

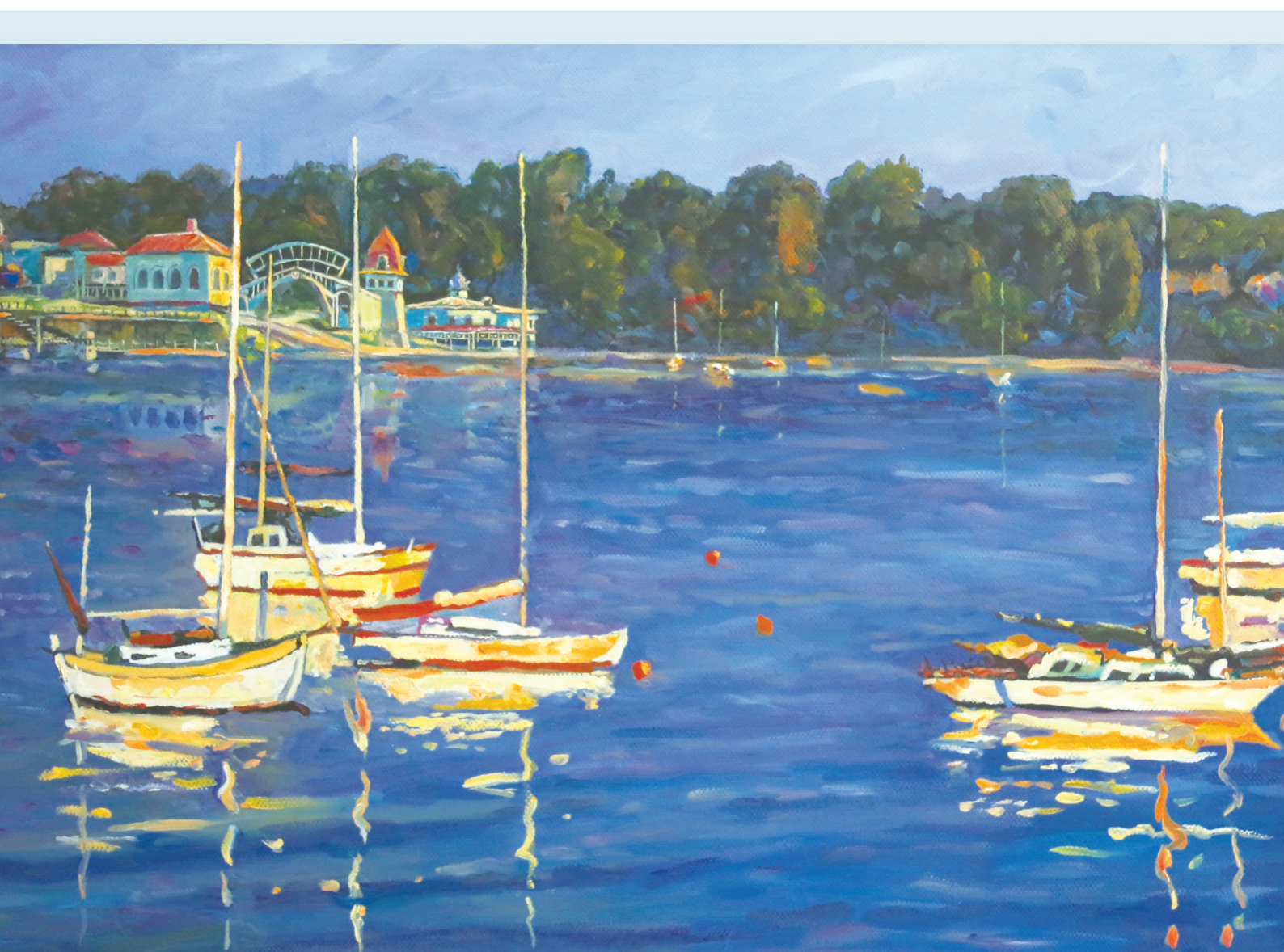


HARBIN BANK CO., LTD.

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

Stock Code:6138

2025 Annual Report



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Definitions

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

"Articles of Association"	the articles of association of Harbin Bank Co., Ltd.
"Board" or "Board of Directors"	the board of directors of the Company
"Board of Supervisors"	the board of supervisors of the Company
"China" or "PRC"	the People's Republic of China
"Company"	Harbin Bank Co., Ltd. (哈爾濱銀行股份有限公司), a joint stock company incorporated in the PRC on 25 July 1997 with limited liability in accordance with PRC laws
"CSRC"	the China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"Supervisor(s)"	the supervisor(s) of the Company
"Domestic Share(s)"	ordinary share(s) of a nominal value of RMB1.00 each in the share capital of the Company, which is/are subscribed for or credited as paid in RMB
"Group" or "Bank"	the Company and all of its subsidiaries and branches
"H Share(s)"	overseas-listed foreign invested ordinary share(s) of a nominal value of RMB1.00 each in the share capital of the Company, which is/are listed on the Hong Kong Stock Exchange and subscribed and traded in Hong Kong dollars
"Harbin Economic Development"	Harbin Economic Development and Investment Company Co., Ltd.
"HBCF"	Harbin Bank Consumer Finance Co., Ltd.
"HB Leasing"	Harbin Bank Financial Leasing Co., Ltd.
"Heilongjiang Financial Holdings"	Heilongjiang Financial Holdings Group Co., Ltd.
"HKD" or "HK\$"	the lawful currency of Hong Kong, the PRC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

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"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"LPR"	Loan Prime Rate
"Latest Practicable Date"	27 March 2026, being the latest practicable date for the purpose of ascertaining certain information of this report
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"NFRA"/"CBIRC"/"CBRC"	the National Financial Regulatory Administration/the China Banking and Insurance Regulatory Commission (before 18 May 2023)/China Banking Regulatory Commission (before 17 March 2018)
"PBOC" or "Central Bank"	the People's Bank of China
"Reporting Period"	the year ended 31 December 2025
"RMB"	Renminbi, the lawful currency of PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

Unless otherwise stated, all figures in this report are approximates, and any figure, amount or information expressed in hundred, thousand, ten thousand, million, a hundred million, billion or similar expressions, as well as percentage are rounded to certain decimal places or the whole number. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

This report has been prepared in Chinese with English translation. In case of any discrepancy, the Chinese version shall prevail over the English translation.

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Basic Information

Legal Chinese Name:

哈爾濱銀行股份有限公司 (Abbreviation: 哈爾濱銀行)

English Name:

HARBIN BANK CO., LTD. (Abbreviation: HARBIN BANK)

Legal Representative:

Mr. Deng Xinquan

Authorised Representatives for the Hong Kong Stock Exchange:

Mr. Deng Xinquan and Mr. Ngai Wai Fung

Board Secretary:

Mr. Wu Siliang

Joint Company Secretaries:

Mr. Wu Siliang and Mr. Ngai Wai Fung

Registered Address:

No. 888 Shangjiang Street, Daoli District, Harbin,
Heilongjiang Province, PRC

Principal Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre, No. 248 Queen's
Road East, Wanchai, Hong Kong

Contact Address:

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www.hrbb.com.cn

www.hkexnews.hk

Place Where this Report is Available:

No. 888 Shangjiang Street, Daoli District, Harbin,
Heilongjiang Province, PRC

Place of Listing, Stock Name and Stock Code:

Hong Kong Stock Exchange, HARBIN BANK and 6138

Corporate Unified Social Credit Code:

912301001275921118

Finance Permit Institution Number:

B0306H223010001

Date of Initial Registration:

25 July 1997

Initial Registration Authority:

Market Supervision and Administration Bureau of
Harbin, Heilongjiang Province, PRC

Legal Adviser as to Laws of China:

Beijing Jun He Law Offices

Legal Adviser as to Laws of Hong Kong, China:

JunHe Law Offices

Auditors:

Overseas auditor: BDO Limited

Domestic auditor: BDO China SHU LUN PAN Certified
Public Accountants LLP

Hong Kong H Share Registrar and Transfer Office:

Computershare Hong Kong Investor Services Limited

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The Company, headquartered in Harbin, was granted its finance permit to carry on financial business by the PBOC in February 1997, and obtained its corporate business license on 25 July 1997. As at 31 December 2025, the Company had established 17 branches in Tianjin, Chongqing, Dalian, Shenyang, Chengdu, Harbin, Daqing, etc. and promoted and set up 21 village and township banks in 12 provinces and municipalities, including Beijing, Guangdong, Jilin, Heilongjiang, etc. The Company, as a controlling shareholder, has promoted the establishment of HB Leasing, the first financial leasing company in Northeastern China, and HBCF, the first consumer finance company in Heilongjiang Province. As at 31 December 2025, the Group had 373 business outlets with branches and sub-branches across seven regions in China.

As at 31 December 2025, the Bank had total assets of RMB1,019.3400 billion, total loans and advances to customers of RMB410.6254 billion and total customer deposits of RMB719.2437 billion.

In 2025, the Bank ranked 192nd in the “Top 1000 World Banks 2025” according to The Banker of the United Kingdom; and ranked 42nd in the “2025 China Banking Top 100 List” of the China Banking Association. The Bank was awarded the “China Wealth Awards: Best Private Bank – Gold Award (Urban/Rural Commercial Banks)” by the Asian Private Banker magazine; the “2024 Banking Industry Green Finance Contribution Award”, “2024 Banking Industry Digital Finance Promotion Award”, and “2024 Banking Industry Inclusive Finance Achievement Award” from the 19th China Financial Brand Billboard of China Finance Net. The Bank’s “Harbin Bank Digital E-Pass” has been honoured with the “Regional Best Digital Trade Finance Platform Award” in 2025 China Awards Program by The Asian Banker; the Bank has been shortlisted for the “2025 Golden Dragon • Financial Power Case – Financial Brand and Cultural Construction Case” selected by Financial News, and it has been shortlisted as “National Excellent Cases of Consumer Protection and Service Innovation in 2025” by the China Banking and Insurance News. Besides, the Bank won the title of “Most Socially Responsible Small and Medium-sized Bank” in the 7th “Iron Horse” Small and Medium-sized Banks Selection of Modern Bankers magazine.

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Major Awards for 2025

List of Major Awards for 2025

No.	Name of Award	Awarding Party	Time of Award
1	192nd in the "Top 1000 World Banks 2025"	The Banker (英國《銀行家》)	July 2025
2	42nd in the "2025 China Banking Top 100 List (2025 年中國銀行業100強)"	China Banking Association	September 2025
3	"2024 Banking Industry Green Finance Contribution Award", "2024 Banking Industry Digital Finance Promotion Award", and "2024 Banking Industry Inclusive Finance Achievement Award" from the 19th China Financial Brand Billboard	China Finance Net	March 2025
4	"National Excellent Cases of Consumer Protection and Service Innovation in 2025"	China Banking and Insurance News	March 2025
5	"New Citizen Service Star" in the 2025 "Financial Star" Selection (2025年度"金融之星"評選"新市民服務之星")	The Economic Observer	May 2025
6	"China Wealth Awards: Best Private Bank – Gold Award (Urban/Rural Commercial Banks)" from the Asian Private Banker magazine ("中國財富獎"– 城農商行最佳私人銀行– 金獎)	Asian Private Banker	May 2025
7	"China Wealth Awards: Best Private Bank – Silver Award (Tailored Client Experience)" from the Asian Private Banker magazine ("中國財富獎"– 最佳私人銀行– 專屬客戶體驗銀獎)	Asian Private Banker	May 2025
8	"Regional Best Digital Trade Finance Platform Award" in 2025 China Awards Program	The Asian Banker	June 2025
9	The "Grand Award for Best Printing and Production", the "Gold Award for Writing Copy of Regional Banks", the "Gold Award for Printing and Production of the Social Responsibility Report", the "Silver Award for the Social Responsibility Report", and the "Silver Award for Inner Page Design of the ESG Report", awarded to the Harbin Bank 2023 Environmental, Social and Governance (ESG) Report (《哈爾濱銀行2023年度環境、社會與管治報告》"印刷製作最佳"大獎及"區域銀行寫作文本金獎""社會責任報告印刷製作金獎""社會責任報告銀獎""ESG報告內文設計銀獎")	ARC (International Awards Competition)	October 2025

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No.	Name of Award	Awarding Party	Time of Award
10	“2025 Golden Dragon • Financial Power Case – Financial Brand and Cultural Construction Case” (2025年度金龍•金融力量案例“金融品牌和文化建設案例”)	Financial News	December 2025
11	“Most Socially Responsible Small and Medium-sized Bank” in the 7th “Iron Horse Small and Medium-sized Banks Selection” (第七屆“鐵馬”中小銀行評選“最具社會責任中小銀行”)	Modern Bankers	December 2025
12	10th Zhitong Finance Listed Companies Awards: “Best ESG Company Award” (第十屆智通財經上市公司評選“最佳ESG公司獎”)	Zhitong Finance	December 2025
13	15th Public Welfare Festival: “2025 ESG Practice Pioneer Award” (第十五屆公益節“2025年度ESG實踐先鋒獎”)	Organizing Committee of the 15th Public Welfare Festival	December 2025

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Major Subsidiaries

The details of major subsidiaries of the Company as at 31 December 2025 were as follows:

Company Name	Place of incorporation/ registration and operations place in the PRC	Nominal value of issued share/paid-up capital RMB million	Percentage of ownership/ voting rights directly owned by the Company %	Amount invested by the Company RMB million
Harbin Bank Financial Leasing Co., Ltd.	Harbin, Heilongjiang	2,000	80.00	1,600
Harbin Bank Consumer Finance Co., Ltd.	Harbin, Heilongjiang	1,500	53.00	795
Huining Huishi Village and Township Bank Co., Ltd.	Huining, Gansu	30	100.00	30
Beijing Huairou Rongxing Village and Township Bank Co., Ltd.	Huairou, Beijing	200	85.00	207.6
Yushu Rongxing Village and Township Bank Co., Ltd.	Yushu, Jilin	30	100.00	30
Shenzhen Bao'an Rongxing Village and Township Bank Co., Ltd.	Bao'an, Shenzhen	220	70.00	140
Suining Anju Rongxing Village and Township Bank Co., Ltd.	Suining, Sichuan	80	75.00	60
Yanshi Rongxing Village and Township Bank Co., Ltd.	Luoyang, Henan	90	100.00	90
Leping Rongxing Village and Township Bank Co., Ltd.	Leping, Jiangxi	294	100.00	294
Honghu Rongxing Village and Township Bank Co., Ltd.	Honghu, Hubei	30	100.00	30
Zhuzhou County Rongxing Village and Township Bank Co., Ltd.	Zhuzhou, Hunan	55	80.00	40
Xin'an Rongxing Village and Township Bank Co., Ltd.	Xin'an, Henan	33.3	90.09	30
Anyi Rongxing Village and Township Bank Co., Ltd.	Anyi, Jiangxi	60	100.00	30

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Company Name	Place of incorporation/ registration and operations place in the PRC	Nominal value of issued share/paid-up capital RMB million	Percentage of ownership/ voting rights directly owned by the Company %	Amount invested by the Company RMB million
Yingcheng Rongxing Village and Township Bank Co., Ltd.	Yingcheng, Hubei	142	100.00	132
Leiyang Rongxing Village and Township Bank Co., Ltd.	Leiyang, Hunan	160	100.00	160
Hainan Baoting Rongxing Village and Township Bank Co., Ltd. ^(Note)	Baoting, Hainan	30	96.67	29
Hejian Ronghui Village and Township Bank Co., Ltd.	Hejian, Hebei	50	100.00	50
Nehe Rongxing Village and Township Bank Co., Ltd.	Nehe, Heilongjiang	50	80.00	40
Pingliang Kongtong Rongxing Village and Township Bank Co., Ltd.	Pingliang, Gansu	50	90.00	45
Tianshui Maiji Rongxing Village and Township Bank Co., Ltd.	Tianshui, Gansu	50	98.00	49
Zhongjiang Rongxing Village and Township Bank Co., Ltd.	Zhongjiang, Sichuan	50	70.00	35
Langzhong Rongxing Village and Township Bank Co., Ltd.	Langzhong, Sichuan	50	90.00	45
Chengdu Qingbaijiang Rongxing Village and Township Bank Co., Ltd.	Chengdu, Sichuan	100	70.00	70

Note: On 22 September 2025, the Board resolved to transfer the Company's equity interests in Hainan Baoting Rongxing Village and Township Bank Co., Ltd.. As at 31 December 2025, as the transaction had not been completed, the Group classified the assets and liabilities of Hainan Baoting Rongxing Village and Township Bank Co., Ltd. as a disposal group held for sale. The disposal of Hainan Baoting Rongxing Village and Township Bank Co., Ltd. was completed in January 2026.

Summary of Accounting Data and Financial Indicators

The financial information contained herein is prepared under the International Financial Reporting Standards on a consolidated basis. Unless otherwise stated, such information represents the Group's financials denominated in RMB.

	For the year ended 31 December					
	2025	2024	2025 vs. 2024	2023	2022	2021
(In RMB million, except percentages)						
Results of operations	Rate of change					
Net interest income	9,839.1	9,836.9	0.02%	9,549.0	9,007.2	10,061.0
Net fee and commission income	440.5	367.5	19.86%	645.3	731.6	697.0
Operating income	14,546.0	14,243.2	2.13%	13,241.7	12,870.5	12,319.5
Operating expenses	(5,455.4)	(5,415.8)	0.73%	(5,826.5)	(5,285.2)	(4,956.8)
Credit impairment losses	(8,500.8)	(8,073.1)	5.30%	(6,957.9)	(6,584.1)	(6,700.5)
Other assets impairment loss	(56.7)	(102.9)	-44.90%	-	-	(101.0)
Profit before tax	533.1	651.4	-18.16%	457.3	1,001.2	561.2
Net profit	1,264.6	1,082.4	16.83%	888.1	712.5	398.7
Net profit attributable to shareholders of the Company	1,145.6	919.7	24.56%	740.0	554.8	274.1
For each share (RMB)	Rate of change					
Net assets per share attributable to shareholders of the Company ⁽¹⁾	4.60	4.68	-1.71%	4.54	4.50	4.53
Earnings per share ⁽²⁾	0.05	0.03	66.67%	0.02	0.002	0.02
Profitability indicators	Change					
Return on average total assets ⁽³⁾	0.13%	0.13%	-	0.12%	0.10%	0.06%
Return on average equity ⁽⁴⁾	1.13%	0.69%	Increased by 0.44 percentage points	0.35%	0.04%	0.55%
Net interest spread ⁽⁵⁾	1.22%	1.38%	Decreased by 0.16 percentage points	1.56%	1.58%	1.74%
Net interest margin ⁽⁶⁾	1.20%	1.31%	Decreased by 0.11 percentage points	1.43%	1.55%	1.78%
Net fee and commission income to operating income ratio	3.03%	2.58%	Increased by 0.45 percentage points	4.87%	5.68%	5.66%
Cost-to-income ratio ⁽⁷⁾	35.59%	36.10%	Decreased by 0.51 percentage points	42.01%	39.41%	38.28%

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	As of 31 December					
	2025	2024	2025 vs. 2024	2023	2022	2021
	(In RMB million, except percentages)					
Capital adequacy indicators⁽⁸⁾			Change			
Core tier 1 capital adequacy ratio	8.48%	8.68%	Decreased by 0.20 percentage points	8.69%	8.64%	9.28%
Tier 1 capital adequacy ratio	12.28%	12.37%	Decreased by 0.09 percentage points	12.48%	10.69%	11.33%
Capital adequacy ratio	13.52%	13.61%	Decreased by 0.09 percentage points	13.71%	11.91%	12.54%
Total equity to total assets	6.36%	7.16%	Decreased by 0.80 percentage points	7.86%	8.88%	9.73%
Assets quality indicators			Change			
Non-performing loan ratio ⁽⁹⁾	2.80%	2.84%	Decreased by 0.04 percentage points	2.87%	2.89%	2.88%
Impairment coverage ratio ⁽¹⁰⁾	198.26%	202.59%	Decreased by 4.33 percentage points	197.38%	181.54%	162.45%
Impairment losses on loans ⁽¹¹⁾	5.55%	5.75%	Decreased by 0.20 percentage points	5.66%	5.25%	4.68%
Other indicators			Change			
Loan-deposit ratio	57.09%	54.65%	Increased by 2.44 percentage points	50.30%	50.99%	58.67%
Scale indicators			Rate of change			
Total assets	1,019,340.0	916,231.9	11.25%	813,328.7	712,733.1	645,046.2
Of which: total loans and advances to customers	410,625.4	379,093.9	8.32%	323,182.7	284,414.9	294,359.2
Total liabilities	954,557.3	850,635.6	12.22%	749,440.5	649,412.5	582,266.3
Of which: total due to customers	719,243.7	693,679.4	3.69%	642,505.6	557,825.8	501,751.2
Share capital	10,995.6	10,995.6	–	10,995.6	10,995.6	10,995.6
Equity attributable to shareholders of the Company	62,290.9	63,161.9	-1.38%	61,604.3	61,174.5	60,794.2
Non-controlling interests	2,491.8	2,434.4	2.36%	2,283.9	2,146.1	1,985.7
Total equity	64,782.7	65,596.3	-1.24%	63,888.2	63,320.6	62,779.9

Summary of Accounting Data and Financial Indicators

Notes:

- (1) The equity attributable to shareholders of the Company divided by the share capital at the end of the period, after deducting other equity instruments at the end of the Reporting Period.
- (2) The net profit attributable to ordinary shareholders of the Company during the Reporting Period divided by the share capital at the end of the period. Earnings per share is calculated using the amount of net profit attributable to equity holders of the Bank expressed in thousand.
- (3) The percentage of net profit during the Reporting Period to the average balance of the total assets at the beginning and the end of the Reporting Period.
- (4) The percentage of net profit attributable to ordinary shareholders of the Company during the Reporting Period to the average balance of total equity attributable to ordinary shareholders of the Company at the beginning and the end of the Reporting Period.
- (5) Calculated as the difference between the average yield on total interest-earning assets and the average cost on total interestbearing liabilities, calculated based on the daily average of the interest-earning assets and interest-bearing liabilities.
- (6) Calculated by dividing net interest income by average interest-earning assets, calculated based on the daily average of the interest-earning assets.
- (7) Calculated with the operating cost after deducting tax and surcharges and divided by the operating income.
- (8) Calculated in accordance with the Measures for the Administration of Capital of Commercial Banks issued in 2023 since 1 January 2024 and calculated in accordance with the Measures for the Administration of Capital of Commercial Banks (for Trial Implementation) in terms of data as at and before 31 December 2023.
- (9) Calculated with the total non-performing loans divided by the total loans to customers.
- (10) Calculated with the allowance for impairment loss on loans divided by the total non-performing loans.
- (11) Calculated with the allowance for impairment loss on loans divided by the total loans to customers.

