the market, or by applying discounted cash flow analysis and option pricing models. Valuation methods maximise observable market information; however, when observable market information is not available, management makes estimates on significant unobservable information included in the valuation methods.

#### Judgement on control over structured entities

The Group manages or invests in several wealth management products, trust plans, capital management plans, debt financing plans, funds and asset-backed securities. In determining whether it controls such structured entities, the Group determines whether it exercises its own decision-making power as the primary responsible party or as an agent, and assesses its overall economic interest in such structured entities (including the income generated from direct holdings and expected management fees) and the extent of its decision-making power over such structured entities. Where other parties hold decision-making power, the investor also needs to make sure whether other parties exercise decision-making power as its agents.

For wealth management products, trust plans, capital management plans, debt financing plans, funds and asset-backed securities for which the Group holds interests or acts as a sponsor but not included in the consolidated financial statements, refers to Note VIII.

### 31. Changes in significant accounting policies and accounting estimates

In 2025, the Group did not experience any significant changes in accounting policies.

In 2024, the Group implemented the Accounting Standards for Business Enterprises Interpretation No. 17 (CK [2023] No. 21) and Accounting Standards for Business Enterprises Interpretation No.

18 (CK [2024] No. 24) issued by the Ministry of Finance in recent years. The adoption of the above requirements and guidance does not have a significant effect on the financial position and financial performance of the Group.

## VII. Taxation

#### Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate
Value-added tax (VAT)	According to tax laws, output VAT is calculated on taxable income. VAT payable is determined by deducting input VAT from output VAT for the period	6% -13%
	Tax payable based on simplified taxation method is calculated using the taxable sales amount multiplied by levying rate	3 - 5%
Urban maintenance and construction tax	Based on VAT paid	1% - 7%
Education surcharges	Based on VAT paid	3%
Local education surcharges	Based on VAT paid	2%
Corporate income tax	Based on taxable profits	15% - 25%

Note: According to the Announcement of the Ministry of Finance, the State Taxation Administration on the Tax Policies Related to Supporting the Financing of Small and Micro Enterprises (Caishui [2023] No. 13) and the Announcement of the Ministry of Finance, the State Taxation Administration on the Policy of Exemption of Value Added Tax on Loan Interest Income of Small and Micro Enterprises of Financial Institutions (Caishui [2023] No. 16), the interest income obtained by financial institutions from granting small loans to small enterprises, micro enterprises and individual businesses is exempt from VAT. The preferential tax policy will be implemented until 31 December 2027.

According to the Announcement of the Ministry of Finance and the State Administration on the Continuation of VAT Exemption Policy for Interest Income from Agricultural Loans by Financial Institutions (Cai Shui [2023] No. 67), interest income earned by financial institutions from small loans extended to rural households is exempt from VAT. This preferential tax policy will be implemented until 31 December 2027.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China (Announcement of the Ministry of Finance [2020] No. 23), from 1 January 2021 to 31 December 2030, the enterprise income tax on certain rural banks controlled by the Bank shall be paid at a reduced rate of 15%.

## V. Notes to the financial statements

### 1. Cash and deposits with central bank

	Note	The Group		The Bank	
		2025	2024	2025	2024
Cash on hand		2,640,955	3,518,235	2,570,754	3,450,383
Cash and deposits with central bank					
Including: - Required reserve	(1)	57,425,008	53,913,379	56,050,652	52,288,059
- Excess reserve	(2)	11,905,171	14,457,303	11,169,912	11,238,642
- Risk reserve for foreign exchange		47,356	211,929	47,356	211,929
- Other deposits		61,078	796,249	56,910	793,039
Interest accrued		29,587	25,402	28,887	24,621
		—	—	—	—
Total		72,109,155	72,922,497	69,924,471	68,006,673
		—	—	—	—

(1) Statutory deposit reserves are deposited with the People's Bank of China ("PBOC") as required and are not available for the Group's daily operations.

(2) Excess reserves include funds deposited with the PBOC for settlement purposes and other non-restricted funds.

### 2. Deposits with banks and other financial institutions

Analysed by location and types of institutions

	The Group		The Bank	
	2025	2024	2025	2024
Deposits with domestic banks	22,055,248	14,521,587	18,201,103	8,709,166
Deposits with other domestic financial institutions	1,448,522	1,176,968	1,448,522	1,176,968
Deposits with overseas banks	873,095	893,776	873,095	893,776
Interest accrued	51,053	54,317	29,652	11,134
Subtotal	24,427,918	16,646,648	20,552,372	10,791,044
Less: Loss allowance	(8,616)	(19,194)	(6,481)	(7,108)
Total	24,419,302	16,627,454	20,545,891	10,783,936

As at 31 December 2025, there are restrictions on the use of the Group and the Bank's deposits with banks and other financial institution, including some margin funds.

### 3. Placements with banks and other financial institutions

Analysed by location and types of institutions

	The Group		The Bank	
	2025	2024	2025	2024
Placements with domestic banks	2,382,344	1,435,449	2,382,344	1,435,449
Placements with other domestic financial institutions	65,855,370	51,016,394	70,555,370	53,416,394
Placements with overseas banks	8,891,419	826,666	8,891,419	826,666
Interest accrued	422,665	547,741	472,278	569,999
Subtotal	77,551,798	53,826,250	82,301,411	56,248,508
Less: Loss allowance	(188,231)	(142,353)	(197,497)	(156,210)
<b>Total</b>	<b>77,363,567</b>	<b>53,683,897</b>	<b>82,103,914</b>	<b>56,092,298</b>

### 4. Derivative financial instruments

The Group enters into foreign currency exchange rate, interest rate and precious metals related derivative financial instruments for purposes of trading, asset and liability management and customer driven business.

The contracts, notional amount and fair value of the Group's derivative financial instruments are as follows: The contracts and notional amount of the derivative financial instruments only provide a basis for comparing the fair value of the assets or liabilities recognised within the statement, but don't stand for the relevant future cash flow or current fair value, thus, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates or precious metal prices relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

### The Group and the Bank

	2025		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	261,876,989	1,350,990	(1,439,968)
Exchange rate derivatives	161,680,347	523,292	(487,079)
Precious metal derivatives	30,907,069	5,966,970	(242,215)
Credit risk mitigation	1,311,190	1,915	(22,834)
<b>Total</b>	<b>455,775,595</b>	<b>7,843,167</b>	<b>(2,192,096)</b>

	2024		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	260,616,399	2,361,526	(2,492,133)
Exchange rate derivatives	69,954,840	759,190	(418,539)
Precious metal derivatives	17,882,741	1,652,754	(207,541)
Credit risk mitigation	2,161,013	915	(57,924)
<b>Total</b>	<b>350,614,993</b>	<b>4,774,385</b>	<b>(3,176,137)</b>

## 5. Financial assets purchased under resale agreements

	The Group		The Bank	
	2025	2024	2025	2024
Bonds purchased under resale agreements	32,953,409	27,171,485	31,791,509	25,715,804
Interest accrued	6,684	9,060	6,444	8,635
Subtotal	32,960,093	27,180,545	31,797,953	25,724,439
Less: Loss allowance	(37,141)	(25,526)	(37,141)	(25,526)
Total	32,922,952	27,155,019	31,760,812	25,698,913

## 6. Loans and advances to customers

### 6.1 Category of loans and advances to customers

	Note	The Group		The Bank	
		2025	2024	2025	2024
Total loans and advances to customers at amortised cost		638,826,108	614,422,195	618,730,161	594,428,326
Interest accrued of loans and advances to customers at amortised cost		1,263,151	1,274,972	1,225,909	1,230,824
Subtotal		640,089,259	615,697,167	619,956,070	595,659,150
Less: Loss allowance		(23,830,615)	(25,308,285)	(22,998,135)	(24,473,190)
Carrying amount of loans and advances to customers at amortised cost	6.1.1	616,258,644	590,388,882	596,957,935	571,185,960
Loans and advances to customers at FVTOCI	6.1.2	128,251,673	137,565,558	128,251,673	137,565,558
Loans and advances to customers at FVTPL	6.1.3	5,923,097	3,230,907	5,923,097	3,230,907
Total		750,433,414	731,185,347	731,132,705	711,982,425

#### 6.1.1 Loans and advances to customers at amortised cost

	The Group		The Bank	
	2025	2024	2025	2024
Corporate loans and advances to customers				
- Loans	427,604,532	400,732,262	425,903,404	398,727,247
Subtotal	427,604,532	400,732,262	425,903,404	398,727,247
Personal loans and advances				
- Personal mortgage loans	112,835,098	107,865,105	109,587,136	103,915,602
- Personal business loans	54,245,001	60,628,697	41,554,250	49,202,295
- Personal consumption loans	42,577,771	42,836,104	40,122,756	40,226,471
- Credit cards	1,402,754	2,292,779	1,402,754	2,292,779
- Others	160,952	67,248	159,861	63,932
Subtotal	211,221,576	213,689,933	192,826,757	195,701,079
Interest accrued of loans and advances to customers at amortised cost	1,263,151	1,274,972	1,225,909	1,230,824
Total loans and advances to customers at amortised cost	640,089,259	615,697,167	619,956,070	595,659,150
Less: Loss allowance	(23,830,615)	(25,308,285)	(22,998,135)	(24,473,190)
Carrying amount of loans and advances to customers at amortised cost	616,258,644	590,388,882	596,957,935	571,185,960

**6.1.2 Loans and advances to customers at FVTOCI****The Group and the Bank**

	2025	2024
Corporate loans and advances to customers		
Loans	43,551,282	37,614,826
Discounted bills	84,700,391	99,950,732
Carrying amount of loans and advances to customers at FVTOCI	128,251,673	137,565,558

**6.1.3 Loans and advances to customers at FVTPL****The Group and the Bank**

	2025	2024
Corporate loans and advances to customers		
Discounted bills	5,923,097	3,230,907

**6.2 Analysed by industry distribution****The Group**

	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Real estate	143,115,920	18.51	116,721,445	15.46
Manufacturing	87,602,080	11.33	84,532,106	11.19
Leasing and business services	81,449,705	10.54	88,533,328	11.72
Wholesale and retail business	36,776,365	4.76	37,667,357	4.99
Transportation, warehousing and postal services	20,570,921	2.66	17,297,712	2.29
Information transmission, software and information technology services	16,411,798	2.12	13,890,412	1.84
Construction	15,421,697	2.00	12,514,308	1.66
Financial	14,411,731	1.86	13,878,816	1.84
Scientific research and technical service	6,399,286	0.83	6,136,228	0.81
Hotel and catering services	5,636,405	0.73	7,020,858	0.93
Others	43,359,906	5.62	40,154,518	5.31
Sub-total of corporate loans	471,155,814	60.96	438,347,088	58.04
Discounted bills	90,623,488	11.72	103,181,639	13.66
Personal loans	211,221,576	27.32	213,689,933	28.30
Total loans and advances to customers	773,000,878	100.00	755,218,660	100.00

### The Bank

	2025		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Real estate	143,114,221	19.01	116,719,323	15.88
Manufacturing	87,247,743	11.59	84,096,460	11.44
Leasing and business services	81,208,038	10.79	88,240,652	12.00
Wholesale and retail business	36,429,205	4.84	37,304,696	5.07
Transportation, warehousing and postal services	20,490,432	2.72	17,178,581	2.34
Information transmission, software and information technology services	16,378,003	2.17	13,850,791	1.88
Construction	15,126,062	2.01	12,178,731	1.66
Financial	14,410,781	1.91	13,877,816	1.89
Scientific research and technical service	6,383,925	0.85	6,116,642	0.83
Hotel and catering services	5,554,496	0.74	6,930,505	0.94
Others	43,111,780	5.72	39,847,876	5.42
Sub-total of corporate loans	469,454,686	62.35	436,342,073	59.35
Discounted bills	90,623,488	12.04	103,181,639	14.03
Personal loans	192,826,757	25.61	195,701,079	26.62
Total loans and advances to customers	752,904,931	100.00	735,224,791	100.00

### 6.3 Analysed by collateral types

	The Group		The Bank	
	2025	2024	2025	2024
Credit loans	168,358,604	154,249,916	157,654,290	145,481,576
Guaranteed loans	116,212,948	110,358,774	112,762,832	106,076,135
Mortgage loans	381,982,957	372,595,010	376,065,078	365,674,039
Pledged loans	106,446,369	118,014,960	106,422,731	117,993,041
Total	773,000,878	755,218,660	752,904,931	735,224,791

### 6.4 Overdue loans

#### The Group

	2025				Total
	Overdue 1 - 90 days (inclusive)	Overdue 91 - 360 days (inclusive)	Overdue 361 days - 3 years (inclusive)	Overdue for more than 3 years	
Credit loans	776,216	905,221	514,601	58,287	2,254,325
Guaranteed loans	486,236	612,282	527,343	95,016	1,720,877
Mortgage loans	2,628,685	1,772,607	2,205,184	169,362	6,775,838
Pledged loans	13,500	44,280	22,885	-	80,665
Total	3,904,637	3,334,390	3,270,013	322,665	10,831,705

	2024				
	Overdue 1 - 90 days (inclusive)	Overdue 91 - 360 days (inclusive)	Overdue 361 days - 3 years (inclusive)	Overdue for more than 3 years	Total
Credit loans	739,809	980,590	555,584	31,965	2,307,948
Guaranteed loans	565,113	1,343,762	505,926	84,319	2,499,120
Mortgage loans	2,933,489	1,110,457	1,782,159	300,656	6,126,761
Pledged loans	24,934	16,940	4,065	-	45,939
<b>Total</b>	<b>4,263,345</b>	<b>3,451,749</b>	<b>2,847,734</b>	<b>416,940</b>	<b>10,979,768</b>

**The Bank**

	2025				
	Overdue 1 - 90 days (inclusive)	Overdue 91 - 360 days (inclusive)	Overdue 361 days - 3 years (inclusive)	Overdue for more than 3 years	Total
Credit loans	570,831	771,639	452,277	54,329	1,849,076
Guaranteed loans	395,390	569,467	492,520	90,669	1,548,046
Mortgage loans	2,489,053	1,725,070	2,173,894	163,022	6,551,039
Pledged loans	13,500	44,280	22,885	-	80,665
<b>Total</b>	<b>3,468,774</b>	<b>3,110,456</b>	<b>3,141,576</b>	<b>308,020</b>	<b>10,028,826</b>

	2024				
	Overdue 1 - 90 days (inclusive)	Overdue 91 - 360 days (inclusive)	Overdue 361 days - 3 years (inclusive)	Overdue for more than 3 years	Total
Credit loans	605,010	854,098	520,208	31,204	2,010,520
Guaranteed loans	491,940	1,278,262	481,174	79,893	2,331,269
Mortgage loans	2,797,725	1,044,331	1,741,332	295,737	5,879,125
Pledged loans	24,934	16,940	4,065	-	45,939
<b>Total</b>	<b>3,919,609</b>	<b>3,193,631</b>	<b>2,746,779</b>	<b>406,834</b>	<b>10,266,853</b>

Loans with principal or interests overdue for one day or more are classified as overdue loans.

**6.5 Risks and ECL of loans and advances to customers**

**The Group**

	2025			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Carrying amount of loans and advances to customers at amortised cost	585,368,512	47,264,364	7,456,383	640,089,259
Less: Loss allowance of loans and advances to customers at amortised cost	(11,155,134)	(6,612,004)	(6,063,477)	(23,830,615)
Carrying amount of loans and advances to customers at amortised cost	574,213,378	40,652,360	1,392,906	616,258,644
Carrying amount of loans and advances to customers at FVTOCI	128,236,953	14,720	-	128,251,673
Loss allowance for loans and advances to customers measured at FVTOCI	(507,434)	(249)	(7,323)	(515,006)

	2024			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Carrying amount of loans and advances to customers at amortised cost	573,762,812	34,587,094	7,347,261	615,697,167
Less: Loss allowance of loans and advances to customers at amortised cost	(13,845,850)	(5,655,036)	(5,807,399)	(25,308,285)
Carrying amount of loans and advances to customers at amortised cost	559,916,962	28,932,058	1,539,862	590,388,882
Carrying amount of loans and advances to customers at FVTOCI	137,534,760	30,798	-	137,565,558
Loss allowance for loans and advances to customers measured at FVTOCI	(389,387)	(343)	(7,323)	(397,053)

**The Bank**

	2025			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Carrying amount of loans and advances to customers at amortised cost	567,211,051	45,671,624	7,073,395	619,956,070
Less: Loss allowance of loans and advances to customers at amortised cost	(10,832,445)	(6,371,688)	(5,794,002)	(22,998,135)
Carrying amount of loans and advances to customers at amortised cost	556,378,606	39,299,936	1,279,393	596,957,935
Carrying amount of loans and advances to customers at FVTOCI	128,236,953	14,720	-	128,251,673
Loss allowance for loans and advances to customers measured at FVTOCI	(507,434)	(249)	(7,323)	(515,006)

	2024			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Carrying amount of loans and advances to customers at amortised cost	555,288,973	33,414,606	6,955,571	595,659,150
Less: Loss allowance of loans and advances to customers at amortised cost	(13,461,028)	(5,464,585)	(5,547,577)	(24,473,190)
Carrying amount of loans and advances to customers at amortised cost	541,827,945	27,950,021	1,407,994	571,185,960
Carrying amount of loans and advances to customers at FVTOCI	137,534,760	30,798	-	137,565,558
Loss allowance for loans and advances to customers measured at FVTOCI	(389,387)	(343)	(7,323)	(397,053)

## 6.6 Movement in allowance for impairment of loans and advances to customers

### (a) Movement in allowance for impairment of loans and advances to customers at amortised cost

#### The Group

	Stage 1	Stage 2	Stage 3	
Provision for impairment	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2025	13,845,850	5,655,036	5,807,399	25,308,285
Transferred to				
- Stage 1	1,171,105	(1,072,224)	(98,881)	-
- Stage 2	(711,617)	725,465	(13,848)	-
- Stage 3	(76,596)	(384,418)	461,014	-
(Reversal) / Provision during the year	(3,073,608)	1,688,145	2,625,982	1,240,519
Written-off / Disposal during the year	-	-	(3,987,024)	(3,987,024)
Recovery of loans and advances to customers previously written off	-	-	1,268,835	1,268,835
Balance at 31 December 2025	11,155,134	6,612,004	6,063,477	23,830,615

	Stage 1	Stage 2	Stage 3	
Provision for impairment	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2024	16,325,377	6,454,344	5,054,497	27,834,218
Transferred to				
- Stage 1	1,992,221	(1,939,681)	(52,540)	-
- Stage 2	(772,849)	799,293	(26,444)	-
- Stage 3	(54,728)	(146,857)	201,585	-
(Reversal) / Provision during the year	(3,644,171)	487,937	5,108,220	1,951,986
Written-off during the year	-	-	(4,852,918)	(4,852,918)
Recovery of loans and advances to customers previously written off	-	-	374,999	374,999
Balance at 31 December 2024	13,845,850	5,655,036	5,807,399	25,308,285

#### The Bank

	Stage 1	Stage 2	Stage 3	
Provision for impairment	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2025	13,461,028	5,464,585	5,547,577	24,473,190
Transferred to				
- Stage 1	1,151,651	(1,057,283)	(94,368)	-
- Stage 2	(703,077)	712,004	(8,927)	-
- Stage 3	(73,850)	(351,951)	425,801	-
(Reversal) / Provision during the year	(3,003,307)	1,604,333	2,452,991	1,054,017
Written-off / Disposal during the year	-	-	(3,685,683)	(3,685,683)
Recovery of loans and advances to customers previously written off	-	-	1,156,611	1,156,611
Balance at 31 December 2025	10,832,445	6,371,688	5,794,002	22,998,135

	Stage 1	Stage 2	Stage 3	
Provision for impairment	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2024	15,799,365	6,310,292	4,853,450	26,963,107
Transferred to				
- Stage 1	1,978,152	(1,931,378)	(46,774)	-
- Stage 2	(763,410)	785,240	(21,830)	-
- Stage 3	(49,059)	(120,004)	169,063	-
(Reversal) / Provision during the year	(3,504,020)	420,435	4,775,382	1,691,797
Written-off during the year	-	-	(4,456,083)	(4,456,083)
Recovery of loans and advances to customers previously written off	-	-	274,369	274,369
Balance at 31 December 2024	13,461,028	5,464,585	5,547,577	24,473,190

**(b) Movement in allowance for impairment of loans and advances to customers at FVTOCI**

**The Group and the Bank**

	Stage 1	Stage 2	Stage 3	
Provision for impairment	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2025	389,387	343	7,323	397,053
Transferred to				
- Stage 1	-	-	-	-
- Stage 2	-	-	-	-
- Stage 3	-	-	-	-
Provision / (Reversal) for the year	118,047	(94)	-	117,953
Balance at 31 December 2025	507,434	249	7,323	515,006

	Stage 1	Stage 2	Stage 3	
Provision for impairment	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2024	208,114	3	7,323	215,440
Transferred to				
- Stage 1	-	-	-	-
- Stage 2	-	-	-	-
- Stage 3	-	-	-	-
Provision for the year	181,273	340	-	181,613
Balance at 31 December 2024	389,387	343	7,323	397,053

## 7. Financial assets held for trading

	The Group		The Bank	
	2025	2024	2025	2024
Fund investments	26,503,252	18,326,331	31,715,846	31,994,551
Interbank certificate of deposit	16,473,084	12,968,679	16,473,084	10,736,282
Financial bonds	11,091,416	11,244,684	5,960,081	2,835,587
Government bonds	2,618,791	1,410,357	2,175,795	971,321
Corporate bonds	1,959,788	7,627,796	918,876	3,080,277
Asset-backed securities	332,983	272	332,983	272
Trust and asset management plans	-	-	41,207,258	42,690,326
Others	159,139	55,418	138,620	39,469
<b>Total</b>	<b>59,138,453</b>	<b>51,633,537</b>	<b>98,922,543</b>	<b>92,348,085</b>

## 8. Debt investments

	The Group		The Bank	
	2025	2024	2025	2024
Government bonds	136,224,143	112,105,729	134,852,943	110,766,664
Financial bonds	66,566,830	71,195,716	66,459,766	71,087,254
Corporate bonds	548,784	416,038	548,784	416,038
Debt financing plans	100,000	275,000	100,000	275,000
Trust and asset management plans	-	204,401	-	204,401
Asset-backed securities	-	1,400	-	1,400
Subtotal	203,439,757	184,198,284	201,961,493	182,750,757
Interest accrued	2,628,860	2,731,291	2,614,538	2,713,948
Provision for impairment	(306,379)	(391,816)	(306,348)	(391,743)
<b>Total</b>	<b>205,762,238</b>	<b>186,537,759</b>	<b>204,269,683</b>	<b>185,072,962</b>

### (i) Movement in provision for impairment of debt investments:

#### The Group

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at 1 January 2025	187,415	-	204,401	391,816
Transferred to:				
- Stage 1	-	-	-	-
- Stage 2	-	-	-	-
- Stage 3	-	-	-	-
Provision for the year	118,964	-	-	118,964
Written-off during the year	-	-	(204,401)	(204,401)
Balance at 31 December 2025	306,379	-	-	306,379

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2024	178,696	-	204,401	383,097
Transferred to:				
- Stage 1	-	-	-	-
- Stage 2	-	-	-	-
- Stage 3	-	-	-	-
Provision for the year	8,719	-	-	8,719
Balance at 31 December 2024	187,415	-	204,401	391,816

**The Bank**

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2025	187,342	-	204,401	391,743
Transferred to:				
- Stage 1	-	-	-	-
- Stage 2	-	-	-	-
- Stage 3	-	-	-	-
Provision for the year	119,006	-	-	119,006
Written-off during the year	-	-	(204,401)	(204,401)
Balance at 31 December 2025	306,348	-	-	306,348

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	Total
Balance at 1 January 2024	178,611	-	204,401	383,012
Transferred to:				
- Stage 1	-	-	-	-
- Stage 2	-	-	-	-
- Stage 3	-	-	-	-
Provision for the year	8,731	-	-	8,731
Balance at 31 December 2024	187,342	-	204,401	391,743

## 9. Other debt investments

	The Group		The Bank	
	2025	2024	2025	2024
Financial bonds	150,842,580	142,271,634	122,263,343	111,958,027
Corporate bonds	75,764,170	64,902,557	55,184,335	44,503,638
Government bonds	55,433,820	67,069,918	54,410,792	66,216,049
Interbank certificate of deposit	3,882,197	7,143,138	2,504,065	7,143,138
Asset-backed securities	697,789	203,146	697,789	203,146
Subtotal	286,620,556	281,590,393	235,060,324	230,023,998
Interest accrued	3,722,940	3,993,657	2,937,118	3,140,263
<b>Total</b>	<b>290,343,496</b>	<b>285,584,050</b>	<b>237,997,442</b>	<b>233,164,261</b>

### (i) Movement in provision for impairment of debt investments:

#### The Group and the Bank

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at 1 January 2025	313,903	10,794	-	324,697
Transferred to:				
- Stage 1	-	-	-	-
- Stage 2	-	-	-	-
- Stage 3	-	-	-	-
Provision for the year	95,135	32,420	-	127,555
Balance at 31 December 2025	409,038	43,214	-	452,252

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at 1 January 2024	275,011	45,918	-	320,929
Transferred to:				
- Stage 1	-	-	-	-
- Stage 2	-	-	-	-
- Stage 3	-	-	-	-
Provision / (Reversal) during the year	38,892	(35,124)	-	3,768
Balance at 31 December 2024	313,903	10,794	-	324,697

## 10. Investments in other equity instruments

### The Group and the Bank

	2025	2024
Equity investments	611,500	361,500

## 11. Finance lease receivables / long-term receivables

### The Group

	Note	2025	2024
Financing lease receivables	11.1	8,121,083	7,527,254
Long-term receivables	11.2	36,388,325	31,979,353
Total		44,509,408	39,506,607

### 11.1 Financing lease receivables

#### The Group

	2025	2024
Financing lease receivables	10,069,418	9,191,193
Interest accrued of financing lease receivables	35,545	67,544
Less: Unearned finance income	(1,499,602)	(1,308,192)
Total financing lease receivables	8,605,361	7,950,545
Less: Loss allowance	(484,278)	(423,291)
Carrying amount of finance lease receivables	8,121,083	7,527,254

#### 11.1.1 Minimum lease receipts to be received after the balance sheet date

##### The Group

	2025	2024
1 <sup>st</sup> year after the balance sheet date	2,336,109	3,339,526
2 <sup>nd</sup> year after the balance sheet date	2,097,299	1,511,474
3 <sup>rd</sup> year after the balance sheet date	1,561,626	1,170,427
Years afterwards	4,074,384	3,169,766
Total minimum lease receipts	10,069,418	9,191,193
Accrued interest	35,545	67,544
Unearned finance income	(1,499,602)	(1,308,192)
Subtotal	8,605,361	7,950,545
Less: Loss allowance	(484,278)	(423,291)
Carrying amount of finance lease receivables	8,121,083	7,527,254

**11.1.2 Finance lease receivables analysed by industry distribution:****The Group**

	2025	Percentage (%)	2024	Percentage (%)
Production and supply of electricity, heat, gas and water	4,849,889	48.16	3,843,383	41.82
Manufacturing	2,004,483	19.91	1,153,545	12.55
Leasing and business services	1,193,096	11.85	439,086	4.78
Water conservancy, environmental and other public services	533,827	5.30	1,773,513	19.30
Transportation, warehousing and postal services	501,365	4.98	581,131	6.32
Construction industry	-	-	542,956	5.91
Others	986,758	9.80	857,579	9.32
<b>Total</b>	<b>10,069,418</b>	<b>100.00</b>	<b>9,191,193</b>	<b>100.00</b>

**11.1.3 Movement in impairment loss for finance lease receivables:****The Group**

	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL - Credit impaired	Total
Balance at 1 January 2025	135,266	197,256	90,769	423,291
Transferred to				
- Stage 1	-	-	-	-
- Stage 2	(16,016)	60,874	(44,858)	-
- Stage 3	-	-	-	-
Provision / (Reversal) during the year	153,630	(61,149)	(39,357)	53,124
Written-off during the year	-	-	(31,807)	(31,807)
Recover after written-off	-	-	39,670	39,670
Balance at 31 December 2025	272,880	196,981	14,417	484,278

	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL - Credit impaired	Total
Balance at 1 January 2024	160,824	248,051	331,406	740,281
Transferred to				
- Stage 1	72,768	(49,830)	(22,938)	-
- Stage 2	(17,598)	34,817	(17,219)	-
- Stage 3	(204)	(6,675)	6,879	-
Reversal for the year	(80,524)	(29,107)	(98,522)	(208,153)
Written-off during the year	-	-	(225,892)	(225,892)
Recover after written-off	-	-	117,055	117,055
Balance at 31 December 2024	135,266	197,256	90,769	423,291

## 11.2 Long-term receivables

### The Group

	2025	2024
Long-term receivables	40,761,012	35,843,298
Interest accrued of long-term receivables	226,495	269,044
Less: Unearned finance income	(3,115,387)	(2,619,986)
Total long-term receivables	37,872,120	33,492,356
Less: Loss allowance	(1,483,795)	(1,513,003)
Carrying amount of long-term receivables	36,388,325	31,979,353

### 11.2.1 Minimum receipts to be received after the balance sheet date

#### The Group

	2025	2024
1 <sup>st</sup> year after the balance sheet date	17,455,206	16,247,991
2 <sup>nd</sup> year after the balance sheet date	11,083,996	10,732,120
3 <sup>rd</sup> year after the balance sheet date	6,188,169	4,577,139
Years afterwards	6,033,641	4,286,048
Total minimum receipts	40,761,012	35,843,298
Accrued interest	226,495	269,044
Unearned finance income	(3,115,387)	(2,619,986)
Subtotal	37,872,120	33,492,356
Less: Loss allowance	(1,483,795)	(1,513,003)
Carrying amount of long-term receivables	36,388,325	31,979,353

**11.2.2 Long-term receivables analysed by industry distribution:****The Group**

	2025	Percentage (%)	2024	Percentage (%)
Manufacturing	16,787,162	41.18	18,705,592	52.19
Production and supply of electricity, heat, gas and water	5,252,954	12.89	3,835,026	10.70
Transportation, warehousing and postal services	5,218,924	12.80	2,587,376	7.22
Leasing and business services	4,160,780	10.21	1,359,061	3.79
Information transmission, software and information technology services	3,515,780	8.63	2,287,193	6.38
Mining industry	1,352,390	3.32	947,594	2.65
Water conservancy, environmental and other public services	1,303,405	3.20	2,481,484	6.92
Cultural, sports and entertainment activities	829,237	2.03	845,588	2.36
Construction industry	770,574	1.89	1,774,568	4.95
Wholesale and retail	276,622	0.68	277,082	0.77
Others	1,293,184	3.17	742,734	2.07
Total	40,761,012	100.00	35,843,298	100.00

**11.2.3 Movement in provision for impairment of long-term receivables:****The Group**

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at 1 January 2025	873,377	447,402	192,224	1,513,003
Transferred to				
- Stage 1	77,753	(77,753)	-	-
- Stage 2	(10,302)	10,302	-	-
- Stage 3	(4,279)	(25,342)	29,621	-
(Reversal) / Provision for the year	(380,209)	250,987	282,958	153,736
Written-off during the year	-	-	(185,240)	(185,240)
Recover after written-off	-	-	2,296	2,296
Balance at 31 December 2025	556,340	605,596	321,859	1,483,795

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at 1 January 2024	837,074	241,288	21,530	1,099,892
Transferred to				
- Stage 1	71,289	(71,289)	-	-
- Stage 2	(23,868)	23,868	-	-
- Stage 3	(8,061)	(63,995)	72,056	-
(Reversal) / Provision for the year	(3,057)	317,530	179,193	493,666
Written-off during the year	-	-	(92,748)	(92,748)
Recover after written-off	-	-	12,193	12,193
Balance at 31 December 2024	873,377	447,402	192,224	1,513,003

## 12. Long-term equity investments

	Note	The Group		The Bank	
		2025	2024	2025	2024
Investment in subsidiaries	12.1	-	-	3,670,973	3,622,232
Investments in associates	12.2	2,200,871	2,023,180	2,200,871	2,023,180
Subtotal		2,200,871	2,023,180	5,871,844	5,645,412
Less: Provision for impairment					
- Subsidiary		-	-	(908,079)	(892,564)
- Investments in associates	12.2	(2,068)	(2,068)	(2,068)	(2,068)
Total		2,198,803	2,021,112	4,961,697	4,750,780

### 12.1 Investments in subsidiaries

#### Information about subsidiaries

Name of the Subsidiary	2025	2024
Shanghai Chongming SHRCB Rural Bank Co., Ltd. (Note1)	78,120	78,120
Jinan Huaiyin SHRCB Rural Bank Co., Ltd.	25,500	25,500
Jinan Changqing SHRCB Rural Bank Co., Ltd.	25,500	25,500
Ningyang SHRCB Rural Bank Co., Ltd.	52,264	52,264
Dongping SHRCB Rural Bank Co., Ltd.	83,470	83,470
Linqing SHRCB Rural Bank Co., Ltd.	110,500	110,500
Liaocheng SHRCB Rural Bank Co., Ltd.	25,500	25,500
Chiping SHRCB Rural Bank Co., Ltd.	100,360	100,360
Yanggu SHRCB Rural Bank Co., Ltd.	45,276	45,276
Rizhao SHRCB Rural Bank Co., Ltd. (Note2)	90,815	70,815
Taian SHRCB Rural Bank Co., Ltd. (Note3)	127,666	107,666
Ningxiang SHRCB Rural Bank Co., Ltd.	51,000	51,000
Shuangfeng SHRCB Rural Bank Co., Ltd.	25,500	25,500
Lianyuan SHRCB Rural Bank Co., Ltd. (Note4)	46,784	46,784
Liling SHRCB Rural Bank Co., Ltd.	25,500	25,500
Shimen SHRCB Rural Bank Co., Ltd.	25,500	25,500

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

Notes to the financial statements

Name of the Subsidiary	2025	2024
Cili SHRCB Rural Bank Co., Ltd.	25,500	25,500
Lixian SHRCB Rural Bank Co., Ltd.	25,500	25,500
Linli SHRCB Rural Bank Co., Ltd.	25,500	25,500
Yongxing SHRCB Rural Bank Co., Ltd.	25,500	25,500
Guiyang SHRCB Rural Bank Co., Ltd.	25,500	25,500
Hengyangxian SHRCB Rural Bank Co., Ltd.	25,500	25,500
Changsha Xingsha SHRCB Rural Bank Co., Ltd.	51,000	51,000
Ruili SHRCB Rural Bank Co., Ltd.	25,500	25,500
Kaiyuan SHRCB Rural Bank Co., Ltd.	25,500	25,500
Baoshan Longyang SHRCB Rural Bank Co., Ltd.	25,500	25,500
Mengzi SHRCB Rural Bank Co., Ltd.	25,500	25,500
Gejiu SHRCB Rural Bank Co., Ltd.	150,269	150,269
Jianshui SHRCB Rural Bank Co., Ltd.	25,500	25,500
Lincang Linxiang SHRCB Rural Bank Co., Ltd.	163,502	163,502
Mile Linxiang SHRCB Rural Bank Co., Ltd.	55,886	55,886
Songming Linxiang SHRCB Rural Bank Co., Ltd.	25,500	25,500
Kunming Guandu SHRCB Rural Bank Co., Ltd.	51,000	51,000
Shenzhen Guangming SHRCB Rural Bank Co., Ltd. (Note5)	109,954	109,954
Beijing Fangshan SHRCB Rural Bank Co., Ltd. (Note6)	59,741	51,000
Yangtze United Financial Leasing Co., Ltd.	1,784,366	1,784,366
<b>Total</b>	<b>3,670,973</b>	<b>3,622,232</b>

Name of the Subsidiary	Registered place	Nature of business	Registered capital	Acquisition method	Shareholding percentage of Bank	Total voting right percentage of the Bank
Shanghai Chongming SHRCB Rural Bank Co., Ltd. (Note1)	Shanghai	Financial industry	105,260	Establishment	51.23	52.88
Jinan Huaiyin SHRCB Rural Bank Co., Ltd.	Shandong	Financial industry	50,000	Establishment	51.00	51.00
Jinan Changqing SHRCB Rural Bank Co., Ltd.	Shandong	Financial industry	50,000	Establishment	51.00	51.00
Ningyang SHRCB Rural Bank Co., Ltd.	Shandong	Financial industry	76,764	Establishment	68.08	68.08
Dongping SHRCB Rural Bank Co., Ltd.	Shandong	Financial industry	107,970	Establishment	77.31	77.31
Lingqing SHRCB Rural Bank Co., Ltd.	Shandong	Financial industry	150,000	Establishment	73.67	73.67
Liaocheng SHRCB Rural Bank Co., Ltd.	Shandong	Financial industry	50,000	Establishment	51.00	51.00
Chiping SHRCB Rural Bank Co., Ltd.	Shandong	Financial industry	124,860	Establishment	80.38	80.38
Yanggu SHRCB Rural Bank Co., Ltd.	Shandong	Financial industry	69,776	Establishment	64.89	64.89
Rizhao SHRCB Rural Bank Co., Ltd. (Note2)	Shandong	Financial industry	95,315	Establishment	78.75	78.75
Taian SHRCB Rural Bank Co., Ltd. (Note3)	Shandong	Financial industry	132,166	Establishment	83.90	83.90
Ningxiang SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	110,000	Establishment	51.00	51.00
Shuangfeng SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00
Lianyuan SHRCB Rural Bank Co., Ltd. (Note4)	Hunan	Financial industry	57,284	Establishment	65.63	65.63
Liling SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00
Shimen SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00
Cili SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00
Lixian SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00
Linli SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00

Name of the Subsidiary	Registered place	Nature of business	Registered capital	Acquisition method	Shareholding percentage of Bank	Total voting right percentage of the Bank
Yongxing SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00
Guiyang SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00
Hengyangxian SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	50,000	Establishment	51.00	51.00
Changsha Xingsha SHRCB Rural Bank Co., Ltd.	Hunan	Financial industry	100,000	Establishment	51.00	51.00
Ruili SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	50,000	Establishment	51.00	51.00
Kaiyuan SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	50,000	Establishment	51.00	51.00
Baoshan Longyang SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	50,000	Establishment	51.00	51.00
Mengzi SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	50,000	Establishment	51.00	51.00
Gejiu SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	174,769	Establishment	85.98	85.98
Jianshui SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	50,000	Establishment	51.00	51.00
Lincang Linxiang SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	188,002	Establishment	86.97	86.97
Mile Linxiang SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	80,386	Establishment	69.52	69.52
Songming Linxiang SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	55,000	Establishment	51.00	51.00
Kunming Guandu SHRCB Rural Bank Co., Ltd.	Yunnan	Financial industry	100,000	Establishment	51.00	51.00
Shenzhen Guangming SHRCB Rural Bank Co., Ltd. (Note5)	Shenzhen	Financial industry	200,000	Establishment	51.65	61.65
Beijing Fangshan SHRCB Rural Bank Co., Ltd. (Note6)	Beijing	Financial industry	100,000	Establishment	63.66	63.66
Yangtze United Financial Leasing Co., Ltd.	Shanghai	Financial industry	2,450,000	Acquisition	54.29	54.29

Note 1: On 18 February 2009, the Bank established Shanghai Chongming Changjiang Rural Bank Co., Ltd. with 51.00% of its capital contribution. In 2011, Shanghai Chongming Changjiang Rural Bank Co., Ltd. completed capital increase and the Bank's shareholding ratio was adjusted to 48.45%. In December 2012, Shanghai Chongming Changjiang Rural Bank Co., Ltd. was renamed as Shanghai Chongming SHRCB Rural Bank Co., Ltd. (hereinafter referred to as "Shanghai Chongming SHRCB Rural Bank"). In February 2025, the Bank obtained *Hu Jin Fu [2025] No. 75* Reply of the Shanghai Regulatory Bureau of the State Financial Supervision and Administration on Approving the Directional Offering Scheme and Relevant Shareholder Qualifications of Shanghai Chongming SHRCB Rural Bank, and agreed to subscribe 6 million shares of Shanghai Chongming SHRCB Rural Bank by means of directional offering. After the completion of shareholding increase, the Bank's shareholding in Shanghai Chongming SHRCB Rural Bank increased from 51 million shares to 57 million shares, with the shareholding ratio rising from 48.45% to 51.23%. On October 25, 2022, 15 shareholders of Shanghai Chongming SHRCB Rural Bank signed an entrustment agreement with the Bank, which entrusted the Bank with 1.65% (1.84 million shares) of the voting rights of the shareholders' meeting of Shanghai Chongming SHRCB Rural Bank held by them. Therefore, the Bank's voting rights to Shanghai Chongming SHRCB Rural Bank totaled 52.88%.

Note 2: In December 2025, Rizhao SHRCB Rural Bank Co., Ltd. (hereinafter referred to as "Rizhao Rural Bank") obtained the approval document *Ri Jin Fu [2025] No. 79* issued by the Rizhao Branch of the National Financial Regulatory Administration, approving the bank's increase in registered capital by RMB 20 million. In November 2024, Rizhao Rural Bank obtained the approval document *Ri Jin Fu [2024] No. 58* issued by the Rizhao Branch of the National Financial Regulatory Administration, approving the Bank to subscribe for 20 million shares of Rizhao Rural Bank through a directed share issuance. After completing this share subscription, the Bank's holdings in Rizhao Rural Bank increased from 70.8147 million shares to 90.8147 million shares, raising its equity stake from 74.30% to 78.75%.

Note 3: In April 2025, Taian SHRCB Rural Bank Co., Ltd. (hereinafter referred to as "Taian Rural Bank") obtained the approval document *Tai Jin Fu [2025] No. 20* issued by the Taian Branch of the National Financial Regulatory Administration, approving the bank's increase in registered capital by RMB 20 million. In November 2024, Taian Rural Bank obtained the approval document *Tai Jin Fu [2024] No. 74* issued by the Taian Branch of the National Financial Regulatory Administration, approving the Bank to subscribe for 20 million shares of Taian Rural Bank through a directed share issuance. After completing this share subscription, the Bank's holdings in Taian Rural Bank increased from 107.6658 million shares to 127.6658 million shares, raising its equity stake from 81.46% to 83.90%.

Note 4: In December 2024, Lianyuan SHRCB Rural Bank Co., Ltd. (hereinafter referred to as "Lianyuan Rural Bank") obtained the approval document *Xiang Jin Fu [2024] No. 285* issued by the Hunan Financial Regulatory Bureau, approving the Bank to subscribe for 14 million shares of Lianyuan Rural Bank through a directed share issuance. After completing this share subscription, the Bank's holdings in Lianyuan Rural Bank increased from 32.7835 million shares to 46.7835 million shares, raising its equity stake from 57.23% to 65.63%.

Note 5: In December 2012, the Bank established Shenzhen Guangming SHRCB Rural Bank Co., Ltd. (hereinafter referred to as "Shenzhen Guangming Rural Bank") with an initial equity contribution of 41.65%. Shenzhen Guangming Rural Bank obtained its business license on December 27, 2012, and commenced formal operations at the beginning of 2013. In December 2023, Shenzhen Guangming Rural Bank received approval document *Shen Jin Fu [2023] No. 245* issued by the Shenzhen Branch of the National Financial Regulatory Administration, approving the Bank to acquire 20 million shares held by Bayannaer Hetao Rural Commercial Bank Co., Ltd. in Shenzhen Guangming Rural Bank, representing 10% of the total shares of Shenzhen Guangming Rural Bank. Following the acquisition, the Bank's holdings in Shenzhen Guangming Rural Bank increased from 83 million shares to 103 million shares, raising its equity stake from 41.65% to 51.65%. On December 7, 2012, the China Gold Coin Shenzhen Sales Center entered into a voting rights agreement with the Bank, committing to exercise its combined 10.00% voting rights in the shareholder meetings of Shenzhen Guangming Rural Bank in alignment with the Bank. As a result, the Bank effectively holds a total voting right of 61.65% in Shenzhen Guangming Rural Bank.

Note 6: In October 2025, Beijing Fangshan SHRCB Rural Bank Co., Ltd. (hereinafter referred to as "Beijing Fangshan Rural Bank") received approval document *Jing Jin Fu [2025] No. 650* issued by the Beijing Branch of the National Financial Regulatory Administration, approving the Bank to acquire 12.81 million shares of Beijing Fangshan Rural Bank, representing 12.81% of the total shares, from Beijing Yongxing Fengyuan Construction Engineering Co., Ltd., Beijing KeCheng Zhongye Auto Parts Manufacturing Co., Ltd., Beijing Huaguan Commerce Co., Ltd., Siliu Innovation Group Co., Ltd., Beijing Zhuocen Animal Husbandry Co., Ltd., and 15 individual shareholders. Among these, 12.66 million shares (representing 12.66% of the total shares) held by Beijing Yongxing Fengyuan Construction Engineering Co., Ltd., Beijing KeCheng Zhongye Auto Parts Manufacturing Co., Ltd., Beijing Huaguan Commerce Co., Ltd., Siliu Innovation Group Co., Ltd., Beijing Zhuocen Animal Husbandry Co., Ltd., and 14 individual shareholders were transferred to the Bank before 31 December 2025. Following the completion of the share transfer, the Bank's holdings in Beijing Fangshan Rural Bank increased from 51.00 million shares to 63.66 million shares, raising its equity stake from 51.00% to 63.66%.

## 12.2 Investments in associates

### 12.2.1 The analysis of movement in investments in associates is set out below:

#### The Group and the Bank

Investee	As at 1 January 2025	Movements during the year					As at 31 December 2025	Impairment at the end of the year
		Increase in investments	Investment income under equity method	Other comprehensive income adjustment	Cash dividend or profit distribution	Provision for impairment		
Jiangsu Haimen Rural Commercial Bank Co.,Ltd.(Note 1)	512,165	-	27,586	(8,377)	(3,823)	-	527,551	-
Hangzhou United Rural Commercial Bank Co., Ltd.(Note 2)	1,508,947	-	197,746	(26,719)	(8,722)	-	1,671,252	-
Shanghai Jingyi Industry Development Co., Ltd.(Note 3)	-	-	-	-	-	-	-	(2,068)
<b>Total</b>	<b>2,021,112</b>	<b>-</b>	<b>225,332</b>	<b>(35,096)</b>	<b>(12,545)</b>	<b>-</b>	<b>2,198,803</b>	<b>(2,068)</b>

Investee	As at 1 January 2024	Movements during the year					As at 31 December 2024	Impairment at the end of the year
		Increase in investments	Investment income under equity method	Other comprehensive income adjustment	Cash dividend or profit distribution	Provision for impairment		
Jiangsu Haimen Rural Commercial Bank Co.,Ltd.(Note 1)	473,456	-	36,967	5,527	(3,785)	-	512,165	-
Hangzhou United Rural Commercial Bank Co., Ltd.(Note 2)	1,307,324	-	186,675	27,159	(12,211)	-	1,508,947	-
Shanghai Jingyi Industry Development Co., Ltd.(Note 3)	-	-	-	-	-	-	-	(2,068)
<b>Total</b>	<b>1,780,780</b>	<b>-</b>	<b>223,642</b>	<b>32,686</b>	<b>(15,996)</b>	<b>-</b>	<b>2,021,112</b>	<b>(2,068)</b>

Note 1: On 25 December 2020, the Bank contributed RMB 355,167 thousand to Jiangsu Haimen Rural Commercial Bank Co., Ltd. ("Haimen Rural Commercial Bank"), accounting for 8.96% of the total shares. According to the capital contribution agreement, the Bank assigned a director to the board of directors of Haimen Rural Commercial Bank and is able to exercise significant influence on Rural Commercial Bank, which is accounted for under the equity method.

Note 2: In March 2023, the Bank obtained the *Reply of Shanghai Regulatory Bureau of CBRC on Approving Shanghai Rural Commercial Bank Co., Ltd. to Invest in Hangzhou United Rural Commercial Bank Co., Ltd.* The Bank invested 87.218056 million shares in Hangzhou United Rural Commercial Bank Co., Ltd. ("Hangzhou United Rural Commercial Bank"), with a Shareholding percentage of 4%. According to the resolution of the 2022 annual general meeting of Hangzhou United Rural Commercial Bank on May 5, 2023, the candidate recommended by the Bank was elected as the shareholder director of the fourth Board of Directors, and the Bank could have a significant impact on Hangzhou United Rural Commercial Bank, which was accounted for in accordance with the equity method.