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Deng Xinquan
Chairman

2025 was the year for the successful conclusion of the “14th Five-Year Plan” and the year for laying the groundwork for the “15th Five-Year Plan”. It was also a crucial year for comprehensively deepening reforms and comprehensively promoting the building of a financial powerhouse. Over the past year, Harbin Bank Group has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, deeply studied and understood Xi Jinping’s economic thought and his important discourses on financial work, and fully implemented the deployments of the Central Economic Work Conference and the Central Financial Work Conference. Focusing on the three major tasks of serving the real economy, preventing and controlling financial risks, and deepening financial reform, the Bank has coordinated development and security, achieved synergistic improvements in “quality, efficiency, and scale”, and demonstrated a steady and positive trend in its operating performance. As at 31 December 2025, the total assets of the Bank amounted to RMB1,019.34 billion, representing an increase of 11.25% from the end of the previous year; the balance of loans and advances to customers was RMB410.6254 billion, representing an increase of 8.32% from the end of the previous year; the balance of customer deposits was RMB719.2437 billion, representing an increase of 3.69% from the end of the previous year; and the non-performing loan ratio was 2.80%, representing a decrease of 0.04 percentage points from the end of the previous year. The net profit for the year amounted to RMB1.2646 billion, representing a year-on-year increase of 16.83%. Net revenue from intermediate business amounted to RMB440.5 million, representing a year-on-year increase of 19.86%.

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Over the past year, the Bank has deeply practiced the philosophy of “finance for the people”, and its capacity to serve economic and social development has been significantly enhanced. Always adhering to its functional positioning as a city commercial bank, the Bank served the local economy, small and medium-sized enterprises, and urban and rural residents, comprehensively promoted specialized, differentiated, and professional operations, focused on major strategies, key areas, and weak links, and effectively increased its support for the regional real economy. The balance of loans in Heilongjiang Province was RMB236.8419 billion, accounting for 57.6%. Closely focusing on excelling in the “Five Major Articles” of finance, and leveraging its own business strengths, the Bank continued to intensify its innovative development of inclusive finance, green finance, and technology finance. Practicing the core philosophy of being “customer-centric”, and adhering to “symbiosis, co-prosperity, and mutual growth” with customers, the Bank deepened cooperation with local governments and central and state-owned enterprises, strengthened financing support for private enterprises and small and micro-enterprises, supported the transformation and upgrading of manufacturing enterprises, and continuously enhanced the service level of cross-border business, providing professional, precise, and comprehensive services for various types of customers, and empowering customer value.

Over the past year, the Bank has continuously strengthened the foundation for high-quality development, and the level of corporate governance has continued to improve. It has formulated the 2025–2027 strategic development plan for the Group and is continuously promoting the transformation of the strategic plan from a blueprint of targets into a list of actions. The Bank strengthened its Board of Directors. Equity directors actively participated in the discussion and decision-making on major operational and management matters, while independent directors diligently fulfilled their duties and actively leveraged their professional expertise. The reform of the Board of Supervisors was successfully implemented, and the Audit Committee of the Board of Directors has fully assumed the various functions of the original Board of Supervisors. Comprehensive risk management capabilities were further enhanced, with existing risks effectively resolved, new risks effectively prevented and controlled, and the level of credit management steadily improved. The construction of the compliance system has been strengthened, anti-money laundering responsibilities have been earnestly fulfilled, and the capabilities for money laundering risk identification, prevention and control have been continuously enhanced. The Bank strengthened internal audit supervision, steadily enhanced the level of audit digitalization, and achieved dual-track coordination between on-site audits and off-site audits. Thoroughly implementing the national requirements regarding the reduction in quantity and improvement in quality of small and medium-sized financial institutions, the Bank has steadily promoted the reform and restructuring of the village and township banks it initiated and established. During the year, the Bank completed the equity transfer of two village and township banks and the absorption, merger, and conversion of four village banks into branches. A total of 12 village banks have undergone reform and restructuring.

Over the past year, the Bank accelerated the pace of its digital transformation and further promoted the construction of the “Ten Major Projects” for information technology. The top-level design of digital transformation has been strengthened, enhancing information technology capabilities across multiple dimensions including product services, customer services, data services, employee experiences, operational efficiency, technical foundation, and the application of innovative technologies. This promotes the improvement of operational efficiency and innovation capabilities across the entire Bank and effectively resolves pain points and bottlenecks in business operations and management. The Bank reconstructed the business architecture, application architecture, data architecture, technology architecture, and infrastructure architecture to lay a solid foundation for the comprehensive and in-depth implementation of digital transformation and the creation of a more secure, agile, and intelligent bank.

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Over the past year, the Bank has fulfilled its corporate social responsibility and comprehensively enhanced its ESG governance level. Deeply practicing the political and people-oriented nature of financial work, and actively implementing regulatory requirements, the Bank strengthened the construction of the financial consumer rights and interests protection system, promoted the deep integration of consumer protection work with business development and service management, carried out the popularization of financial knowledge and anti-fraud publicity on a regular basis, building a solid information and fund security barrier for customers. The Bank anchored the “dual carbon” goals, focusing on key areas such as clean energy, ecological restoration, and low-carbon industrial transformation, and leveraged financial innovation to empower the low-carbon transformation of regional industries. The Bank attached great importance to the development of its talent teams, improved the employee professional growth system, and strengthened humanistic care. It became an official partner of the 9th Asian Winter Games, served as the title sponsor of the Harbin Marathon for seven consecutive years, and was deeply involved in the Harbin International Ice and Snow Expo, with its brand reputation and influence continuing to enhance. ESG management effectiveness has become evident, with the Wind ESG rating upgraded to Grade A. The Bank was honored with the “Best ESG Company Award” at the 10th Zhitong Caijing Listed Companies Awards, and its ESG report received multiple major awards at the International Annual Report Competition.

In 2026, the Bank will consistently adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully, accurately, and comprehensively implement the new development philosophy, strengthen the overall leadership of the Party, keep the “top priorities of the country” in mind, and practice the political and people-oriented nature of financial work. The Bank will continue to enhance the quality and efficiency of its services to the real economy, support the expansion of domestic demand, and contribute to the construction of the “Three Bases, One Barrier, One Highland” of Heilongjiang Province and the “Three Cities and Three Places (三城三地)” of Harbin City. The Bank will fulfill its mission through practical actions and address development challenges with innovation. It will demonstrate renewed commitment and achieve new breakthroughs in advancing the financial practice of Chinese-style modernization, striving to write a new chapter of high-quality development.



Deng Xinquan
Chairman

President's Statement



Yao Chunhe

Secretary of the Party Committee, President

2025 marked the final year of the 14th Five-Year Plan, and also a pivotal year for Harbin Bank to consolidate its foundation, improve quality and efficiency, and pursue growth through innovation. Over the past few years, amid profound changes in the external environment, intensifying industry competition and rising regulatory standards, the Bank has withstood multiple tests including resolving historical burdens, optimizing and adjusting its structure, transforming business development, and reshaping operation and management. Faced with pressures and challenges, the Bank has always maintained a clear-headed and candid stance. We have never shied away from problems, never feared difficulties, and never pursued superficial achievements. We adhere to long-termism, stay committed to value creation, and balance development, quality, efficiency and security. Focused on refined and high-quality development rather than an extensive and all-encompassing approach, we have steadily driven the transition of our operation and development from stabilizing under pressure to steady improvement, from scale orientation to efficiency priority, and from passive response to proactive action. Positive factors have continued to accumulate, development momentum has been steadily consolidated, and we have blazed a path of connotative development that fits our own reality and boasts stronger long-term resilience. In the past year in particular, the Bank accelerated the shift from scale expansion to connotative development, reshaped its asset-liability structure, and delivered an annual performance report featuring steady progress and quality improvement amid growth.

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We upheld Party building as the guide, kept to the right course and pooled collective efforts. We have always regarded Party leadership as the fundamental guarantee for high-quality development, given full play to the Party Committee's core role as the leadership and political core in guiding the direction, managing the overall situation, and ensuring implementation, and solidly promoted the effective implementation of major decisions and plans of the Party Central Committee, as well as the work requirements of provincial and municipal Party committees and governments. We stimulated reform vitality through the tangible results of Party building. We advanced the in-depth development of full and strict governance over the Party, carried out in-depth study and education on the spirit of the Central Committee's eight-point code of conduct, and fostered a clean and upright political ecosystem. We set up a group-wide Party affairs exchange platform, deepened the red gene project for state-owned enterprises, rolled out the selection and development of "Harbin Bank Red Star (哈銀紅星)" Party branches, improved the Group's honor and recognition system, and promoted the in-depth integration of Party building with corporate governance and business operations. We promoted the "Five Musts and Five Must-Nots (五要五不要)" financial culture with Chinese characteristics, strengthened the guidance of the core values of "compliance, stability, innovation and development", and reshaped the corporate culture for the new era.

We optimized team development, strengthened the backbone and stimulated growth momentum. We improved the full-chain mechanism for the selection, appointment, management and development of cadres, opened up a dual-channel promotion system for management and professional tracks, and carried out the adjustment of group management cadres and the reserve and selection of young middle-level cadres. This has enabled cadres who are politically minded, committed to the overall interests, responsible, capable, proficient in management and adept at solving problems to stand out, and accelerated the growth of employees who are willing, able and accomplished in their work. We improved the employee performance appraisal medium and long-term incentive system, and optimized the clawback mechanism for performance-based remuneration. These efforts have fully stimulated the vitality of the team and enhanced employees' sense of belonging, fulfillment and well-being.

We strengthened top-level design, improved mechanisms and enhanced efficiency. We adjusted the organizational structure of the Head Office, weakened siloed segment setup and strengthened cross-departmental collaboration. We seized the opportunities brought by the development of "Digital Longjiang", formulated an overall digital transformation plan, steadily advanced ten major foundational projects, and actively cultivated the second growth curve for development. We coordinated the reform and optimization in key areas, implemented two major reforms: the "branch classification evaluation system" and the "total performance allocation mechanism for Head Office departments". We adjusted the credit review and approval structure between the Head Office and branches, optimized the credit review and approval model, and improved the mechanisms for marketing, product R&D, post-loan management, customer service and cost control. We attached great importance to the development and implementation of the institutional system, and actively moved toward the goal of smooth institutional setup, flexible mechanisms, optimized processes and high efficiency.

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We deeply integrated into the market, highlighted our characteristics and built up competitive edges. We drove the coordinated development of the “three driving forces”: corporate and interbank business, retail and micro and small enterprise business, and cross-border finance. While maintaining our advantages in traditional businesses, we have broken through and built distinctive strengths in segmented sectors. We launched the first “carbon emission + carbon credit” linked loan, the first Longjiang green carbon pledge loan, the first loan for ecological restoration of historically abandoned mines, the first biodiversity-linked loan and the first border residents’ mutual trade settlement business in the Bank’s history. We rolled out innovative products including “Qian Dao Jia” “Xinzhì Loan (新質貸)”, “Junchuang Loan (軍創貸)”, “Black Soil Premium Products Loan (黑土優品貸)” and “Accounts Receivable e-Financing”. The scale of financial assets of retail customers exceeded RMB550 billion, with non-deposit financial assets increasing by 40%; and the total volume of cross-border clearing and settlement business exceeded RMB400 billion, building a new ecosystem for comprehensive financial services.

We closely followed policy guidance, stayed committed to our founding mission and supported the real economy. Focusing on the “Five Major Articles” of the financial sector, we provided comprehensive and distinctive financial services, and scaled up support for national strategies, key regional sectors and weak links in the economy. We held a symposium on the development of private enterprises and a seminar on county-level economic development, issued guidelines on loans for revitalizing existing state-owned assets, released 15 measures to support the development of private enterprises, and formulated a work plan to support county-level economic development. As at the end of December 2025, the balance of corporate industrial loans reached RMB33.555 billion, up 50.49% from the beginning of the year; the balance of green finance loans reached RMB22.909 billion, up 111.49% from the beginning of the year; the balance of inclusive micro and small enterprise loans hit RMB43.249 billion, up 17.29% from the beginning of the year, fully meeting the regulatory “Two Increases” targets; the balance of agriculture-supporting loans reached RMB30.417 billion, up 6.80% from the beginning of the year. We became the partner financial institution with the most comprehensive social security card services and the widest coverage in Heilongjiang Province.

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We strengthened risk prevention and control, adhered to the bottom line and pursued steady and long-term development. We enhanced enterprise-wide risk management, optimized the risk appetite policy, improved the risk institutional system, refined the risk monitoring and early warning mechanism, strengthened the special risk prevention and control system, and continuously improved the effectiveness of risk management. We implemented a dual-line parallel supervision mechanism for credit risk and operational risk, built an intelligent risk monitoring platform, to ensure the early identification, early warning and early disposal of potential risks. We adhered to forward-looking prevention and control, proactive disposal, and addressing both symptoms and root causes, steadily resolved historical legacy issues, and strictly controlled new overdue risks. We formulated a work plan for the implementation of the Measures for Compliance Management of Financial Institutions, and steadily advanced the optimization of the governance structure and the improvement of the mechanism system. We carried out regular rectification of system implementation, and the Head Office completed the formulation, revision and abolition of 288 institutional documents. We reshaped the anti-money laundering (AML) management mechanism, launched a new AML monitoring system, and strengthened the development of the AML management system and professional team.

Standing at a new starting point, we clearly recognize the existing shortcomings and gaps, and at the same time see broad development potential and room for improvement. With the continuous resolution of the existing risks, continuous optimization of the structure, continuous improvement of mechanisms, continuous maturity of the team, accelerated accumulation of growth momentum and more distinctive characteristics, the Bank has a stronger momentum of stabilization and recovery, a more solid foundation for long-term sound development, and a more robust momentum of high-quality development. We are embracing a golden opportunity period for quality improvement and leapfrog development, with broad space and promising prospects ahead. 2026 is the first year of the national 15th Five-Year Plan, and also a critical year for the Bank to build on the momentum and achieve transformative growth. We will continue to maintain a candid and clear-headed attitude, take firm and pragmatic actions, and strive to create a new situation of connotative high-quality development.

We will uphold Party leadership and forge the soul of development. We will continue to strengthen the overall leadership of the Party, and promote the in-depth integration of Party leadership with corporate governance. We will strengthen the pre-examination and gatekeeping role of the Party Committee on major operation and management matters, enhance the penetrating management of secondary Party committees, advance the standardization of Party branches, build a distinctive Party building brand, and drive the synchronized development and mutual promotion of Party building and business operations.

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We will deepen talent development and activate the source of endogenous growth. We will elevate talent team development to a strategic level, thoroughly implement the strategy of strengthening the Bank through talents and the talent reserve project, and make forward-looking plans for the development of the reserve talent echelon. We will optimize the efficiency of talent allocation, establish a group-wide talent introduction mechanism, expand the three talent programs: the “Young Talent Cultivation Programme (青苗培育)”, the “Career Progression Ladder (成長階梯)”, and the “Outstanding Talent Scheme (拔尖人才)”, and build a refined talent supply system. We will improve the mechanism for talent development and utilization, to maximize the enthusiasm, initiative and creativity of cadres and employees.

We will adhere to high-standard positioning and deepen the path of quality improvement. We will stick to the path of prudent, balanced and sustainable connotative development, continuously optimize the asset-liability structure, business structure and customer structure, and achieve the coordinated improvement of scale, quality, efficiency and security. We will conscientiously implement the central and regional policy guidance, organically integrate support for national strategies with consolidating the customer base, optimizing business layout, driving financial innovation, building a development system and enhancing development capacity. We will accelerate the development of the “Four Characteristic Banks”, build the “Six Golden Name Cards”, strengthen the distinctive brand of cross-border business, and strive to become one of the leading city commercial banks in retail finance in the industry.

We will strictly abide by the risk bottom line and consolidate the foundation of security. Guided by the philosophy that “risk management creates value”, we respect the market and follow the laws. We will improve the risk and internal control mechanism, optimize the credit review and approval system, to ensure that risks are clearly identified, thoroughly understood and effectively controlled. We will build a solid security barrier for high-quality development through full-staff governance, full-process control and comprehensive prevention.

We will deepen reform and transformation to strengthen the momentum of development. We will adhere to solving problems through reform, and continue to carry out comprehensive, systematic, pragmatic and efficient reform and reshaping. We will implement the “One Harbin Bank” concept, optimize the Group's organizational structure, improve the group-wide collaboration mechanism, strengthen the middle and back office service support system, and build a new pattern of comprehensive consumer protection work. We will deepen agile innovation to drive digital transformation, strengthen data governance and value mining, build a remote bank, smart outlets and a digital management hub, and accelerate the transition from “Digital Harbin Bank” to “Smart Harbin Bank”.

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We will promote corporate culture and pool the strength for forging ahead. Through popular corporate culture promotion activities, we will organically integrate the financial culture of the new era with the Bank's corporate culture, continuously promote the in-depth understanding and implementation of the corporate culture philosophy of "compliance, prudence, innovation and development", and make the new culture with distinctive Harbin Bank characteristics a strong spiritual core driving business development.

Anchoring the new development goals, we will forge ahead with determination and strive for greater achievements. The Bank will always keep in mind the country's most fundamental interests, deeply root in local development, stay committed to our founding mission, focus on our core business, uphold innovation while adhering to fundamental principles, and take earnest and pragmatic actions. The deeper we root in the local market, the more we empower the real economy; the more steadfast we are in our actions, the further we will go. With a more high-spirited attitude, a more pragmatic work style and more outstanding results, we will make new and greater contributions to building a financial powerhouse and the Longjiang practice of Chinese modernization!



Yao Chunhe
President

Report of the Board of Directors

I. Past Economy and Environment and Operation Overview

(I) Past Economy and Environment

In 2025, the international political and economic landscape became more volatile and uncertain due to the impact of the United States' tariff policies, international conflicts and geopolitical tensions, the economic downturn has not changed. In terms of the domestic situation, under the firm leadership of the Central Committee of the Communist Party of China headed by President Xi Jinping, people of all ethnic groups across the country, together with all regions and departments, conscientiously implemented the decisions and deployment of the Central Committee of the Party and the State Council, forged ahead with determination, overcame difficulties, and implemented macroeconomic policies in a more proactive and effective manner. Through these efforts, the national economy withstood pressure, maintained overall stability with steady improvement. Major targets for economic and social development were steadily advanced, high-quality development was solidly promoted and new progress has been made, new quality productive forces developed in an orderly manner, demand continued to recover, employment and prices generally remained stable, residents' income continued to increase.

In 2025, China's Gross Domestic Product (GDP) amounted to RMB140.1879 trillion, representing a year-on-year increase of 5%. On an industrial structure basis, the growth rates of primary, secondary and tertiary industries were 3.9%, 4.5% and 5.4%, respectively. At the end of December, the balance of broad money (M2) amounted to RMB340.3 trillion, representing a year-on-year increase of 8.5%; the balance of narrow money (M1) amounted to RMB115.5 trillion, representing a year-on-year increase of 3.8%; and the balance of currency in circulation (M0) amounted to RMB14.1 trillion, representing a year-on-year increase of 10.2%. The balance of RMB loans to the real economy amounted to RMB268.4 trillion, representing an increase of 6.3%. The balance of RMB deposits amounted to RMB328.6 trillion, representing a year-on-year increase of RMB26.4 trillion. The outstanding social financing scale amounted to RMB442.1 trillion, representing an increase of 8.3% over the end of last year calculated on a comparable basis. The balance of all RMB loans amounted to RMB271.9 trillion, representing an increase of RMB16.3 trillion.

In 2025, Heilongjiang Province resolutely implemented the decisions and deployments of the Communist Party of China Central Committee and the State Council of the People's Republic of China, adhered to the general direction of seeking improvement in stability, the Province fully, accurately and comprehensively implements the new development concept, proactively served and integrated into a new development pattern, and focused on the central task of economic development and the primary objective of high-quality development, resulting in overall stable economic performance. By the end of 2025, Heilongjiang Province's gross regional product amounted to RMB1,687.80 billion, representing a year-on-year increase of 4.2%. Specifically, the added value of the primary industry was RMB335.26 billion, representing a year-on-year increase of 3.5%; the added value of the secondary industry was RMB400.88 billion, representing a year-on-year increase of 1.5%; and the added value of the tertiary industry was RMB951.66 billion, representing a year-on-year increase of 5.5%. The disposable income per capita of urban and rural residents increased by 4.4% and 5.8%, respectively.

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(II) Operation Overview

The year 2025 marks the final year of the 14th Five-Year Plan period and represents a crucial year for the Bank to accelerate the advancement of high-quality, intrinsic development. Over the past year, under the strong leadership of the Party committees and governments at the provincial and municipal levels, and with the guidance and support of the People's Bank of China and regulatory authorities, the Bank resolutely adhered to the guidance of President Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, to comprehensively implement the spirit of the 20th National Congress of the Communist Party of China and all Plenary Sessions of the 20th Central Committee, and uphold long-termism. The Bank has transformed its business philosophy, reshaped its asset-liability structure. Positive advances have been achieved in strengthening Party leadership, improving corporate governance, serving the real economy, developing distinctive businesses, optimizing systems and mechanisms, enhancing risk control and compliance management, and advancing the construction of Digital Harbin Bank. The overall level of operation and management and the development momentum have trended favorably.