Note 3: On 31 December 2025, the Bank's shareholding percentage of Shanghai Jingyi Industrial Development Co., Ltd. ("Shanghai Jingyi") was 18.87%, and full provision for impairment was made. The balance of the Bank's provision for impairment of such long-term equity investment was RMB 2,068 thousand.

12.2.2 Interests in joint ventures or associates

	The Group	
	2025	2024
Associates		
- Immaterial associates	2,198,803	2,021,112

(1) Details of immaterial associates and joint ventures

Name of investee	Direct Shareholding percentage (%)	Nature of business	Registered capital	Principal place of business	Registered place	Strategic to the Group's activities
Associates						
Haimen Rural Commercial Bank	8.96	Financial industry	1,067,174	Nantong	Nantong	No
Hangzhou United Rural Commercial Bank	4.00	Financial industry	2,180,463	Hangzhou	Hangzhou	No
Shanghai Jingyi	18.87	Investment management advisory	38,828	Shanghai	Shanghai	No

(2) Summarised financial information of the Group's immaterial associates

	The Group	
	2025	2024
Aggregate carrying amount of investments	2,198,803	2,021,112

	The Group	
	2025	2024
Aggregate amount of share of		
- Net profit	225,333	223,642
- Other comprehensive income	(35,096)	32,686
- Total comprehensive income	190,237	256,328

### 13. Fixed assets

#### The Group

	Plant and buildings	Transportation facilities	Electronic device	Machinery and equipments	Office equipments	Total
<b>Cost</b>						
1 January 2024	8,738,199	85,169	1,964,518	504,787	101,140	11,393,813
Additions during the year	242,811	104,265	31,129	6,700	1,565	386,470
Transfers from construction in progress	92,860	2,518	194,277	29,752	3,235	322,642
Disposals during the year	(19,414)	(7,466)	(241,087)	(17,730)	(3,392)	(289,089)
31 December 2024	9,054,456	184,486	1,948,837	523,509	102,548	11,813,836
Additions during the year	77,011	1,042	17,382	3,150	1,174	99,759
Transfers from construction in progress	90,448	2,380	171,044	14,364	2,532	280,768
Disposals during the year	(247,623)	(4,028)	(80,346)	(29,305)	(4,009)	(365,311)
31 December 2025	8,974,292	183,880	2,056,917	511,718	102,245	11,829,052
<b>Accumulated depreciation</b>						
1 January 2024	(3,792,304)	(61,342)	(1,483,627)	(390,798)	(80,804)	(5,808,875)
Provision during the year	(373,194)	(12,337)	(165,841)	(39,516)	(7,038)	(597,926)
Disposals during the year	5,217	7,098	229,339	16,771	3,200	261,625
31 December 2024	(4,160,281)	(66,581)	(1,420,129)	(413,543)	(84,642)	(6,145,176)
Provision during the year	(392,444)	(16,525)	(167,914)	(33,785)	(5,835)	(616,503)
Disposals during the year	190,696	3,827	76,357	27,731	3,804	302,415
31 December 2025	(4,362,029)	(79,279)	(1,511,686)	(419,597)	(86,673)	(6,459,264)
<b>Provision for impairment</b>						
1 January 2024	(485,801)	-	-	-	-	(485,801)
Charge for the year	-	-	-	-	-	-
31 December 2024	(485,801)	-	-	-	-	(485,801)
Charge for the year	-	-	-	-	-	-
31 December 2025	(485,801)	-	-	-	-	(485,801)
<b>Carrying amounts</b>						
At 31 December 2025	4,126,462	104,601	545,231	92,121	15,572	4,883,987
At 31 December 2024	4,408,374	117,905	528,708	109,966	17,906	5,182,859

**The Bank**

	Plant and buildings	Transportation facilities	Electronic device	Machinery and equipments	Office equipments	Total
<b>Cost</b>						
1 January 2024	8,458,551	63,412	1,907,232	464,895	84,013	10,978,103
Additions during the year	238,175	263	26,869	4,443	697	270,447
Transfers from construction in progress	71,764	2,422	193,939	29,222	2,964	300,311
Disposals during the year	(18,658)	(5,407)	(236,091)	(16,358)	(2,721)	(279,235)
31 December 2024	8,749,832	60,690	1,891,949	482,202	84,953	11,269,626
Additions during the year	74,911	834	16,243	2,502	921	95,411
Transfers from construction in progress	66,367	2,190	169,537	14,070	1,771	253,935
Disposals during the year	(247,612)	(3,386)	(76,169)	(23,955)	(2,847)	(353,969)
31 December 2025	8,643,498	60,328	2,001,560	474,819	84,798	11,265,003
<b>Accumulated depreciation</b>						
1 January 2024	(3,718,189)	(48,127)	(1,441,269)	(356,901)	(66,008)	(5,630,494)
Provision during the year	(360,057)	(4,403)	(162,112)	(37,389)	(6,298)	(570,259)
Disposals during the year	5,217	5,142	224,592	15,547	2,590	253,088
31 December 2024	(4,073,029)	(47,388)	(1,378,789)	(378,743)	(69,716)	(5,947,665)
Provision during the year	(377,223)	(4,391)	(163,934)	(31,778)	(5,079)	(582,405)
Disposals during the year	190,696	3,217	72,390	22,781	2,705	291,789
31 December 2025	(4,259,556)	(48,562)	(1,470,333)	(387,740)	(72,090)	(6,238,281)
<b>Provision for impairment</b>						
1 January 2024	(485,801)	-	-	-	-	(485,801)
Charge for the year	-	-	-	-	-	-
31 December 2024	(485,801)	-	-	-	-	(485,801)
Charge for the year	-	-	-	-	-	-
31 December 2025	(485,801)	-	-	-	-	(485,801)
<b>Carrying amounts</b>						
At 31 December 2025	3,898,141	11,766	531,227	87,079	12,708	4,540,921
At 31 December 2024	4,191,002	13,302	513,160	103,459	15,237	4,836,160

As at 31 December 2025, carrying amount of plant and buildings of the Group and the Bank that are in use but of which the certificates of title have not been obtained amounted to RMB 869,410 thousand (31 December 2024: RMB 935,681 thousand).

As at 31 December 2025, among the above fixed assets, the carrying value of transportation tools leased out by the Group through operating leases in the leasing business is RMB 89,772 thousand (December 31, 2024: RMB 98,679 thousand).

## 14. Right-of-use assets / lease liabilities

### (1) Right-of-use assets

#### The Group

	Plant & buildings	Transportation facilities	Others	Total
Cost				
1 January 2024	1,184,688	536	6,471	1,191,695
Additions during the year	306,345	-	2,675	309,020
Disposals during the year	(268,533)	(274)	(4,610)	(273,417)
31 December 2024	1,222,500	262	4,536	1,227,298
Additions during the year	343,663	273	-	343,936
Disposals during the year	(425,112)	-	-	(425,112)
31 December 2025	1,141,051	535	4,536	1,146,122
Accumulated depreciation				
1 January 2024	(514,999)	(248)	(3,318)	(518,565)
Provision during the year	(251,697)	(179)	(1,042)	(252,918)
Disposals during the year	205,378	274	1,561	207,213
31 December 2024	(561,318)	(153)	(2,799)	(564,270)
Provision during the year	(241,000)	(179)	(714)	(241,893)
Disposals during the year	204,541	-	-	204,541
31 December 2025	(597,777)	(332)	(3,513)	(601,622)
Carrying amounts				
At 31 December 2025	543,274	203	1,023	544,500
At 31 December 2024	661,182	109	1,737	663,028

#### The Bank

	Plant & buildings	Transportation facilities	Others	Total
Cost				
1 January 2024	1,037,260	-	-	1,037,260
Additions during the year	224,948	-	-	224,948
Disposals during the year	(246,009)	-	-	(246,009)
31 December 2024	1,016,199	-	-	1,016,199
Additions during the year	313,474	-	-	313,474
Disposals during the year	(371,451)	-	-	(371,451)
31 December 2025	958,222	-	-	958,222
Accumulated depreciation				
1 January 2024	(450,750)	-	-	(450,750)
Provision during the year	(217,551)	-	-	(217,551)
Disposals during the year	191,488	-	-	191,488
31 December 2024	(476,813)	-	-	(476,813)

	Plant & buildings	Transportation facilities	Others	Total
Provision during the year	(211,406)	-	-	(211,406)
Disposals during the year	184,151	-	-	184,151
31 December 2025	(504,068)	-	-	(504,068)
Carrying amounts				
At 31 December 2025	454,154	-	-	454,154
At 31 December 2024	539,386	-	-	539,386

## (2) Lease liabilities

	The Group		The Bank	
	2025	2024	2025	2024
Within 1 month (inclusive)	25,078	34,593	18,862	28,510
Over 1 month but within 3 months (inclusive)	34,321	36,575	30,155	31,337
Over 3 months but within 1 year (inclusive)	141,511	155,945	119,815	133,763
Over 1 year but within 5 years (inclusive)	317,060	407,452	259,067	319,374
Over 5 years	36,680	57,757	33,290	48,361
Total undiscounted lease liabilities	554,650	692,322	461,189	561,345
Carrying amount of lease liabilities at the end of the period	528,682	648,588	440,007	526,105

## 15. Deferred tax

### 15.1 Deferred tax assets and deferred tax liabilities that are presented at the net amount after offsetting

	The Group		The Bank	
	2025	2024	2025	2024
Deferred tax assets	6,353,474	4,656,556	6,054,268	4,548,580
Deferred tax liabilities	-	-	-	-

Note: As certain rural banks controlled by the Bank suffered from continuous losses and it is expected that no sufficient future taxable income will be available to charge against the deductible losses and tax credit, the deferred tax assets were not recognised for the deductible temporary differences and deductible losses.

### 15.2 Deferred tax assets and deferred tax liabilities before offsetting

#### The Group

	2025		2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets:				
Provision for loss/impairment of assets	34,115,312	8,527,015	32,843,375	8,209,142
Lease liabilities	501,111	125,191	609,383	152,219
Other temporary differences	2,023,711	505,670	1,955,181	488,486
Subtotal	36,640,134	9,157,876	35,407,939	8,849,847

	2025		2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Amount offset	(11,217,997)	(2,804,402)	(16,773,711)	(4,193,291)
Balance after offsetting	25,422,137	6,353,474	18,634,228	4,656,556
Deferred tax liabilities:				
Changes in fair value of financial assets at FVTPL and derivative financial instrument	(4,913,873)	(1,228,468)	(5,014,155)	(1,253,539)
Right-of-use assets	(511,808)	(127,853)	(617,988)	(154,361)
Changes in fair value of financial assets at FVTOCI	(5,784,214)	(1,446,053)	(11,135,028)	(2,783,757)
Other temporary differences	(8,102)	(2,028)	(6,540)	(1,634)
Subtotal	(11,217,997)	(2,804,402)	(16,773,711)	(4,193,291)
Amount offset	11,217,997	2,804,402	16,773,711	4,193,291
Balance after offsetting	-	-	-	-

### The Bank

	2025		2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets / (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets / (liabilities)
Deferred tax assets:				
Provision for loss/impairment of assets	31,909,650	7,977,412	30,667,092	7,666,773
Lease liabilities	440,007	110,002	526,105	131,526
Other temporary differences	1,816,865	454,216	1,737,187	434,297
Subtotal	34,166,522	8,541,630	32,930,384	8,232,596
Amount offset	(9,949,452)	(2,487,362)	(14,736,062)	(3,684,016)
Balance after offsetting	24,217,070	6,054,268	18,194,322	4,548,580
Deferred tax liabilities:				
Changes in fair value of financial assets at FVTPL and derivative financial instrument	(4,909,600)	(1,227,400)	(5,012,429)	(1,253,107)
Right-of-use assets	(454,154)	(113,538)	(539,386)	(134,847)
Changes in fair value of financial assets at FVTOCI	(4,582,017)	(1,145,504)	(9,182,073)	(2,295,518)
Other temporary differences	(3,681)	(920)	(2,174)	(544)
Subtotal	(9,949,452)	(2,487,362)	(14,736,062)	(3,684,016)
Amount offset	9,949,452	2,487,362	14,736,062	3,684,016
Balance after offsetting	-	-	-	-

## 16. Other assets

	Note	The Group		The Bank	
		2025	2024	2025	2024
Other receivables and prepayments	16.1	2,225,041	2,283,507	812,800	839,187
Intangible assets	16.2	1,745,800	1,438,137	1,730,816	1,421,913
Amounts pending for settlement		717,226	432,836	715,629	431,490
Interest receivables		131,177	128,690	122,241	102,778
Long-term deferred expenses		83,163	82,487	60,694	51,978
Capital for debt payment		37,889	45,216	-	-
Subtotal		4,940,296	4,410,873	3,442,180	2,847,346
Provision for impairment of other assets		(125,632)	(109,709)	(57,188)	(80,088)
<b>Total</b>		<b>4,814,664</b>	<b>4,301,164</b>	<b>3,384,992</b>	<b>2,767,258</b>

### 16.1 Other receivables and prepayments

	The Group		The Bank	
	2025	2024	2025	2024
Other receivables and prepayments	1,573,194	1,574,165	168,815	135,378
Amounts to be transferred	569,402	633,196	569,402	633,196
Prepaid legal expenses	44,287	44,453	37,353	39,814
Rental deposits	38,158	31,693	37,230	30,799
<b>Total</b>	<b>2,225,041</b>	<b>2,283,507</b>	<b>812,800</b>	<b>839,187</b>

### 16.2 Intangible assets

#### The Group

	Land use rights	Software	Total
<b>Cost</b>			
1 January 2024	549,083	1,525,075	2,074,158
Additions during the year	-	528,128	528,128
Disposals during the year	(2,866)	(28)	(2,894)
31 December 2024	546,217	2,053,175	2,599,392
Additions during the year	-	510,010	510,010
Disposals during the year	(6,302)	(180)	(6,482)
31 December 2025	539,915	2,563,005	3,102,920
<b>Accumulated depreciation</b>			
1 January 2024	(141,024)	(850,383)	(991,407)
Provision during the year	(12,412)	(158,115)	(170,527)
Disposals during the year	651	28	679
31 December 2024	(152,785)	(1,008,470)	(1,161,255)
Provision during the year	(12,267)	(185,432)	(197,699)

	Land use rights	Software	Total
Disposals during the year	1,710	124	1,834
31 December 2025	(163,342)	(1,193,778)	(1,357,120)
Carrying amounts			
At 31 December 2025	376,573	1,369,227	1,745,800
At 31 December 2024	393,432	1,044,705	1,438,137

**The Bank**

	Land use rights	Software	Total
Cost			
1 January 2024	549,083	1,514,775	2,063,858
Additions during the year	-	514,494	514,494
Disposals during the year	(2,866)	-	(2,866)
31 December 2024	546,217	2,029,269	2,575,486
Additions during the year	-	508,715	508,715
Disposals during the year	(6,302)	-	(6,302)
31 December 2025	539,915	2,537,984	3,077,899
Accumulated depreciation			
1 January 2024	(141,024)	(844,842)	(985,866)
Provision during the year	(12,412)	(155,946)	(168,358)
Disposals during the year	651	-	651
31 December 2024	(152,785)	(1,000,788)	(1,153,573)
Provision during the year	(12,267)	(182,953)	(195,220)
Disposals during the year	1,710	-	1,710
31 December 2025	(163,342)	(1,183,741)	(1,347,083)
Carrying amounts			
At 31 December 2025	376,573	1,354,243	1,730,816
At 31 December 2024	393,432	1,028,481	1,421,913

**17. Provision for impairment of assets****The Group**

	1 January 2025	Provision/ (Reversal) during the year	Written-off / Disposal during the year	Recover after written-off	31 December 2025
Due from placements with other banks and financial institutions	19,194	(10,578)	-	-	8,616
Placements with banks and other financial institutions at amortised cost	142,353	45,878	-	-	188,231
Financial assets purchased under resale agreements	25,526	11,615	-	-	37,141
Loans and advances to customers at amortised cost	25,308,285	1,240,519	(3,987,024)	1,268,835	23,830,615
Loans and advances to customers at FVTOCI	397,053	117,953	-	-	515,006
Debt investments	391,816	118,964	(204,401)	-	306,379

	1 January 2025	Provision/ (Reversal) during the year	Written-off / Disposal during the year	Recover after written-off	31 December 2025
Other debt investments	324,697	127,555	-	-	452,252
Finance lease receivables and long-term receivables	1,936,294	206,860	(217,047)	41,966	1,968,073
Long-term equity investments	2,068	-	-	-	2,068
Fixed assets	485,801	-	-	-	485,801
Other assets	109,709	19,468	(5,302)	1,757	125,632
<b>Total</b>	<b>29,142,796</b>	<b>1,878,234</b>	<b>(4,413,774)</b>	<b>1,312,558</b>	<b>27,919,814</b>

	1 January 2024	Provision/ (Reversal) during the year	Written-off during the year	Recover after written-off	31 December 2024
Due from placements with other banks and financial institutions	18,575	619	-	-	19,194
Placements with banks and other financial institutions at amortised cost	148,360	(6,007)	-	-	142,353
Financial assets purchased under resale agreements	27,319	(1,793)	-	-	25,526
Loans and advances to customers at amortised cost	27,834,218	1,951,986	(4,852,918)	374,999	25,308,285
Loans and advances to customers at FVTOCI	215,440	181,613	-	-	397,053
Debt investments	383,097	8,719	-	-	391,816
Other debt investments	320,929	3,768	-	-	324,697
Finance lease receivables and long-term receivables	1,840,173	285,513	(318,640)	129,248	1,936,294
Long-term equity investments	2,068	-	-	-	2,068
Fixed assets	485,801	-	-	-	485,801
Other assets	112,519	(19)	(4,128)	1,337	109,709
<b>Total</b>	<b>31,388,499</b>	<b>2,424,399</b>	<b>(5,175,686)</b>	<b>505,584</b>	<b>29,142,796</b>

#### The Bank

	1 January 2025	Provision / (Reversal) during the year	Written-off / Disposal during the year	Recover after written-off	31 December 2025
Due from placements with other banks and financial institutions	7,108	(627)	-	-	6,481
Placements with banks and other financial institutions at amortised cost	156,210	41,287	-	-	197,497
Financial assets purchased under resale agreements	25,526	11,615	-	-	37,141
Loans and advances to customers at amortised cost	24,473,190	1,054,017	(3,685,683)	1,156,611	22,998,135
Loans and advances to customers at FVTOCI	397,053	117,953	-	-	515,006
Debt investments	391,743	119,006	(204,401)	-	306,348
Other debt investments	324,697	127,555	-	-	452,252
Long-term equity investments	894,632	15,515	-	-	910,147
Fixed assets	485,801	-	-	-	485,801
Other assets	80,088	(22,900)	-	-	57,188
<b>Total</b>	<b>27,236,048</b>	<b>1,463,421</b>	<b>(3,890,084)</b>	<b>1,156,611</b>	<b>25,965,996</b>

	1 January 2024	Provision / (Reversal) during the year	Written-off during the year	Recover after written-off	31 December 2024
Due from placements with other banks and financial institutions	16,480	(9,372)	-	-	7,108
Placements with banks and other financial institutions at amortised cost	153,365	2,845	-	-	156,210
Financial assets purchased under resale agreements	26,032	(506)	-	-	25,526
Loans and advances to customers at amortised cost	26,963,107	1,691,797	(4,456,083)	274,369	24,473,190
Loans and advances to customers at FVTOCI	215,440	181,613	-	-	397,053
Debt investments	383,012	8,731	-	-	391,743
Other debt investments	320,929	3,768	-	-	324,697
Long-term equity investments	894,632	-	-	-	894,632
Fixed assets	485,801	-	-	-	485,801
Other assets	83,912	(3,824)	-	-	80,088
<b>Total</b>	<b>29,542,710</b>	<b>1,875,052</b>	<b>(4,456,083)</b>	<b>274,369</b>	<b>27,236,048</b>

## 18. Borrowings from the central bank

	The Group		The Bank	
	2025	2024	2025	2024
Borrowings from the central bank	47,746,141	48,569,984	47,293,932	48,197,537
Interest accrued	141,901	164,886	141,730	164,705
<b>Total</b>	<b>47,888,042</b>	<b>48,734,870</b>	<b>47,435,662</b>	<b>48,362,242</b>

## 19. Due to placements with other banks and financial institutions

Analysed by location and types of institutions

	The Group		The Bank	
	2025	2024	2025	2024
Deposits with domestic bank	1,284,598	1,729,784	8,751,012	6,090,122
Deposits with other domestic financial institutions	2,142,819	8,224,089	2,150,985	8,231,902
Interest accrued	3,598	5,900	44,595	24,930
<b>Total</b>	<b>3,431,015</b>	<b>9,959,773</b>	<b>10,946,592</b>	<b>14,346,954</b>

## 20. Placements from banks and other financial institutions

	The Group		The Bank	
	2025	2024	2025	2024
Placements from domestic bank	74,160,507	67,325,129	39,750,507	35,329,129
Placements from overseas bank	1,581,478	4,446,026	1,581,478	4,446,026
Placements from domestic bank financial institutions	200,000	-	-	-
Interest accrued	471,593	437,124	316,759	242,617
<b>Total</b>	<b>76,413,578</b>	<b>72,208,279</b>	<b>41,648,744</b>	<b>40,017,772</b>

## 21. Financial assets sold under repurchase agreements

Analysed by types of collaterals sold under repurchase agreements

	The Group		The Bank	
	2025	2024	2025	2024
Bonds	35,629,666	47,399,663	24,293,799	37,524,968
Interest accrued	3,091	5,582	982	3,520
<b>Total</b>	<b>35,632,757</b>	<b>47,405,245</b>	<b>24,294,781</b>	<b>37,528,488</b>

## 22. Customer deposits

	The Group		The Bank	
	2025	2024	2025	2024
Demand deposits				
Corporate customers	267,706,522	246,938,461	265,373,137	243,703,791
Personal customers	88,022,234	80,770,443	85,524,857	78,393,641
Time deposits				
Corporate customers	220,408,140	175,894,823	219,121,567	174,173,728
Personal customers	537,061,657	503,704,294	515,775,333	481,477,505
Pledged deposits held as collateral	11,698,143	12,881,912	11,649,967	12,817,924
Others	15,135,523	51,950,965	15,115,889	51,936,466
Subtotal	1,140,032,219	1,072,140,898	1,112,560,750	1,042,503,055
Interest accrued	16,853,798	20,776,612	16,018,095	19,808,836
<b>Total</b>	<b>1,156,886,017</b>	<b>1,092,917,510</b>	<b>1,128,578,845</b>	<b>1,062,311,891</b>

## 23. Employee benefits payable

Employee benefits payable are listed as follow

### The Group

	Note	1 January 2025	Additions during the year	Disposals during the year	31 December 2025
Short-term employee benefits	(1)	3,475,738	4,693,806	(4,856,994)	3,312,550
Post-employment benefits					
– defined contribution plans	(2)	1,017	779,094	(779,047)	1,064
<b>Total</b>		<b>3,476,755</b>	<b>5,472,900</b>	<b>(5,636,041)</b>	<b>3,313,614</b>

	Note	1 January 2024	Additions during the year	Disposals during the year	31 December 2024
Short-term employee benefits	(1)	3,393,543	4,965,433	(4,883,238)	3,475,738
Post-employment benefits					
- defined contribution plans	(2)	974	760,806	(760,763)	1,017
Termination benefits		-	423	(423)	-
<b>Total</b>		<b>3,394,517</b>	<b>5,726,662</b>	<b>(5,644,424)</b>	<b>3,476,755</b>

**The Bank**

	Note	1 January 2025	Additions during the year	Disposals during the year	31 December 2025
Short-term employee benefits	(1)	3,194,975	4,229,615	(4,391,348)	3,033,242
Post-employment benefits					
- defined contribution plans	(2)	-	718,425	(718,425)	-
<b>Total</b>		<b>3,194,975</b>	<b>4,948,040</b>	<b>(5,109,773)</b>	<b>3,033,242</b>

	Note	1 January 2024	Additions during the year	Disposals during the year	31 December 2024
Short-term employee benefits	(1)	3,082,013	4,530,399	(4,417,437)	3,194,975
Post-employment benefits					
- defined contribution plans	(2)	-	704,353	(704,353)	-
<b>Total</b>		<b>3,082,013</b>	<b>5,234,752</b>	<b>(5,121,790)</b>	<b>3,194,975</b>

**(1) Short-term employee benefits****The Group**

	1 January 2025	Additions during the year	Disposals during the year	31 December 2025
Salaries, bonuses and allowances	3,459,418	3,772,757	(3,938,075)	3,294,100
Staff welfare	13,333	207,677	(207,677)	13,333
Social insurance				
- Medical insurance	556	260,907	(260,883)	580
- Work-related injury insurance	9	6,231	(6,227)	13
- Maternity insurance	5	942	(942)	5
Housing fund	-	354,069	(354,069)	-
Labour union fee, staff and workers' education fee	2,388	90,579	(88,477)	4,490
Others	29	644	(644)	29
<b>Total</b>	<b>3,475,738</b>	<b>4,693,806</b>	<b>(4,856,994)</b>	<b>3,312,550</b>

	1 January 2024	Additions during the year	Disposals during the year	31 December 2024
Salaries, bonuses and allowances	3,378,897	4,049,496	(3,968,975)	3,459,418
Staff welfare	13,333	212,765	(212,765)	13,333
Social insurance				
- Medical insurance	584	256,915	(256,943)	556
- Work-related injury insurance	11	4,874	(4,876)	9
- Maternity insurance	6	1,003	(1,004)	5
Housing fund	668	340,367	(341,035)	-
Labour union fee, staff and workers' education fee	30	99,454	(97,096)	2,388
Others	14	559	(544)	29
<b>Total</b>	<b>3,393,543</b>	<b>4,965,433</b>	<b>(4,883,238)</b>	<b>3,475,738</b>

**The Bank**

	1 January 2025	Additions during the year	Disposals during the year	31 December 2025
Salaries, bonuses and allowances	3,179,264	3,405,818	(3,569,661)	3,015,421
Staff welfare	13,333	180,461	(180,461)	13,333
Social insurance				
- Medical insurance	-	237,106	(237,106)	-
- Work-related injury insurance	-	5,248	(5,248)	-
- Maternity insurance	-	207	(207)	-
Housing fund	-	318,925	(318,925)	-
Labour union fee, staff and workers' education fee	2,350	81,759	(79,649)	4,460
Others	28	91	(91)	28
<b>Total</b>	<b>3,194,975</b>	<b>4,229,615</b>	<b>(4,391,348)</b>	<b>3,033,242</b>

	1 January 2024	Additions during the year	Disposals during the year	31 December 2024
Salaries, bonuses and allowances	3,067,998	3,711,612	(3,600,346)	3,179,264
Staff welfare	13,333	183,443	(183,443)	13,333
Social insurance				
- Medical insurance	-	233,811	(233,811)	-
- Work-related injury insurance	-	4,084	(4,084)	-
- Maternity insurance	-	199	(199)	-
Housing fund	668	307,224	(307,892)	-
Labour union fee, staff and workers' education fee	-	89,889	(87,539)	2,350
Others	14	137	(123)	28
<b>Total</b>	<b>3,082,013</b>	<b>4,530,399</b>	<b>(4,417,437)</b>	<b>3,194,975</b>

(2) Post-employment benefits- defined contribution plans

The Group

	1 January 2025	Additions during the year	Disposals during the year	31 December 2025
Basic pension insurance	988	468,668	(468,624)	1,032
Unemployment insurance	29	15,110	(15,107)	32
Annuity	-	295,316	(295,316)	-
Total	1,017	779,094	(779,047)	1,064

	1 January 2024	Additions during the year	Disposals during the year	31 December 2024
Basic pension insurance	945	449,658	(449,615)	988
Unemployment insurance	29	14,490	(14,490)	29
Annuity	-	296,658	(296,658)	-
Total	974	760,806	(760,763)	1,017

The Bank

	1 January 2025	Additions during the year	Disposals during the year	31 December 2025
Basic pension insurance	-	422,472	(422,472)	-
Unemployment insurance	-	13,226	(13,226)	-
Annuity	-	282,727	(282,727)	-
Total	-	718,425	(718,425)	-

	1 January 2024	Additions during the year	Disposals during the year	31 December 2024
Basic pension insurance	-	405,638	(405,638)	-
Unemployment insurance	-	12,715	(12,715)	-
Annuity	-	286,000	(286,000)	-
Total	-	704,353	(704,353)	-

24. Taxes payable

	The Group		The Bank	
	2025	2024	2025	2024
Corporate income tax	521,529	277,906	447,977	175,039
VAT	294,427	389,000	289,872	384,374
Surcharges	36,391	47,748	35,871	47,179
Individual income tax	21,053	21,941	20,319	21,034
Others	20,505	19,510	19,350	18,260
Total	893,905	756,105	813,389	645,886

## 25. Debt securities issued

### The Group and the Bank

	Note	2025	2024
Interbank negotiable certificates of deposit	(1)	85,406,146	45,139,273
Financial bonds	(2)	25,000,000	18,000,000
Capital bonds	(3)	10,000,000	10,000,000
Interest accrued		506,450	449,970
<b>Total</b>		<b>120,912,596</b>	<b>73,589,243</b>

(1) On 31 December 2025, there were 57 interbank negotiable certificates of deposit (not yet matured) issued publicly by the Group and the Bank on the interbank market, with a maximum term of 1-year and an interest rate range of 1.61% to 1.85% (2024: 71 interbank negotiable certificates of deposit (not yet matured) issued publicly by the Group and the Bank on the interbank market, with a maximum term of 1-year and an interest rate range of 1.72% to 2.21%).

(2) As at the balance sheet date, the Group and the Bank issued the following financial bonds:

		2025	2024
23 SHRCB green bonds 01		3,000,000	3,000,000
23 SHRCB 01		10,000,000	10,000,000
24 SHRCB Small and micro bonds 01		5,000,000	5,000,000
25 SHRCB green bonds 01		4,000,000	-
25 SHRCB 01		3,000,000	-
<b>Total</b>		<b>25,000,000</b>	<b>18,000,000</b>

In 13 July 2023, the Group and the Bank issued RMB 3 billion of 3-year fixed rate green financial bonds with interest rate of 2.67% on the national interbank bond market to the public.

In 24 August 2023, the Group and the Bank issued RMB 10 billion of 3-year fixed rate financial bonds with interest rate of 2.57% on the national interbank bond market to the public.

In 22 May 2024, the Group and the Bank issued RMB 5 billion of 3-year fixed rate Small and micro Corporate loan special financial bonds with interest rate of 2.23% on the national interbank bond market to the public.

In 8 July 2025, the Group and the Bank issued RMB 4 billion of 3-year fixed rate green financial bonds with interest rate of 1.67% on the national interbank bond market to the public.

In 8 July 2025, the Group and the Bank issued RMB 3 billion of 3-year fixed rate financial bonds with interest rate of 1.70% on the national interbank bond market to the public.

(3) As at the balance sheet date, the Group and the Bank issued the following tier-II capital bonds:

		2025	2024
22 SHRCB tier-II 01		7,000,000	7,000,000
22 SHRCB tier-II capital bonds 02		3,000,000	3,000,000
<b>Total</b>		<b>10,000,000</b>	<b>10,000,000</b>

The Group and the Bank issued RMB 7 billion 10-year fixed rate tier-II capital bonds with interest rate of 3.67% on 3 March 2022 on the national interbank bond market to the public, which are redeemable at the end of the fifth year.

The Group and the Bank issued RMB 3 billion 10-year fixed rate tier-II capital bonds with interest rate of 3.39% on 20 July 2022 on the national interbank bond market to the public, which are redeemable at the end of the fifth year.

## 26. Provisions

### The Group and the Bank

	Note	2025	2024
Provision for expected credit loss in off-balance sheet	(1)	906,197	749,501

### (1) Movements of expected credit loss in off-balance sheet

#### The Group and the Bank

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at 1 January 2025	445,072	304,310	119	749,501
Transferred to				
- Stage 1	88,735	(88,735)	-	-
- Stage 2	(22,995)	22,995	-	-
- Stage 3	-	-	-	-
Provision / (Reversal) during the year	21,665	135,150	(119)	156,696
Balance at 31 December 2025	532,477	373,720	-	906,197

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL - Not credit impaired	Lifetime ECL - Credit impaired	
Balance at 1 January 2024	452,444	251,575	454	704,473
Transferred to				
- Stage 1	65,655	(65,655)	-	-
- Stage 2	(21,015)	21,015	-	-
- Stage 3	-	-	-	-
(Reversal) / Provision for the year	(52,012)	97,375	(335)	45,028
Balance at 31 December 2024	445,072	304,310	119	749,501

## 27. Other liabilities

	The Group		The Bank	
	2025	2024	2025	2024
Lease deposits	2,759,909	2,822,088	-	-
Amounts to be settled and transferred	1,411,067	1,580,296	1,408,659	1,576,371
Dividends payable	3,538	6,144	931	816
Others	1,801,681	1,609,437	405,482	382,112
<b>Total</b>	<b>5,976,195</b>	<b>6,017,965</b>	<b>1,815,072</b>	<b>1,959,299</b>

## 28. Share capital

### The Group and the Bank

	2025		2024	
	Number of shares ('000)	Percentage (%)	Number of shares ('000)	Percentage (%)
Renminbi ordinary shares listed in China (A share)	9,644,444	100.00	9,644,444	100.00

## 29. Capital reserve

### The Group

	2025			
	Opening balance	Additions during the year	Disposals during the year (Note1)	Closing balance
Share premium	16,547,784	-	(7,717)	16,540,067
Other capital reserves	66	-	-	66
<b>Total</b>	<b>16,547,850</b>	<b>-</b>	<b>(7,717)</b>	<b>16,540,133</b>

	2024			
	Opening balance	Additions during the year	Disposals during the year (Note2)	Closing balance
Share premium	16,550,128	-	(2,344)	16,547,784
Other capital reserves	66	-	-	66
<b>Total</b>	<b>16,550,194</b>	<b>-</b>	<b>(2,344)</b>	<b>16,547,850</b>

### The Bank

	2025			
	Opening balance	Additions during the year	Disposals during the year	Closing balance
Share premium	16,784,433	-	-	16,784,433
Other capital reserves	66	-	-	66
<b>Total</b>	<b>16,784,499</b>	<b>-</b>	<b>-</b>	<b>16,784,499</b>

	2024			
	Opening balance	Additions during the year	Disposals during the year	Closing balance
Share premium	16,784,433	-	-	16,784,433
Other capital reserves	66	-	-	66
<b>Total</b>	<b>16,784,499</b>	<b>-</b>	<b>-</b>	<b>16,784,499</b>

Note 1: In April 2025, Taian Rural Bank received the approval of *Taijin Fu [2025] No.20* from the Taian Branch of the National Financial Regulatory Administration on the Change of Registered Capital of Taian Rural Bank, which approved an increase in Taian Rural Bank's registered capital by RMB 20 million. In November 2024, the Bank received the approval of *Taijin Fu [2024] No. 74* from the Taian Branch of the National Financial Regulatory Administration on the Agreement for the Offering Scheme of Taian Rural Bank, which approved the Bank to subscribe for 20 million shares of Taian Rural Bank through a directed share issuance. The difference of approximately RMB 2.87 million between the cost of newly acquired long-term equity investments and the share of identifiable net assets of Taian Rural Bank calculated based on the newly increased equity interest from the date of consolidation, is credited to capital reserve.

In November 2025, Beijing Fangshan Rural Bank received Approval of *Jingjin Fu [2025] No. 650* from the Beijing Bureau of the National Financial Regulatory Administration on the Shareholding Change of Beijing Fangshan Rural Bank. The approval granted the Bank the right to acquire 12.81 million shares of Beijing Fangshan Rural Bank, representing 12.81% of its total shares. These shares were held by Beijing Yongxing Fengyuan Construction Engineering Co., Ltd., Beijing Kecheng Zhongye Auto Parts Manufacturing Co., Ltd., Beijing Huaguan Commerce Co., Ltd., Siliu Innovation Group Co., Ltd., Beijing Zhuocen Animal Husbandry Co., Ltd., and 15 individual shareholders. Specifically, the Bank acquired 12.66 million shares (representing 12.66% of the total shares) from Beijing Yongxing Fengyuan Construction Engineering Co., Ltd., Beijing Kecheng Zhongye Auto Parts Manufacturing Co., Ltd., Beijing Huaguan Commerce Co., Ltd., Siliu Innovation Group Co., Ltd., Beijing Zhuocen Animal Husbandry Co., Ltd., and 14 individual shareholders, which was completed before 31 December 2025. The difference between the cost of the newly acquired long-term equity investment and the attributable share of Beijing Fangshan Rural Bank's identifiable net assets, calculated based on the newly increased equity interest from the date of consolidation, amounted to approximately RMB 1.1 million, which is credited to capital reserve.

In December 2025, Rizhao Rural Bank received Approval of *Rijin Fu [2025] No. 79* from the Rizhao Branch of the National Financial Regulatory Administration on the Change of Registered Capital of Rizhao Rural Bank, which approved an increase in Rizhao Rural Bank's registered capital by RMB 20 million. The difference of approximately RMB 3.75 million between the cost of new long-term equity investments and the share of identifiable net assets of Rizhao Rural Bank calculated based on the newly increased equity interest from the date of consolidation, is credited to capital reserve.

Note 2: In December 2024, Lianyuan Rural Bank received Approval of *Xiangjin Fu [2024] No.285* from the Hunan Bureau on the Directed Share Offering Plan and Relevant Shareholder Qualifications of Lianyuan Rural Bank. The approval granted the Bank the right to subscribe for 14 million shares of Lianyuan Rural Bank through a directed share offering. The difference of approximately RMB 2.34 million between the cost of newly acquired long-term equity investments and the share of identifiable net assets of Lianyuan Rural Bank calculated based on the newly increased equity interest from the date of consolidation, is credited to capital reserve.

### 30. Other comprehensive income

#### The Group

	Opening balance of other comprehensive income	2025				Closing balance of other comprehensive income
		Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	After tax	
Other comprehensive income that will not be reclassified to profit or loss						
Remeasurement of defined benefit plan	3,278	(1,887)	-	-	(1,887)	1,391
Other comprehensive income that will be reclassified to profit or loss						
Including: Other comprehensive income recognised under equity method	40,030	(35,096)	-	-	(35,096)	4,934
Changes in fair value of financial assets classified as at FVOCI	7,809,958	(3,785,116)	(1,811,205)	1,399,081	(4,197,240)	3,612,718
Credit losses of financial assets classified as at FVOCI	541,312	245,508	-	(61,377)	184,131	725,443
<b>Total</b>	<b>8,394,578</b>	<b>(3,576,591)</b>	<b>(1,811,205)</b>	<b>1,337,704</b>	<b>(4,050,092)</b>	<b>4,344,486</b>

**The Bank**

	Opening balance of other comprehensive income	2025				Closing balance of other comprehensive income
		Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	After tax	
Losses that will not be reclassified to profit or loss						
Remeasurement of defined benefit plan	3,278	(1,887)	-	-	(1,887)	1,391
Other comprehensive income that will be reclassified to profit or loss						
Including: Other comprehensive income recognised under equity method	40,030	(35,096)	-	-	(35,096)	4,934
Changes in fair value of financial assets classified as at FVOCI	6,345,243	(3,034,359)	(1,811,205)	1,211,391	(3,634,173)	2,711,070
Credit losses of financial assets classified as at FVOCI	541,312	245,508	-	(61,377)	184,131	725,443
<b>Total</b>	<b>6,929,863</b>	<b>(2,825,834)</b>	<b>(1,811,205)</b>	<b>1,150,014</b>	<b>(3,487,025)</b>	<b>3,442,838</b>

**The Group**

	Opening balance of other comprehensive income	2024				Closing balance of other comprehensive income
		Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	After tax	
Losses that will not be reclassified to profit or loss						
Remeasurement of defined benefit plan	41,801	(38,523)	-	-	(38,523)	3,278
Other comprehensive income that will be reclassified to profit or loss						
Including: Other comprehensive income recognised under equity method	7,344	32,686	-	-	32,686	40,030
Changes in fair value of financial assets classified as at FVOCI	2,859,273	7,118,448	(517,535)	(1,650,228)	4,950,685	7,809,958
Credit losses of financial assets classified as at FVOCI	402,276	185,381	-	(46,345)	139,036	541,312
<b>Total</b>	<b>3,310,694</b>	<b>7,297,992</b>	<b>(517,535)</b>	<b>(1,696,573)</b>	<b>5,083,884</b>	<b>8,394,578</b>

**The Bank**

	Opening balance of other comprehensive income	2024				Closing balance of other comprehensive income
		Before-tax amount	Less: Previously recognised amount transferred to profit or loss	Less: Income tax expenses	After tax	
Losses that will not be reclassified to profit or loss						
Remeasurement of defined benefit plan	41,801	(38,523)	-	-	(38,523)	3,278
Other comprehensive income that will be reclassified to profit or loss						
Including: Other comprehensive income recognised under equity method	7,344	32,686	-	-	32,686	40,030
Changes in fair value of financial assets classified as at FVOCI	2,232,968	6,000,568	(517,535)	(1,370,758)	4,112,275	6,345,243
Credit losses of financial assets classified as at FVOCI	402,276	185,381	-	(46,345)	139,036	541,312
<b>Total</b>	<b>2,684,389</b>	<b>6,180,112</b>	<b>(517,535)</b>	<b>(1,417,103)</b>	<b>4,245,474</b>	<b>6,929,863</b>

**31. Surplus reserve**
**The Group**

	1 January 2025	Additions during the year	31 December 2025
Statutory surplus reserve	10,315,981	1,241,998	11,557,979
Discretionary surplus reserve	26,429,406	3,448,205	29,877,611
<b>Total</b>	<b>36,745,387</b>	<b>4,690,203</b>	<b>41,435,590</b>

	1 January 2024	Additions during the year	31 December 2024
Statutory surplus reserve	9,088,348	1,227,633	10,315,981
Discretionary surplus reserve	23,046,912	3,382,494	26,429,406
<b>Total</b>	<b>32,135,260</b>	<b>4,610,127</b>	<b>36,745,387</b>

**The Bank**

	1 January 2025	Additions during the year	31 December 2025
Statutory surplus reserve	10,022,820	1,200,324	11,223,144
Discretionary surplus reserve	26,055,075	3,379,717	29,434,792
<b>Total</b>	<b>36,077,895</b>	<b>4,580,041</b>	<b>40,657,936</b>

	1 January 2024	Additions during the year	31 December 2024
Statutory surplus reserve	8,835,606	1,187,214	10,022,820
Discretionary surplus reserve	22,735,463	3,319,612	26,055,075
<b>Total</b>	<b>31,571,069</b>	<b>4,506,826</b>	<b>36,077,895</b>

In accordance with the Company Law and the Company's Articles of Association, the Group should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Group can cease appropriation when the statutory reserve accumulated to more than 50% of the registered capital. The statutory reserve can be used to make up for the loss or increase the paid-in capital after approval from the appropriate authorities. Approved by the Bank's 2024 Annual General Meeting of Shareholders on 13 June 2025, the Bank appropriated RMB1,200,324 thousand to the statutory surplus reserve for the year 2024. (Approved by the 2023 Annual General Meeting of Shareholders: RMB1,187,214 thousand)

The Bank makes appropriations to discretionary reserve after making appropriation to statutory reserve. Discretionary reserve could be used to make up for prior year's loss or increase the paid-in capital. Approved by the Bank's 2024 Annual General Meeting of Shareholders on 13 June 2025, the Bank appropriated RMB3,379,717 thousand to discretionary surplus reserve. (Approved by the 2023 Annual General Meeting of Shareholders: RMB3,319,612 thousand)

### 32. General risk reserve

#### The Group

	1 January 2025	Additions during the year	31 December 2025
General risk reserve	15,354,359	978,604	16,332,963

	1 January 2024	Additions during the year	31 December 2024
General risk reserve	14,511,669	842,690	15,354,359

#### The Bank

	1 January 2025	Additions during the year	31 December 2025
General risk reserve	14,766,676	921,975	15,688,651

	1 January 2024	Additions during the year	31 December 2024
General risk reserve	13,956,709	809,967	14,766,676

Pursuant to the Notice on Promulgation of the Administrative Measures on Accrual of Provisions by Financial Enterprises (Cai Jin [2012] No.20) promulgated by MOF, the Bank's balance of general risk reserve should not be less than 1.5% of the aggregate amount of all risk assets in principle.

The Group's general risk reserve normally includes the general risk reserve made by its subsidiaries in accordance with applicable laws and regulations in their respective industries.

### 33. Retained earnings

	The Group		The Bank	
	2025	2024	2025	2024
Opening balance	37,149,792	36,274,720	35,919,469	35,193,293
Add: Net profit attributable to the Bank's shareholders	12,312,825	12,288,156	12,020,141	12,003,236
Less: Appropriation for statutory surplus reserve	(1,241,998)	(1,227,633)	(1,200,324)	(1,187,214)
Appropriation for discretionary surplus reserve	(3,448,205)	(3,382,494)	(3,379,717)	(3,319,612)
Appropriation to general risk reserve	(978,604)	(842,690)	(921,975)	(809,967)
Dividends to ordinary shares	(4,185,688)	(5,960,267)	(4,185,688)	(5,960,267)
Retained earnings at the end of the year	39,608,122	37,149,792	38,251,906	35,919,469

(1) The Board of the Bank, in accordance with the resolution of 2024 Annual General Meeting of Shareholders on 13 June 2025, the Company's 2025 medium-term profit distribution plan is as follows:

- No statutory surplus reserves, discretionary surplus reserves, or general risk provisions will be accrued;
- Based on the total issued shares of the company prior to the implementation of this plan, which amounts to 9,644,444,445 shares, cash dividends of RMB 2.41 per 10 shares (tax-inclusive) will be distributed to ordinary shareholders, totaling RMB 2.324 billion in cash dividends.

(2) In accordance with the resolution of 2024 Annual General Meeting of Shareholders on 13 June 2025, the profit appropriation plan is as follows:

- Appropriation for statutory surplus reserve of RMB1.200 billion based on 10% of the net profit earned by the Bank in 2024;
- Combine the undistributed profits from previous years of the Bank with the net profit realized in 2024 and distribute 10% of the statutory surplus reserve and general risk reserve available for distribution to investors, with a discretionary surplus reserve of RMB 3.380 billion.
- Appropriation for general risk reserve of RMB 922 million based on 1.5% of the increase in risk assets in 2024;
- Based on the total share capital of 9,644,444,445 ordinary shares as at 31 December 2024, the Bank distributed cash dividends on ordinary shares in the amount of RMB1.93 (tax-inclusive) for every 10 shares, totalling RMB 1.861 billion.

(3) In accordance with the resolution of 2023 Annual General Meeting of Shareholders on 7 June 2024, the profit appropriation plan is as follows:

- No statutory surplus reserves, discretionary surplus reserves, or general risk provisions will be accrued;
- Based on the total issued shares of the company prior to the implementation of this plan, which amounts to 9,644,444,445 shares, cash dividends of RMB 2.39 per 10 shares (tax-inclusive) will be distributed to ordinary shareholders, totaling RMB 2.305 billion in cash dividends.

(4) In accordance with the resolution of 2023 Annual General Meeting of Shareholders on 7 June 2024, the profit appropriation plan is as follows:

- Appropriation for statutory surplus reserve of RMB 1.187 billion based on 10% of the net profit earned by the Bank in 2023;
- Combine the undistributed profits from previous years of the Bank with the net profit realized in 2023 and distribute 10% of the statutory surplus reserve and general risk reserve available for distribution to investors, with a discretionary surplus reserve of RMB 3.320 billion.
- Appropriation for general risk reserve of RMB 810 million based on 1.5% of the increase in risk assets in 2023;
- Based on the total share capital of 9,644,444,445 ordinary shares as at 31 December 2023, the Bank distributed cash dividends on ordinary shares in the amount of RMB 3.79 (tax-inclusive) for every 10 shares, totaling RMB 3.655 billion.