Steady business development

As at 31 December 2025, the Group had total assets of RMB1,019,340.0 million, representing an increase of RMB103,108.1 million, or 11.25% as compared to the end of last year; the balance of loans and advances to customers of the Group amounted to RMB410,625.4 million, representing an increase of RMB31,531.5 million, or 8.32% as compared to the end of last year; and the balance of customer deposits of the Group amounted to RMB719,243.7 million, representing an increase of RMB25,564.3 million, or 3.69% as compared to the end of last year.

Stable and positive operating efficiency

The Group recorded a net profit of RMB1,264.6 million for the year of 2025, representing a year-on-year increase of RMB182.2 million, or 16.83%; and the net profit attributable to shareholders of the parent company was RMB1,145.6 million, representing a year-on-year increase of RMB225.9 million, or 24.56%. The return on average equity of the Group was 1.13%, representing an increase of 0.44 percentage points as compared to last year.

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Stable loan quality

As at 31 December 2025, the balance of the Group's non-performing loans was RMB11,492.5 million, and the non-performing loan ratio was 2.80%, representing a decrease of 0.04 percentage points as compared to the end of last year; the impairment coverage ratio was 198.26%, representing a decrease of 4.33 percentage points as compared to the end of last year; and impairment losses on loans was 5.55%, representing a decrease of 0.20 percentage points as compared to the end of last year.

Stable development of subsidiaries

In 2025, HB Leasing, HBCF and 21 village and township banks controlled by the Company kept stable and healthy development momentum as a whole. As at 31 December 2025, HB Leasing had total assets of RMB27,062 million, representing an increase of 8.81% as compared to the end of last year; HBCF had total assets of RMB24,969 million, representing an increase of 2.46% as compared to the end of last year. The balance of loans amounted to RMB23,191 million, representing an increase of 2.77% as compared to the end of last year. Total assets of the 21 village and township banks controlled by the Company amounted to RMB17,517 million.

Compliance with applicable laws and regulations

The Company has been, throughout its operation, in compliance with applicable laws and regulations, including the Commercial Bank Law of the People's Republic of China, the Company Law of the People's Republic of China, the Hong Kong Listing Rules and other laws and regulations. During the Reporting Period, there were no penalties by regulatory authorities that posed significant impact on the Company.

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II. Analysis on Income Statement

	For the year ended 31 December			
	2025	2024	Change in amount	Rate of change
	(In RMB million, except percentages)			
Interest income	28,598.1	30,272.7	(1,674.6)	-5.5%
Interest expense	(18,759.0)	(20,435.8)	1,676.8	-8.2%
Net interest income	9,839.1	9,836.9	2.2	0.02%
Fee and commission income	633.3	570.2	63.1	11.1%
Fee and commission expense	(192.8)	(202.7)	9.9	-4.9%
Net fee and commission income	440.5	367.5	73.0	19.9%
Net trading income or loss	308.3	2,424.7	(2,116.4)	-87.3%
Net gains on financial investments	3,888.1	1,521.8	2,366.3	155.5%
Net other operating income or loss	70.0	92.3	(22.3)	-24.2%
Operating income	14,546.0	14,243.2	302.8	2.1%
Operating expenses	(5,455.4)	(5,415.8)	(39.6)	0.7%
Credit impairment losses	(8,500.8)	(8,073.1)	(427.7)	5.3%
Other assets impairment loss	(56.7)	(102.9)	46.2	-44.9%
Operating profit	533.1	651.4	(118.3)	-18.2%
Profit before tax	533.1	651.4	(118.3)	-18.2%
Income tax credit	731.5	431.0	300.5	69.7%
Net profit	1,264.6	1,082.4	182.2	16.8%

In 2025, the Bank recorded a profit before tax of RMB533.1 million, and a net profit of RMB1,264.6 million, representing a year-on-year increase of 16.8%.

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(I) Net Interest Income

In 2025, the Bank recorded a net interest income of RMB9,839.1 million, representing an increase of RMB2.2 million. The following tables set forth, for the periods indicated, the average balance of the Bank's interest-earning assets and interest-bearing liabilities, interest income and expenses from these assets and liabilities, and the average yield ratio of these interest-earning assets and the average cost ratio of these interest-bearing liabilities.

	For the year ended 31 December					
	2025			2024		
	Average balance ⁽⁶⁾	Interest income	Average yield ratio	Average balance ⁽⁶⁾	Interest income	Average yield ratio
(In RMB million, except percentages)						
Interest-earning assets						
Loans and advances to customers	384,267.7	16,364.3	4.26%	345,953.1	16,816.3	4.86%
Investments in debt securities ⁽¹⁾	320,834.4	9,106.2	2.84%	278,689.0	9,785.7	3.51%
Cash and balances with Central Bank	45,050.4	643.0	1.43%	48,809.6	684.3	1.40%
Due from banks and other financial institutions ⁽²⁾	45,355.4	950.0	2.09%	49,836.0	1,255.5	2.52%
Financial lease receivables	25,710.0	1,534.6	5.97%	26,018.7	1,730.9	6.65%
Total interest-earning assets	821,217.9	28,598.1	3.48%	749,306.4	30,272.7	4.04%

	For the year ended 31 December					
	2025			2024		
	Average balance ⁽⁶⁾	Interest expense	Average cost ratio	Average balance ⁽⁶⁾	Interest expense	Average cost ratio
(In RMB million, except percentages)						
Interest-bearing liabilities						
Due to customers	692,810.8	15,911.9	2.30%	667,803.0	17,809.2	2.67%
Due to banks ⁽³⁾	79,744.1	1,791.7	2.25%	70,363.6	1,909.2	2.71%
Debt securities issued and others	50,130.8	935.0	1.87%	26,610.0	626.0	2.35%
Due to Central Bank	7,481.1	120.4	1.61%	4,861.6	91.4	1.88%
Total interest-bearing liabilities	830,166.8	18,759.0	2.26%	769,638.2	20,435.8	2.66%
Net interest income		9,839.1			9,836.9	
Net interest spread ⁽⁴⁾			1.22%			1.38%
Net interest margin ⁽⁵⁾			1.20%			1.31%

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Notes:

- (1) Include financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.
- (2) Include due from banks and other financial institutions and financial assets held under reverse repurchase agreements.
- (3) Include due to banks, financial assets sold under repurchase agreements and borrowing from banks and other financial institutions.
- (4) Calculated as the difference between the average yield ratio on total interest-earning assets and the average cost ratio on total interest-bearing liabilities, calculated based on the daily average of the interest-earning assets and interest-bearing liabilities.
- (5) Calculated by dividing net interest income by the balance of interest-earning assets, calculated based on the daily average of the interest-earning assets.
- (6) Calculated as the average of the Bank's daily balances.

The following table sets out, for the periods indicated, the changes in the Bank's interest income and interest expense attributable to changes in volumes and interest rates. Changes in volumes are measured by changes in the average balances of the Bank's interest-earning assets and interest-bearing liabilities and changes in interest rates are measured by changes in the average interest rates of the Bank's interest-earning assets and interest-bearing liabilities. Effects of changes caused by both volumes and interest rates have been allocated to changes in interest.

	For the year ended 31 December		
	2025 vs. 2024		
	Increase/ (decrease) Volume ⁽¹⁾	Interest rate ⁽²⁾	Net increase/ (decrease) ⁽³⁾
			(In RMB million)
Interest-earning assets			
Loans and advances to customers	1,862.4	(2,314.4)	(452.0)
Investments in debt securities	1,479.9	(2,159.4)	(679.5)
Cash and balances with Central Bank	(52.7)	11.4	(41.3)
Due from banks and other financial institutions	(112.9)	(192.6)	(305.5)
Financial lease receivables	(20.5)	(175.8)	(196.3)
Change in interest income	3,156.2	(4,830.8)	(1,674.6)
Interest-bearing liabilities			
Due to customers	666.9	(2,564.2)	(1,897.3)
Due to banks	254.6	(372.1)	(117.5)
Debt securities issued and others	553.3	(244.3)	309.0
Due to Central Bank	49.2	(20.2)	29.0
Change in interest expense	1,524.0	(3,200.8)	(1,676.8)

Notes:

- (1) Represents the average balance for the Reporting Period minus the average balance for the previous period, multiplied by the average yield/cost ratio for such previous period.
- (2) Represents the average yield/cost ratio for the Reporting Period minus the average yield/cost ratio for the previous period, multiplied by the average balance for the Reporting Period.
- (3) Represents the interest income/expense for the Reporting Period minus the interest income/expense for the previous period.

(II) Interest Income

In 2025, the Bank recorded interest income of RMB28,598.1 million, representing a decrease of RMB1,674.6 million, or 5.5% year on year, which was primarily due to a decrease in the average yield of interest-bearing assets from 4.04% last year to 3.48% in 2025.

1. Interest income from loans and advances to customers

In 2025, the Bank's interest income from loans and advances to customers amounted to RMB16,364.3 million, representing a decrease of RMB452.0 million, or 2.7% year on year. This was mainly because the Bank proactively fulfilled its role in serving the real economy, implemented the relevant requirements of the financial "Five Major Articles", improved service quality and efficiency in key areas and weak links, and increased credit disbursement, resulting in an increase in credit scale as compared with the same period of last year. However, affected by factors such as the downward adjustment of market interest rates, peer competition, repricing of existing loan interest rates, and the maturity of high-priced businesses, the average yield decreased by 0.60 percentage points year on year, leading to a year-on-year decrease in interest income.

The following table sets out, for the periods indicated, the average balance, interest income and average yield ratio for each component of the Bank's loans and advances to customers.

	For the year ended 31 December					
	2025			2024		
	Average balance	Interest income	Average yield ratio	Average balance	Interest income	Average yield ratio
	(In RMB million, except percentages)					
Corporate loans	225,315.0	9,013.8	4.00%	198,069.8	9,111.9	4.60%
Personal loans	116,112.5	6,968.8	6.00%	115,281.4	7,276.4	6.31%
Discounted bills	42,840.1	381.7	0.89%	32,601.9	428.0	1.31%
Total loans and advances to customers	384,267.7	16,364.3	4.26%	345,953.1	16,816.3	4.86%

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2. Interest income from investments in debt securities

In 2025, the Bank's interest income from investments in debt securities amounted to RMB9,106.2 million, representing a decrease of RMB679.5 million, or 6.9% year on year. This was mainly attributable to the fact that the Bank allocated bond investment assets in light of liquidity conditions to enhance the contribution value of funds, resulting in a year-on-year increase in the investment scale. However, affected by factors such as the maturity of existing high-yield businesses and the downward trend of market interest rates, the average yield decreased by 0.67 percentage points year on year, leading to a year-on-year decrease in interest income.

3. Interest income from cash and balances with Central Bank

In 2025, the Bank's interest income from cash and balances with Central Bank amounted to RMB643.0 million, representing a decrease of RMB41.3 million or 6.0% year on year. This was mainly attributable to the reduction in the Central Bank deposit reserve ratio and a year-on-year decrease of RMB3,759.2 million in the average balance of cash and balances with Central Bank.

4. Interest income from amounts due from banks and other financial institutions

In 2025, the Bank's interest income from amounts due from banks and other financial institutions amounted to RMB950.0 million, representing a decrease of RMB305.5 million or 24.3% year on year. This was primarily attributable to the Bank's optimization of the asset allocation structure, prioritization of funds to support the disbursement of credit assets, and a year-on-year decrease of RMB4,480.6 million in the average balance of amounts due from banks and other financial institutions. Coupled with the downward trend of market interest rates, the average yield decreased by 0.43 percentage points year on year.

5. Interest income from financial lease receivables

In 2025, the Bank's interest income from financial lease receivables amounted to RMB1,534.6 million, representing a decrease of RMB196.3 million, or 11.3% year on year. This was mainly due to a year-on-year decrease of RMB308.7 million in the average balance of financial lease receivables and a year-on-year decrease of 0.68 percentage points in the average yield.

(III) Interest Expense

In 2025, the Bank's interest expense amounted to RMB18,759.0 million, representing a decrease of RMB1,676.8 million, or 8.2% as compared to the same period of last year. This was mainly due to a decrease in the average cost ratio from 2.66% last year to 2.26% in 2025, offset by the increase in the average balances of overall interest-bearing liabilities from RMB769,638.2 million last year to RMB830,166.8 million in 2025.

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1. Interest expense on due to customers

In 2025, the Bank continuously improved its liability products and service system, steadily consolidated its customer base, and maintained a steady growth momentum in deposit scale. The Bank's interest expense on due to customers amounted to RMB15,911.9 million, representing a decrease of RMB1,897.3 million, or 10.7% year on year, primarily because the Bank has proactively and continuously optimized the deposit term and cost structure in recent years, resulting in a year-on-year decrease in the interest payment ratio.

	For the year ended 31 December					
	2025			2024		
	Average balance	Interest expense	Average cost ratio	Average balance	Interest expense	Average cost ratio
(In RMB million, except percentages)						
Corporate deposits						
Demand	58,224.0	370.0	0.64%	71,947.6	1,079.9	1.50%
Time	129,034.4	3,281.6	2.54%	123,950.7	3,565.0	2.88%
Subtotal	187,258.4	3,651.6	1.95%	195,898.3	4,644.9	2.37%
Personal deposits						
Demand	43,624.9	37.5	0.09%	42,933.1	88.4	0.21%
Time	461,927.5	12,222.8	2.65%	428,971.6	13,075.9	3.05%
Subtotal	505,552.4	12,260.3	2.43%	471,904.7	13,164.3	2.79%
Total deposits from customers	692,810.8	15,911.9	2.30%	667,803.0	17,809.2	2.67%

2. Interest expense on due to banks

In 2025, the Bank's interest expense on due to banks amounted to RMB1,791.7 million, representing a decrease of RMB117.5 million, or 6.2% year on year, primarily attributable to the downward trend of market interest rates and structure optimization, which led to a year-on-year decrease of 0.46 percentage points in the average cost ratio.

3. Interest expense on debt securities issued and others

In 2025, the Bank's interest expense on debt securities issued and others amounted to RMB935.0 million, representing an increase of RMB309.0 million, or 49.4% year on year, mainly attributable to the Bank's optimization of liability structure in light of market and liquidity conditions and an increase in the daily average volume.

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(IV) Net Interest Spread and Net Interest Margin

In 2025, the Bank's net interest spread was 1.22%, representing a decrease of 0.16 percentage points as compared to last year; and the net interest was 1.20%, representing a decrease of 0.11 percentage points as compared to last year. The Bank has closely followed the guidance of national policies, focused on its primary responsibilities and main businesses, actively fulfilled its mission of serving the real economy, continuously deepened the implementation of the "Five Major Articles", and increased the intensity of credit disbursement. The Bank has continuously reduced the financing costs of the real economy, strengthened financial service guarantees, and gone all out to support the high-quality development of the local economy. It has continuously improved the liability product and service system, expanded the sources of low-cost deposits, strengthened the control of long-term high-cost deposits, and gradually optimized the liability term and cost structure. However, affected by factors such as the insufficient effective demand for credit in the real economy, the maturity of high-yield asset businesses, the downward trend of market interest rates, and the repricing, the decline rate of the asset yield was greater than that of interest payment rate of the liability cost compared with the same period, resulting in a decrease in the net interest margin and net interest spread compared with the same period. Compared with the first half of the year, the Bank's net interest spread increased by 0.11 percentage points from the end of the first half, and the net interest margin increased by 0.10 percentage points from the first half of the year, with the marginal benefit of the asset-liability portfolio steadily improving.

(V) Non-interest Income

1. Net fee and commission income

In 2025, the Bank's net fee and commission income amounted to RMB440.5 million, representing an increase of RMB73.0 million, or 19.9% year on year, primarily attributable to an increase in fees from agency business as well as settlement fees.

	For the year ended 31 December			
	2025	2024	Change in amount	Rate of change
	(In RMB million, except percentages)			
Fee and commission income	633.3	570.2	63.1	11.1%
Advisory and consultancy fee	79.4	64.8	14.6	22.5%
Settlement fee	118.7	91.3	27.4	30.0%
Agency fee	241.8	203.2	38.6	19.0%
Of which: non-principal protected wealth management agency fee	157.1	146.3	10.8	7.4%
Bank card fee	166.5	201.7	(35.2)	-17.5%
Others	26.9	9.2	17.7	192.4%
Fee and commission expense	(192.8)	(202.7)	9.9	-4.9%
Net fee and commission income	440.5	367.5	73.0	19.9%

In 2025, the Bank's advisory and consultancy fee income amounted to RMB79.4 million, representing an increase of RMB14.6 million, or 22.5% year on year, mainly attributable to the Bank's proactive adjustment of its business structure, resulting in a year-on-year increase in advisory business fees.

In 2025, the Bank's settlement fee income amounted to RMB118.7 million, representing an increase of RMB27.4 million, or 30.0% year on year, mainly attributable to the change in volume of settlement business.

In 2025, the Bank's agency fee income amounted to RMB241.8 million, representing an increase of RMB38.6 million, or 19.0% year on year, mainly attributable to an increase in the scale of agency business.

In 2025, the Bank's bank card fee income amounted to RMB166.5 million, representing a decrease of RMB35.2 million, or 17.5% year on year, mainly attributable to changes in the volume of bank card intermediary business.

In 2025, the Bank realised other fee and commission income of RMB26.9 million, representing an increase of RMB17.7 million, or 192.4% year on year.

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2. *Net trading income or loss*

In 2025, the Bank's net trading income or loss amounted to RMB308.3 million, representing a decrease of RMB2,116.4 million, or 87.3% year on year, mainly attributable to a decrease in gains and losses arising from changes in the fair value of financial assets measured at fair value through profit or loss.

3. *Net gains on financial investments*

In 2025, the Bank's net gains on financial investments amounted to RMB3,888.1 million, representing an increase of RMB2,366.3 million, or 155.5% year on year, mainly attributable to an increase in net gains on disposal of financial assets measured at amortised cost.

4. *Net other operating income or loss*

In 2025, the Bank's net other operating income or loss amounted to RMB70.0 million, representing a decrease of RMB22.3 million, or 24.2% year on year, mainly attributable to the changes in exchange gains or losses of the Bank.

(VI) Operating Expenses

In 2025, the Bank's operating expenses increased by RMB39.6 million, or 0.7% year on year to RMB5,455.4 million.

	For the year ended 31 December			
	2025	2024	Change in amount	Rate of change
	(In RMB million, except percentages)			
Staff costs	2,569.1	2,577.5	(8.4)	-0.3%
Tax and surcharges	278.7	274.5	4.2	1.5%
Depreciation and amortisation	653.2	716.7	(63.5)	-8.9%
Others	1,954.4	1,847.1	107.3	5.8%
Total operating expenses	5,455.4	5,415.8	39.6	0.7%

Staff costs are the largest component of the Bank's operating expenses, representing 47.1% and 47.6% of the Bank's total operating expenses for 2025 and 2024, respectively.

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The following table shows the major components of staff costs of the Bank for the periods indicated.

	For the year ended 31 December			
	2025	2024	Change in amount	Rate of change
	(In RMB million, except percentages)			
Staff costs				
Salaries, bonuses and allowances	1,713.7	1,808.8	(95.1)	-5.3%
Social insurance	541.9	441.9	100.0	22.6%
Housing fund	179.5	175.1	4.4	2.5%
Staff benefits	84.9	98.2	(13.3)	-13.5%
Labor union expenditure and education costs	38.0	40.3	(2.3)	-5.7%
Early retirement benefits	11.1	13.2	(2.1)	-15.9%
Total	2,569.1	2,577.5	(8.4)	-0.3%

In 2025, the staff costs of the Bank reached RMB2,569.1 million, representing a decrease of RMB8.4 million, or 0.3% year on year.

In 2025, the tax and surcharges of the Bank were RMB278.7 million, representing an increase of RMB4.2 million, or 1.5% year on year.

In 2025, depreciation and amortisation of the Bank were RMB653.2 million, representing a decrease of RMB63.5 million, or 8.9% year on year.

In 2025, the Bank's other operating expenses amounted to RMB1,954.4 million, representing an increase of RMB107.3 million, or 5.8% year on year.

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(VII) Credit Impairment Losses

In 2025, the Bank's credit impairment losses increased by RMB427.7 million, or 5.3% year on year to RMB8,500.8 million.

	For the year ended 31 December			
	2025	2024	Change in amount	Rate of change
	(In RMB million, except percentages)			
Impairment losses on loans and advances to customers at amortised cost	4,827.1	6,437.1	(1,610.0)	-25.0%
Impairment losses on financial assets at amortised cost	2,964.8	959.4	2,005.4	209.0%
Impairment losses on financial investments at fair value through other comprehensive income	46.9	(2.7)	49.6	1,837.0%
Impairment losses on finance lease receivables	209.3	493.1	(283.8)	-57.6%
Other	452.7	186.2	266.5	143.1%
Total	8,500.8	8,073.1	427.7	5.3%

(VIII) Other Assets Impairment Losses

In 2025, the Bank's other assets impairment losses decreased by RMB46.2 million year on year to RMB56.7 million.

	For the year ended 31 December			
	2025	2024	Change in amount	Rate of change
	(In RMB million, except percentages)			
Impairment losses on repossessed assets	56.7	102.9	(46.2)	-44.9%
Total	56.7	102.9	(46.2)	-44.9%

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(IX) Income Tax Credit

In 2025, the Bank's income tax expenses decreased by RMB300.5 million year on year to RMB-731.5 million.