## 34. Net interest income

	The Group		The Bank	
	2025	2024	2025	2024
<b>Interest income</b>				
Loans and advances to customers				
Including: Corporate loans and advances	14,085,716	15,490,468	13,972,303	15,343,331
Individual loans	8,727,480	10,208,855	7,696,848	9,100,414
Discount bills	969,083	1,292,878	969,083	1,292,878
Financial investment	11,637,636	11,906,143	11,604,808	11,867,965
Placements with banks and other financial institutions and financial assets purchased under resale agreements	2,366,669	2,727,480	2,442,813	2,778,246
Interest income from sale and leaseback transactions	1,659,330	1,696,975	-	-
Deposits with central bank	926,908	885,566	900,585	851,072
Interest income from finance leases	407,596	486,321	-	-
Due from banks and other financial institutions	284,493	204,075	203,700	89,470
<b>Subtotal</b>	<b>41,064,911</b>	<b>44,898,761</b>	<b>37,790,140</b>	<b>41,323,376</b>
<b>Interest expense</b>				
Customer deposits	(16,133,760)	(18,507,528)	(15,567,361)	(17,812,125)
Placements from banks and other financial institutions and financial assets sold under repurchase agreement	(2,852,657)	(2,940,352)	(2,181,146)	(2,123,872)
Debt securities issued	(1,828,788)	(2,126,074)	(1,828,788)	(2,126,074)
Loans from the central bank	(879,126)	(1,078,808)	(873,238)	(1,072,312)
Due to banks and other financial institutions	(53,527)	(139,418)	(189,114)	(304,298)
<b>Subtotal</b>	<b>(21,747,858)</b>	<b>(24,792,180)</b>	<b>(20,639,647)</b>	<b>(23,438,681)</b>
<b>Net interest income</b>	<b>19,317,053</b>	<b>20,106,581</b>	<b>17,150,493</b>	<b>17,884,695</b>

## 35. Net fee and commission income

	The Group		The Bank	
	2025	2024	2025	2024
<b>Fee and commission income</b>				
Agency services	1,487,978	1,472,842	1,487,154	1,471,767
Settlement and clearing services	300,620	310,293	300,578	310,262
Consultancy and advisory services	246,696	259,163	250,215	263,911
Electronic banking services	84,728	84,615	84,320	84,304
Guarantee and commitment services	44,998	65,205	44,998	65,205
Bank card services	30,707	53,411	30,656	53,358
Other operating activities	40,251	34,980	52,958	55,717
<b>Subtotal</b>	<b>2,235,978</b>	<b>2,280,509</b>	<b>2,250,879</b>	<b>2,304,524</b>
<b>Fee and commission expenses</b>				
Settlement and clearing services	(125,126)	(113,675)	(120,697)	(109,945)
Agency services	(68,639)	(74,060)	(68,639)	(74,060)
Other operating activities	(41,225)	(50,575)	(31,875)	(41,935)
<b>Subtotal</b>	<b>(234,990)</b>	<b>(238,310)</b>	<b>(221,211)</b>	<b>(225,940)</b>
<b>Net fee and commission income</b>	<b>2,000,988</b>	<b>2,042,199</b>	<b>2,029,668</b>	<b>2,078,584</b>

## 36. Investment income

	The Group		The Bank	
	2025	2024	2025	2024
Financial assets at FVTPL and derivative financial instruments	1,849,298	1,731,836	1,848,830	1,732,482
Financial assets measured at FVOCI	1,833,181	544,450	1,833,181	544,450
Long-term equity investment recognised under equity method	225,332	223,642	225,332	223,642
Precious metals	(523,185)	(62,326)	(523,185)	(62,326)
Profit or loss arising from derecognition of financial assets measured at amortized cost	-	5,940	-	-
Long-term equity investment recognised under cost method	-	-	124,590	123,277
Other	1,425	1,003	1,425	1,003
<b>Total</b>	<b>3,386,051</b>	<b>2,444,545</b>	<b>3,510,173</b>	<b>2,562,528</b>

### 37. Gain from changes in fair value

	The Group		The Bank	
	2025	2024	2025	2024
Financial assets held for trading and precious metals	258,051	1,200,940	255,504	1,199,214
Derivative financial instruments	52,645	(57,661)	52,645	(57,661)
Loans and advances at FVTPL	(517)	494	(517)	494
Financial liabilities held for trading	(20,667)	548	(20,667)	548
<b>Total</b>	<b>289,512</b>	<b>1,144,321</b>	<b>286,965</b>	<b>1,142,595</b>

### 38. General and administrative expenses

	The Group		The Bank	
	2025	2024	2025	2024
Employee benefits	5,472,900	5,726,662	4,948,040	5,234,752
Office and administrative expense	1,942,814	2,060,803	1,814,362	1,926,963
Depreciation of fixed assets	616,503	593,473	582,405	570,259
Depreciation of right-of-use assets	241,893	252,918	211,406	217,551
Amortisation of intangible assets	197,699	170,527	195,220	168,358
Amortisation of long-term deferred expenses	33,997	33,849	22,224	22,864
Rental expenses	13,649	16,039	11,410	10,433
<b>Total</b>	<b>8,519,455</b>	<b>8,854,271</b>	<b>7,785,067</b>	<b>8,151,180</b>

### 39. Credit losses

	The Group		The Bank	
	2025	2024	2025	2024
Loans and advances measured at amortized cost	1,240,519	1,951,986	1,054,017	1,691,797
Loans and advances at FVOCI	117,953	181,613	117,953	181,613
Debt investments	118,964	8,719	119,006	8,731
Other debt investments	127,555	3,768	127,555	3,768
Finance lease receivables and long-term receivables	206,860	285,513	-	-
Provisions	156,696	45,028	156,696	45,028
Others	61,713	(8,339)	29,375	(10,857)
<b>Total</b>	<b>2,030,260</b>	<b>2,468,288</b>	<b>1,604,602</b>	<b>1,920,080</b>

#### 40. Income tax expenses

	The Group		The Bank	
	2025	2024	2025	2024
Current income tax	2,683,016	2,574,598	2,421,528	2,268,914
Deferred income tax	(359,214)	(208,729)	(355,674)	(162,495)
<b>Total</b>	<b>2,323,802</b>	<b>2,365,869</b>	<b>2,065,854</b>	<b>2,106,419</b>

Reconciliation of income tax expenses to accounting profit is as follows:

	The Group		The Bank	
	2025	2024	2025	2024
Profit before tax	14,973,220	14,973,478	14,085,995	14,109,655
Tax calculated at applicable tax rate	3,743,305	3,743,370	3,521,499	3,527,414
Effect of different tax rates applied by subsidiaries	(2,695)	(5,490)	-	-
Effect of non-taxable income	(1,584,298)	(1,481,827)	(1,607,999)	(1,503,249)
Effect of non-deductible (before tax) expenses and losses	115,093	96,782	110,779	92,391
Tax effect arising from tax filing of prior year	41,676	(11,752)	41,558	(10,458)
Others	10,721	24,786	17	321
<b>Income tax expenses</b>	<b>2,323,802</b>	<b>2,365,869</b>	<b>2,065,854</b>	<b>2,106,419</b>

#### 41. Earnings per share

##### The Group

	2025	2024
Net profit attributable to the Bank's shareholders (RMB'000)	12,312,825	12,288,156
Weighted average number of ordinary shares outstanding ('000 shares)	9,644,444	9,644,444
Basic earnings per share and diluted earnings per share (in RMB)	1.28	1.27

## 42. Supplement to the cash flow statement

### (1) Reconciliation of net profit to cash flows from operating activities:

	The Group		The Bank	
	2025	2024	2025	2024
Net profit	12,649,418	12,607,609	12,020,141	12,003,236
Add: Credit losses	2,030,260	2,468,288	1,604,602	1,920,080
Impairment losses	4,670	1,139	15,515	-
Depreciation of fixed assets	616,503	597,926	582,405	570,259
Depreciation of right-of-use assets	241,893	252,918	211,406	217,551
Amortisation of intangible assets	197,699	170,527	195,220	168,358
Amortisation of long-term deferred expenses	33,997	33,849	22,224	22,864
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(348,839)	(549,665)	(348,727)	(549,710)
Gains from changes in fair value	(289,512)	(1,144,321)	(286,965)	(1,142,595)
Investment income	(2,076,396)	(822,109)	(2,200,986)	(939,446)
Interest income from securities and other investments	(11,637,636)	(11,906,143)	(11,604,808)	(11,867,965)
Interest expenses of issued debt securities	1,828,788	2,126,074	1,828,788	2,126,074
Interest expenses from lease liabilities	17,551	21,122	14,493	17,157
Net exchange gains	498,268	(132,970)	498,268	(132,970)
Increase in deferred tax assets	(359,214)	(208,729)	(355,674)	(162,495)
Increase in operating receivables	(59,595,461)	(52,285,301)	(58,897,808)	(51,977,428)
Increase in operating payables	44,816,643	99,972,783	46,058,365	100,856,108
Net cash flows from operating activities	(11,371,368)	51,202,997	(10,643,541)	51,129,078

### (2) Change in cash and cash equivalents:

	The Group		The Bank	
	2025	2024	2025	2024
Cash and cash equivalents at the end of the year	46,560,379	34,245,715	42,821,787	28,846,222
Less: Cash and cash equivalents at the beginning of the year	(34,245,715)	(29,272,508)	(28,846,222)	(24,211,395)
Net increase in cash and cash equivalents	12,314,664	4,973,207	13,975,565	4,634,827

### (3) Details of cash and cash equivalents:

	The Group		The Bank	
	2025	2024	2025	2024
Cash on hand	2,640,955	3,518,235	2,570,754	3,450,383
Deposits with central bank that are not restricted	11,966,249	15,253,552	11,226,822	12,031,681
Amount due from banks and other financial institutions with an original maturity of three months or less	21,174,038	11,510,220	18,945,074	9,900,450
Placements with banks and other financial institutions with an original maturity of three months or less	10,779,137	3,963,708	10,079,137	3,463,708
Cash and cash equivalents at the end of the year	46,560,379	34,245,715	42,821,787	28,846,222

## VI. Collaterals

### 1. Assets pledged

The Group's secured liabilities relating to assets pledged as collateral are loans from the central bank, financial assets sold under repurchase agreement, customer deposits, the carrying amount of financial liabilities as at 31 December 2025 were RMB 157,701,731 thousand (interest accrued not included) (31 December 2024: RMB 170,846,795 thousand). In addition, secured liabilities include bonds leased by the Group as a lessee via bond lending operations, which are conducted under normal commercial terms.

The assets pledged as collateral above include bonds and notes, and the classification of asset items includes debt investments and other debt investments. As at 31 December 2025, the carrying amount of assets pledged as collateral (interest accrued not included) was RMB179,039,704 thousand (31 December 2024: RMB191,042,708 thousand).

### 2. Collateral accepted

As at 31 December 2025, The Group and the Bank conduct financial assets purchased under resale agreements and bond lending transactions in accordance with general commercial terms. The total fair value of collateral that can be sold or reused as collateral in the absence of default by the collateral owner is Nil (31 December 2024: Nil).

## VII. Transfer of financial assets

In the normal course of business, the Group may transfer recognised financial assets to a third party in the course of a transaction. The Group either recognises these transferred financial assets in full, to the extent of its continuing involvement, or derecognises them in full.

### 1. Credit asset transfers

For the year ended 31 December 2025, the Group directly transferred credit assets amounting to RMB 220,909 thousand to third parties, and these have been derecognised (2024: Nil).

### 2. Securities lending transactions

For securities lending transactions, counterparties may sell the securities or use them as collaterals as long as the Group does not default but shall return the securities to the Group upon the maturity dates set forth in the related agreements. For these transactions, the securities are not derecognised as the Group has retained almost all the risks and returns thereon. As at 31 December 2025, the carrying amount of assets transferred by the Group in the securities lending transaction was RMB10,500,000 thousand (31 December 2024: RMB11,180,000 thousand).

### 3. Sales and repurchase agreements

Sales and repurchase agreements ("repurchase agreements") are transactions in which the Group sells a financial asset and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. As the repurchase prices are fixed, the Group continues to be exposed to substantially all of the credit and market risks and rewards of the securities sold. These securities, which the Group has no ability to use during the life of the agreements, are not derecognised from the financial statements, but are considered to be "collateral" for the secured loans, as the Group retains substantially all the risks and rewards of the securities. The Group recognises financial liability for cash received. For all these arrangements, the counterparties have recourse not only to the transferred financial assets.

As at 31 December 2025 and at 31 December 2024, the Group had transactions under repurchase agreements, and the proceeds from the sales of these securities are presented as "financial assets sold under repurchase agreements" (see Note V. 21).

In the case of a repurchase agreement transaction with a sell-out element, the rights to the underlying assets are transferred to the

counterparty. As at 31 December 2025, the transferred financial assets not yet derecognised by the Group and the Bank include debt investments and other debt investments with a total carrying amount of RMB 99,126 thousand, and the related liabilities with a total carrying amount of RMB 94,819 thousand. (As at 31 December 2024, the Group and the Bank held transferred financial assets that had not been derecognized, including debt investments and other debt investments. The combined carrying amount of these assets was RMB 889,349 thousand, and the combined carrying amount of the related liabilities was RMB 844,768 thousand ).

## VIII. Interests in other entities

### 1. Subsidiaries

For information about the subsidiaries of the Group, refer to Note V.12.1.

### 2. Associates

For information about the associates of the Group, refer to Note V. 12.2.

### 3. Interests in structured entities

The Group manages and invests in several structured entities, including funds, trusts, asset management plans, asset-backed securities and wealth management products. The Group determines whether it controls a structured entity by assessing the influence of decision making and extent of participation in the establishment of the structured entity; its overall economic interest (both gain from direct holding and expected management fees) set out in related arrangements; as well as the extent of its decision-making power over the structured entity. The Group considers that it has control of a structured entity and includes the structured entity within the scope of the Group's consolidated financial statements when the Group has power over the structured entity through arrangements such as investment contracts and access to variable returns through participation in the relevant activities of the structured entity, and the ability to influence the variable returns of the structured entity. The Group is not required to include a structured entity in the consolidated financial statements if the Group does not have significant power over the principal activities of the structured entity, or if the percentage of economic interest held by the Group in the structured entity is insignificant such that the Group acts as an agent rather than as the primary responsible party to the structured entity.

As at 31 December 2025, structured entities included in the consolidation scope by the Bank were RMB 46,594,880 thousand, and was under "financial assets held for trading" on the balance sheet (31 December 2024: RMB 56,492,116 thousand).

#### (1) Information about structured entities not included in the consolidated financial statements:

The Group did not include the following structured entities in the consolidated financial statements: funds, trusts, asset management plans, asset-backed securities provided by third parties, and wealth management products provided by the Group. The nature and purpose of these structured entities are to manage assets on behalf of investors. These structured entities are financed by issuing investment products to investors. The Group's interest in these structured entities mainly includes income from direct holding or management fees arising from the provision of management services to these structured entities.

The Group has not included the above-mentioned structured entities in the consolidated financial statements based on the definition of control as described in Note III. 4(1), the relevant agreements and the Group's investment in the structured entities.

#### (2) Interest in unconsolidated structured entities sponsored by third parties:

The Group holds interests in structured entities sponsored by third-party institutions through direct investments. As at the balance sheet date, the Group's interests in structured entities sponsored by third-party institutions that are not included in the scope of the consolidated financial statements through directly held investments are represented in the Group's consolidated balance sheet under the relevant asset and liability items and their carrying value / maximum exposure to losses as follows:

	As at 31 December 2025			
	Financial assets held for trading	Debt investments	Other debt investments	Total
Funds	26,503,252	-	-	26,503,252
Asset-backed securities	332,983	-	700,176	1,033,159
Others	104,119	-	-	104,119
<b>Total</b>	<b>26,940,354</b>	<b>-</b>	<b>700,176</b>	<b>27,640,530</b>

	As at 31 December 2024			
	Financial assets held for trading	Debt investments	Other debt investments	Total
Funds	18,326,331	-	-	18,326,331
Trusts and asset management products	-	-	-	-
Asset-backed securities	272	1,397	203,808	205,477
<b>Total</b>	<b>18,326,603</b>	<b>1,397</b>	<b>203,808</b>	<b>18,531,808</b>

The maximum exposure to loss on funds and asset management products at year end is equal to their fair value at the balance sheet date. The maximum exposure to loss on trusts, asset management plans and asset-backed securities at the end of the year is equal to their fair value or amortised cost at the balance sheet date in accordance with the line items of these assets recognised in the balance sheet.

### (3) Interest in the unconsolidated structured entities sponsored by the Group

The Group is a sponsor of a structured entity if both of the following criteria are met: the Group has had a significant influence in initiating the establishment of the structured entity or in organising other interested parties to jointly establish the structured entity, and

and the structured entity is an extension of the Group's principal activities and the structured entity maintains a close business relationship with the Group.

Unconsolidated structured entities sponsored by the Group are mainly financial products provided by the Group and the Group's interest in them is mainly the management fee and other service fees for managing these structured entities.

As at 31 December 2025, the balance of unconsolidated structured entities sponsored by the Group was RMB 156,524,263 thousand (31 December 2024: RMB 178,395,952 thousand).

### (4) Unconsolidated structure entities sponsored by the Group during the year and in which the Group holds no interest as at 31 December 2025

Fee and commission income arising from wealth management products provided by the Group in 2025 and due by the year then ended was not material (2024: not material).

## IX. Segment reporting

Products and services provided by each segment reporting of the Group are mainly corporate banking, personal banking, financial markets and other business.

Corporate banking services include corporate deposit taking, corporate lending, corporate wealth management, trade-related products and payments, agency and commissions.

Personal banking includes personal deposits, personal loans, personal wealth management, bank cards, payments and agency.

Financial markets business includes money market transaction, transaction under repurchase agreement, bond investment, interest rate and precious metals derivatives trading, and inter-bank wealth management.

Other business are those cannot form a separate segment or service cannot be allocated on a reasonable basis.

Segment accounting policies are consistent with those used to prepare the consolidated financial statements.

### The Group

	2025				
	Corporate banking business	Personal banking business	Financial market business	Other businesses	Total
<b>I. Operating Income</b>	11,986,391	10,423,203	6,044,530	(2,583,635)	25,870,489
Net interest income	11,173,462	9,190,216	2,245,414	(3,292,039)	19,317,053
Including: External net interest income / (expense)	9,205,391	(338,111)	10,256,355	193,418	19,317,053
Internal net interest income / (expense)	1,968,071	9,528,327	(8,010,941)	(3,485,457)	-
Net fee and commission income / (expense)	684,684	1,227,664	127,707	(39,067)	2,000,988
Investment income	2,568	1,031	3,093,795	288,657	3,386,051
Other income	-	-	-	43,632	43,632
Gains from changes in fair value	9,466	-	277,498	2,548	289,512
Exchange gain	116,211	4,292	300,116	6,232	426,851
Other operating income	-	-	-	57,563	57,563
Gains from asset disposals	-	-	-	348,839	348,839
<b>II. Operating expenses</b>	(3,932,584)	(5,742,552)	(992,593)	(213,621)	(10,881,350)
Taxes and surcharges (accrual) / reversal	(132,432)	(126,677)	(82,808)	31,291	(310,626)
General and administrative expenses	(4,333,675)	(3,497,013)	(479,663)	(209,104)	(8,519,455)
Credit losses reversal / (accrual)	533,523	(2,118,862)	(430,122)	(14,799)	(2,030,260)
Loss from impairment of assets	-	-	-	(4,670)	(4,670)
Other operating expenses	-	-	-	(16,339)	(16,339)
<b>III. Operating profit</b>	8,053,807	4,680,651	5,051,937	(2,797,256)	14,989,139
Add: Non-operating income	-	-	-	70,815	70,815
Less: Non-operating expenses	-	-	-	(86,734)	(86,734)
<b>IV. Profit before income tax</b>	8,053,807	4,680,651	5,051,937	(2,813,175)	14,973,220

	2025				
	Corporate banking business	Personal banking business	Financial market business	Other businesses	Total
Total assets	486,197,933	239,353,661	778,271,897	83,842,772	1,587,666,263
Total liabilities	(520,646,722)	(637,962,671)	(250,983,204)	(45,793,372)	(1,455,385,969)

	2024				
	Corporate banking business	Personal banking business	Financial market business	Other businesses	Total
<b>I. Operating Income</b>	12,538,513	10,558,551	4,058,986	(514,706)	26,641,344
Net interest income	11,791,907	9,328,089	551,404	(1,564,819)	20,106,581
Including: External net interest income / (expense)	9,934,198	(200,828)	10,207,537	165,674	20,106,581
Internal net interest income / (expense)	1,857,709	9,528,917	(9,656,133)	(1,730,493)	-
Net fee and commission income / (expense)	741,688	1,228,209	105,420	(33,118)	2,042,199
Investment income	(65,510)	(1,365)	2,137,236	374,184	2,444,545
Other income	-	-	-	98,138	98,138
Gains from changes in fair value	(22,216)	-	1,164,811	1,726	1,144,321
Exchange gain	92,644	3,618	100,115	16,622	212,999
Other operating income	-	-	-	42,896	42,896
Gains from asset disposals	-	-	-	549,665	549,665
<b>II. Operating expenses</b>	(4,455,338)	(5,999,653)	(702,634)	(487,809)	(11,645,434)
Taxes and surcharges (accrual) / reversal	(131,759)	(122,367)	(56,100)	5,435	(304,791)
General and administrative expenses	(4,326,550)	(3,541,222)	(510,179)	(476,320)	(8,854,271)
Credit losses reversal / (accrual)	2,971	(2,336,064)	(136,355)	1,160	(2,468,288)
Loss from impairment of assets	-	-	-	(1,139)	(1,139)
Other operating expenses	-	-	-	(16,945)	(16,945)
<b>III. Operating profit</b>	8,083,175	4,558,898	3,356,352	(1,002,515)	14,995,910
Add: Non-operating income	-	-	-	36,695	36,695
Less: Non-operating expenses	-	-	-	(59,127)	(59,127)
<b>IV. Profit before income tax</b>	8,083,175	4,558,898	3,356,352	(1,024,947)	14,973,478

	2024				
	Corporate banking business	Personal banking business	Financial market business	Other businesses	Total
Total assets	439,528,092	261,687,984	704,770,339	81,823,080	1,487,809,495
Total liabilities	(493,889,011)	(600,690,100)	(218,660,971)	(46,587,582)	(1,359,827,664)

## X. Commitments and contingencies

### 1. Credit commitment

The Group's credit commitment include credit limit for loan and credit card, bank acceptance bill, financial guarantee and letter of credit.

The contractual amount of credit commitment for loan or credit card is the full amount available to the borrower and card holder. The contractual amount of a letter of guarantee and letter and credit is the maximum loss when the other party fails to fulfil its contractual obligations. A bank acceptance bill is the redemption commitment made by the Group to the draft issued by the customer.

As the loan and credit facility may not be fully drawn before maturity, the amounts below may not represent the expected future cash outflows.

	The Group	
	2025	2024
Credit commitment for loan or credit card (Irrevocable loan)	68,374,666	65,827,477
Bank acceptance bills	19,807,634	22,258,961
Issuance of letter of guarantee	7,632,840	6,425,563
Issuance of letter of credit	15,628,923	14,254,473
Total	111,444,063	108,766,474

### 2. Capital expenditure commitments

At balance sheet dates, capital expenditure commitments of the Group are summarised as follows:

	The Group	
	2025	2024
Authorised but not contracted for	68,703	144,904
Contracted but not provided for	142,984	72,136
Total	211,687	217,040

### 3. Finance leases commitments

	The Group	
	2025	2024
Finance leases commitments	1,175,655	795,114

Finance lease commitments represent the contractual amounts of finance leases entered into by the Group as lessor as at 31 December 2025 and 2024 and where the lease has not yet commenced.

### 4. Operating lease commitments

As at 31 December 2025, potential future cash outflows not included in lease liabilities where the Group is the lessee were immaterial (31 December 2024: immaterial).

### 5. Bond underwriting and payment commitments

As at 31 December 2025, the Group has no commitment to underwrite bonds that have not yet matured (31 December 2024: Nil).

The Group underwrites treasury bonds. Bonds holder has a right to redeem the bonds at par at any time prior to maturity and the Group is required to pay the principal at face value and interest payable due on the redemption date. Interest payable to holder is calculated on the basis of the calculation method promulgated by the MOF and the People's Bank of China. The redemption amount may differ from the fair value of similar bonds available in the market as at the redemption date.

As at the balance sheet date, the Group's commitments for the redemption of treasury bonds that have been underwritten, sold but not yet matured at par value are as follows:

	2025	2024
Redemption commitments	3,462,015	2,811,097

## 6. Outstanding litigation and dispute

As at 31 December 2025, pending litigation and disputes in which the Group is a defendant amounted to RMB 72 million (31 December 2024: RMB 6 million). The Group is of the opinion that the aforementioned litigation and disputes will not have a material adverse effect on the financial or operational results of the Group.