	For the year ended 31 December			
	2025	2024	Change in amount	Rate of change
	(In RMB million, except percentages)			
Current income tax expenses	557.9	601.6	(43.7)	-7.3%
Deferred income tax expenses	(1,289.4)	(1,032.6)	(256.8)	-24.9%
Effective income tax expenses	(731.5)	(431.0)	(300.5)	-69.7%

III. Analysis of Key Items of Financial Position

(I) Assets

As at 31 December 2025, the Bank's total assets amounted to RMB1,019,340.0 million, representing an increase of RMB103,108.1 million, or 11.3% as compared to the end of last year.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Loans and advances to customers, net	394,261.7	38.7%	362,408.1	39.6%
Net investment in securities and other financial assets	457,970.4	44.9%	377,801.0	41.2%
Cash and balances with the Central Bank	99,275.2	9.7%	99,873.9	10.9%
Due from banks and other financial institutions	21,138.6	2.1%	31,944.2	3.5%
Reverse repurchases	—	—	150.0	0.0%
Other assets	46,694.1	4.6%	44,054.7	4.8%
Total assets⁽¹⁾	1,019,340.0	100.0%	916,231.9	100.0%

Note:

- (1) Of which, accrued interest is accounted in each of the interest-generating assets items but not in other discussions and analysis.

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1. Loans and advances to customers

As at 31 December 2025, the Bank's total loans and advances to customers increased by RMB31.5315 billion to RMB410.6254 billion, representing an increase of 8.3% as compared to the end of last year.

The following table sets out a breakdown of the Bank's loans by business lines as at the dates indicated.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Corporate loans	258,279.3	62.9%	205,405.0	54.2%
Personal loans	116,432.2	28.4%	117,779.9	31.1%
Discounted bills	35,913.9	8.7%	55,909.0	14.7%
Total loans and advances to customers	410,625.4	100.0%	379,093.9	100.0%

(1) Corporate loans

As at 31 December 2025, the Bank's corporate loans amounted to RMB258,279.3 million, representing an increase of RMB52,874.3 million, or 25.7% as compared to the end of last year.

The following table sets out a breakdown of the Bank's corporate loans by customer type as at the dates indicated.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Loans to small enterprises ⁽¹⁾	119,497.8	46.3%	93,269.0	45.4%
Other corporate loans excluding loans to small enterprises	138,781.5	53.7%	112,136.0	54.6%
Total corporate loans	258,279.3	100.0%	205,405.0	100.0%

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Note:

- (1) Loans to small enterprises include corporate loans to small enterprises and micro enterprises as defined in the SME Classification Standards. According to the SME Classification Standards, there are different classification standards for different industries. For example, industrial enterprises having more than 20 but less than 1,000 employees and generating more than RMB3 million in operating income in a year are classified as small enterprises, while enterprises having more than 5 but less than 200 employees and generating more than RMB10 million in operating income in a year in the wholesale industry are also classified as small enterprises. Industrial enterprises having less than 20 employees or generating less than RMB3 million in operating income in a year are classified as micro enterprises, while enterprises having less than 5 employees or generating less than RMB10 million in operating income in a year in the wholesale industry are also classified as micro enterprises.

As at 31 December 2025, the Bank's loans to small enterprise legal persons amounted to RMB119,497.8 million, representing an increase of RMB26,228.8 million, or 28.1% as compared to the end of last year. As at the end of current year and last year, the Bank's loans to small enterprise legal persons accounted for 46.3% and 45.4% of the Bank's total corporate loans, respectively.

(2) *Personal loans*

As at 31 December 2025, the Bank's personal loans amounted to RMB116,432.2 million, representing a decrease of RMB1,347.7 million, or 1.1% as compared to the end of last year, mainly attributable to a decrease in loans to natural persons of small enterprises by RMB2,414.5 million, or 10.6% as compared to the end of last year.

The following table sets out a breakdown of the Bank's personal loans by product type as at the dates indicated.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Loans to small enterprise owners	20,398.7	17.5%	22,813.2	19.3%
Personal consumption loans	80,175.2	68.9%	80,520.3	68.4%
Loans to farmers	15,858.3	13.6%	14,446.4	12.3%
Total personal loans	116,432.2	100.0%	117,779.9	100.0%

As at 31 December 2025, loans to farmers increased by 9.8% as compared to the end of last year, while loans to small enterprise owners and personal consumption loans decreased by 10.6% and 0.4% as compared to the end of last year, respectively.

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2. Investment in securities and other financial assets

As at 31 December 2025, the total amount of the Bank's investment in securities and other financial assets was RMB460,870.3 million, representing an increase of RMB81,945.3 million, or 21.6% as compared to the end of last year.

The following table sets out the components of the Bank's investment in securities and other financial assets as at the dates indicated.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Financial assets measured at fair value through profit or loss	81,635.8	17.7%	81,644.6	21.5%
Financial assets measured at amortised cost	296,615.6	64.4%	226,606.5	59.8%
Financial assets measured at fair value through other comprehensive income	82,618.9	17.9%	70,673.9	18.7%
Total investment in securities and other financial assets	460,870.3	100.0%	378,925.0	100.0%

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The following table sets out the distribution of the Bank's investment in securities and other financial assets divided by debt investments and equity investment as at the dates indicated.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Debt investments:				
Bond investments	332,738.4	72.2%	236,959.4	62.5%
Debt instruments issued by financial institutions ⁽¹⁾	123,414.2	26.8%	137,083.2	36.2%
Subtotal	456,152.6	99.0%	374,042.6	98.7%
Equity investment	4,717.7	1.0%	4,882.4	1.3%
Total investment in securities and other financial assets	460,870.3	100.0%	378,925.0	100.0%

Note:

(1) include fund trust scheme, funds and asset management plans.

As at 31 December 2025, the Bank's total investment in debt instruments issued by financial institutions was RMB123,414.2 million, representing a decrease of RMB13,669.0 million, or 10.0% as compared to the end of last year. The percentage of such investments to total investment in securities and other financial assets decreased from 36.2% as at 31 December 2024 to 26.8% as at 31 December 2025.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Government bonds	280,920.4	84.5%	168,163.2	71.0%
Bonds issued by financial institutions	2,060.6	0.6%	13,786.9	5.8%
Corporate bonds	31,670.7	9.5%	43,698.1	18.4%
Bonds issued by policy banks	18,086.7	5.4%	11,311.2	4.8%
Total bond investments	332,738.4	100.0%	236,959.4	100.0%

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3. Other components of the Bank's assets

Other components of the Bank's assets primarily consist of (i) cash and balances with the Central Bank, (ii) due from banks and other financial institutions.

As at 31 December 2025, the Bank's total cash and balances with the Central Bank amounted to RMB99,257.4 million, representing a decrease of RMB599.5 million, or 0.6% as compared to the end of last year.

As at 31 December 2025, the Bank's total due from banks and other financial institutions amounted to RMB21,133.8 million, representing a decrease of RMB10,639.4 million, or 33.5% as compared to the end of last year.

(II) Liabilities

The Bank diligently implemented the requirements of the Measures for Liability Quality Management of Commercial Banks (Yin Bao Jian Ban Fa [2021] No. 35) and established and completed a liability quality management system across the Bank in accordance with the principle of compatibility with business strategy, risk appetite and overall business characteristics of the Bank, and continuously improved the level of liability quality management. During the Reporting Period, the Bank conscientiously implemented the requirements of the "six characteristics" of liability quality management, continuously strengthened the foundation for the development of our liabilities business, while strengthening the monitoring, analysis and management of the sources, structure and costs of our liabilities, resulting in a steady increase in the total liabilities and healthy development of overall liabilities business. As at 31 December 2025, the Bank's total liabilities amounted to RMB954.5573 billion, representing an increase of RMB103.9217 billion, or 12.2% as compared to the end of last year.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Due to customers	738,578.8	77.5%	713,113.5	83.9%
Due to banks ⁽¹⁾	77,896.6	8.2%	49,759.4	5.8%
Repurchase agreements	54,142.8	5.7%	34,721.2	4.1%
Debt securities issued	55,830.2	5.8%	39,942.0	4.7%
Due to Central Bank	11,512.5	1.1%	5,548.2	0.6%
Other liabilities ⁽²⁾	16,596.4	1.7%	7,551.3	0.9%
Total liabilities⁽³⁾	954,557.3	100.0%	850,635.6	100.0%

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Notes:

- (1) Due to banks also includes borrowings from banks and other financial institutions.
- (2) Other liabilities primarily consist of derivative financial liabilities, income tax payable and other tax payable, items in the process of clearance and settlement as well as staff salary payable.
- (3) Of which, interest payable is accounted in each of the interest-bearing liabilities items but not in other discussions and analysis.

1. Due to customers

As at 31 December 2025, the Bank's total due to customers amounted to RMB719.2437 billion, representing an increase of RMB25.5643 billion, or 3.7% as compared to the end of last year.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Corporate deposits				
Demand deposits	64,023.6	8.9%	78,967.7	11.4%
Time deposits	143,717.3	20.0%	114,734.7	16.5%
Subtotal	207,740.9	28.9%	193,702.4	27.9%
Personal deposits				
Demand deposits	45,258.0	6.3%	43,993.5	6.3%
Time deposits	466,244.8	64.8%	455,983.5	65.8%
Subtotal	511,502.8	71.1%	499,977.0	72.1%
Total due to customers	719,243.7	100.0%	693,679.4	100.0%

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2. Due to banks

As at 31 December 2025, the Bank's balance of due to banks amounted to RMB77.4727 billion, representing an increase of RMB28.1110 billion, or 56.9% as compared to the end of last year.

3. Repurchase agreement

As at 31 December 2025, the Bank's repurchase agreement amounted to RMB54.0594 billion, representing an increase of RMB19.3589 billion, or 55.8% as compared to the end of last year.

4. Debt securities issued

As at 31 December 2025, the Bank's debt securities issued amounted to RMB55.8302 billion, representing an increase of RMB15.8882 billion, or 39.8% as compared to the end of last year.

(III) Shareholders' Equity

As at 31 December 2025, the Bank's total shareholders' equity amounted to RMB64,782.7 million, representing a decrease of RMB813.6 million, or 1.2% as compared to the end of last year. The total equity attributable to shareholders of the parent company amounted to RMB62,290.9 million, representing a decrease of RMB871.0 million, or 1.4% as compared to the end of last year.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Share capital	10,995.6	17.0%	10,995.6	16.8%
Other equity instruments	11,699.0	18.1%	11,699.0	17.8%
Reserves	22,117.1	34.1%	22,350.7	34.1%
Undistributed profits	17,479.2	27.0%	18,116.6	27.6%
Equity attributable to shareholders of the parent company	62,290.9	96.2%	63,161.9	96.3%
Non-controlling interests	2,491.8	3.8%	2,434.4	3.7%
Total equity	64,782.7	100.0%	65,596.3	100.0%

IV. Off-balance Sheet Commitments

The following table sets out the contract value of the Bank's off-balance sheet commitments as of the dates indicated.

	As at 31 December	
	2025	2024
	(In RMB million)	
Credit commitments:		
Bank bills acceptance	7,906.4	7,332.8
Issued letters of guarantee	2,755.4	192.9
Issued letters of credit	2,072.9	1,377.2
Credit limit of credit card	12,960.7	15,372.3
Subtotal	25,695.4	24,275.2
Capital expenditure commitments	169.8	181.9
Treasury bond redemption commitments	0.0	194.0
Total	25,865.2	24,651.1

In addition, as at 31 December 2025, there wasn't major pending litigation cases where the Group is the defendant or a third-party defendant with the amount in dispute for each case exceeding RMB10,000,000 (as at 31 December 2024: RMB29,665,000). As at 31 December 2025, based on the best estimate, the Group did not recognize a provision for liabilities in the balance sheet (as at 31 December 2024: Nil). Details of off-balance sheet commitment contracts are disclosed in "Commitments and Contingent Liabilities" in Note 46 to the financial statements of this report.

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V. Analysis of Loan Quality

During the Reporting Period, the Bank proactively implemented high-quality development goals, adhered to the principles of active defense and precise risk resolution, focused on stabilizing existing business, optimizing new business, and strengthening mechanisms, and continuously improved and refined risk prevention and control. The Bank accelerated the digital transformation of risk management, continuously improved intelligent early warning risk control models and full-process risk monitoring mechanisms, significantly enhanced the forward-looking nature of risk identification and the scientific nature of decision-making. While strictly controlling new risks, the Bank took multiple measures to speed up the disposal of existing non-performing assets, effectively activating inefficient assets through market-oriented transfer, debt restructuring, and legal recovery. As at 31 December 2025, the non-performing loan ratio was 2.80%, representing a decrease of 0.04 percentage points as compared to the end of last year. The impairment coverage ratio was 198.26%, representing a decrease of 4.33 percentage points as compared to the end of last year. The provision rate of impairment losses on loans was 5.55%, representing a decrease of 0.20 percentage points as compared to the end of last year. The capability of risk resilience remained stable.

(I) Distribution of Loans by Five-category Loan Classification

The following table sets out the Bank's loans and advances to customers in each category of the Bank's five-category loan classification as of the dates indicated.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Pass	375,564.7	91.5%	346,268.5	91.4%
Special mention	23,568.2	5.7%	22,068.4	5.8%
Substandard	1,414.0	0.3%	1,322.6	0.3%
Doubtful	622.5	0.2%	1,337.8	0.4%
Loss	9,456.0	2.3%	8,096.6	2.1%
Total loans and advances to customers	410,625.4	100.0%	379,093.9	100.0%
Non-performing loans amount and non-performing loan ratio⁽¹⁾	11,492.5	2.80%	10,757.0	2.84%

Note:

(1) Non-performing loan ratio is calculated by dividing non-performing loans by total loans and advances to customers.

According to the five-category loan classification system, the Bank classified its non-performing loans into substandard, doubtful and loss categories.

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(II) The Distribution of Loans and Non-performing Loans by Business Lines

The following table sets out the Bank's loans and non-performing loans by business lines as of the dates indicated.

	As at 31 December					
	2025			2024		
	Loan amount	Non- performing loans amount	Non- performing loan ratio	Loan amount	Non- performing loans amount	Non- performing loan ratio
(In RMB million, except percentages)						
Corporate loans						
Loans to small enterprises	119,497.8	2,798.4	2.34%	93,269.0	2,682.1	2.88%
Other corporate loans excluding loans to small enterprises	138,781.5	1,924.1	1.39%	112,136.0	2,219.3	1.98%
Subtotal	258,279.3	4,722.5	1.83%	205,405.0	4,901.4	2.39%
Personal loans						
Loans to small enterprise owners	20,398.7	1,308.7	6.42%	22,813.2	1,212.2	5.31%
Personal consumption loans	80,175.2	5,256.2	6.56%	80,520.3	4,438.4	5.51%
Loans to farmers	15,858.3	205.1	1.29%	14,446.4	205.0	1.42%
Subtotal	116,432.2	6,770.0	5.81%	117,779.9	5,855.6	4.97%
Discounted bills	35,913.9	–	–	55,909.0	–	–
Total	410,625.4	11,492.5	2.80%	379,093.9	10,757.0	2.84%

During the Reporting Period, the Bank continuously tracked, researched and assessed the external economic situation, and adjusted business guidance and admission rules in a timely manner. The Bank made dynamic adjustments to policies, optimized customer base and asset structures, and strictly prevented default risks in new businesses. The Bank established regular monitoring and feedback mechanisms, intelligent early warning management, and elaborate overdue supervision systems, and paid close attention to source prevention and control and full-process management to continuously improve the quality and efficiency of risk prevention and control. However, affected by factors such as the slowdown in economic growth, overcapacity in certain industries, and weak recovery of consumer spending, the real economy continued to face pressure. As of 31 December 2025, the non-performing loan ratio was 2.80%, the non-performing loan ratio of corporate loans was 1.83%, the non-performing loan ratio of personal loans was 5.81%.

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(III) Distribution of Loans and Non-performing Loans Classified by Industry

The following table sets out the distribution of the Bank's loans and non-performing loans by industry as of the dates indicated.

	As at 31 December							
	2025				2024			
	Loan amount	% of total	Non-performing loans amount	Non-performing loan ratio	Loan amount	% of total	Non-performing loans amount	Non-performing loan ratio
	(In RMB million, except percentages)							
Agriculture, forestry, husbandry and fishery	1,598.7	0.4%	116.9	7.31%	1,039.0	0.3%	122.2	11.76%
Mining	4,852.4	1.2%	19.8	0.41%	1,720.1	0.5%	–	–
Manufacturing	20,130.7	4.9%	836.5	4.16%	11,972.5	3.2%	988.7	8.26%
Production and supply of electricity, heating, gas and water	17,067.1	4.1%	50.8	0.30%	11,559.2	3.0%	58.8	0.51%
Construction	21,853.3	5.3%	501.2	2.29%	14,026.6	3.7%	486.6	3.47%
Wholesale and retail	49,334.7	12.0%	1,610.7	3.26%	36,931.2	9.7%	1,570.1	4.25%
Transportation, storage and postal services	5,244.8	1.3%	36.8	0.70%	3,045.2	0.8%	31.5	1.03%
Accommodations and catering	2,983.2	0.7%	164.2	5.50%	3,258.2	0.9%	127.7	3.92%
Information transmission, software and information technology services	2,210.1	0.5%	1.2	0.05%	465.3	0.1%	1.2	0.26%
Finance	242.4	0.1%	–	–	49.7	0.0%	–	–
Real estate	28,149.5	6.9%	561.3	1.99%	28,920.7	7.6%	621.5	2.15%
Leasing and commercial services	90,249.7	22.0%	674.6	0.75%	80,945.2	21.4%	726.2	0.90%
Scientific research and technological services	1,509.4	0.4%	7.8	0.52%	1,131.6	0.3%	7.8	0.69%
Water conservation, environment and public utility management	10,638.6	2.6%	82.4	0.77%	9,015.9	2.4%	106.8	1.18%
Residential, repair and other services	615.6	0.1%	16.4	2.66%	299.9	0.1%	10.4	3.47%
Education	163.6	0.0%	38.1	23.29%	114.4	0.0%	38.1	33.30%
Health and social work	1,183.4	0.3%	3.8	0.32%	474.5	0.1%	3.8	0.80%
Culture, sports and entertainment	252.1	0.1%	–	–	435.8	0.1%	–	–
Total corporate loans	258,279.3	62.9%	4,722.5	1.83%	205,405.0	54.2%	4,901.4	2.39%
Total personal loans	116,432.2	28.4%	6,770.0	5.81%	117,779.9	31.1%	5,855.6	4.97%
Discounted bills	35,913.9	8.7%	–	–	55,909.0	14.7%	–	–
Total	410,625.4	100.0%	11,492.5	2.80%	379,093.9	100.0%	10,757.0	2.84%

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During the Reporting Period, the Bank kept abreast of the support direction of national industrial policy and the characteristics of regional economic development, strengthened its credit support for the local real economy and increased loan disbursements to relevant key sectors such as regional featured industries with competitive advantages, manufacturing industry, science and technology enterprises, and green finance. Meanwhile, the Bank reinforced its financial cooperation among peers and proactively promoted the development of the syndicate business. For key programmes within the province, it continued to improve the matching of financing needs and offered financing support to private enterprises and small and micro enterprises. As at 31 December 2025, the total corporate loans of the Bank amounted to RMB258,279.3 million, representing an increase of RMB52,874.3 million as compared to the end of last year.

(IV) Distribution of Loans and Non-performing Loans by Geographical Region

The following table sets out the distribution of the Bank's loans and non-performing loans by geographical region as of the dates indicated.

	As at 31 December							
	2025				2024			
	Loan amount	% of total	Non-performing loan amount	Non-performing loan ratio	Loan amount	% of total	Non-performing loan amount	Non-performing loan ratio
	(In RMB million, except percentages)							
Heilongjiang region	236,841.9	57.6%	4,933.9	2.08%	233,051.3	61.5%	4,649.9	2.00%
Other regions in								
Northeastern China	41,701.9	10.2%	1,638.2	3.93%	37,877.4	10.0%	1,730.9	4.57%
Southwestern China	87,090.6	21.2%	2,944.7	3.38%	68,211.1	18.0%	2,660.8	3.90%
Other regions	44,991.0	11.0%	1,975.7	4.39%	39,954.1	10.5%	1,715.4	4.29%
Total	410,625.4	100.0%	11,492.5	2.80%	379,093.9	100.0%	10,757.0	2.84%

During the Reporting Period, the Bank actively implemented the national strategy of coordinated regional development and increased its credit support to the real economy with a strategic focus on the "Five Major Areas (五篇大文章)", the "Chengdu-Chongqing Economic Circle" and the "Beijing-Tianjin-Hebei Integration". Meanwhile, the Bank remained committed to returning to its local roots by gradually steering credit resources towards Heilongjiang region and promoting its cooperation with key enterprises in the region. As of 31 December 2025, loans disbursed to Heilongjiang region by the Bank accounted for 57.6% of its total loans, to regions other than Heilongjiang in Northeastern China was 10.2%, to Southwestern China was 21.2%, and to other regions was 11.0%.

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(V) Distribution of Loans and Non-performing Loans by Collateral

The following table sets out the distribution of the Bank's loans and non-performing Loans by collateral as of the dates indicated.

	As at 31 December							
	2025				2024			
	Loan amount	% of total	Non-performing loan amount	Non-performing loans ratio	Loan amount	% of total	Non-performing loan amount	Non-performing loans ratio
	(In RMB million, except percentages)							
Unsecured loans	160,064.0	38.9%	5,138.0	3.21%	165,903.2	43.8%	4,441.9	2.68%
Guaranteed loans	140,807.0	34.3%	1,716.7	1.22%	101,390.3	26.7%	1,489.1	1.47%
Collateralised loans	89,378.8	21.8%	4,589.4	5.13%	92,715.6	24.5%	4,771.6	5.15%
Pledged loans	20,375.6	5.0%	48.4	0.24%	19,084.8	5.0%	54.4	0.29%
Total	410,625.4	100.0%	11,492.5	2.80%	379,093.9	100.0%	10,757.0	2.84%

During the Reporting Period, the Bank kept abreast with the deployment of national key strategic development, offered financial support to the development of the real economy, and increased disbursements of inclusive loans to small and micro enterprises and resident consumer loans, contributing to an increase in the size of unsecured loans and guaranteed loans. Meanwhile, as reflected in the overall loan structure of the Bank, the overall size of collateralised loans and pledged loans and guaranteed loans accounts for 61.1%, with the overall risks being well-controlled.

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(VI) Concentration of Borrowers

As at 31 December 2025, the loan balance of the Bank for any single borrower was in compliance with the lending limit of 10% of the Bank's net capital. The following table sets out the loan balances of the Bank for the 10 largest single borrowers (excluding group borrowers) as at 31 December 2025.

Industry	As at 31 December 2025		
	Loan balance	% of total loans	% of net capital
(In RMB million, except percentages)			
D—Production and supply of electricity, heating, gas and water	6,670.0	1.63%	8.59%
C—Manufacturing	4,301.3	1.05%	5.54%
K—Real estate	2,974.4	0.72%	3.83%
E—Construction	2,878.2	0.70%	3.71%
E—Construction	2,781.7	0.68%	3.58%
K—Real estate	2,537.3	0.62%	3.27%
N—Water conservation, environment and public utility management	2,521.4	0.61%	3.25%
L—Leasing and commercial services	2,415.0	0.59%	3.11%
L—Leasing and commercial services	2,359.0	0.57%	3.04%
L—Leasing and commercial services	2,347.6	0.57%	3.02%
Total	31,785.9	7.74%	40.94%

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(VII) Overdue Loans and Advances to Customers

The following table sets out the distribution of the Bank's loans and advances to customers by maturity as of the dates indicated.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Current loans and advances	358,300.2	87.2%	327,487.4	86.4%
Loans and advances past due: ⁽¹⁾				
For 1 to 90 days	16,232.9	4.0%	17,457.9	4.6%
For 91 days to 1 year	5,749.4	1.4%	4,775.0	1.3%
For 1 year and above	30,342.9	7.4%	29,373.6	7.7%
Subtotal	52,325.2	12.8%	51,606.5	13.6%
Total loans and advances to customers	410,625.4	100.0%	379,093.9	100.0%

Note:

- (1) Loans to customers with specific repayment date are classified as overdue when their principals or interests become overdue.

During the Reporting Period, the Bank always adhered to the principle of "asset quality is our lifeline", adopted prevention and control measures against all operational risks, reasonably guided credit resources, enhanced the quality and efficiency of financial services, persistently strengthened asset quality management, constantly optimised risk prevention and control measures, and by establishing a pre-management concept featuring forward looking and proactiveness, the Bank pushed risk thresholds forward, and made "controlling new delinquencies" a key task for the Bank, effectively curbing the deterioration of asset quality at source. Meanwhile, the Bank intensified collection and disposal measures, adopted category-specific implementation of strategies, used multi-pronged measures, formulated differentiated collection plans based on the actual business situation, and combined various methods such as collection in cash, collection by litigation, and write-off of doubtful debts, which have comprehensively reduced non-performing assets, promoting the Bank's all-round, high-quality development. As at 31 December 2025, the percentage of overdue loans in total loans decreased by 0.8 percentage points year-on-year.

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(VIII) Changes in Allowance for Impairment Losses on Loans

Pursuant to the requirements of IFRS 9, the Bank made use of “expected credit loss model” for the measurement of impairment of underlying financial assets. The Bank adhered to the prudence principle and made provision for impairment losses on loans in full amount. As at 31 December 2025, the allowance for impairment losses on loans amounted to RMB22,785.0 million, representing an increase of RMB992.4 million as compared to the end of last year. The ratio of allowance for impairment losses on loans was 5.55%, representing a decrease of 0.20 percentage points as compared to the end of last year. Risk resilience remained stable.

Changes in allowance for impairment losses on loans are as follows:

Item	As at 31 December	
	2025	2024
		(In RMB million)
Balance at the beginning of the period	21,792.6	18,276.5
Exchange difference	(0.2)	(0.2)
Charged for the year	4,827.1	6,437.1
Accreted interest on impaired loans	(588.1)	(569.6)
Write-offs and transfer	(3,754.2)	(2,907.0)
Recovery of loans and advances written off in previous years	561.7	555.8
Transfer to assets of a disposal group classified as held for sale	(35.7)	0.0
Disposal of subsidiaries	(18.2)	0.0
Balance at the end of the period	22,785.0	21,792.6

VI. Segment Report

a) Geographical Segment Report

The description of the geographical areas of the Bank is as follows:

Heilongjiang region: Head Office, branches in Harbin, Shuangyashan, Jixi, Hegang, Suihua, Daqing, Qitaihe, Mudanjiang, Jiamusi, Qiqihar, Yichun and Nongken, as well as HB Leasing, HBCF and village and township banks operating within Heilongjiang province;

Other regions in Northeastern China: Branches in Dalian and Shenyang, as well as village and township banks operating in regions other than Heilongjiang province in Northeastern China;

Southwestern China: Branches in Chengdu and Chongqing, as well as village and township banks operating in Sichuan province;

Other regions: Branch in Tianjin as well as village and township banks operating in regions other than those listed above.

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The table below sets out certain key financial indicators of the Bank's head office and branches in each of the geographical regions for the periods indicated.

	Mainland China				Total
	Heilongjiang region	Other regions in Northeastern China	Southwestern China	Other regions	
(In RMB million)					
For the year ended 31 December 2025					
Operating income	11,736.9	(1.4)	2,372.1	438.4	14,546.0
Operating expenses	(4,084.3)	(451.0)	(464.3)	(455.8)	(5,455.4)
Credit impairment loss	(5,596.9)	(1,131.2)	(717.9)	(1,054.8)	(8,500.8)
Other assets impairment loss	(56.7)	0.0	0.0	0.0	(56.7)
Operating profit	1,999.0	(1,583.6)	1,189.9	(1,072.2)	533.1
As at 31 December 2025					
Segment assets	781,007.7	65,189.6	128,401.1	44,741.6	1,019,340.0
Segment liabilities	743,896.6	63,149.4	104,109.7	43,401.6	954,557.3

	Mainland China				Total
	Heilongjiang region	Other regions in Northeastern China	Southwestern China	Other regions	
(In RMB million)					
For the year ended 31 December 2024					
Operating income	10,992.6	105.4	2,525.4	619.8	14,243.2
Operating expenses	(4,133.3)	(332.2)	(488.1)	(462.2)	(5,415.8)
Credit impairment loss	(5,075.4)	(653.7)	(746.1)	(1,597.9)	(8,073.1)
Other assets impairment loss	(102.5)	0.0	0.0	(0.4)	(102.9)
Operating profit	1,681.4	(880.5)	1,291.2	(1,440.7)	651.4
As at 31 December 2024					
Segment assets	722,960.8	49,761.8	91,955.7	51,553.6	916,231.9
Segment liabilities	674,189.3	50,184.5	75,950.3	50,311.5	850,635.6

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The table below sets out the Bank's operating income by geographical region and their percentage in the Bank's total operating income for the periods indicated.

	For the year ended 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Heilongjiang region	11,736.9	80.7%	10,992.6	77.3%
Other regions in Northeastern China	(1.4)	0.0%	105.4	0.7%
Southwestern China	2,372.1	16.3%	2,525.4	17.7%
Other regions	438.4	3.0%	619.8	4.3%
Total operating income	14,546.0	100%	14,243.2	100.0%

b) Business Segment Report

The table below sets out the Bank's total operating income by business segment for the periods indicated.

	For the year ended 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Corporate finance business	5,573.5	38.3%	5,315.1	37.3%
Retail finance business	5,323.5	36.6%	6,447.2	45.3%
Financial institutions business	3,650.9	25.1%	2,403.6	16.9%
Other businesses	(1.9)	0.0%	77.3	0.5%
Total operating income	14,546.0	100.0%	14,243.2	100.0%

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VII. Capital Adequacy Ratio and Leverage Ratio

(I) Capital Adequacy Ratio

During the Reporting Period, the Group continued to optimise its business structure and strengthen capital management, and as at 31 December 2025, the core tier-1 capital adequacy ratio, tier-1 capital adequacy ratio and capital adequacy ratio of the Bank were 8.48%, 12.28% and 13.52%, respectively, which were in line with the regulatory requirements provided in the “Measures for the Administration of Capital of Commercial Banks”.

In accordance with the “Measures for the Administration of Capital of Commercial Banks”, the capital adequacy ratios of the Bank were calculated as follows:

	As at 31 December	
	2025	2024
	(In RMB million, except percentages)	
Core capital	51,794.3	52,621.8
Core tier-1 capital deductible items:		
Fully deductible items	(3,118.9)	(1,324.4)
Net core tier-1 capital	48,675.4	51,297.4
Net other tier-1 capital	21,858.2	21,853.3
Net tier-1 capital	70,533.6	73,150.7
Net tier-2 capital	7,106.3	7,324.1
Net capital	77,639.9	80,474.8
Total credit risk-weighted assets	549,624.1	568,243.6
Total market risk-weighted assets	972.9	859.7
Total operational risk-weighted assets	23,725.0	22,101.6
Total risk-weighted assets	574,322.0	591,204.9
Core tier-1 capital adequacy ratio	8.48%	8.68%
Tier-1 capital adequacy ratio	12.28%	12.37%
Capital adequacy ratio	13.52%	13.61%

(II) Leverage Ratio

In accordance with the “Measures for the Administration of Capital of Banks”, the leverage ratios of the Bank were calculated as follows:

	As at 31 December	
	2025	2024
	(In RMB million, except percentages)	
Net tier 1 capital	70,533.6	73,150.7
Adjusted on-and off-balance sheet assets	1,029,753.8	930,120.8
Leverage ratio	6.85%	7.86%

VIII. Business Operation

The principal businesses of the Company comprise the provision of banking services such as deposit, loan and settlement, as well as other approved businesses.

(I) Retail Finance Business

The retail finance business of the Bank is positioned as a focus of the Bank's strategic transformation, which aims to gradually improve the wealth management system to serve the demand of customers and their families for wealth planning. The Bank strengthened eco-scenario construction to meet customers' needs for diversified investment and balanced asset allocation and achieved breakthroughs in brand building and customer market positioning. Focusing on people's livelihood services, the Bank establishes a one-stop "social security-banking" service system and expand the multi-scenario applications of social security cards, empowering quality and efficiency improvements in public services through finance. We strengthen digital customer relationship management and accelerate the "online + offline" omnichannel collaboration and marketing digitalization, effectively driving the transition of retail from a single-product model to a comprehensive solution model. By building a closed loop between retail finance and customer services and enriching our warmth, customer-centric retail brand, we promote sustainable and high-quality development of the retail finance business.

During the Reporting Period, the retail finance business of the Bank recorded an operating income of RMB5,323.5 million, accounting for 36.6% of the operating income of the Bank.

Retail customers

The Bank has always adhered to the business philosophy of "customer-centricity" and established a comprehensive financial service model for customers integrating "tailored activities + exclusive products + value-added benefits". It has promoted full coverage and refined operation of customer groups ranging from basic customers to high-net-worth customers, and strived to strengthen the professional capabilities of the wealth manager team. In the current year, several team members received awards in the 1st authoritative national-level competition in pension finance, effectively enhancing the team's practical capabilities in asset allocation and service capabilities in pension finance. In 2025, the Bank was awarded a number of national and international accolades in recognition of its achievements in the transformation and development of retail finance business and customer service. As of 31 December 2025, the Bank had 15.2658 million retail customers, representing an increase of 358,100 from the end of the previous year, and the balance of managed customer financial assets stood at RMB554,300 million, representing an increase of RMB32,608 million from the end of the previous year. The number of retail customers with personal financial assets (in RMB and other currencies) exceeding RMB50,000 reached 1.5133 million, representing an increase of 99,000, or 7.00% as compared to last year.

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Retail deposits

The Company provides demand and time deposits service to retail customers, which are mostly denominated in RMB with only a small portion being denominated in foreign currencies, in accordance with national and industry regulatory policies. As of 31 December 2025, the balance of retail deposits of the Bank (in RMB and other currencies) amounted to RMB511,502.8 million, representing an increase of RMB11,525.8 million, or 2.3% as compared to the end of last year. In 2025, the average balance of retail deposits (in RMB and other currencies) amounted to RMB505,552.4 million, representing an increase of RMB33,647.7 million, or 7.1% as compared to last year. According to the statistics provided by the Heilongjiang Branch of the PBOC, the balance of retail deposits of the Harbin branch of the Company ranked first in the regional market for eight consecutive years with a market share of 18.8% as at the end of the Reporting Period.

Retail loans

During the Reporting Period, the Bank's retail credit business has thoroughly implemented the inclusive finance strategy, unleashed consumption potential and boosted the quality and efficiency of the real economy. The Bank launched "Qian Dao Jia", a new-generation digital retail credit product that integrates big data risk control, omni-channel services and omni-scenario marketing, enabling end-to-end online management and full-lifecycle digital operation. It has advanced digital transformation and service ecosystem upgrading, injected vitality into the consumer market with ultra-efficient services, and enhanced its core capabilities in precisely supporting small and micro enterprises and activating the consumption engine, thus driving the retail credit business to become a new growth engine for the overall business. The Bank has strengthened talent development and team culture building to consolidate the foundation of the retail asset client manager team. It has elevated the application of financial technology, improved intelligent and refined management capabilities, and built a comprehensive and all-round retail credit business system.

As of 31 December 2025, the balance of the Bank's personal loans reached RMB116,432.2 million, representing a decrease of 1.1% as compared to the end of last year and accounting for 28.4% of the Bank's total loans to customers, of which the balance of loans to small enterprise owners, personal consumption loans and loans to farmers amounted to RMB20,398.7 million, RMB80,175.2 million and RMB15,858.3 million, respectively, and accounted for 17.5%, 68.9% and 13.6% of the Bank's total personal loans, respectively.

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Bank cards

In 2025, the Bank continued to advance the construction of “one card for all” system for social security cards, deeply integrated social security and banking service resources, and built a full-chain social security service system covering the issuance of social security cards, inquiry of subsidies for benefiting people and supporting agriculture, inquiry of social insurance enrollment information, qualification certification for social security benefits and other services. It realized the one-stop acceptance and integrated completion of relevant businesses, effectively improving the efficiency of business processing. Meanwhile, the Bank launched consumer promotion activities for the public to boost the card usage activity of social security cards. During the Reporting Period, the Bank has provided services for issuing, replenishing, and replacing the third-generation social security cards for 1.7425 million residents.

As of 31 December 2025, the Bank had issued a total of 18.4401 million debit cards, with an increase of 262,800 new cards issued during the Reporting Period.

Wealth management business

The wealth management business of the Bank focuses on helping customers grow their family’s comprehensive financial assets, the Bank’s wealth management business has consistently acted on the principles of meeting customers’ diversified financial investment needs and enhancing the customer experience. It has integrated online and offline channel resources to build an excellent financial services brand of Lilac Wealth. It made efforts to improve the strategic cooperation structure with leading institutions to expand its strategic cooperation continually, while also improved its wealth management product system, and iterated and upgraded the online financial product mall. Focusing on financial scenarios such children’s finance, growth finance, family finance, and retirement finance, the Bank dedicated itself to providing professional, convenient and high-quality wealth management service to customers.

During the Reporting Period, the Company realised total sales of personal wealth management products, such as wealth management, fund and insurance, of RMB73,776 million.

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(II) Corporate Finance Business

In 2025, the Bank's corporate finance business took "returning to the basics, focusing on key areas, optimising the structure and pursuing innovative development" as its main goal. It fully advanced characteristic and differentiated operations, comprehensively raised the level of operation and management, and further enhanced the quality and efficiency of services for the real economy. The Bank actively implemented the service philosophy of "being customer-oriented", built a full-lifecycle integrated financial service system for corporate customers, and created a comprehensive financial service system for customers throughout their lifetimes, forming an integrated and comprehensive financial service pattern with "quick response to customer needs, service plans with collaborated design, and coordinated advancement of financial services".

During the Reporting Period, the corporate finance business of the Bank recorded an operating income amount of RMB5,573.5 million, representing an increase of RMB258.4 million as compared to the same period of last year and accounting for 38.3% of the operating income of the Bank.

Corporate customers

Leveraging its advantages in cross-regional business layout and network resources, the Bank closely aligned with the national strategic orientation and always adhered to the core service philosophy of "customer-centricity". It continuously improved the marketing and service system for three key customer groups, namely institutional customers, settlement customers and credit customers, and steadily consolidated the foundation for the development of corporate customers. By deepening the three-level collaboration among the head office, branches and sub-branches, the Bank promoted information sharing, product integration and cross-selling, provided customers with integrated financial service solutions, and strengthened the targeted service and comprehensive management for core customers. This has effectively enhanced customer stickiness and brand trust, injecting sustained impetus into the steady growth of the business. The Bank focused on its local roots and concentrated its financial resources to give priority to supporting the high-quality development of Heilongjiang Province. The Bank continued to deepen its strategic cooperation with provincial and municipal enterprise groups, enhanced cooperation with customer groups and core customer groups in key regions and industries. The Bank has continued to strengthen its customer base by intensifying customer visits and increasing its business reserves. At the same time, the Bank adhered to the four-pronged institutional customer service model of "channel building, qualification development, technical support and team service" and strengthened communication and coordination with government agencies. Relying on digital means to explore diversified service modes, the Bank was fully engaged in institutional business marketing and empowered customer value creation, and further strengthened corporate client base, striving to support the efficient development of Heilongjiang's economy in all aspects.

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Corporate deposits

During the Reporting Period, the Bank actively boosted the expansion of corporate deposits, strived to raise the proportion of low-cost settlement funds, continuously optimized the structure of liability business, and steadily grew the scale of corporate deposits. By further advancing cost reduction and efficiency improvement, the Bank rationally lowered the pricing of deposit products, effectively reduced interest-bearing costs, and enhanced the capability of refined operation in liability business. Giving full play to its advantages in local resources, the Bank continuously deepened the strategic layout of institutional business and further consolidated and expanded the bank-government cooperation model. Focusing on key sectors including finance, social security, medical insurance and housing and urban-rural development, the Bank made consistent and in-depth efforts to provide customers with end-to-end integrated financial service solutions, and fully strengthened its regional service capability and in-depth collaboration level for institutional customers. The Bank promoted the full and multi-level coverage of business qualifications across provinces, cities, districts and counties, and boosted the scale and stability of institutional deposits through diverse channels and approaches. Meanwhile, it fully tracked and grasped the capital flow paths, built a full-process closed-loop management mechanism from fund disbursement to utilization, ensured the safe and efficient operation of funds, and continuously enhanced the efficiency of comprehensive services. Focusing on high-quality local state-owned enterprises, central enterprises, industrial parks, listed companies, core enterprises and other key customer groups in the region, the Bank strengthened bank-enterprise cooperation, extended the upstream and downstream marketing chain, and expanded deposit sources through multiple channels.

As of 31 December 2025, the balance of the Bank's corporate deposits amounted to RMB207,740.9 million, with the deposit stability further enhanced.

Corporate loans

During the Reporting Period, the Bank rooted itself in the fundamentals of finance, taking the satisfaction of the real economy's needs as the starting point and ultimate goal for its high-quality development. Leveraging the advantages of its business network distribution, the Bank closely followed the development arrangements of national key strategies such as "Chengdu-Chongqing Economic Circle" and "Beijing-Tianjin-Hebei Integration", and provided financial support for the development of the real economy centering on the development positioning of "Three Bases, One Barrier, One Highland (三基地、一屏障、一高地)", "4567" modern industrial system and "Five Major Articles (五篇大文章)" in the financial sector. The Bank strengthened industry research and product innovation, and increased credit supply to key fields including sci-tech finance, green finance, inclusive finance, pension finance and digital finance. It fully supported the transformation and upgrading of the manufacturing industry, with a focused increase in medium and long-term manufacturing loans to tap high-quality enterprises with high added value and core positions in the industrial chain. The Bank boosted credit allocation to the energy sector, and fully harnessed the development potential of new energy on the basis of safeguarding the security of traditional energy. It concentrated advantageous resources to support the development of modern agriculture in the province and continuously strengthened efforts to boost the

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county economy. The Bank deepened cooperation in supporting the government and local state-owned enterprises in the construction of projects under the “Three Major Projects”, supporting financing matching special bonds, implementing national major strategies, revitalizing idle assets and facilitating the landing of investment promotion projects. It responded rapidly to the work requirements of the real estate financing coordination mechanism to boost the steady and healthy development of the real estate market. The Bank enhanced interbank financial cooperation, actively promoted the development of syndicated loan business and deepened financial services. It held forums for private enterprises, continued to strengthen customer visits, and focused on increasing financing support for private enterprises and small and micro enterprises.

As of 31 December 2025, the total corporate loans of the Bank amounted to RMB258,279.3 million, representing an increase of RMB52,874.3 million as compared to the beginning of the year and accounting for 62.9% of total loans.

Intermediary business

During the Reporting Period, the Bank continued to strengthen its management of intermediary business. Taking into account the market environment, policy guidance and the diverse financial service needs of customers, the Bank developed integrated service solutions. Also, the Bank actively promoted the development of its syndicate, bank acceptances, letters of credit and forfaiting businesses. The Bank continuously strengthened the construction of corporate payment and settlement product systems and platforms, and constantly improved treasury management platforms function in financial scenarios such as finance, housing construction, bidding, trade and financing, and capital supervision. The Bank strove to build a comprehensive financial service system integrating payment, settlement, corporate property management and value-added service, strengthened technology empowerment, and continuously improved its customer service capabilities.