## XI. Entrusted loans

	The Group	
	2025	2024
Entrusted loans	67,054,518	75,967,062
Entrusted loan funds	67,054,518	75,967,062

## XII. Risk management of financial instruments

The Group's operations expose it to a variety of financial risks and the Group analyses, evaluates, assumes and manages risks or portfolios of risks at a certain level. Risk management is critical to the financial industry, while commercial activity inevitably involves operational risk. The Group aims to achieve an appropriate balance between risk and return and to minimise any potential adverse impact on the Group's financial performance.

The objective of the Group's risk management is to adopt the advanced risk management theories based on the stable risk management strategy determined by the Board of Directors, establish a risk management system that is suitable for the Group's market positioning, local credit environment, and matching the development of the Group, continuously improve the ability to identify, measure, monitor and control various risks, to effectively control the risks at an acceptable level, and ensure that the business management activities are in compliance with laws and regulations, convenient and efficient, operated stably, and can effectively prevent and reduce operating risks, and maintain the capital security of the Group and achieve continuous and stable value-added.

The Group's Board of Directors is responsible for establishing and maintaining an effective risk management system and has ultimate responsibility for the Group's risk management. The Risk Management Committee, which reports to the Board of Directors, performs risk management functions under the authority of the Board of Directors and formulates the strategy and overall policy with respect to risk management. The executive body of the risk management system is the Group's senior management, which is responsible for implementing the risk management strategy defined by the Board of Directors, implementing the risk management policy and establishing the risk management system and procedures covering all business and management processes.

The Risk Management Department is responsible for the overall risk management of the Group. It is responsible for the day-to-day operation of the risk management system to ensure consistency and effectiveness of overall risk management. It also prepares or assists in the preparation of relevant policies, regulations, procedures, risk control standards and detailed operating rules and submits them to senior management and the Board of Directors for approval. It also organises regular monitoring, analysis and reporting on the effectiveness of the implementation of risk management policies, systems and processes. In addition, the business unit and the branch are the first line of defence against risk and are responsible and accountable for their own risk management and the services they provide.

The Group's credit risk consists primarily of credit risk, market risk and liquidity risk. Market risk mainly includes interest rate risk and foreign currency risk.

## 1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to loans and debt instruments.

The Group is exposed to credit risk when a debtor or counterparty defaults on its contractual obligations or its credit quality deteriorates, resulting in a financial loss to the Group. The Group's credit exposures arise principally from loans, investments, guarantees, acceptance bills and other credit risks related businesses on- and off- balance- sheet.

The credit risk management system of the Group is divided into four levels: the first level is the Board of Directors and its special committee, the Supervisory Board and its special committee; the second level is the senior management and its special committee; the third level is the head office credit risk management function departments; the fourth level is the head office credit risk related business departments, branches and its subordinate special committee and functional departments. The Board of Directors is responsible for establishing and maintaining an effective credit risk management system and bears ultimate responsibility for the credit risk management of the Group. The Supervisory Board is primarily responsible for overseeing the establishment and operation of the Group's credit risk management system. Senior management is responsible for the day-to-day management of the Group's credit risk and reports to the Board in accordance with the credit risk management strategies, policies, preferences and systems approved by the Board.

### 1.1 Credit risk assessment

#### 1.1.1 Loans, finance lease receivables/long-term receivables and credit commitments

The Group formulates a five-grade classification system to measure and manage the quality of its credit assets, including finance lease receivables and long-term receivables. The classification system is based on the *Measures for Credit Risk Classification of Financial assets of Commercial Banks*. The five grades for the balance sheet and off-balance credit assets are pass, special mention, substandard, doubtful and loss. Those in the bottom three grades are considered as "non-performing".

The core definition of credit assets classification by *Measures for Credit Risk Classification of Financial assets of Commercial Banks* is as follows:

Pass: Borrower or lessee is able to meet its contractual obligations and there is no uncertainty as to whether principal and interest payments will be made on time.

Special Mention: Borrower or lessee is currently able to make principal and interest payments, although there are some potential factors that may adversely affect the execution of contractual obligations.

Substandard: Borrower or lessee is unable to pay the principal and interest payments in full, or the financial assets have suffered credit impairment.

Doubtful: Borrower or lessee has been unable to pay the principal and interest payments in full, or the financial assets have suffered significant credit impairment.

Loss: Only a small portion or none of the principal and interest can be recovered after taking all possible measures.

#### 1.1.2 Bonds and other bills

In accordance with its own risk-bearing capacity and the qualifications of issuers, the Group carries out quota management, sets standards for bond investment according to the principle of risk return balance. The Group continuously optimizes the internal rating system, provides effective technical support for bond access, continually refines the post-investment management requirements, and emphasizes on continuous risk monitoring and timely risk alert.

#### 1.1.3 Placements with banks and other financial institutions

The Group has established strict standards for the acceptance of financial institutions by setting rating standards, and tracks changes in the accreditation of financial institutions.

#### 1.1.4 Wealth management products

The Group has established standards for the acceptance of asset management plan issuers and thoroughly manages the allocation of the asset management plan's assets, from the perspective of "substance over form", determines the recipients of the quota allocation, as well as continuously monitoring changes in the issuer's institutional qualifications.

## 1.2 Risk limit control and mitigation measures

The Group manages, limits and controls concentrations of credit risk wherever they are identified, in particular, to individual counterparty, group and industry.

The Group sets limits on each borrower, group and industry to optimize credit risk structure. Risks mentioned- above are monitored when appropriate and reviewed annually or more frequently as deemed necessary.

Exposure to Credit risk is also managed through regular analysis of the ability of borrowers to meet principal and interest repayment obligations. The Group will update their lending limits when appropriate based on the analysis.

Some other specific control and mitigation measures are as follows:

### 1.2.1 Loans

The Group has a number of policies and practices in place to mitigate credit risk, one of the more significant measures is obtaining collateral, deposits and guarantees from corporate borrower or personal borrower. The Group implements guidelines on the acceptance of specific classes of collateral. The principal of types of collateral are as follows:

- Financial collateral, e.g. cash and cash equivalents, precious metals, bonds and bills
- Real estate, e.g. commercial real estate, residential real estate and construction in progress
- Accounts receivable, e.g. trading accounts receivable, and rental receivable
- Other collaterals, e.g. letters of credit, machinery and equipment, and transportations

Fair value of collaterals is usually required to be assessed by professional evaluator designated by the Group. To mitigate the credit risk, the Group sets limit on the highest collateral ratio (the ratio of loan amount to the fair value of collateral) for difference types of collateral. The principal collateral types for corporate loans and individual loans are as follows:

Collateral	Maximum ratio (%)
Time deposit	85.00 - 100.00
Certificate treasury bonds	90.00 - 100.00
Financial bond	90.00
Corporate bond	80.00
Commercial building and factory	50.00 - 70.00
Housing and land use rights	60.00 - 70.00

For loans guaranteed by a third- party guarantor, the Group will assess the financial condition, credit history and ability to meet obligations of the guarantor.

Collateral held as security for other financial assets other than loans is determined by the nature of the instrument. Debt securities, certificate treasury bonds and other eligible bills are generally unsecured.

### 1.2.2 Credit-related commitments

The primary purpose of these credit- related commitments is to ensure that funds are available to a customer as required. Issued letters of guarantee, letters of credit and acceptance bill represent irrevocable assurances that the Group will make payments in event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans, and guarantee deposits are received by the Group to lessen the credit risks of the service provided by the Group when the amount of credit commitment applied by the customer exceeds the original credit limit. The Group's potential amount of credit risk is equivalent to the total amount of credit commitments.

## 1.3 Credit risk impairment analysis and provision policy

### 1.3.1 Risk stages of financial instruments

The Group applies a 'three- stage model' for measuring ECLs for financial instruments based on whether the credit risk of a financial instrument has increased significantly since initial recognition or whether it has become credit- impaired:

Stage 1: For financial instruments with no significant increase in credit risk since initial recognition, the 12 months ECL shall be recognized;

Stage 2: For financial instruments with significant increase in credit risk since initial recognition but no objective evidence of impairment, the lifetime expected credit loss shall be recognized;

Stage 3: For financial instruments with objective evidence of impairment at the balance sheet date, the lifetime expected credit loss shall be recognized.

### 1.3.2 Significant increases in credit risk

In classifying the risk stages of financial instruments, the Group takes full account of all reasonable and evidence-based information, including forward-looking information which reflects whether there has been a significant change in its credit risk. Main considerations include regulatory and economic environment, internal and external credit risk ratings, solvency, operating capacity, loan agreement terms and repayment activities. The Group compares the risk of default on the initial recognition date and on the balance sheet date of a financial instrument to determine the change in the risk of default over the expected life of the instrument. The Group assesses, at least quarterly, whether the credit risk of the relevant financial instrument has increased significantly since the initial recognition. By setting qualitative and quantitative criteria, the Group determines whether the credit risk of a financial instrument has increased significantly since the initial recognition. When one or more of the following criteria are met, the Group believes that the credit risk of financial instruments has increased significantly:

- The principal or interest of the debt is overdue for more than 30 days;
- Since initial recognition, the classification of credit risk transferred from Pass to Special Mention;
- Significant deterioration in the credit rating of the debtor since initial recognition;
- Significant adverse changes in the debtor's operating or financial position;
- Other circumstances identified by the Group as indicative of a significant increase in credit risk.

The Group regularly reviews whether the evaluation criteria are applicable to the current situation.

### 1.3.3 Judgement criteria for incurred credit impairment

In determining whether a credit impairment occurs, the Group adopts criteria consistent with internal credit risk management objectives for the relevant financial instruments, taking into account both quantitative and qualitative indicators. In assessing whether a debtor has suffered a credit impairment, the Group takes into account the following factors:

- The internal rating of the customer is a default ;
- The debtor is more than 90 days overdue after the date of payment of the contract;
- The Group, for economic or contractual reasons relating to the financial difficulties of the debtor, grants the debtor concessions which are normally unwilling to make;
- The Group realizes that the debtor may not be able to repay its debts to the bank in full unless recourse measures such as the realization of the collateral are taken;
- The disappearance of an active market for the financial asset because of significant financial difficulties of the debtor;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or

Other objective evidence indicating impairment of the financial asset.

### 1.3.4 Risk grouping

The Group assesses ECLs on credit risk exposures on an individual or portfolio basis. When assessing ECLs on a portfolio basis, the Group assigns assets with similar credit risk characteristics to the same group. Key factors to consider when grouping include the type of transaction, the type of customer, the industry to which the customer belongs, Customer scale, risk mitigation methods, market distribution and other information. The Group yearly reviews the appropriateness of grouping.

### 1.3.5 Measurement parameters of ECL

The Group estimates the Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD) for each single debt of future periods to determine the credit impairment loss. The expected credit loss is the result after discounting the product of the probability of default, loss given default and exposure at default.

The key parameters used for measuring ECL are:

- PD: is an estimate of the likelihood of default over future 12 months or lifetime horizon;
- LGD: is the proportion of the loss arising on default to the exposure at default;
- EAD: is the amount that the Group should be paid in the event of default in the future 12 months or the lifetime.

These figures are generally derived from internally developed statistical models and other historical data.

During the reporting period, there is no significant changes in evaluation techniques or key assumptions.

### 1.3.6 Forward-looking information

The Group uses macroeconomic forward- looking information during the calculation of expected credit loss.

Through the analysis of historical data, the Group identifies key economic indicators that affect credit risk and expected credit loss in various business types, such as gross domestic product (GDP), Consumer Price Index (CPI). The Group evaluates these indicators on a regular basis and analyses the relationship between these key economic indicators and the probability of default using the regression model, and assesses the forward looking impact of the movement in these indicators on the expected credit loss is calculated.

Based on macroeconomic statistical analyses and expert judgements, the Group calculates weighted provision for expected credit loss under optimistic, benchmark and pessimistic macroeconomic scenarios and its weight. At the end of 2025, the optimistic, benchmark and pessimistic macroeconomic scenarios have similar weightings.

The Group regularly evaluates and forecasts the macroeconomic indicators used in the forward- looking expected credit loss model. Taking the cumulative year- on - year growth rate of gross domestic product (GDP) and the current month growth rate of consumer Price Index (CPI) as examples, the Group predicts that the cumulative year- on- year growth rate of GDP will be 4.84% under the 2026 benchmark scenario, the current month growth rate of CPI will be 0.46% under the benchmark scenario of 2026.

Similar to other economic forecasts, the estimates of expected economic indicators and likelihood of occurrence are subject to a high degree of inherent uncertainty, and therefore actual results may differ from forecasts. The Group believes that these forecasts reflect the Group's best estimate of likely outcomes.

## 1.4 Maximum exposure to credit risk before collateral held or other credit enhancements

### The Group

	2025	2024
Credit risk exposures relating to balance sheet items:		
Cash and deposits with central bank	72,109,155	72,922,497
Deposits with banks and other financial institutions	24,419,302	16,627,454
Placements with banks and other financial institutions	77,363,567	53,683,897
Derivative financial assets	7,843,167	4,774,385
Financial assets purchased under resale agreements	32,922,952	27,155,019
Loans and advances to customers	750,433,414	731,185,347
Financial assets held for trading	59,138,453	51,633,537
Debt investments	205,762,238	186,537,759
Other debt investments	290,343,496	285,584,050
Finance lease receivables	8,121,083	7,527,254
Long-term receivables	36,388,325	31,979,353
Other financial assets	2,247,322	1,257,527
<b>Sub-total</b>	<b>1,567,092,474</b>	<b>1,470,868,079</b>
Credit risk exposures relating to off-balance-sheet items:		
Credit commitments for loans	68,374,666	65,827,477
Bank acceptance bills	19,807,634	22,258,961
Issuance of letter of guarantee	7,632,840	6,425,563
Issuance of letter of credit	15,628,923	14,254,473
<b>Sub-total</b>	<b>111,444,063</b>	<b>108,766,474</b>
<b>Total</b>	<b>1,678,536,537</b>	<b>1,579,634,553</b>

The tables above represent the maximum exposure to credit risk before collateral held or other credit enhancements.

## 1.5 Credit quality analysis of financial instruments included in impairment assessment

As at 31 December 2025, the Group's financial assets are classified by risk stage as follows:

	2025							
	Book value				Expected credit impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Cash and deposits with central bank	72,109,155	-	-	72,109,155	-	-	-	-
Deposits with banks and other financial institutions	24,427,918	-	-	24,427,918	(8,616)	-	-	(8,616)
Placements with banks and other financial institutions	77,551,798	-	-	77,551,798	(188,231)	-	-	(188,231)
Financial assets purchased under resale agreements	32,960,093	-	-	32,960,093	(37,141)	-	-	(37,141)
Loans and advances to customers	585,368,512	47,264,364	7,456,383	640,089,259	(11,155,134)	(6,612,004)	(6,063,477)	(23,830,615)
Financing lease receivables	7,919,346	653,981	32,034	8,605,361	(272,880)	(196,981)	(14,417)	(484,278)
Long-term receivables	35,210,176	2,175,622	486,322	37,872,120	(556,340)	(605,596)	(321,859)	(1,483,795)
Financial investment	206,068,617	-	-	206,068,617	(306,379)	-	-	(306,379)
<b>Subtotal</b>	<b>1,041,615,615</b>	<b>50,093,967</b>	<b>7,974,739</b>	<b>1,099,684,321</b>	<b>(12,524,721)</b>	<b>(7,414,581)</b>	<b>(6,399,753)</b>	<b>(26,339,055)</b>
Financial assets measured at FVOCI								
Loans and advances to customers	128,236,953	14,720	-	128,251,673	(507,434)	(249)	(7,323)	(515,006)
Financial investment	290,141,517	201,979	-	290,343,496	(409,038)	(43,214)	-	(452,252)
<b>Subtotal</b>	<b>418,378,470</b>	<b>216,699</b>	<b>-</b>	<b>418,595,169</b>	<b>(916,472)</b>	<b>(43,463)</b>	<b>(7,323)</b>	<b>(967,258)</b>
Credit commitment	105,870,386	5,570,595	3,082	111,444,063	(532,477)	(373,720)	-	(906,197)
<b>Total</b>	<b>1,565,864,471</b>	<b>55,881,261</b>	<b>7,977,821</b>	<b>1,629,723,553</b>	<b>(13,973,670)</b>	<b>(7,831,764)</b>	<b>(6,407,076)</b>	<b>(28,212,510)</b>

As at 31 December 2024, the Group's financial assets are classified by risk stage as follows:

	2024							
	Book value				Expected credit impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Cash and deposits with central bank	72,922,497	-	-	72,922,497	-	-	-	-
Deposits with banks and other financial institutions	16,646,648	-	-	16,646,648	(19,194)	-	-	(19,194)
Placements with banks and other financial institutions	53,826,250	-	-	53,826,250	(142,353)	-	-	(142,353)
Financial assets purchased under resale agreements	27,180,545	-	-	27,180,545	(25,526)	-	-	(25,526)
Loans and advances to customers	573,762,812	34,587,094	7,347,261	615,697,167	(13,845,850)	(5,655,036)	(5,807,399)	(25,308,285)
Financing lease receivables	7,043,574	719,449	187,522	7,950,545	(135,266)	(197,256)	(90,769)	(423,291)

	2024							
	Book value				Expected credit impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Long-term receivables	31,374,444	1,725,367	392,545	33,492,356	(873,377)	(447,402)	(192,224)	(1,513,003)
Financial investment	186,725,174	-	204,401	186,929,575	(187,415)	-	(204,401)	(391,816)
<b>Subtotal</b>	<b>969,481,944</b>	<b>37,031,910</b>	<b>8,131,729</b>	<b>1,014,645,583</b>	<b>(15,228,981)</b>	<b>(6,299,694)</b>	<b>(6,294,793)</b>	<b>(27,823,468)</b>
<b>Financial assets measured at FVOCI</b>								
Loans and advances to customers	137,534,760	30,798	-	137,565,558	(389,387)	(343)	(7,323)	(397,053)
Financial investment	285,380,241	203,809	-	285,584,050	(313,903)	(10,794)	-	(324,697)
<b>Subtotal</b>	<b>422,915,001</b>	<b>234,607</b>	<b>-</b>	<b>423,149,608</b>	<b>(703,290)</b>	<b>(11,137)</b>	<b>(7,323)</b>	<b>(721,750)</b>
Credit commitment	103,333,589	5,428,803	4,082	108,766,474	(445,072)	(304,310)	(119)	(749,501)
<b>Total</b>	<b>1,495,730,534</b>	<b>42,695,320</b>	<b>8,135,811</b>	<b>1,546,561,665</b>	<b>(16,377,343)</b>	<b>(6,615,141)</b>	<b>(6,302,235)</b>	<b>(29,294,719)</b>

Note: The three-level classification does not apply to impairment allowance recognised on other financial assets measured at amortised cost using the practical expedient.

## 1.6 Restructured loans

According to *Measures for Credit Risk Classification of Financial assets of Commercial Banks*, restructured loans refer to loans with adjustments to the contract made by commercial banks in favor of the debtor with financial difficulties in order to urge the debtor to repay its debt, or loans to refinance the debtor's existing debt, including repayment and new financing. As at 31 December 2025, the balance of restructured loans of the Group is RMB 8,649,054 thousand (As at 31 December 2024, the balance of restructured loans of the Group is RMB 2,669,400 thousand). As at 31 December 2025, the balance of restructured loans of the Bank is RMB 8,304,537 thousand (As at 31 December 2024, the balance of restructured loans of the Bank is RMB 2,540,651 thousand).

## 1.7 Credit-impaired loans and advances to customers

Covered or not covered with collaterals and other credit enhancements

### The Group

	2025	2024
Carrying value - covered	879,674	571,972
Carrying value - not covered	513,232	967,890
<b>Total</b>	<b>1,392,906</b>	<b>1,539,862</b>

## 1.8 Bonds and other investments

The Group adopts credit rating method to monitor the credit risk of the debt instrument portfolios. The investment grading of debt instruments is always based on the grading of rating agencies recognized by the PBOC. At the balance sheet date, according to the investment grading, the carrying amount of the financial investment is set out as follows:

### The Group

	2025			Total
	Financial assets held for trading	Debt investments	Other debt investments	
AAA- to AAA+	2,113,247	72,453,548	91,212,213	165,779,008
AA- to AA+	-	-	761,797	761,797
Unrated	57,025,206	133,308,690	198,369,486	388,703,382
<b>Total</b>	<b>59,138,453</b>	<b>205,762,238</b>	<b>290,343,496</b>	<b>555,244,187</b>

	2024			Total
	Financial assets held for trading	Debt investments	Other debt investments	
AAA- to AAA+	1,425,975	55,598,444	94,199,032	151,223,451
AA- to AA+	-	-	1,173,553	1,173,553
Unrated	50,207,562	130,939,315	190,211,465	371,358,342
<b>Total</b>	<b>51,633,537</b>	<b>186,537,759</b>	<b>285,584,050</b>	<b>523,755,346</b>

## 2. Liquidity risk

The Group is exposed to daily calls on its available cash resources from overnight deposits, demand deposits, maturing time deposits, bonds payable, loan draw downs, guarantees and other payment calls. Historical experience shows that a large proportion of the deposits will remain in the Group rather than being withdrawn at maturity. The Group sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of interbank and other borrowing facilities that should be in place to cover withdrawals in the event of unexpected demand.

The Group is required to maintain certain percentage of RMB and foreign currency customer deposits with the PBOC, which are restricted for the Group's daily operation.

Maintaining a matching maturity structure of assets and liabilities and effectively managing matching differences is of paramount importance to the Group's management. A bank is seldom able to match assets and liabilities exactly, as transactions are often of uncertain duration and involve different types of business.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature are important factors in assessing the liquidity of Banks and their exposure to changes in interest rates and exchange rates.

The Group provides guarantees and issues letters of credit based on customers' creditworthiness and deposit amount. Customers usually do not fully withdraw the amount of letter of guarantees or letter of credit provided by the Group, the cash amount required is generally lower than the guaranteed amount. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

The Group has administrative measures in place for liquidity risk management to standardise liquidity management policies and procedures. Liquidity risk management system of the Group is mainly divided into three levels. The first level is the Board of Directors and its special committee; the second level is the senior management and its special committee; the third level is the functional departments of the head office and the branches. The Board of Directors shall bear the ultimate responsibility for liquidity risk management, examine and approve liquidity risk preferences, liquidity risk management strategies, important policies and procedures, etc. Senior management is responsible for carrying out the specific management responsibilities and defining the organizational structure of liquidity risk management. It also formulates, regularly assesses and monitors the implementation of liquidity risk preferences, liquidity risk management strategies, policies and procedures. And senior management is responsible for organizing the implementation of specific liquidity risk management, and reporting to the Board of Directors on the status of liquidity risk with regular understanding of the management work. Asset and Liability Management department of the head office is responsible for leading the liquidity risk management, and the risk management department of the head office is responsible for integrating liquidity risk into the overall risk management system. The Audit Department of the head office shall perform the audit duties and carry out a comprehensive audit of the liquidity risk management.

The Group adheres to the prudent liquidity management strategy. Through the establishment of a scientific and overall liquidity risk management system, the Group implements effective identification, measurement, monitoring and reporting of liquidity risk. By formulating liquidity risk management policies in accordance with regulatory requirements, external macro-operating environment and business development, the Group effectively promises balance liquidity, safety and efficiency under the premise of ensuring liquidity safety.

The liquidity risk preference of the Group is prudent and well adapted to the current development stage of the Group. The current liquidity risk management policy and system basically meet the regulatory requirements and the Group's own management needs.

Liquidity risk management includes daily basic work such as large amount forecast management, reserve management, liquidity supervision index measurement, monitoring and controlling, asset-liability matching management, etc., and liquidity emergency management, stress testing and other sudden risk management. Daytime liquidity risk management based on the funds position management system, daily liquidity risk management and stress testing based on the asset liability management system.

Taking into account the external market environment and its own business characteristics, the Group develops stress test plans annually, and conducts regular stress tests to assess whether the Group can cope with the liquidity requirements in extreme situations. Besides the annual stress tests required by the Regulatory agencies, the Group also conducts stress tests on a quarterly basis. The test results show that the liquidity risk of the Group is always in controllable range under the set stress scenario and multiple scenario stress assumptions.

In addition, the Group develops a liquidity contingency plan to timely conduct liquidity contingency exercises in case of a liquidity crisis. On this basis, the Group establishes a regular reporting mechanism on liquidity risk to timely report to the Board and senior management the updated liquidity risk.

(1) Contractual undiscounted cash flow analysis

The Group

	2025								
	Contractual cash flow	Undated	Overdue	On demand	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
Non-derivative financial assets									
Cash and balances with central bank	72,109,155	57,472,364	-	14,636,791	-	-	-	-	-
Due from banks and other financial institutions	24,439,885	-	-	20,351,585	1,136,945	2,013,293	938,062	-	-
Placements with banks and other financial institutions	78,397,828	-	-	-	13,782,837	10,940,284	43,845,925	9,828,782	-
Financial assets purchased under resale agreements	32,968,188	-	-	-	32,968,188	-	-	-	-
Loans and advances to customers	877,465,991	-	10,831,705	-	43,292,248	79,637,657	264,378,749	235,524,566	243,801,066
Financial assets held for trading	60,057,295	-	34,500	20,519	41,727,469	2,440,818	7,383,703	4,619,146	3,831,140
Debt investments	233,020,653	-	-	-	1,865,941	9,859,438	20,448,754	103,690,826	97,155,694
Other debt investments	308,772,731	-	-	-	53,258,351	3,734,980	39,266,183	163,841,355	48,671,862
Investments in other equity instruments	611,500	611,500	-	-	-	-	-	-	-
Finance lease receivables	10,069,418	-	44,795	-	173,667	376,292	1,766,555	5,328,007	2,380,102
Long-term receivables	40,761,012	-	1,058,277	-	1,939,206	3,110,865	11,786,102	20,695,649	2,170,913
Other financial assets	2,351,357	-	127,265	-	1,684,706	222,076	317,310	-	-
<b>Non-derivative financial assetsTotal</b>	<b>1,741,025,013</b>	<b>58,083,864</b>	<b>12,096,542</b>	<b>35,008,895</b>	<b>191,829,558</b>	<b>112,335,703</b>	<b>390,131,343</b>	<b>543,528,331</b>	<b>398,010,777</b>

	2025								
	Contractual cash flow	Undated	Overdue	On demand	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
Non-derivative financial liabilities									
Loans from the central bank	(48,507,543)	-	-	-	(3,012,303)	(10,425,975)	(35,069,265)	-	-
Due to banks and other financial institutions	(3,431,069)	-	-	(3,317,417)	(110,874)	(2,778)	-	-	-
Placements from banks and other financial institutions	(76,758,103)	-	-	-	(22,039,997)	(17,932,367)	(35,720,242)	(1,065,497)	-
Financial liabilities held for trading	(411,275)	-	-	(411,275)	-	-	-	-	-
Financial assets sold under repurchase agreement	(35,636,665)	-	-	-	(35,636,665)	-	-	-	-
Customer deposits	(1,171,245,836)	-	-	(364,378,853)	(81,479,855)	(108,571,529)	(275,584,573)	(341,231,026)	-
Debt securities issued	(124,593,700)	-	-	-	(9,360,000)	(3,066,900)	(87,668,100)	(13,781,500)	(10,717,200)
Lease liabilities	(554,650)	-	-	-	(25,078)	(34,321)	(141,511)	(317,060)	(36,680)
Other financial liabilities	(5,925,735)	-	-	-	(3,068,775)	(257,853)	(687,470)	(1,789,592)	(122,045)

	2025								
	Contractual cash flow	Undated	Overdue	On demand	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
Total non-derivative financial liabilities	(1,467,064,576)	-	-	(368,107,545)	(154,733,547)	(140,291,723)	(434,871,161)	(358,184,675)	(10,875,925)
Net value	273,960,437	58,083,864	12,096,542	(333,098,650)	37,096,011	(27,956,020)	(44,739,818)	185,343,656	387,134,852
Derivative financial instruments									
Derivative settled on a gross basis									
- Cash inflow	200,353,333	-	-	-	81,692,733	38,850,257	78,331,434	1,478,909	-
- Cash outflow	(194,558,685)	-	-	-	(79,757,645)	(37,290,615)	(76,032,048)	(1,478,377)	-
Derivative settled on a net basis	(103,608)	-	-	-	2,806	(23,490)	(23,758)	(59,166)	-
Total derivative financial instruments	5,691,040	-	-	-	1,937,894	1,536,152	2,275,628	(58,634)	-
Credit commitment	111,444,063	-	-	19,288,314	7,118,784	8,452,384	27,887,631	18,317,797	30,379,153

	2024								
	Contractual cash flow	Undated	Overdue	On demand	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
Non-derivative financial assets									
Cash and balances with central bank	72,922,497	54,125,308	-	18,797,189	-	-	-	-	-
Due from banks and other financial institutions	16,684,667	-	-	9,937,668	2,755,123	823,734	3,168,142	-	-
Placements with banks and other financial institutions	54,443,837	-	-	-	8,763,328	6,425,721	32,700,184	6,554,604	-
Financial assets purchased under resale agreements	27,184,491	-	-	-	27,082,496	-	101,995	-	-
Loans and advances to customers	860,865,231	-	10,979,768	-	36,825,909	88,069,113	251,955,805	237,970,327	235,064,309
Financial assets held for trading	52,114,640	-	39,469	15,949	34,511,522	1,187,256	11,379,282	3,770,161	1,211,001
Debt investments	210,217,845	-	204,401	-	3,210,131	6,434,173	29,221,095	103,965,216	67,182,829
Other debt investments	301,509,876	-	-	-	53,605,660	5,245,818	32,739,657	153,353,623	56,565,118
Investments in other equity instruments	361,500	361,500	-	-	-	-	-	-	-
Finance lease receivables	9,191,193	-	219,922	-	290,584	679,115	2,256,456	3,838,428	1,906,688
Long-term receivables	35,843,298	-	545,568	-	1,635,990	3,077,621	11,125,086	18,404,213	1,054,820
Other financial assets	1,349,810	-	123,122	-	1,226,688	-	-	-	-
Non-derivative financial assetsTotal	1,642,688,885	54,486,808	12,112,250	28,750,806	169,907,431	111,942,551	374,647,702	527,856,572	362,984,765

	2024								
	Contractual cash flow	Undated	Overdue	On demand	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
Non-derivative financial liabilities									
Loans from the central bank	(49,238,505)	-	-	-	(4,595,035)	(5,980,916)	(38,662,554)	-	-
Due to banks and other financial institutions	(9,960,103)	-	-	(9,893,872)	-	(35,976)	(30,255)	-	-

	2024								
	Contractual cash flow	Undated	Overdue	On demand	Within 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	More than 5 years
Placements from banks and other financial institutions	(71,345,470)	-	-	-	(16,415,883)	(12,664,492)	(41,222,862)	(1,042,233)	-
Financial liabilities held for trading	(187,693)	-	-	(187,693)	-	-	-	-	-
Financial assets sold under repurchase agreement	(47,408,928)	-	-	-	(47,408,928)	-	-	-	-
Customer deposits	(1,108,860,246)	-	-	(359,703,643)	(75,523,275)	(118,259,972)	(263,273,876)	(292,099,480)	-
Debt securities issued	(77,337,500)	-	-	-	(2,480,000)	(10,216,900)	(33,570,300)	(19,994,500)	(11,075,800)
Lease liabilities	(692,322)	-	-	-	(34,593)	(36,575)	(155,945)	(407,452)	(57,757)
Other financial liabilities	(5,981,883)	-	-	-	(3,041,972)	(128,330)	(842,309)	(1,841,383)	(127,889)
<b>Total non-derivative financial liabilities</b>	<b>(1,371,012,650)</b>	<b>-</b>	<b>-</b>	<b>(369,785,208)</b>	<b>(149,499,686)</b>	<b>(147,323,161)</b>	<b>(377,758,101)</b>	<b>(315,385,048)</b>	<b>(11,261,446)</b>
<b>Net value</b>	<b>271,676,235</b>	<b>54,486,808</b>	<b>12,112,250</b>	<b>(341,034,402)</b>	<b>20,407,745</b>	<b>(35,380,610)</b>	<b>(3,110,399)</b>	<b>212,471,524</b>	<b>351,723,319</b>
<b>Derivative financial instruments</b>									
<b>Derivative settled on a gross basis</b>									
- Cash inflow	75,297,664	-	-	-	21,684,534	14,925,746	37,111,446	1,575,938	-
- Cash outflow	(73,349,718)	-	-	-	(20,842,422)	(14,287,808)	(36,651,967)	(1,567,521)	-
Derivative settled on a net basis	(156,038)	-	-	-	17,747	(31,706)	(46,507)	(95,574)	2
<b>Total derivative financial instruments</b>	<b>1,791,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>859,859</b>	<b>606,232</b>	<b>412,972</b>	<b>(87,157)</b>	<b>2</b>
<b>Credit commitment</b>	<b>108,766,474</b>	<b>-</b>	<b>-</b>	<b>22,325,471</b>	<b>6,329,734</b>	<b>11,255,873</b>	<b>23,881,539</b>	<b>18,788,153</b>	<b>26,185,704</b>

### 3. Market risk

Market risk refers to the risk of loss to the Group's on/off- balance sheet business caused by adverse changes in market price (interest rate, exchange rate and other prices). The Group's market risk arises primarily from the interest rate risk and exchange rate risk of various asset and liability businesses and products involved in market operations.

The Group's market risk arises from trading books and bank books. According to the requirements of the Capital Management Measures of Commercial Banks (Decree 2023 No. 4 of National Financial Regulatory Administration) issued by National Financial Regulatory Administration, the Group manages market risk separately by distinguishing between bank account books and transaction account books. Trading accounts include financial instruments and commodity positions held for trading or to hedge the risk of other items in the trading account. Bank accounts refer to asset and liability operations and related financial instruments recorded on and off the bank's balance sheet, with relatively stable market values, which the bank undertakes and is willing to hold for stable returns or to hedge risks.

The Group's market risk management organizational system is divided into three levels. The first level is the Board and its subordinate special committees and the Compliance Management Committee; The second level is the senior management and the internal control and risk management committee; The third level is the functional departments and offices of the Head Office. The director shall bear the ultimate responsibility for market risk management and ensure that the Group effectively identifies, measures, monitors and controls the market risks assumed by various businesses. The Internal Control Management Committee takes the role of market risk management of the senior management. The risk management department of the head office leads and assumes responsibility of market risk management, implement all specific tasks to identify, measure, monitor and control market risks. The departments bearing market risk take the responsibilities of applying the policy and follow the standard procedure of the Group, coordinating with the Risk Management Department, reporting market risk and the execution of standard procedure, as well as applying decisions made by the Asset and Liability Management Committee. Furthermore, the asset and liability information system of the Group can manage market risk effectively.

#### (1) Measurement of market risk

The Group uses sensitivity analysis, scenario analysis and pressure test to assess investment portfolio risk that exposures to the movement of interest rate and exchange rate. By simulating the impact of interest rate, exchange rate and income curve on the market value of the portfolio, the Group's overall market risk level is revealed in a timely and accurate manner. And in accordance with the market risk management reporting system, the Group reports regularly to senior management and the Board of Directors.

## (2) Foreign currency risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of exchange rate on its financial position and cash flows.

The Group's principle in controlling exchange rate risk is to match its assets and liabilities in each currency and to maintain exchange rate risk within established limits. The Group sets risk tolerance limits in accordance with the relevant regulatory requirements, the guidelines of the Internal Control and Risk Management Committee and management's assessment of the current environment. The Group also manages its foreign capital sources and usage of foreign currencies to minimize potential currency mismatches.

The tables below summaries the Group's exposure to foreign currency exchange rate risk at the balance sheet date. Included in the tables are the Group's assets and liabilities at carrying amounts in RMB:

	2025			Total
	RMB	USD equivalent to RMB	Other currencies equivalent to RMB	
<b>Assets</b>				
Cash and balances with central bank	71,317,266	734,510	57,379	72,109,155
Due from banks and other financial institutions	22,811,533	1,074,718	533,051	24,419,302
Placements with banks and other financial institutions	66,737,612	10,625,955	-	77,363,567
Derivative financial assets	7,683,179	130,593	29,395	7,843,167
Financial assets purchased under resale agreements	32,922,952	-	-	32,922,952
Loans and advances to customers	745,880,745	3,842,177	710,492	750,433,414
Financial assets held for trading	59,138,453	-	-	59,138,453
Debt investments	205,420,430	341,808	-	205,762,238
Other debt investments	277,817,124	11,956,029	570,343	290,343,496
Investments in other equity instruments	611,500	-	-	611,500
Finance lease receivables	8,121,083	-	-	8,121,083
Long-term receivables	36,388,325	-	-	36,388,325
Other financial assets	2,244,372	2,946	4	2,247,322
<b>Total financial assets</b>	<b>1,537,094,574</b>	<b>28,708,736</b>	<b>1,900,664</b>	<b>1,567,703,974</b>
<b>Liabilities</b>				
Loans from the central bank	(47,888,042)	-	-	(47,888,042)
Due to banks and other financial institutions	(3,430,948)	(67)	-	(3,431,015)
Placements from banks and other financial institutions	(64,701,488)	(11,712,090)	-	(76,413,578)
Financial liabilities held for trading	(411,275)	-	-	(411,275)
Derivative financial liabilities	(1,717,830)	(375,774)	(98,492)	(2,192,096)
Financial assets sold under repurchase agreement	(35,632,757)	-	-	(35,632,757)
Customer deposits	(1,140,579,696)	(14,581,385)	(1,724,936)	(1,156,886,017)
Debt securities issued	(120,912,596)	-	-	(120,912,596)
Lease liabilities	(528,682)	-	-	(528,682)
Other financial liabilities	(5,897,757)	(19,743)	(8,235)	(5,925,735)
<b>Total financial liabilities</b>	<b>(1,421,701,071)</b>	<b>(26,689,059)</b>	<b>(1,831,663)</b>	<b>(1,450,221,793)</b>
Net balance sheet exposure	115,393,503	2,019,677	69,001	117,482,181
Derivative financial instrument contracts	3,437,825	(3,566,096)	307,040	178,769
Credit commitment	110,608,846	807,913	27,304	111,444,063

	2024			Total
	RMB	USD equivalent to RMB	Other currencies equivalent to RMB	
<b>Assets</b>				
Cash and balances with central bank	72,142,658	743,511	36,328	72,922,497
Due from banks and other financial institutions	14,907,606	1,211,345	508,503	16,627,454
Placements with banks and other financial institutions	51,517,062	2,166,835	-	53,683,897
Derivative financial assets	4,150,745	613,719	9,921	4,774,385
Financial assets purchased under resale agreements	27,155,019	-	-	27,155,019
Loans and advances to customers	725,407,369	3,737,360	2,040,618	731,185,347
Financial assets held for trading	51,633,537	-	-	51,633,537
Debt investments	186,187,965	349,794	-	186,537,759
Other debt investments	275,866,534	9,319,658	397,858	285,584,050
Investments in other equity instruments	361,500	-	-	361,500
Finance lease receivables	7,527,254	-	-	7,527,254
Long-term receivables	31,979,353	-	-	31,979,353
Other financial assets	1,254,504	3,019	4	1,257,527
<b>Total financial assets</b>	<b>1,450,091,106</b>	<b>18,145,241</b>	<b>2,993,232</b>	<b>1,471,229,579</b>
<b>Liabilities</b>				
Loans from the central bank	(48,734,870)	-	-	(48,734,870)
Due to banks and other financial institutions	(9,959,705)	(68)	-	(9,959,773)
Placements from banks and other financial institutions	(52,072,404)	(20,135,875)	-	(72,208,279)
Financial liabilities held for trading	(187,693)	-	-	(187,693)
Derivative financial liabilities	(2,982,421)	(147,988)	(45,728)	(3,176,137)
Financial assets sold under repurchase agreement	(47,405,245)	-	-	(47,405,245)
Customer deposits	(1,081,420,049)	(10,118,653)	(1,378,808)	(1,092,917,510)
Debt securities issued	(73,589,243)	-	-	(73,589,243)
Lease liabilities	(648,588)	-	-	(648,588)
Other financial liabilities	(5,977,838)	-	(4,045)	(5,981,883)
<b>Total financial liabilities</b>	<b>(1,322,978,056)</b>	<b>(30,402,584)</b>	<b>(1,428,581)</b>	<b>(1,354,809,221)</b>
Net balance sheet exposure	127,113,050	(12,257,343)	1,564,651	116,420,358
Derivative financial instrument contracts	(16,545,252)	17,104,620	(1,364,768)	(805,400)
Credit commitment	107,791,055	819,856	155,563	108,766,474

The table below illustrates the potential impact of an appreciation or depreciation of other currencies against RMB by 500bps on the Group's net profit:

	The Group	
	2025	2024
500 basis points appreciation	(6,244)	26,330
500 basis points depreciation	6,244	(26,330)

When determining the business conditions and financial inputs, the Group makes following assumptions in performing sensitivity analysis to exchange rate:

- Analysis based on the static gap of balance sheet, and changes to the Group's business operations after balance sheet date are not considered;
- Exchange rate sensitivity refers to the exchange gains and losses caused by the fluctuation of 500 basis points of the absolute value of the closing price (middle price) of each currency against RMB on the balance sheet date;
- As the proportion of the Group's non-US dollar assets and liabilities in other foreign currencies in the total assets and liabilities is not significant, the possible impact on the Group's net profit of other foreign currencies in the above sensitivity analysis is calculated at the amount converted into US dollars;
- The calculation of foreign exchange exposure includes spot foreign exchange exposure, forward foreign exchange exposure and swap foreign exchange exposure;
- Other variables (including interest rate) remain unchanged; and
- Customers' reactions to the exchange rate movements and exchange rate movements' impact on the marketing prices are not considered.

Due to these limitations of the Group's approach, actual impact on the Group's net income from exchange rate fluctuation may vary from the analysis above.

### (3) Interest rate risk

Under the interest rate risk appetite set by the Board, the Group identifies, measures, and effectively manages interest rate risk. The Group's interest rate risk primarily arises from the mismatch in the maturity or repricing dates of interest-earning assets and interest-bearing liabilities, as well as from inconsistencies in the benchmark interest rates applied to assets and liabilities.

The Group primarily manages interest rate risk by adjusting asset and liability allocation strategies, utilizing tools such as price guidance and risk limits. It closely monitors changes in the structure of internal interest rate risk exposure and regularly conducts monitoring and analysis of interest rate risk limit indicators. At the same time, the Group continuously tracks domestic and international economic developments, strengthens observation of RMB and foreign currency interest rate trends, keeps pace with market interest rate movements, performs appropriate scenario analyses, and timely adjusts internal and external pricing strategies to effectively mitigate interest rate risk. During the reporting period, all interest rate risk indicators reflected an overall stable level of interest rate risk, remaining within the established limits and warning thresholds.

The following table summarises the structural analysis of the Group's financial assets and financial liabilities at the interest rate repricing date. The tables show the Group's assets and liabilities at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

	2025					Total
	Non-interest bearing	Less than 3 months	3 months -1 year (inclusive)	1-5 years (inclusive)	More than 5 years	
<b>Assets</b>						
Cash and balances with central bank	3,422,077	68,687,078	-	-	-	72,109,155
Due from banks and other financial institutions	51,053	23,447,024	921,225	-	-	24,419,302
Placements with banks and other financial institutions	422,665	24,456,369	42,970,064	9,514,469	-	77,363,567
Derivative financial assets	7,843,167	-	-	-	-	7,843,167
Financial assets purchased under resale agreements	6,684	32,916,268	-	-	-	32,922,952
Loans and advances to customers	1,263,151	342,963,970	366,455,732	34,884,148	4,866,413	750,433,414
Financial assets held for trading	314,497	44,071,350	7,381,619	4,014,081	3,356,906	59,138,453
Debt investments	2,628,860	10,057,035	16,605,772	89,260,920	87,209,651	205,762,238
Other debt investments	3,722,940	62,513,172	36,005,158	145,668,726	42,433,500	290,343,496
Investments in other equity instruments	611,500	-	-	-	-	611,500
Finance lease receivables	33,861	6,424,523	637,075	509,239	516,385	8,121,083
Long-term receivables	222,218	28,762,633	6,139,511	1,092,789	171,174	36,388,325
Other financial assets	1,558,770	373,593	314,959	-	-	2,247,322

	2025					
	Non-interest bearing	Less than 3 months	3 months -1 year (inclusive)	1-5 years (inclusive)	More than 5 years	Total
<b>Total financial assets</b>	22,101,443	644,673,015	477,431,115	284,944,372	138,554,029	1,567,703,974
<b>Liabilities</b>						
Loans from the central bank	(141,901)	(13,187,023)	(34,559,118)	-	-	(47,888,042)
Due to banks and other financial institutions	(3,598)	(3,427,417)	-	-	-	(3,431,015)
Placements from banks and other financial institutions	(471,593)	(39,427,233)	(35,464,752)	(1,050,000)	-	(76,413,578)
Financial liabilities held for trading	(411,275)	-	-	-	-	(411,275)
Derivative financial liabilities	(2,192,096)	-	-	-	-	(2,192,096)
Financial assets sold under repurchase agreement	(3,091)	(35,629,666)	-	-	-	(35,632,757)
Customer deposits	(17,987,213)	(546,693,978)	(267,869,972)	(324,334,854)	-	(1,156,886,017)
Debt securities issued	(506,450)	(12,155,368)	(86,250,778)	(12,000,000)	(10,000,000)	(120,912,596)
Lease liabilities	-	(48,503)	(136,484)	(308,007)	(35,688)	(528,682)
Other financial liabilities	(5,680,569)	(112,830)	(132,336)	-	-	(5,925,735)
<b>Total financial liabilities</b>	(27,397,786)	(650,682,018)	(424,413,440)	(337,692,861)	(10,035,688)	(1,450,221,793)
Interest rate risk exposure	(5,296,343)	(6,009,003)	53,017,675	(52,748,489)	128,518,341	117,482,181
	2024					
	Non-interest bearing	Less than 3 months	3 months -1 year (inclusive)	1-5 years (inclusive)	More than 5 years	Total
<b>Assets</b>						
Cash and balances with central bank	4,980,961	67,941,536	-	-	-	72,922,497
Due from banks and other financial institutions	54,317	13,466,345	3,106,792	-	-	16,627,454
Placements with banks and other financial institutions	547,741	14,976,712	31,874,183	6,285,261	-	53,683,897
Derivative financial assets	4,774,385	-	-	-	-	4,774,385
Financial assets purchased under resale agreements	9,060	27,045,959	100,000	-	-	27,155,019
Loans and advances to customers	1,274,972	308,408,035	365,701,160	47,471,442	8,329,738	731,185,347
Financial assets held for trading	198,915	35,644,482	11,199,273	3,548,489	1,042,378	51,633,537
Debt investments	2,731,291	8,065,964	25,151,551	90,932,591	59,656,362	186,537,759
Other debt investments	3,993,657	60,799,830	29,625,592	137,988,531	53,176,440	285,584,050
Investments in other equity instruments	361,500	-	-	-	-	361,500
Finance lease receivables	63,062	5,901,993	752,179	556,507	253,513	7,527,254
Long-term receivables	260,030	26,519,712	3,437,354	1,653,406	108,851	31,979,353
Other financial assets	1,257,527	-	-	-	-	1,257,527
<b>Total financial assets</b>	20,507,418	568,770,568	470,948,084	288,436,227	122,567,282	1,471,229,579
<b>Liabilities</b>						

	2024					Total
	Non-interest bearing	Less than 3 months	3 months -1 year (inclusive)	1-5 years (inclusive)	More than 5 years	
Loans from the central bank	(164,886)	(10,322,957)	(38,247,027)	-	-	(48,734,870)
Due to banks and other financial institutions	(5,900)	(9,923,873)	(30,000)	-	-	(9,959,773)
Placements from banks and other financial institutions	(437,124)	(30,013,973)	(40,757,182)	(1,000,000)	-	(72,208,279)
Financial liabilities held for trading	(187,693)	-	-	-	-	(187,693)
Derivative financial liabilities	(3,176,137)	-	-	-	-	(3,176,137)
Financial assets sold under repurchase agreement	(5,582)	(47,399,663)	-	-	-	(47,405,245)
Customer deposits	(22,158,329)	(544,483,495)	(251,980,897)	(274,294,789)	-	(1,092,917,510)
Debt securities issued	(449,970)	(12,409,628)	(32,729,645)	(18,000,000)	(10,000,000)	(73,589,243)
Lease liabilities	-	(56,437)	(145,887)	(390,832)	(55,432)	(648,588)
Other financial liabilities	(5,706,553)	(80,878)	(194,452)	-	-	(5,981,883)
<b>Total financial liabilities</b>	<b>(32,292,174)</b>	<b>(654,690,904)</b>	<b>(364,085,090)</b>	<b>(293,685,621)</b>	<b>(10,055,432)</b>	<b>(1,354,809,221)</b>
Interest rate risk exposure	(11,784,756)	(85,920,336)	106,862,994	(5,249,394)	112,511,850	116,420,358

The potential impact on net interest income and other comprehensive income of financial assets and liabilities held by the Group at the balance sheet date that are expected to reprice within one year, assuming a 100 basis point parallel shift in the yield curves for each currency, is analysed below:

#### The Group

	2025		2024	
	Net interest income	Other comprehensive income	Net interest income	Other comprehensive income
+100 basis points parallel shift in all yield curves	913,449	(5,859,164)	501,268	(5,902,096)
-100 basis points parallel shift in all yield curves	(913,449)	6,247,487	(501,268)	6,302,086

In performing the above analysis, the Group has made the following general assumptions when determining business conditions and financial parameters:

- Analysis based on the static gap of balance sheet, and changes to the Group's business operations after balance sheet date are not considered;
- The impact of cash and balances with central bank and accepted demand deposits on the static shortfall at the balance sheet date are not considered;
- The impacts on interest-earning assets and interest-bearing liabilities are the same;
- All interest re-priced assets and liabilities are re-priced in the middle of each specified time period;
- Customers' responses to interest rate movement are not considered;
- Impact of interest rate movement on market prices of assets and liabilities are not considered;
- Impact of interest rate movement on off-balance sheet items are not considered;
- The necessary actions to be taken by the Group in response to the interest rate movement are not considered.