During the Reporting Period, the corporate finance business services of the Bank recorded a non-interest income amount of RMB110 million.

Transaction Banking

During the Reporting Period, leveraging the digital supply chain finance products under the Transaction Banking brand “E-Financing Connect (e融通)”, the Bank scaled up credit extension to micro, small, and medium-sized enterprises (MSMEs) by anchoring core corporate customers. For the supply chain finance business in the Emerging Business Segment, rollout was achieved at 9 branches; 10 Transaction Banking products, including “Accounts Receivable E-Financing (應收E融)”, were developed and launched; two initiatives, namely “Re-Factoring in Cross-Bank Supply Chain Finance (供應鏈跨行再保理)” and “Harbin Credit Supply Chain Finance (哈信供應鏈)”, were incubated and implemented; 20 customized systems were put online; and 39 enhancements were made to system platform functions, continuously advancing the application of financial technology in the corporate banking line. The Bank initiated the construction of the “Digital and Intelligent Transaction Banking Platform” project, creating a hub for bank-enterprise capabilities that integrates centralized operations with differentiated services, thereby unleashing the “platform + ecosystem” effect. It was awarded the “Banking Digital Finance Promotion Award” in the “China Financial Annual Brand List”.

(III) Financial Market Business

Regarding financial market business qualifications, the Company is a Class A settlement member of the national interbank bond market, a member of the underwriting syndicate of financial bonds of China Development Bank and the Agricultural Development Bank of China, a member of the underwriting syndicates of local government bonds of Heilongjiang Province, Sichuan Province, Liaoning Province, Tianjin municipality and Chongqing municipality, a member of the SHIBOR quoting syndicate of National Interbank Funding Center, and a member of the underwriting syndicate of debt financing instruments of non-financial enterprises. The Bank has business qualification of derivative transactions and qualification of national interbank bond market settlement agent.

During the Reporting Period, financial market businesses of the Bank recorded an operating income of RMB3,650.9 million, accounting for 25.1% of the operating income of the Bank.

Bond Investments and Transactions

During the Reporting Period, due to the global economic downturn and loose monetary policies of central banks, the interest rate trend in the national interbank bond market presented an overall range-bound fluctuation pattern with “a cap on the upside and a floor on the downside”. Amid the complex environment, the Bank accurately predicted the market trend at different stages, timely made profits, and optimized its bond portfolio simultaneously. As of 31 December 2025, the balance of bond investments was RMB332,738.4 million.

During the Reporting Period, the Bank actively participated in various businesses in the interbank bond market and was awarded by the National Interbank Funding Center as the Monthly Innovative Business Active Institution for a number of times.

Financial Interbank Business

During the Reporting Period, based on the guidance of regulatory policies, market development and its requirements for capital use, the Bank actively cooperated with non-bank financial institutions such as fund companies, asset management companies, consumer finance companies and financial leasing companies and flexibly adjusted the investment intensity in fund investments and interbank borrowings, providing strong financial support for the financing needs of real economy enterprises and resident consumption. As of 31 December 2025, the balance of fund investments of the Bank amounted to RMB34,238.1 million, and the balance of deposits and placements with interbank institutions amounted to RMB21,133.8 million.

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Wealth management business

During the Reporting Period, the Bank proactively responded to market changes, adjusted its business strategies in a timely manner, and continuously optimized the structure of its proprietary wealth management products. It strived to build a sound product matrix, improved the investment and risk management system, and enhanced its asset allocation capability. Based on the framework of asset allocation across major categories, the Bank steadily raised the professional level of investment for all product types, strictly upheld the bottom line of market and liquidity risks, drove the iterative upgrading of the asset structure, and fully adapted to the complex and volatile market environment.

As of 31 December 2025, the balance of self-operated wealth management products amounted to RMB32,567 million.

During the Reporting Period, the Bank was awarded the title of “Outstanding Institution for Wealth Management Information Registration in 2024 (2024年度理財信息登記優秀機構)” by the Banking Wealth Management Registration and Custody Center and “Outstanding Bank Wealth Management Product in Cash Management Class (優秀現金管理類銀行理財產品獎)” in the “Golden Honor Award (金譽獎)”。

(IV) Key Featured Businesses

1. *Microcredit business*

During the Reporting Period, the Bank consistently pursued the development path of microcredit business. Guided by inclusive finance policies, the Bank focused on financial services for agriculture and small and micro enterprises, centered on the financial needs of inclusive customer groups, and increased policy and resource inclinations. It also upgraded product and services iteratively, accelerated digital transformation, and comprehensively constructed a long-term mechanism of lending, being willing to lend, available to lend, and being able to lend, aiming to enhance the coverage, accessibility and convenience of microcredit services. During the Reporting Period, the Company continued to improve its customer service, product innovation and risk control capabilities in microcredit business to effectively promote the high-quality development of microcredit business.

As at 31 December 2025, the balance of the Bank’s microcredit loans reached RMB235,930.0 million, accounting for 57.5% of the Bank’s total loans to customers.

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The following table sets out the distribution of the balance of microcredit loans by product type as of the dates indicated.

	As at 31 December			
	2025		2024	
	Amount	% of total	Amount	% of total
	(In RMB million, except percentages)			
Loans to small enterprises	119,497.8	50.6%	93,269.0	44.2%
Personal loans	116,432.2	49.4%	117,779.9	55.8%
Total of microcredit loans	235,930.0	100.0%	211,048.9	100.0%

Small and micro enterprise finance business

During the Reporting Period, the Company's inclusive finance business adhered to the politic-based and people-oriented principle of finance, comprehensively met the diverse financial needs of inclusive customers from various dimensions such as the full lifecycle patterns of small and micro customers and the characteristics of segmented customers. The Bank fully implemented the work requirements of the financing coordination mechanism for micro and small enterprises and continued to strengthen customer visits and marketing campaigns targeting thousands of enterprises and households. As at the end of December 2025, it had granted cumulative credit to 1,880 customers on the list, with a total amount of RMB4,430 million. To implement the national strategic arrangements for boosting the high-quality development of the county economy, the Bank held seminars and special promotion meetings on supporting county economic development, issued "Breakthrough Year Action Plan for County-Level Economic Development of Harbin Bank", and boosted county development with financial strength. It fully built a product system featuring "online-offline dual channels, parallel services for corporate and individual customers, and tailored policies for each branch in different regions (線上線下雙軌、法人個人並行、區域一行一策)". The Bank strengthened the linkage between corporate and retail businesses, driving the scaled and batch growth of business through supply chain services. Empowered by digital and intelligent technologies in product development, its new-generation digital retail credit product "Qian Dao Jia" has gained high market recognition just half a year after its launch, thanks to its convenient and efficient application process, flexible and diversified credit limit schemes and a transparent service system.

During the Reporting Period, the Bank disbursed RMB34,797 million in inclusive micro and small enterprise loans, representing an increase of RMB5,279 million as compared with that of last year; the balance was RMB43,249 million, representing a growth rate of 17.29%; the number of existing customers was 195,200, representing an increase of 600 from the same period last year; the average pricing of newly disbursed loans during the period was 5.62%, representing a decrease of 1.09 percentage points as compared with that of last year. The Company has continued to reduce the financing costs for small and micro enterprises.

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During the Reporting Period, the Company strengthened the prediction of risk trends and further enhanced proactive and process management by leveraging technology support and data-driven insights. It deepened the digital and intelligent application capabilities in post-loan management, laid the foundation for risk control strategies through multi-dimensional data analysis, and implemented differentiated post-loan stratification via intelligent system configuration. The Bank optimized the asset structure and improved the asset quality of inclusive finance business, continuously elevating the capability of refined risk management for inclusive finance business.

As of 31 December 2025, the balance of small corporate enterprise loans of the Bank amounted to RMB119,497.8 million.

Consumer finance business

During the Reporting Period, the Company continued to uphold the business philosophy of “Inclusive Finance, Harmonious Co-enrichment”, with the mission of “Making People’s Lives Better” and the responsibility of “Creating Value for Shareholders, Being Accountable to Employees, Fulfilling Dreams for Customers”. It has been building a comprehensive and integrated consumer finance service and product system, expanding high-quality business scenarios, and enriching innovative products and services, thus playing a positive role in improving loan efficiency, reaching a broader customer base, and enhancing the quality and efficiency of financial services. In strict alignment with its strategic plan, the Company deeply integrated digital technologies such as big data, cloud computing and AI with traditional financial services, and built a smart finance system featuring the coordinated development of online and offline channels. By continuously expanding service scenarios and researching, developing and applying cutting-edge technologies, the Company has improved its capabilities in customer acquisition, risk control and product operation for the consumer finance business, further deepened the reach of consumer finance services, and contributed financial strength to the development of the real economy and the improvement of people’s livelihood. During the Reporting Period, the “Qian Dao Jia”, a new-generation digital retail credit product was launched successfully. Leveraging big data and artificial intelligence technologies, the product is deeply integrated into residents’ daily life scenarios. It realizes personalized product recommendations and dynamic credit limit adjustments based on customer portraits, transforming financial services from “standardized supply” to a customized experience of “tailored services for each individual”. This has effectively reshaped the boundaries of financial services and accelerated the process of financial digital transformation.

As of 31 December 2025, the balance of the Bank’s personal consumer loans amounted to RMB80,175.2 million.

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2. Cross-border financial business

During the Reporting Period, the Company thoroughly implemented the financial work arrangements of the central government, provincial government, and municipal government. Grounded in the overarching context of national strategies such as high-quality joint construction of the Belt and Road, it actively participated in the development of the domestic and international dual circulation system. Focusing on its core responsibility of serving the real economy, the Company steadily achieved further improvements in the scale, quality, and efficiency of its cross-border financial business. It made comprehensive efforts to support Heilongjiang Province in building a new highland for opening up to the north and Harbin in establishing itself as a northern hub for opening up.

During the Reporting Period, the Company adhered to the business development philosophy of “consolidating the outcomes of batch customer acquisition, enhancing the stickiness of key customers, and forging in-depth bonds with customers”, consolidated the ecosystem of core customers, and took the fulfillment of real economy needs as both the starting point and ultimate goal of high-quality development. As a result, the Company established business cooperative relations with a number of well-known large enterprises at home and abroad.

During the Reporting Period, the Company continuously improved the service capacity of cross-border business. It successfully connected to the Domestic Foreign Currency Payment System (DFCPS) of the People’s Bank of China, becoming the first local corporate bank in Heilongjiang Province to access the system as a direct participant, which realized higher efficiency of cross-border settlement services and further optimization of cross-border business processes.

During the Reporting Period, the Company fulfilled its responsibility of revitalizing border areas and enriching border residents, met the financial service needs of border residents in border mutual trade, and realized “zero in-person errands and instant fund receipt” for border residents’ cross-border payments.

During the Reporting Period, the Company strived to build a full-coverage foreign exchange compliance management system spanning all links of ex-ante, in-process and ex-post management. Guided by the development philosophy of “compliance and prudence”, it fully respected market laws and customer choices, strictly abided by international laws and relevant laws and regulations governing cross-border finance, and carried out cross-border financial business in a safe and sound manner.

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3. *Agriculture-benefiting finance business*

During the Reporting Period, as a local bank rooted in Longjiang, the Company gave full play to its service-oriented role. Leveraging the resource endowments and agricultural advantages of Heilongjiang, it focused on improving the quality of financial services for rural vitalization, prioritized driving the development of competitive industries for rural vitalization, and took the innovation of financial products and services as a key measure, thus continuously deepening the fulfillment of its social responsibilities as a financial enterprise.

During the Reporting Period, the Company took the following key initiatives: First, it continuously upgraded its online agricultural loan product “Agricultural Flash Loan”, and realized the fully online processing of spring ploughing loans through the direct big data application. The product enabled a full range of mobile-based online loan operations including online application, online authorization, online approval, online signing, online disbursement and online repayment, with a cumulative disbursement volume of RMB3,730 million for “Agricultural Flash Loan (農閃貸)” in the period. Second, the Company innovatively launched the “New Agricultural Business Entity Loan Backed by Agricultural Property Rights (新型農業經營主體農業物權融資貸)”, and cooperated with Heilongjiang Innovative Agricultural Property Rights Financing Co., Ltd. to carry out financial businesses involving the pledge of anticipated crop income rights, realizing financing for “spring sowing” against the expected proceeds of “autumn harvest”. This business fully covers all planting industry-related customers including individual farmers, agriculture-related micro and small entities and agriculture-related corporate entities, focuses on the innovative service upgrading of agriculture-related loans for new agricultural business entities across the province, and effectively boosts the high-quality and rapid development of such entities. Third, the Company launched the special “Black Soil Premium Products Loan” business to provide financial support for the development of Heilongjiang Province’s agricultural brand “Black Soil Premium Products Loan” and jointly promote the high-quality development of custom agriculture across the province. Fourth, it focused precisely on characteristic agriculture-related customer groups and further upgraded its relevant products. It supported large-scale planting households and agricultural machinery cooperatives in upgrading their agricultural machinery and equipment through the “Farm Equipment Loans” under a scenario-based lending model; and addressed the urgent capital shortage of rice processing enterprises with the “Rice Processing Loans”, achieving full-cycle financial support for the entire agriculture-related industrial chain.

As at 31 December 2025, the balance of agriculture loans of the Bank amounted to RMB30,417.1 million, and the balance of the loans to farmers amounted to RMB15,858.3 million, with the scope of service covering the majority of rural village markets of 11 prefecture-level cities in Heilongjiang Province and 6 major Agricultural Cultivation Bureaus as well as some rural villages of Chengdu, Chongqing, Shenyang, Tianjin and Dalian which are located outside the province, greatly promoting the economic development of county areas and the prosperity of rural financial markets, and supporting the rural areas to achieve comprehensive revitalisation.

(V) Information on Controlling Subsidiaries

1. *Village and township banks*

As at 31 December 2025, the Company had a controlling interest in 21 village and township banks and 29 village and township sub-branches, which were mainly located in the eastern, central and western regions of China. As at 31 December 2025, the total assets of 21 village and township banks amounted to RMB17,517 million. Among them, the balance of loans amounted to RMB9,580 million, and the balance of deposits amounted to RMB13,013 million.

2. *HB Leasing*

Since its establishment, HB Leasing has made some achievements in respect of asset scale, accumulated leased amount, business innovation model, etc., and initially maintained leading position in domestic leasing market to farmers. As at 31 December 2025, the total assets of HB Leasing amounted to RMB27,062 million. The accumulated leased amount during the Reporting Period amounted to RMB17,380 million.

HB Leasing always strives to serve the real industry and the “Agriculture, Rural Areas and Farmers” and remains steadfast in its agricultural strategies. With “strategic focus, returning to the basics, outstanding characteristics and elevating values” as corporate goals and “pragmatic and efficient, innovative development, and inclusive and win-win” as business philosophy, HB Leasing is committed to building a premier bank-backed financial leasing company with differentiated positioning, modern governance, and specialized business. By adhering to the characteristic and differentiated development path with a focus on maintaining operation efficiency through management, HB Leasing, strives to develop its featured businesses, explores the transformation of direct lease business, proactively creates new income source, explores the agriculture and agricultural equipment industries, and puts great efforts into developing the agricultural machinery leasing business according to regulatory guidelines. It continues to build and optimise the agricultural machinery leasing and retail business model under the empowerment of science and technology. Through the leasing of special products and business innovation, HB Leasing contributes to rural revitalization and high-quality development of the real economy, and support to excel in the “Five Major Articles (五篇大文章)”.

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3. *HBCF*

HBCF is a licensed consumer financial company approved by the former CBIRC, the 19th company nationwide and also the first to receive strategic investments from internet giants in China. It is also the second licensed consumer financial company in the country with the qualification of a high-tech enterprise. With the Company as its major founder, the registered capital of HBCF was RMB1,500 million as at the end of the Reporting Period.

HBCF adheres to the leadership of the Party, stays true to its original aspiration of inclusive finance, fully leverages the Company's rich experiences in the in-depth cultivation of the microcredit sector, and capitalizes on the shareholders' resource advantages in cutting-edge financial technology, diverse business scenarios and other aspects, thus dedicating itself to the in-depth development of consumption scenarios. As of 31 December 2025, HBCF had a total asset value of RMB24,969 million, representing an increase of RMB600 million or 2.46% from the beginning of the year; its outstanding loan balance stood at RMB23,191 million, representing an increase of RMB624 million or 2.77% from the beginning of the year; the cumulative number of credit-approved customers exceeded 26.52 million; the cumulative loan disbursement in Heilongjiang Province topped RMB9,500 million; its operating income reached RMB1,674 million, a year-on-year increase of 19.66%. Both the non-performing loan amount and the non-performing loan ratio achieved a year-on-year "double decline"; the asset deviation ratio was below 100%, and all other key indicators outperformed regulatory requirements.

HBCF fully implemented the regulatory guidelines, continuously strengthened the construction of compliance culture and the internal control execution system, and actively advanced the development of modern financial capabilities aligned with the requirements of the digital economy, elevating the level of corporate governance to a new stage. In this process, the company has always upheld the service tenet of "Customer-Centricity", fully promoted the comprehensive consumer protection strategy, and integrated consumer protection into all aspects of corporate governance. By launching an intelligent work order system and a one-click transfer function, it has comprehensively improved service response efficiency and user experience. In addition, the company proactively fulfilled its social responsibilities as a financial institution, regularly carrying out a series of publicity and education activities such as the financial knowledge popularization campaign for "3 · 15 – Consumer Rights Day", further enhancing customer satisfaction and brand influence, and achieving the coordinated promotion of commercial and social values. It was also awarded the title of "Social Responsibility Pioneer at the 2025", endeavouring to contribute to the economic development of the region and the overall revitalisation of Northeast China.

(VI) Distribution Channels

1. *Physical network*

As at 31 December 2025, the Company had a total of 321 branch outlets, including 17 branches, 302 sub-branches, 1 branch-level financial service centre for small enterprises and 1 headquarter business department.

In addition, the Company had controlling interest in 21 village and township banks, 29 village and township sub-branches, 1 consumer finance company and 1 financial leasing company.

2. *Electronic banking*

The Bank has built up an electronic service system combining online means such as mobile phone banking, online banking, WeChat banking, phone banking and offline self-service terminals. E-channels have become the main business channels of the Bank.

(1) *Self-service banking*

The Bank has provided various convenient services to customers through self-service terminals, including deposit and withdrawal, account opening, transfer, account inquiry, passcode changing, social security card issuance, and foreign currency exchange. As of 31 December 2025, the Bank had a total of 1,191 self-service terminals, including 349 BCDMs, 107 ATMs, 4 foreign currency exchange machines, 257 intelligent quick counters, 222 non-cash super counters, 193 desktop card-making machines III for social security cards and 59 CRS III for social security cards.

(2) *Online banking*

The Bank continues to expand the functions of online banking. Personal online banking provides customers with account services, transfer and remittance, membership management, loan management, investment and wealth management, credit card, special services and other functions, while corporate online banking provides customers with account management, transfer and remittance, issuing and paying for others, investment and wealth management, electronic commercial drafts, bill pools, treasury management and other functions. As of 31 December 2025, the Bank had 6.1228 million e-membership customers, representing an increase of 6.88% as compared to the same period of last year.

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(3) *Phone banking*

The Bank provides 24-hour phone banking services, which include account inquiries, verbal report of card loss, operator inquiry and outgoing calls, to customers through the unified national customer service hotline 95537/4006095537. As of 31 December 2025, the total volume of inbound calls to the remote bank center's customer service hotline reached 1.7625 million, with a customer satisfaction rate of 99.55%; online customer service channel served 33,700 customers, with a response rate of 99.51%.

The Bank provides services including credit card consultancy, complaint and advice, card activation, reporting for loss and instalment through the unified national customer service hotline for credit card 4006695537. In 2025, the credit card customer service hotline handled a total of 1.106 million transactions throughout the year, with a customer satisfaction rate of 99.84%. The online customer service channel processed a total of 167,100 transactions for the whole year.

(4) *Mobile phone banking*

The Bank has continuously carried out iterative upgrades of its mobile banking app, expanded its business functions, and provided customers with basic services including account management, investment and wealth management, fund transfer and remittance, living payment, credit card services and loan services. The Bank also focused on featured businesses such as microfinance and agriculture benefiting finance to conduct customer guidance and scenario construction for mobile banking, and further refined and enhanced people-benefiting services through dedicated medical insurance and social security zones. In addition, the minimalist version of mobile banking fully considers the actual needs and application habits of elderly and disabled users, providing customers with a more convenient and efficient experience to improve their happiness. As of 31 December 2025, the number of the Bank's mobile banking users reached 4.8785 million, representing an increase of 8.57% as compared to the same period of last year.

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(5) *WeChat banking*

The Bank continues to upgrade the customer service and marketing capabilities of WeChat banking provided with mini program on WeChat platform to offering a variety of financial services including wealth management, deposits and loans. Meanwhile, the WeChat channel provides diversified value-added daily-life services such as online medical insurance payment, and provident fund inquiry and withdrawal. As of 31 December 2025, WeChat banking had 6.6861 million followers, representing an increase of 7.03% as compared to the same period of last year.