Due to these limitations above, the actual impact of interest rate fluctuation on the net profit of the Group may vary from the analysis above.

### XIII. Fair value of financial instruments

#### 1. Fair value measurement

##### (1) The levels of fair value measurement

The following table presents the fair value information and fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring basis. The level at which fair value measurement is categorised is determined by the lowest level input in the fair value hierarchy that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

The following table presents the Group's financial instruments measured at fair value at the balance sheet date by the levels of fair value measurement:

	2025			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
<b>Assets</b>				
Derivative financial assets	-	7,843,167	-	7,843,167
<b>Loans and advances to customers</b>				
Including: Loans and advances to customers at FVOCI	-	-	5,923,097	5,923,097
Loans and advances to customers at FVOCI	-	-	128,251,673	128,251,673
Financial assets held for trading	26,523,771	32,476,062	138,620	59,138,453
Other debt investments	-	290,343,496	-	290,343,496
Investments in other equity instruments	-	-	611,500	611,500
<b>Total assets measured at fair value on a recurring basis</b>	<b>26,523,771</b>	<b>330,662,725</b>	<b>134,924,890</b>	<b>492,111,386</b>
<b>Liabilities</b>				
Financial liabilities held for trading	-	(411,275)	-	(411,275)
Derivative financial liabilities	-	(2,192,096)	-	(2,192,096)
<b>Total liabilities measured at fair value on a recurring basis</b>	<b>-</b>	<b>(2,603,371)</b>	<b>-</b>	<b>(2,603,371)</b>

	2024			Total
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
<b>Assets</b>				
Derivative financial assets	-	4,774,385	-	4,774,385
<b>Loans and advances to customers</b>				
Including: Loans and advances to customers at FVOCI	-	-	3,230,907	3,230,907
Loans and advances to customers at FVOCI	-	-	137,565,558	137,565,558
Financial assets held for trading	18,342,280	33,251,788	39,469	51,633,537
Other debt investments	-	285,584,050	-	285,584,050
Investments in other equity instruments	-	-	361,500	361,500
<b>Total assets measured at fair value on a recurring basis</b>	<b>18,342,280</b>	<b>323,610,223</b>	<b>141,197,434</b>	<b>483,149,937</b>
<b>Liabilities</b>				
Financial liabilities held for trading	-	(187,693)	-	(187,693)
Derivative financial liabilities	-	(3,176,137)	-	(3,176,137)
<b>Total liabilities measured at fair value on a recurring basis</b>	<b>-</b>	<b>(3,363,830)</b>	<b>-</b>	<b>(3,363,830)</b>

## (2) Level 1 Fair value measurement

Where there is a reliable quotation on an active market (e.g. quoted by a recognised stock exchange or a manager of an actively traded mutual funds), the closing price on the active market on the last trading day prior to the balance sheet date is used as the fair value.

## (3) Level 2 Fair value measurement

The Group's Level 2 financial instruments are mainly fixed income investments, foreign exchange forwards and swaps, interest rate swaps, foreign exchange options and precious metals contracts. The fair value of RMB bonds is based on the valuation by China Central Depository & Clearing Company Limited, The fair value of foreign currency bonds is based on the valuation by Bloomberg; foreign exchange forwards and swaps, interest rate swaps and currency options are valued using the discounted cash flow method and the Blair- Scholes model; the fair value of precious metals is based on the closing price of the Shanghai Gold Exchange. All significant valuation parameters are based on observable market information.

## (4) Level 3 Fair value measurement

The Group's Level 3 financial assets are mainly loans and advances to customers at FVTPL, loans and advances to customers at FVOCI, financial products, trusts and asset management plans. The Group uses the discounted cash flow method where the unobservable inputs are the cash flows and the discount rate. Other equity instruments are valued using the latest market approach, where the unobservable parameters are the latest available funding prices.

**Movement of the Level 3 financial instruments**

**The Group**

	Loans and advances to customers at FVTPL	Loans and advances to customers at FVOCI	Financial assets held for trading	Other equity instruments	Total
1 January 2025	3,230,907	137,565,558	39,469	361,500	141,197,434
<b>Comprehensive income</b>					
- Profit or loss	191,542	-	-	-	191,542
- Other comprehensive income	-	(48,924)	-	-	(48,924)
Purchases/issue	72,257,712	325,917,761	104,119	250,000	398,529,592
Disposal/settlement	(69,757,064)	(335,182,722)	(4,968)	-	(404,944,754)
31 December 2025	5,923,097	128,251,673	138,620	611,500	134,924,890

	Loans and advances to customers at FVTPL	Loans and advances to customers at FVOCI	Financial assets held for trading	Other equity instruments	Total
1 January 2024	3,523,403	108,563,530	210,201	236,500	112,533,634
<b>Comprehensive income</b>					
- Profit or loss	159,116	-	-	-	159,116
- Other comprehensive income	-	80,970	-	-	80,970
Purchases/issue	75,431,245	316,569,829	55,789	125,000	392,181,863
Disposal/settlement	(75,882,857)	(287,648,771)	(226,521)	-	(363,758,149)
31 December 2024	3,230,907	137,565,558	39,469	361,500	141,197,434

Information about Level 3 fair value measurements using significant unobservable inputs is as follows:

	Fair value at 31 December 2025	Valuation techniques	Unobservable inputs
Loans and advances to customers	134,174,770	Discounted cash flow model	Discount rates
Financial assets held for trading	138,620	Discounted cash flow model	Discount rates
Investments in other equity instruments	611,500	See recent market approach	Recent financing prices
	Fair value at 31 December 2024	Valuation techniques	Unobservable inputs
Loans and advances to customers	140,796,465	Discounted cash flow model	Discount rates
Trusts and asset management plans	39,469	Discounted cash flow model	Discount rates
Investments in other equity instruments	361,500	See recent market approach	Recent financing prices

## 2. Changes in valuation techniques and the reasons for the changes

During the reporting period, there were no significant changes in valuation techniques for fair value measurements.

## 3. Fair values of financial assets and liabilities not measured at fair value

All financial instruments are carried at amounts not materially different from their fair value as at 31 December 2025 and 2024 except as follows:

### The Group

	2025		2024	
	Carrying amounts	Fair value	Carrying amounts	Fair value
<b>Financial assets</b>				
Debt investments	205,762,238	211,419,607	186,537,759	195,697,058
<b>Financial liabilities</b>				
Debt securities issued	120,912,596	120,903,419	73,589,243	73,926,202

The financial assets and financial liabilities above are measured at Level 2 fair value.

## XIV. Related parties and related-party transactions

### 1. Shareholders with over 5% of the Bank's Shares

Name of related party	Principal activities	Shareholding percentage (%)	
		2025	2024
Shanghai State-owned Assets Management Co., Ltd.	Capital operation and industrial investment	9.29	9.29
China COSCO Shipping Corporation Ltd.	International shipping	8.29	8.29
BaoSteel Corporation Ltd.	Steel smelting and processing	8.29	8.29
Shanghai Jiushi (Group) Co., Ltd.	Urban transportation, sports industry and capital management	7.79	7.79
China Pacific Life Insurance Co., Ltd.	Insurance and fund utilisation	5.81	5.81

### General information of major shareholders:

Shareholders	Legal representative	Registration place	2025 Registered capital
Shanghai State-owned Assets Management Co., Ltd.	Guan Wei	Shanghai	RMB 28.0 billion
China COSCO Shipping Corporation Ltd.	Wan Min	Shanghai	RMB 11.0 billion
BaoSteel Corporation Ltd.	Zhou Jixin	Shanghai	RMB 22.3 billion
Shanghai Jiushi (Group) Co., Ltd.	Guo Jianfei	Shanghai	RMB 60.0 billion
China Pacific Life Insurance Co., Ltd.	Li Jinsong	Shanghai	RMB 8.6 billion

### Principal activities of these shareholders are as follows:

Shanghai State-owned Assets Management Co., Ltd.: Mainly engaged in industrial investment, capital operations, asset acquisition, packaging and transfer, enterprise and asset custody, debt restructuring, property brokerage, real estate agents, financial consultancy, investment consultancy and operation-related consultancy services, guarantees relating to assets operation and capital operation.

China Ocean Shipping Group Co. Ltd.: Mainly engaged in international shipping, international shipping supporting business; import and export business of goods and technology; marine, land, air international cargo agency services; self-owned ship leasing; sales of ship, container and steel; marine engineering equipment design; wharf and port investment; sales of communication equipment; information and technical services; warehousing (excluding hazardous chemicals); technology development, transfer, consultation and services in the fields related to ships and spare parts and equity investment fund.

BaoSteel Corporation Limited is principally engaged in the manufacture of hazardous chemicals; operation of hazardous chemicals; management of hazardous waste; power generation, transmission and supply (distribution); port operations; road haulage (excluding dangerous goods); road transport of dangerous goods; manufacture of special equipment; motor vehicle inspection and testing services. (For those subject to approval, the Company won't carry out business activities before obtaining the approval from relevant departments. Specific operations are subject to approval by the relevant departments.) General operations: smelting of iron and steel; casting of steel; smelting of non-ferrous metals; casting of non-ferrous metals; sale of coal and coal products; sale of metal ores; sale of metal materials; sales of high-grade special steel materials; sales of special equipment; sales of renewable raw materials; sales agency; technical services, technical development, technical consulting, technical exchange, technology transfer and technology promotion; production of chemical products (excluding licensed chemical products); sales of chemical products (excluding licensed chemical products); production of basic chemical raw materials (excluding production of licensed chemicals such as hazardous chemicals); general warehousing services (except hazardous chemicals and other items requiring authorisation); national freight forwarding services; national container forwarding services; leasing of non-residential real estate; leasing of land use rights; leasing of machinery; leasing of transport equipment; ship chartering; leasing of special equipment; Manufacture of drawing, calculating and measuring instruments; sale of drawing, calculating and measuring instruments; business consultancy; environmental protection monitoring; tender agency services; repair and maintenance of motor vehicles; import and export of goods; import and export of technology; import and export agency; scrap metal and scrap metal processing.

Shanghai Jiushi Group Co., Ltd. is mainly engaged in urban transportation operation, infrastructure investment management and resource exploitation and utilization with domestic and foreign capital, land and property development and operation, property management, sports and tourism operation, equity investment, management and operation, information technology services, auto mobile leasing, and consulting business.

China Pacific Life Insurance Co., Ltd.: Mainly engaged in underwriting various kinds of life insurance business in RMB and foreign currency, including life insurance, health insurance, accident and injury insurance, handling reinsurance business of the above mentioned business, various kinds of statutory life insurance business, establishing agency relations and business contacts with domestic and foreign insurance and related institutions, and acting as agents for foreign insurance institutions in the appraisal and settlement of losses and other related matters entrusted by them, running funds operations of the Insurance Law and other relevant laws and regulations, and participating in international insurance activities upon approval and other business upon approval by the China Insurance Regulatory Commission.

## 2. Information about the subsidiaries of the Bank

For information about the subsidiaries of the Bank, refer to Note V.12.1.

## 3. Information about associates of the Bank

Associates of the Bank are Haimen Rural Commercial Bank, Shanghai Jingyi Industry Development Company Limited and Hangzhou United Rural Commercial Bank Co., Ltd..

#### 4. Related party transactions

Transactions between the Group and its related parties were conducted under general commercial terms and normal business processes, and the pricing principles were consistent with those adopted in transactions with independent third-parties. The amount of the Group's significant transactions with related parties and the balance of significant transactions as at the balance sheet date are as follows:

	Shareholders that hold 5% or more equity in the Bank, and the groups to which they belong	Connected natural persons	Other connected legal representatives	Total	Ratio to amount/balance of related transactions (%)
<b>The amount of significant transactions in 2025:</b>					
Interest income	215,909	358	220,291	436,558	1.06
Interest expense	58,127	1,166	145,424	204,717	0.94
Net fee and commission income	30,520	1	363	30,884	1.54
Investment income	490	-	266,119	266,609	7.87
Gains and losses from changes in fair value	(17,426)	-	(25,459)	(42,885)	14.81
Exchange gain/loss	-	-	(68,268)	(68,268)	15.99
General and administrative expenses	9,872	1,403	1,856	13,131	0.15
Other comprehensive income	6,293	-	(32,505)	(26,212)	0.65
<b>As at 31 December 2025, the balance of significant transactions is as follows:</b>					
Due from banks and other financial institutions	875	-	1,667,012	1,667,887	6.83
Lending funds	498,010	-	619,905	1,117,915	1.45
Derivative financial assets	10,034	-	121,179	131,213	1.67
Financial assets purchased under resale agreements	-	-	600,314	600,314	1.82
Loans and advances to customers	9,754,889	11,677	11,388,482	21,155,048	2.82
<b>Financial investment:</b>					
- Financial assets held for trading	40,756	-	337,484	378,240	0.64
- Other debt investments	1,865,356	-	3,006,689	4,872,045	1.68
Long-term equity investments	-	-	2,198,803	2,198,803	100.00
Due to banks and other financial institutions	1,048	-	10,068	11,116	0.32
Customer deposits	3,738,768	44,567	2,794,967	6,578,302	0.57
Derivative financial liabilities	16,119	-	215,869	231,988	10.58
Debt securities issued	228,380	-	4,406,710	4,635,090	3.83
<b>As at 31 December 2025, significant off-balance sheet items are as follows:</b>					
Entrusted loans	-	54	-	54	0.00
Loan commitment and credit card commitment	785,628	-	1,723,656	2,509,284	3.67
Issuing a letter of guarantee	-	-	75,098	75,098	0.98
Loans secured by collateral provided by related parties	82,205	-	600,000	682,205	0.09
<b>The amount of significant transactions in 2024:</b>					
Interest income	134,730	421	289,684	424,835	0.95
Interest expense	56,292	1,221	30,725	88,238	0.36
Net fee and commission income	1,108	13	186	1,307	0.06

	Shareholders that hold 5% or more equity in the Bank, and the groups to which they belong	Connected natural persons	Other connected legal representatives	Total	Ratio to amount/balance of related transactions (%)
Investment income	5,425	-	233,331	238,756	9.77
Gains and losses from changes in fair value	5,813	-	3,833	9,646	0.84
Exchange gains	6,679	-	(751)	5,928	2.78
General and administrative expenses	9,730	7,871	2,540	20,141	0.23
Other comprehensive income	11,463	-	48,335	59,798	1.18
As at 31 December 2024, the balance of significant transactions is as follows:					
Due from banks and other financial institutions	51	-	868,336	868,387	5.22
Lending funds	-	-	400,107	400,107	0.75
Derivative financial assets	29,534	-	12,286	41,820	0.88
Financial assets purchased under resale agreements	100,006	-	500,204	600,210	2.21
Loans and advances to customers	3,422,677	1,344	5,354,510	8,778,531	1.20
Financial investment:					
- Financial assets held for trading	-	-	215,430	215,430	0.42
- Other debt investments	777,757	-	1,379,933	2,157,690	0.76
Long-term equity investments	-	-	2,021,112	2,021,112	100.00
Due to banks and other financial institutions	48	-	449	497	0.00
Customer deposits	3,710,857	44,298	2,312,226	6,067,381	0.56
Derivative financial liabilities	18,434	-	13,227	31,661	1.00
Debt securities issued	797,018	-	-	797,018	1.08
As at 31 December 2024, significant off-balance sheet items are as follows:					
Entrusted loans	322,542	118	-	322,660	0.42
Loans secured by collateral provided by related parties	105,724	-	600,000	705,724	0.10

## 5. Transactions between the Bank and its subsidiaries

The amount of significant transactions during the period:

	2025	2024
Interest income	84,585	57,718
Interest expense	135,593	164,882
Fee and commission income	16,364	26,897
Investment income	124,590	123,277
Operation and administrative expenses	228	115

The balance of significant transactions as at the balance sheet date is as follows:

	2025	2024
Placements with banks and other financial institutions	5,437,797	2,907,930
Due to banks and other financial institutions	7,515,695	4,387,324

## 6. Trades with annuity plan

The Group did not have any other related party transactions with the established corporate annuity funds in 2025 and 2024 other than normal contributions.

## 7. Remuneration of key management personnel

### The Group

	2025	2024
Remuneration and benefits	13,887	12,957

The remuneration of key management personnel includes the salary received from the company within the relevant year that belongs to the current year, as well as the corporate contribution of social insurance, housing fund, enterprise annuity, and supplementary medical insurance. According to the regulations of the relevant departments of the State, the final total amount of remuneration of such key management personnel in 2025 is pending for the final confirmation by the major responsible departments.

## XV. Capital management

The objectives of the Group's capital management are:

- (1) Maintain a reasonable level of capital adequacy ratio, continue to meet the requirements of capital regulatory laws, regulations and policies, and ensure the compliance of operations;
- (2) Maintain a solid capital base, ensure that the capital can fully resist the corresponding risks, and can support and meet the implementation of the Group's business growth and strategic planning;
- (3) Establish an economic capital management system with capital efficiency as the core, optimize resource allocation and operation management mechanism, improve capital efficiency, maximize value, and provide shareholders with sustainable, stable and reasonable investment returns.

China's commercial banks should meet the capital adequacy ratio requirements specified in the Measures for the Capital Management of Commercial Banks (Decree No. 4 of the State Financial Supervision and Administration Administration). The Capital Management Measures for Commercial Banks divides commercial banks into three categories, and applies differentiated capital supervision requirements. According to the classification criteria, the Bank is applicable to the management requirements of the first tier commercial banks. The Capital Management Measures of Commercial Banks requires that the core tier one capital adequacy ratio of commercial banks should not be less than 7.50%, the tier one capital adequacy ratio should not be less than 8.50%, and the capital adequacy ratio should not be less than 10.50%.

Capital adequacy ratio management is the core of the Group's capital management. The capital adequacy ratio reflects the Group's ability to operate steadily and resist risks. The capital adequacy ratio management objective of the Group is to prudently determine the capital adequacy ratio objective on the basis of meeting the statutory regulatory requirements, according to the actual risk situation, referring to the capital adequacy ratio level of advanced peers and the operating conditions of the Group. The Group forecasts, plans and manages the capital adequacy ratio based on strategic development planning, business expansion, risk change trend and other factors using scenario simulation, stress testing and other methods.

As of December 31, 2025, the Group's core tier one capital adequacy ratio, tier one capital adequacy ratio and capital adequacy ratio all meet the requirements of the Capital Management Measures of Commercial Banks and other relevant regulations. For more information on capital, please refer to the 2025 Capital Management Pillar III Information Disclosure Report published by the Bank on its official website.

## **XIV. Subsequent events**

There are no other significant post- balance sheet events that need to be disclosed by the Group as of the date of approval of these financial statements.

## **XVII. Comparative figures**

Certain comparative figures have been reclassified in order to comply with the presentation method of the financial statements.

## Shanghai Rural Commercial Bank Co., Ltd. Supplementary information to financial statements for the year

### 1. Extraordinary gain and loss

In accordance with the *Explanatory Announcement No. 1 of Information Disclosure for Public Offering Securities - Non-recurring Profit or Loss (2023)*, the Group's extraordinary gain and loss are as follows:

	2025	2024
Net proceeds from disposal of non-current assets	348,839	549,665
Government grants recognised in profit or loss for the current period	43,632	98,138
Net gain on disposal of long-term unclaimed deposits	15,482	1,159
Net gains from compensation for breach of contract	(11,907)	(7,823)
Donation expenditure	(19,004)	(17,824)
Other non-operating income and expenses besides the items above	(490)	2,056
Sub-total of non-recurring profit or loss (Note)	376,552	625,371
Effect of income tax of non-recurring profit or loss	(103,477)	(158,636)
<b>Total</b>	<b>273,075</b>	<b>466,735</b>
Including: Non-recurring profit or loss that will have impact on the net profit attributable to shareholders of the Bank	267,761	447,763
Non-recurring profit or loss that will have impact on the net profit attributable to non-controlling interest	5,314	18,972

Note: The above breakdown of non-recurring profit or loss is determined and disclosed in accordance with Interpretive Pronouncement on the *Preparation of Information Disclosures of Companies Issuing Public Shares No. 1 - Extraordinary Gains and Losses (2023)* (Announcement of China Securities Regulatory Commission [2023] No.65) issued by CSRC. According to the announcement, non-recurring profit or loss arises from the transactions or events that is not directly related to daily operations, or the transactions or events that are associated with normal operations but may affect the investors' proper judgements on the performance and profitability of the company due to their special and incidental nature. The above non-recurring profit or loss is accounted for in other income, gains from disposal of assets, non-operating income or non-operating expenses accordingly. Gains or losses from the investment or management of assets entrusted to others, the reversal of provisions for credit losses on financial assets, investment income from the holding and disposal of trading financial assets, trading financial liabilities and other debt instruments, and custody fee income from entrusted operations are gains or losses arising from the Group's normal operating activities and are therefore not included in the disclosure of non-recurring gains or losses.

### 2. Earnings per share

In accordance with *Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No. 9 - Calculation and Disclosure of Return on Net Assets and Earnings Per Share* (Revised 2010) issued by the CSRC, the Group's earnings per share are calculated as follows:

	2025	2024
Weighted average number of ordinary shares outstanding ('000 shares)	9,644,444	9,644,444
<b>Before the deduction of non-recurring profit or loss</b>		
Net profit for the year attributable to the Bank's ordinary shareholders	12,312,825	12,288,156
Basic earnings per share and diluted earnings per share (in RMB)	1.28	1.27
<b>After the deduction of non-recurring profit or loss</b>		
Net profit for the year attributable to the Bank's ordinary shareholders	12,045,064	11,840,393
Basic earnings per share and diluted earnings per share (in RMB)	1.25	1.23

In both 2025 and 2024, there was no difference between basic and diluted earnings per share as the Group did not have any shares that would have a potential dilutive effect.

### 3. Return on net assets

In accordance with Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 revised) issued by the CSRC, the Group's return on net assets is calculated as follows:

	2025	2024
Net assets at the end of the year attributable to the Bank's ordinary shareholders	127,905,738	123,836,410
Weighted average net assets attributable to the Bank's ordinary shareholders	126,456,010	118,709,123
<b>Before the deduction of non-recurring profit or loss</b>		
Net profit for the year attributable to the Bank's ordinary shareholders	12,312,825	12,288,156
Weighted average return on net assets (%)	9.74	10.35
<b>After the deduction of non-recurring profit or loss</b>		
Net profit for the year attributable to the Bank's ordinary shareholders	12,045,064	11,840,393
Weighted average return on net assets (%)	9.53	9.97

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