(VII) Information Technology

In 2025, the Company continued to advance the construction of “Digital Harbin Bank”, and closely aligned with the deployment of the Group’s 2025–2027 strategic development plan. With the core goals of supporting the digital transformation of the Company’s business operations and strengthening the supporting capacity of information technology, the Company scientifically formulated and completed the three-year “Harbin Bank Information Technology Strategic Execution Plan (2025–2027)”. In this plan, the Company clarified its development direction, implementation strategies and specific paths, defined key strategic work tasks, simultaneously planned the construction of the “Ten Major Infrastructure Projects”, and set out the Company’s financial technology development goals for the next three years. We strengthened the development of technology culture, enhanced our strategic positioning and took a proactive step forward, fostered a proactive service philosophy, and established a digital mindset for the transformation of technology from “support and enablement” to “value empowerment”, so as to promote the integration of technology and finance with a more proactive attitude. Focusing on the innovation and empowerment of financial technology, we successfully launched the digital financial product “Qian Dao Jia”, accelerating the digital transformation of the retail credit business. We also rolled out border residents’ mutual trade business services, providing efficient and convenient settlement tools for the border economy and delivering digital financial services for border residents’ trade. We enhanced our capacity of inclusive financial services for people’s livelihood, responded to the “handle affairs nearby” requirements of the Department of Human Resources and Social Security, built a multichannel social security handling system covering 6 categories and 21 high-frequency services, and promoted business empowerment via intelligent terminals. We stepped up financial technology innovation efforts, launched the application and innovative exploration of artificial intelligence technology, set up a dedicated artificial intelligence innovation team, and actively introduced a high-performance computing power platform. We have carried out constructive explorations in areas including intelligent agents and workflow orchestration, laying a solid foundation for further deepening digital transformation and achieving high-quality development. We reinforced information technology risk management, firmly adhered to the bottom line of information technology risks, and took resolute measures to prevent the occurrence of information technology risk incidents. We established a full-chain information technology risk management process covering identification, response and disposal, built a monitoring indicator system for information technology risks, and carried out penetration testing as well as regular monitoring and early warning for internet information systems, thus building a robust firewall for the

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Company's information security prevention and control firewall, and providing solid safety guarantee for the steady development of the business. Throughout 2025, the Company's information systems operated safely and stably with no major work safety incidents. The availability rate of key business systems reached 99.99%, providing stable, reliable and sustainable technical support for the high-quality development of the Company's business.

IX. Risk Exposure and Management

The Bank has established a sound risk governance framework with a well-developed organisational structure and clear boundaries of responsibilities, defined the duties of the Board of Directors, senior management and the three lines of defense for risk management in comprehensive risk management, and formed a well-connected and effective check-and-balance risk governance structure. Adhering to the core philosophy of "creating value through risk management", the Bank maintains a steady and prudent risk appetite, fosters a risk culture of "compliance and stability", and has coordinated and promoted the construction of a comprehensive risk management system that is commensurate with its development strategy, business scale, organisational structure and risk characteristics. The Bank continuously enhanced the proactivity and foresight of its risk management, relied on various risk management strategies and tools to continuously identify, measure, assess, monitor, report, control or mitigate various risks, steadily strengthened all risk management and control mechanisms, and promoted the orderly implementation of various risk management initiatives, so as to provide a guarantee for the achievement of its operational and strategic objectives.

During the Reporting Period, the Bank strictly adhered to the bottom line of legal and compliance operation, improved the construction of the risk management system, communicated and implemented risk appetite and policies, reinforced the foundation of various risk management work, enhanced intelligent risk control capabilities, and actively prevented and responded to various risks, to safeguard the sound and sustainable development of the Bank's various businesses.

(I) Credit Risk

Credit risk refers to the risk of economic losses to the Bank caused by a debtor or a counterparty failing to fulfil its obligations under the contract, or changes in credit quality affecting the value of financial products. The Bank's credit risks mainly exist in loan portfolios, investment portfolios, guarantees, commitments and other on-balance-sheet and off-balance-sheet exposures. The Bank implements a unified risk appetite in credit risk management, controls risks within a tolerable range to achieve favourable risk-adjusted returns, and effectively identifies, measures, monitors and controls credit risks.

Closely focusing on the work goal of "High-Quality Development", the Bank adhered to the principle of attaching equal importance to risk control and risk operation, and continuously strengthened its credit risk management. The Bank returned to the basis of business and strengthened policy guidance. Closely centering on the macroeconomic situation, major national and local strategic deployments and regulatory policy orientation, with the mission positioning of "taking root in black soil and

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gathering momentum for the economic development of Heilongjiang”, and based on the demand for local economic development, the Bank returned to its essence and local business, and focused on its primary responsibilities and main business. Guided by the construction of the “Developing Longjiang in Six Areas (六個龍江)” and “Eight Revitalisations (八大振興)” of Heilongjiang Province, as well as the “Cities of Seven Domains (七大都市)” of Harbin City, the Bank systematically planned initiatives to support local economic development. It guided credit funds to tilt towards the real economy, delivered well on the “Five Major Articles” of finance, focused on supporting the cultivation of new quality productive forces, domestic demand and consumption, people’s livelihood security, agriculture, rural areas and farmers, the development of small and micro enterprises and other fields, and improved the quality and efficiency of serving the real economy. The Bank strengthened the proactive management of credit risk and built a solid line of defense for asset quality. It implemented the philosophy that “asset quality is the lifeline”, maintained strict oversight of customer admission criteria, adhered to the “steady and prudent” risk appetite, paid close attention to the authenticity and accuracy of the investigation of customer and business materials, and built a robust “firewall” for new customer admission. The Bank continuously enhanced the proactivity, foresight, differentiation and intelligence of credit risk management, drove the whole Bank to strengthen daily proactive management through mechanisms such as potential risk management, large-amount risk reporting, joint consultation for major customers, and early warning and supervision, so as to continuously consolidate the management and control of assets, and rigorously control the increase of overdue and non-performing assets. The Bank deepened the application efficiency of the intelligent risk monitoring platform, leveraged internal and external data to deeply explore and detect customer early warning rules, improved the accuracy of risk identification, and realised effective prevention and control of early warning risks through technology empowerment. The Bank optimised the credit granting review and approval model, grasped the essence of risks, unified review standards and risk appetite, established a professional and efficient credit granting management system with clear rights, responsibilities and interests and a closed-loop process, and consolidated the foundation of credit risk management. The Bank vigorously promoted the recovery and disposal of non-performing assets to prevent and resolve financial risks. Adhering to the goal of “high-quality recovery and disposal”, with cash recovery as the core and diversified recovery and disposal methods as supplements, the Bank concentrated its efforts to advance the recovery and disposal of non-performing assets. It strengthened top-level promotion, improved the long-term overall coordination mechanism, and clarified work objectives, key areas and strategy portfolios. The Bank implemented classified management, formulated differentiated recovery strategies, improved the refined management capability of recovery and disposal, and facilitated breakthroughs in key projects. It strengthened collaborative efforts, and on the basis of continuously improving its own recovery and disposal capabilities, further leveraged external resources to create synergy, and continuously improved the quality and efficiency of recovery and disposal.

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(II) Liquidity Risk

Liquidity risk refers to the risk of commercial banks failing to acquire sufficient funds at reasonable cost in time in order to pay the due debt, fulfill other payment obligations or meet other capital requirements for normal operation.

The Bank proactively adapts to the profound changes in the future economy and policies, internalises national strategic deployments and regulatory orientations into the action guidelines and operational norms for the Bank's liquidity risk management, and is committed to building a forward-looking, intelligent and resilient Group liquidity risk management system. The Bank focuses on enhancing its capabilities of forward-looking early warning, precision measurement and proactive regulation and control for liquidity risks. It comprehensively utilises and continuously optimises management tools including the development of the institutional system, transmission of risk appetite, multi-level limits management, refined intraday liquidity management, multi-scenario stress testing, practical emergency drills, and reserve of high-quality liquid assets. Relying on the information system, the Bank enhances the intelligent level of data penetration and analysis, maximises the strategic synergy between management tools and management processes, and continuously consolidates its resilience to liquidity risks. This ensures the long-term maintenance of the Bank's liquidity safety and stability, firmly upholds the bottom line against regional and systemic financial risks, and lays a solid foundation for serving the real economy and promoting the high-quality development of the Bank.

Analysis of the remaining maturity of the financial assets and financial liabilities of the Group is set out below:

31 December 2025	Overdue	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Undated	Total
									(In RMB million)
Total financial assets	52,752.2	106,969.9	14,665.2	55,807.4	231,331.0	278,982.3	217,826.9	40,866.7	999,201.6
Total financial liabilities	-	139,752.4	106,913.3	127,406.3	303,252.2	271,040.1	4,487.0	-	952,851.3
Net position	52,752.2	(32,782.5)	(92,248.1)	(71,598.9)	(71,921.2)	7,942.2	213,339.9	40,866.7	46,350.3

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As at 31 December 2025, the liquidity coverage ratio of the Bank was 264.21%, which was in compliance with the liquidity coverage ratio of commercial banks required by the Measures for the Liquidity Risk Management of Commercial Banks (Order [2018] No. 3, CBIRC).

Item	As of 31 December 2025	As of 30 September 2025	As of 30 June 2025
	(In RMB100 million, except percentages)		
Liquidity coverage ratio (%)	264.21%	485.32%	253.75%
High-quality liquid assets	2,336.62	1,662.09	1,621.75
Net cash outflow in the next 30 days	884.39	342.48	639.11

As of 31 December 2025, the net stable funding ratio of the Bank was 138.04%, which was in compliance with the net stable funding ratio of commercial banks required by the “Measures for the Liquidity Risk Management of Commercial Banks” (CBIRC Order [2018] No. 3). The available stable funding (upon conversion) was RMB660,391 million, and the required stable funding (upon conversion) was RMB478,397 million.

The following table sets out the net stable funding ratio of the Bank as at the dates indicated.

Item	As at 31 December 2025	As at 30 September 2025	As at 30 June 2025
	(In RMB100 million, except percentages)		
Net stable funding ratio	138.04%	139.49%	138.54%
Available stable funding	6,603.91	6,347.68	6,389.53
Required stable funding	4,783.97	4,550.58	4,612.09

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(III) Market Risk

Market risk refers to the risk of loss to the Bank's on- and off-balance sheet positions arising from adverse movements in market prices, including interest rates, exchange rates, stock prices, and commodity prices. Currently, the primary market risks faced by the Bank are interest rate risk in the trading book and exchange rate risk.

The Bank has established a market risk management system commensurate to the nature, scale and complexity of the Bank's business. In close alignment with the latest regulatory requirements and dynamic tracking of market dynamics, the Bank consolidated the foundation of market risk management by improving the institutional system and optimising management processes. The Bank regularly carried out market risk measurement and analysis covering value-at-risk measurement, duration analysis and foreign exchange exposure analysis, to quantify the exposure level of various market risks. The Bank continuously optimised the market risk quota management system, regularly assessed the scientific nature and rationality of the setting of market risk quota indicators, and strengthened its forward-looking research, judgment, early warning and disposal capabilities for market risks. In strict accordance with the risk appetite determined by the Board of Directors and the established market risk limits, the Bank conducted comprehensive and regular daily monitoring and reporting of market risks, and steadily improved the refined management level and overall efficiency of market risk management.

The following table sets out the results of the Bank's gap analysis as at 31 December 2025, based on the earlier of (i) the next expected repricing dates and (ii) the final maturity dates for its financial assets and financial liabilities.

31 December 2025	Less than three months	Three months to one year	One to five years	More than five years	Non- interest bearing	Total
						(In RMB million)
Total financial assets	177,456.4	229,429.7	272,334.3	216,842.1	103,139.1	999,201.6
Total financial liabilities	364,727.1	297,194.6	254,666.4	4,088.7	32,174.5	952,851.3
Interest rate sensitivity gap	(187,270.7)	(67,764.9)	17,667.9	212,753.4	N/A	N/A

The Bank's exchange rate risk exists mainly in its foreign currency related trading and non-trading businesses, including foreign currency loans, foreign currency deposits, proprietary foreign exchange trading and foreign exchange settlement and sales on behalf of customers. The Bank proactively responded to changes in external environment and market fluctuations through measuring and averting exchange rate risk primarily by measures such as limit management, sensitivity analysis and foreign exchange derivative financial instruments. The Bank continuously optimised the foreign exchange limit management system, set transaction limits, stop-loss limits and exposure limits to conduct foreign exchange risk management. It also used foreign exchange exposure analysis and other measurement methods and conducted market risk stress tests on a regular basis to reasonably measure exchange rate risk level, continued to optimise the structure of monetary assets, effectively maintained the risk-benefit balance of the overall foreign exchange assets, and improved the effectiveness and pertinence of exchange rate risk management.

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The following table sets out the Bank's financial assets and liabilities by currency as at 31 December 2025.

31 December 2025	RMB	USD	HKD	RUB	Other	Total (RMB equivalent)
		equivalent to RMB	equivalent to RMB	equivalent to RMB	currencies equivalent to RMB	
(In RMB million)						
Total financial assets	996,696.3	2,055.7	14.0	35.5	400.1	999,201.6
Total financial liabilities	952,408.9	64.9	111.0	11.3	255.2	952,851.3
Net position of financial assets and liabilities	44,287.4	1,990.8	(97.0)	24.2	144.9	46,350.3
Credit commitments	25,695.4	–	–	–	–	25,695.4

(IV) Interest Rate Risk of Bank Books

Interest rate risk of bank books refers to the risk of losses to the economic value of the bank books and the overall earnings of the Bank caused by adverse changes in interest rate levels, term structures and other relevant factors, which mainly includes gap risk, basis risk and optionality risk.

The Bank has established the risk management system for the interest rate risk of bank books commensurate with its risk profile and business complexity, and clarified the main responsibilities of the Board of Directors, senior management and relevant departments. Adopting reasonable interest rate shock scenarios and model assumptions, the Bank measures the interest rate risk of bank books through methods including repricing gap analysis, net interest income analysis and stress testing, sets limit management targets and continuously monitors the level of relevant indicators. During the Reporting Period, the Bank actively responded to changes in the market environment and policy trends, and formulated management policies for the interest rate risk of bank books in combination with its risk appetite level. It closely followed interest rate trends and proactively adjusted the asset-liability structure. The Bank also strengthened the monitoring of the interest rate risk of bank books, and effectively prevented such risks.

(V) Operational Risk

During the Reporting Period, the Bank strictly implemented all requirements of the regulatory authorities on operational risk management, deepened the development of the operational risk management culture with full participation of all staff, and was committed to building a more effective and refined operational risk management system. On the basis of the Basic Operational Risk Management Measures, the Company successively formulated and issued five special systems for operational risk management in 2025, to further improve and refine the management mechanisms and tools, providing a solid institutional system guarantee for operational risk management. Meanwhile, the

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operational risk management module of the comprehensive digital and intelligent management platform for internal control, compliance and operational risk was successfully launched, marking the official entry of the Bank's operational risk management into a new phase of digital, intelligent and refined management. By scientifically formulating and effectively transmitting the operational risk appetite and management policies, the Bank strengthened the identification, assessment, monitoring and effective control of operational risks. In addition, through the accurate collection of operational risk loss data, the Company laid a solid foundation for the smooth implementation of capital measurement under the new standard law. The Bank will continuously optimise system functions, deepen data application, further reinforce the line of defense against operational risks, and safeguard high-quality development with a sound and steady management system.

(VI) Information Technology Risk

Information technology risk refers to operational, legal, reputational and other risks caused by natural factors, human factors, technical loopholes and flawed management in the course of the Bank's usage of information technology.

During the Reporting Period, the Bank continuously improved the information technology risk governance framework, and established the "three lines of defense" for information technology risk management with the information technology risk audit department, the leading department for information technology risk management, the information technology department and other relevant departments as the core, with clear division of responsibilities and separate accountability for each line of defense. The Bank continuously strengthened the development of the institutional system, clarified management mechanisms, standardised management requirements, and promoted the safe and stable operation of information systems. It improved the risk identification and assessment mechanism, re-shaped the monitoring indicator system, and carried out regular risk assessment and monitoring to ensure that information technology risks are kept under control. The Bank continuously promoted the optimisation of the business continuity management system, identified key businesses and systems, conducted emergency drills on schedule, and enhanced business support capabilities. The Bank assessed and managed information technology outsourcing service providers, and while strengthening the prevention and control of information technology outsourcing risks, enhanced its own technical capabilities and improved the level of independent development and maintenance of information systems. It carried out training on information security and data security to raise the awareness of information security and data security among all staff, closely monitored and actively disposed of cyber security and data security risks, and implemented effective protection for targeted assets. The Bank also continuously paid attention to the risks arising from the application of new technologies, and strengthened its capability to prevent information technology risks.

(VII) Compliance Risk

During the Reporting Period, the Bank focused on the tasks of preventing and defusing financial risks, prioritised supervision, focused on rectification, strengthened governance and promoted performance improvement, and advanced the Bank's compliance risk management to align with and move forward in coordination with the requirements for the sound development of the financial industry. Firstly, the Bank strengthened the management of the internal control system. It continuously built a scientific, rigorous and clearly structured institutional system, carried out regular special rectification on the implementation of systems, and promoted the sound establishment and improvement of the institutional system as well as the gradual, precise and full implementation of system requirements. Secondly, the Bank strictly prevented legal risks. It continuously built a legal risk prevention and control system with clear responsibilities and effective checks and balances, consistently implemented process-based control mechanisms covering pre-review, in-process tracking, post-event evaluation and full-process support, selected and introduced high-quality external legal resources, and enhanced the level of bank management in accordance with the law. Thirdly, the Bank focused on the implementation of compliance supervision. It effectively implemented the working mechanisms for comprehensive inspection and special verification of internal control and compliance, continuously promoted the rectification and governance of internal and external risk issues, built a liability ascertainment and due diligence exemption mechanism featuring comprehensive punishment and coordinated collaboration, and advanced the closed-loop management of the whole process of compliance supervision. Fourthly, the Bank carried out in-depth governance of special risks. It accelerated the disposal of outstanding cases and risk investigation, strengthened warning education on cases in combination with typical examples, enhanced the optimisation of the business continuity system and emergency response, and improved the quality and efficiency of regular and standardised management and control. Fifthly, the Company deepened the development of compliance culture. It carried out high-frequency regular publicity, guidance, training and education on internal control and compliance, consistently communicated the compliance philosophy, and consolidated the foundation for the development of the compliance culture.

(VIII) Anti-money Laundering (AML)

During the Reporting Period, the Bank strictly abided by the laws and regulations related to anti-money laundering, fully implemented the "risk-based" AML management philosophy, earnestly fulfilled all statutory anti-money laundering obligations, established and improved the money laundering risk management system, strengthened technology empowerment for AML, and effectively enhanced the capability to identify, prevent and control money laundering risks. Firstly, the Company improved the top-level design and governance framework, scientifically built the AML performance framework, perfected the three-level (headquarter, branch and sub-branch) AML management system, and consolidated the job responsibilities of all levels. It conducted a comprehensive review and upgrade of the internal AML control system in alignment with new regulatory rules, to consolidate the foundation of compliance management. Secondly, the Company strengthened the support of technology and systems, successfully completed the launch and operation of the new-generation AML monitoring system,

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optimised the models and rules for suspicious transaction monitoring, and enhanced the screening and early warning capability for abnormal transactions. It is committed to building an intelligent platform with complete functions, stable operation and strong scalability, to improve the penetration and comprehensiveness of risk monitoring. Thirdly, the Company earnestly fulfilled its core statutory anti-money laundering obligations, improved the management mechanism for customer due diligence, continuously advanced the filing of beneficial owner information, and strictly implemented the work requirements for large-value and suspicious transaction reporting. It also perfected the index system for money laundering risk assessment of products and customers, and lifted the refined management level of money laundering risks. Fourthly, the Company continuously strengthened the development of the AML professional team, regularly organised internal AML qualification exams, implemented hierarchical and categorized training, and cumulatively carried out over 200 specialized AML training sessions, to enhance the AML performance capability at all levels. Fifthly, the Company actively carried out AML publicity and education campaigns. Relying on the core position of business outlets, it innovated online publicity and popularization forms, launched a special AML publicity column on the official WeChat account, and cooperated with authoritative media and regulatory authorities to expand the influence and practical effect of publicity, and raise the public's awareness of risk prevention.

X. Key Relationships with Persons with Significant Impact

The Bank adheres to a customer-centric philosophy, and has earnestly established and improved a sound institutional system for the protection of financial consumers' rights and interests. During the Reporting Period, the Bank established a consumer protection policy system comprising 24 policies, including the Measures for Administration of Financial Consumers' Rights and Interests of Harbin Bank, the Measures for Reviewing of Protection of Financial Consumers' Rights and Interests of Harbin Bank, the Measures for Protection of Financial Consumers' Information of Harbin Bank, the Emergency Plan for Protecting Financial Consumers' Financial Information of Harbin Bank, Service Management Measures for Business Institutions of Harbin Bank, the Measures for the Assessment and Evaluation of Service Quality of Business Institutions of Harbin Bank, the Consumer Complaint Handling Measures of Harbin Bank, and the System of Joint Conference on Letters and Visits Work of Harbin Bank. The Bank has further improved the closed-loop management mechanisms for the protection of financial consumers' rights and interests, implemented full life-cycle management of financial consumers' rights and interests protection in the processes of product design and service delivery, and continuously enhanced the level and effectiveness of consumers' rights and interests protection through preventing and responding to the leakage of personal financial information, standardizing the publicity and disclosure of information on financial products and services, and clarifying the scope of review. On 15 March 2025, in the List of Excellent Cases of Financial Consumer Protection and Service Innovation 2025 announced by China Banking and Insurance News, the Bank's two typical cases, namely "Hundred Sub-branch Managers Talk About Consumer Protection" and "All Business Outlets Fully Serve the Asian Winter Games", were successfully shortlisted for the National Excellent Cases of Financial Consumer Protection and Service Innovation in the financial industry.

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The Bank attaches great importance to communication with customers and timely feedback on customer-related information. It provides 24/7 uninterrupted telephone banking services for customers through its national unified customer service hotline 95537, and offers business acceptance services including business consultation, complaint and suggestion submission, card activation and loss reporting, and installment business handling through its credit card customer service hotline 400-66-95537. During the Reporting Period, the voice channel of the Bank's Remote Banking Center handled a total of 1.76 million transactions, the customer reception volume via its online channels reached nearly 35,000 person-times, and the Credit Card Center handled a total of 1.11 million transactions. Sound customer communication has laid a solid customer foundation for the Bank.

XI. Corporate Social Responsibility

In 2025, the Bank continued to thoroughly study, publicize and implement the spirit of the 20th National Congress of the Communist Party of China and all Plenary Sessions of the 20th Central Committee of the Communist Party of China, earnestly implemented the guiding principles of the Central Financial Work Conference, and earnestly carried out the decisions and deployments of the Heilongjiang Provincial Party Committee and the Harbin Municipal Committee of the Communist Party of China as well as the Harbin Municipal Government. The Bank actively integrated into the national "dual carbon" strategy and the overall revitalization of Northeast China, closely followed the policy guidance of the "Five Major Articles", and made a good start in planning for the 15th Five-Year Plan period. The Bank insisted on concentrating on and fully exploring local resources and helped to the building of the "Developing Longjiang in Six Aspects" in Heilongjiang Province and the upgrading of characteristic industries in Harbin. During the Reporting Period, the Bank continuously deepened the development of its ESG governance framework. Through special seminars of the Board of Directors and capacity enhancement training for the management, environmental, social and governance factors were incorporated into strategic decision-making and daily operations. The Bank integrated the brand philosophy of "Trust, Warmth, Connection and Commitment" into the entire process of financial services, paid sustained attention to the diversified financial needs of special and specific groups, and continued to explore the best mode of participation to help rural revitalization, communities' investment, supporting education, developing green finance, and volunteering and relevant social responsibilities. As at 31 December 2025, total expenditure on social charitable business of the Bank amounted to RMB6.50 million, and the balance of green loan amounted to RMB22.909 billion. The corporate culture of "compliance, steadiness, innovation and development" is deeply rooted in people's hearts. In 2025, as an official partner of the 9th Asian Winter Games Harbin 2025, the Bank was deeply involved in the provision of financial services and support for the event, delivering professional and efficient financial services to facilitate this international sporting event. This initiative fully demonstrated the Bank's commitment and sense of responsibility in serving major local events and supporting urban development, contributing financial strength to the integrated development of the regional economy and the sports industry.

Adhering to its original aspiration of serving the people through finance, the Bank regards safeguarding and improving people's livelihood as an important focus in practicing the ESG philosophy. Rooted in its home market and committed to serving local communities, the Bank efficiently undertook the agency distribution of pensions and subsistence allowances as well as the collection and withholding of medical insurance funds

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with high quality, ensuring that livelihood funds were delivered in full and on time. Through concrete actions, the Bank safeguarded the “pension funds” and “life-saving funds” of the public and effectively bridged the “last mile” of convenient financial services. Meanwhile, guided by the construction of the “one card for all” project for resident social security card services, the Bank continued to deepen the in-depth integration of social-banking services, optimize the full-process service system for social security cards, expand the scope of integrated social-banking services, and build a new service landscape covering the entire service chain. The Bank promoted the realization of “one-stop acceptance and integrated settlement” for high-frequency social security services, making convenient and efficient financial services readily accessible. To better serve Heilongjiang residents who are retired or residing in other provinces, the Bank further extended its service network based on the cross-provincial issuance of social security cards. It continuously optimized service outlets in cities including Dalian, Chengdu, Chongqing, Shenyang, and Tianjin, demonstrating dedication and care in enhancing the sense of financial gain and happiness of people from its home province.

XII. Dividend

(I) Dividend

As approved at the meeting of the Board held on 27 March 2026, no final cash dividend for the year of 2025 would be distributed to all shareholders. The related 2025 Profit Distribution Plan of the Company is subject to the approval of the 2025 annual general meeting.

Independent non-executive Directors of the Company have also expressed their independent views on the profit distribution plan.

(II) Dividend Tax

Withholding and Payment of Corporate Income Tax for Overseas Non-Resident Enterprise Shareholders

Pursuant to the applicable provisions and the implementing regulations of the Enterprise Income Tax Law of the PRC, the Company shall withhold and pay the enterprise income tax at the rate of 10% for non-resident enterprises holders of H Shares (including the H Shares registered in the name of HKSCC Nominees Limited) when distributing the final dividend on shareholders' behalf.

Withholding and Payment of Individual Income Tax for Overseas Individual Shareholders

Pursuant to the Circular on Collection of Individual Income Tax after Repeal of the Documents Guoshuifa [1993] No. 045 promulgated by State Administration of Taxation, dividends and/or bonus shares received by overseas resident individual shareholders from domestic non-foreign invested enterprises which have issued shares in Hong Kong are generally subject to individual income tax at the tax rate of 10%. However, the individual income tax rate in respect of each overseas resident individual shareholder may vary due to the provisions in the tax agreements between the countries in which he/she is a resident and China. If shareholders of H Shares have any queries on the above arrangements, they should seek advice from their tax advisors on the tax impact in the PRC, Hong Kong and other country(ies) or region(s) in relation to the holding and disposing of H Shares.

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XIII. Other matters

(I) Share Capital and Substantial Shareholders

Please refer to “Changes in Share Capital and Information on Shareholders” for the detailed information relating to the share capital and substantial shareholders of the Company.

(II) Use of Proceeds

Please refer to “Important Events” – “Issuance of Debt Securities” for the detailed information relating to the use of proceeds of the Company.

(III) Reserves

For the year ended 31 December 2025, details of the changes in reserves of the Bank are set out in the Consolidated Statement of Changes in Equity.

(IV) Distributable Reserves

As at 31 December 2025, the distributable reserve of the Company and its subsidiaries under the China Accounting Standards for Business Enterprises was RMB17,480 million and the distributable reserve of the Company was RMB14,790 million.

(V) Debentures

Please refer to “Important Events” – “Issuance of Debt Securities – Bond Issuance during the Reporting Period” for the detailed information relating to the debentures of the Company during the Reporting Period.

(VI) Purchase, Sale or Redemption of Listed Securities of the Company

Save as disclosed in the section headed “Important Events” – “Issuance of Debt Securities” in this report, the Company or any of its subsidiaries did not purchase, sell or redeem any listed securities of the Company (including sale of treasury shares (if any)) during the Reporting Period.

The Company did not hold any treasury shares as at the end of the Reporting Period.

(VII) Pre-emptive Rights

The Company does not have provisions in respect of pre-emptive rights in the Articles of Association and under the PRC laws.

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(VIII) Public Float

As at the Latest Practicable Date, the total issued shares of the Company are 10,995,599,553 shares (including 3,023,570,000 H Shares and 7,972,029,553 Domestic Shares). As of 31 December 2025, the H Shares held by the public amount to 3,023,570,000 shares based on publicly available information, representing 27.50% of the total issued shares of the Company, thus the Company is in compliance with the public float requirement of the Hong Kong Listing Rules.

(IX) Management Contracts

There were no management or administration contracts for all or any key businesses of the Bank during the Reporting Period.

(X) Major Customers

As at the end of the Reporting Period, the balance of the Bank's loans to any single borrower did not exceed 10% of the Bank's net capital. The interest income from the five largest customers of the Bank did not exceed 30% of total interest income. The Directors of the Bank and their close associates and shareholders holding more than 5% of the issued shares of the Bank did not have any interest in these five largest customers.

(XI) Donations

The Bank made charitable and other donations in an aggregate sum of RMB6.50 million for the year ended 31 December 2025.

(XII) Connected Transactions under Hong Kong Listing Rules

During the Reporting Period, in the ordinary and usual course of business, the Bank provided commercial banking services and products to the public in China, which included certain connected persons of the Bank such as substantial shareholders, Directors, Supervisors, the President and/or their respective associates. Pursuant to the Hong Kong Listing Rules, as these transactions were entered into on normal commercial terms in the ordinary and usual course of business of the Bank, such transactions were exempt from reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. During the Reporting Period, there were no non-exempt connected/continuing connected transactions between the Bank and its connected persons.

Save as disclosed above (if any), there is no related party transaction or continuing related party transaction set out in Note 51 to the Consolidated Financial Statements of this report that constitutes the connected transaction or continuing connected transaction that should be disclosed under the Hong Kong Listing Rules.

(XIII) Related Party Transactions as Defined by the NFRA

During the Reporting Period, the Company identified related parties and related party transactions in accordance with the management requirements of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions (the “Measures”) which was announced by the Order No.1 [2022] of the CBIRC and came into effect on 1 March 2022.

Significant related party transactions

1. *Significant related party transactions between major shareholders and related companies*

(1) Harbin Economic Development

Harbin Economic Development is a state-owned enterprise, holding 29.63% Shares of the Company and is a substantial shareholder of the Company. Harbin Economic Development was established on 22 August 1992 with a registered capital of RMB2,300 million and Mr. Ren Yi (任毅) being the legal representative. It is domiciled in Harbin and mainly engaged in financial investments in fixed-assets of municipally-owned enterprises and others and receipt of dividends in return. Harbin Economic Development is a wholly-owned subsidiary of Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司) (the “**Harbin Investment Group**”). Harbin Economic Development and its shareholder Harbin Investment Group (including the related parties of Harbin Investment Group) are included in the management of related parties and related transaction of the Company in accordance with relevant provisions of the Administrative Measures for Related Party Transactions of Harbin Bank Co., Ltd. (《哈爾濱銀行股份有限公司關聯交易管理辦法》).

Harbin Investment Group was established on 28 October 2003 with a registered capital of RMB5,000 million. Its legal representative is Zhao Hongbo (趙洪波), and its shareholders are Harbin Municipal People’s Government State-owned Assets Supervision and Administration Commission with a contribution of RMB4,500 million and shareholding of 90%, and Heilongjiang Provincial People’s Government State-owned Assets Supervision and Administration Commission with a contribution of RMB500 million and shareholding of 10%, respectively. Harbin Investment Group has established presence in five major industries, including financial asset operation, financial capital management, equity investment, heat supply operation and industrial investment. The headquarters is located at No.277, Innovation No. 2 Road, Songbei District, Harbin.

The Company’s Significant Related Party Transactions with Harbin Investment Group: As at the end of December 2025, the balance of credit facilities granted by the Company to Harbin Investment Group and its related companies amounted to RMB3,669 million, accounting for 5.39% of the Company’s net capital for the fourth quarter of 2025.

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Pricing Policy: The specific transaction terms of the related party transactions with Harbin Investment Group and its related companies entered into during the Reporting Period were negotiated and concluded in accordance with the principles of compliance and fairness. The credit facilities granted by the Company to the above parties were provided on terms that are not superior to those for similar transactions with non-related parties.

The overall credit of significant related party transactions between the Company and Harbin Investment Group was considered and approved by the Risk Management and Related Transactions Control Committee and the Board of Directors, and the independent Directors expressed their opinions as follows: the above business was the regular business of Harbin Bank conducted in the ordinary and usual course of business, which followed the principle of market-oriented pricing, was conducted on terms that are not superior to those for similar transactions with non-related parties, met the principle of fairness required by the management of related party transactions, did not affect the independence of Harbin Bank, would not have an adverse impact on the going concern, profitability and asset condition of Harbin Bank, and did not harm the legitimate rights and interests of small and medium-sized investors. The voting procedure of the resolutions on significant related party transactions was legal and in compliance with the relevant laws, regulations and Articles of Association.

Table 1: Breakdown of Related Party Transactions Conducted in 2025

Unit: RMB10,000

Name	Transaction amount	Type of business	Signing Date	Maturity Date	Method of guarantee
Heilongjiang Suibao Thermoelectric Co., Ltd. (黑龍江歲寶熱電有限公司)	10,000	Working capital loans	2025.05.06	2026.05.05	Guarantee
Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司)	60,000	Working capital loans	2025.06.25	2026.06.24	Guarantee
Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司)	45,000	Medium term note	2025.03.14	2028.03.14	Credit
Harbin Huaneng Central Heating Co., Ltd. (哈爾濱市華能集中供熱有限公司)	2000	Bankers' acceptance bill	2025.08.13	2025.12.31	Cash Margin
Heilongjiang Suibao Thermoelectric Co., Ltd. (黑龍江歲寶熱電有限公司)	9,500	Bond repo	2025.09.02	2028.09.01	Guarantee

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Name	Transaction amount	Type of business	Signing Date	Maturity Date	Method of guarantee
Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司)	44,000	Medium-term note	2025.09.22	2028.09.22	Credit
Jianghai Securities Co., Ltd. (江海證券有限公司)	9,975	Bond repo	2025.4.9	2025.4.10	Pledge
Jianghai Securities Co., Ltd. (江海證券有限公司)	9,880	Bond repo	2025.4.10	2025.4.11	Pledge
Jianghai Securities Co., Ltd. (江海證券有限公司)	30,000	Corporate over-draft for inter-bank business	2025.6.11	2026.3.20	
Jianghai Securities Co., Ltd. (江海證券有限公司)	10,000	Securities company bond	2025.5.20	2025.7.31	Credit
Jianghai Securities Co., Ltd. (江海證券有限公司)	40,000	Securities company bond	2025.5.20	2028.5.20	Credit
Harbin Yuecai Technology Co., Ltd. (哈爾濱悅採科技有限公司)	1,000	Working capital loans	2025.4.16	2026.4.15	Guarantee
Harbin Guohui Automobile Sales & Service Co., Ltd. (哈爾濱國惠汽車銷售服務有限公司)	1,000	Working capital loans	2025.4.23	2028.4.22	Guarantee
Harbin Junxin Financing Guaranty Co., Ltd. (哈爾濱均信融資擔保股份有限公司)	45,000	Guarantee business	2025.11.27	2027.11.26	/
Total	317,355				

2. Significant Related Party Transactions of Subsidiaries

(1) HBCF

HBCF was established on 24 January 2017. Its registered place is No. 1, 12th Floor, Unit B, Building AB, No. 2586, Lijiang Road, Daoli District, Harbin. Its registered capital is RMB1,500 million. It is a financial enterprise initiated and established by the Company as the controlling shareholder with the approval of the former CBRC.

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The Company contributed RMB795 million to HBCF, accounting for 53% of the registered capital. Duxiaoman (Chongqing) Technology Co., Ltd. contributed RMB450 million to HBCF, accounting for 30% of the registered capital. Shanghai Site Fude Property Co., Ltd. Contributed RMB95 million to HBCF, accounting for 6.33% of the registered capital. Suzhou Tongcheng Software Co., Ltd. contributed RMB75 million to HBCF, accounting for 5% of the registered capital. Beijing Bosheng Youshi Technology Development Co., Ltd contributed RMB50 million to HBCF, accounting for 3.33% of the registered capital. China Circle International Trade, Inc. contributed RMB25 million to HBCF, accounting for 1.67% of the registered capital. Heilongjiang Xinda Auction Co., Ltd. contributed RMB10 million to HBCF, accounting for 0.67% of the registered capital.

HBCF is a legal entity controlled by or under the significant influence of the Company, and is included in the management of related parties of the Company.

(2) HB Leasing

HB Leasing was established on 11 June 2014. Its registered place is 7F-8F, Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin. Its registered capital is RMB2,000 million. It is a financial enterprise engaged in financial leasing business initiated and established by the Company as the controlling shareholder with the approval of the former CBRC. It is also the first bank-based financial leasing company established in Northeast China.

The Company contributed RMB1,600 million to HB Leasing, accounting for 80% of the registered capital. Dongning Lizhi Building Decoration Engineering Co., Ltd. contributed RMB300 million to HB Leasing, accounting for 15% of the registered capital. Harbin Express Auto Sales Co., Ltd. contributed RMB100 million to HB Leasing, accounting for 5% of the registered capital.

HB Leasing is a legal entity controlled by or under the significant influence of the Company, and is included in the management of related parties of the Company.

(3) The Company's Significant Related Party Transactions and Master Transaction Agreements with HBCF

The overall credit under the master transaction agreements and significant related party transactions between the Company and HBCF was considered and approved by the Risk Management and Related Transactions Control Committee under the Board of Directors and the Board of Directors. On 17 February 2025, the Company entered into a master transaction agreement with HBCF, which took effect on the date of signing and was valid until 24 June 2025, with the total transaction volume not exceeding RMB27,600 million. On 1 August 2025, the Company entered into another master transaction agreement with HBCF, which took

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effect on the date of signing and was valid until 24 June 2026, with the total transaction volume not exceeding RMB14,000 million and the outstanding balance not exceeding 10% of the Company's net capital at the end of the previous quarter. The transactions were priced fairly in accordance with general commercial principles and market conventions, on terms that are not superior to those for similar transactions with non-related parties.

In 2025, the Company entered into a total of 44 related credit transactions with HBCF, including 6 significant related party transactions with a total transaction volume of RMB1,200 million, and 38 transactions under the master transaction agreements with a total transaction volume of RMB9,230 million. The outstanding balance of the transactions amounted to RMB6,100 million, all of which were inter-bank loan and inter-bank lending transactions. As at the end of December 2025, the balance of the transactions with HBCF accounted for 8.95% of the Company's net capital for the fourth quarter of 2025.

The overall credit under the significant related party transactions and master transaction agreements between the Company and HBCF was considered and approved by the Risk Management and Related Transactions Control Committee under the Board of Directors and the Board of Directors, and the independent Directors expressed their opinions as follows: the above business was the regular business of Harbin Bank conducted in the ordinary and usual course of business, which followed the principle of market-oriented pricing, was conducted on terms that are not superior to those for similar transactions with non-related parties, met the principle of fairness required by the management of related party transactions, did not affect the independence of Harbin Bank, would not have an adverse impact on the going concern, profitability and asset condition of Harbin Bank, and did not harm the legitimate rights and interests of small and medium-sized investors. The voting procedure of the resolutions on significant related party transactions was legal and in compliance with the relevant laws, regulations and Articles of Association.

(4) The Company's Significant Related Party Transactions and Master Transaction Agreements with HB Leasing

The overall credit under the master transaction agreements and significant related party transactions between the Company and HB Leasing was considered and approved by the Risk Management and Related Transactions Control Committee under the Board of Directors and the Board of Directors. On 11 February 2025, the Company entered into a master transaction agreement with HB Leasing, which took effect on the date of signing and was valid until 24 June 2025, with the total transaction volume not exceeding RMB27,600 million. On 1 August 2025, the Company entered into another master transaction agreement with HB Leasing, which took effect on the date of signing and was valid until 24 June 2026, with the total transaction volume not exceeding RMB14,000 million and the outstanding balance not exceeding 10% of the Company's net capital at the end of the previous quarter. The transactions were priced fairly in accordance with general commercial principles and market conventions, on terms that are not superior to those for similar transactions with non-related parties.

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In 2025, the Company entered into a total of 5 related credit transactions with HB Leasing, all of which were transactions under the master transaction agreements, with a total transaction volume of RMB4,500 million and an outstanding balance of RMB4,500 million, all of which were inter-bank loan transactions. As at the end of December 2025, the balance of the transactions with HB Leasing accounted for 6.61% of the Company's net capital for the fourth quarter of 2025.

The overall credit under the significant related party transactions and master transaction agreements between the Company and HB Leasing was considered and approved by the Risk Management and Related Transactions Control Committee under the Board of Directors and the Board of Directors, and the independent Directors expressed their opinions as follows: the above business was the regular business of Harbin Bank conducted in the ordinary and usual course of business, which followed the principle of market-oriented pricing, was conducted on terms that are not superior to those for similar transactions with non-related parties, met the principle of fairness required by the management of related party transactions, did not affect the independence of Harbin Bank, would not have an adverse impact on the going concern, profitability and asset condition of Harbin Bank, and did not harm the legitimate rights and interests of small and medium-sized investors. The voting procedure of the resolutions on significant related party transactions was legal and in compliance with the relevant laws, regulations and Articles of Association.

Ordinary related party transactions

It is stipulated in the Article 57 of the Measures that, "The following related party transactions conducted by banking and insurance institutions may be exempted from consideration and disclosure in the manner of a related transaction: A related transaction with a related natural person of less than RMB500,000 or with a related legal person of less than RMB5,000,000 for a single transaction, and the cumulative amount after such transaction does not reach the conditions of significant related party transactions; subscription in cash by one party for stocks, company bonds or corporate bonds, convertible bonds or other derivatives publicly issued by the other party; demand deposit transactions; where the same natural person serves as an independent director of both a banking or insurance institution and other legal person(s) and there are no other circumstances that constitute a related party, transactions between the legal person and such banking and insurance institution; transactions with the pricing set by the state; other circumstances approved by the CBIRC." Therefore, except for the related party transactions exempted from disclosure as mentioned above, the Company discloses ordinary related party transactions.

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As at the end of 31 December 2025, there were 389 ordinary related party transactions between the Company and its related parties that the Company was required to disclose, with a total amount of RMB8,414 million, mainly including credit transactions, asset transfer transactions, service transactions, deposit transactions and other related party transactions with related parties. Among which, inter-bank credit granting related party transactions, all of which are inter-bank business conducted between the Company and its related party banks, can be excluded from the scope of calculating the proportion of credit balances and the statistics of significant related party transactions according to the requirements under Clause 3 of the Article 16 of the Measures.

1. *The Company had 19 ordinary related-party credit transactions, with a total amount of RMB1,432 million, including:*

3 natural person loan transactions with a total amount of RMB4 million entered into with internal personnel involved in the review and approval of core businesses including credit granting and asset transfer and their related parties; 7 interbank deposit transactions with a total amount of RMB1,250 million entered into with village and township bank subsidiaries of the Company; 6 bond investment transactions with a total amount of RMB110 million entered into with Longjiang Bank Corporation, a related party of shareholder Heilongjiang Financial Holdings; 1 credit granting transaction with an amount of RMB40 million entered into with Heilongjiang Suibao Thermoelectric Co., Ltd., a related party of shareholder Harbin Economic Development; 1 credit granting transaction with an amount of RMB10 million entered into with Harbin Hatou Supply Chain Management Co., Ltd., a related party of shareholder Harbin Economic Development; 1 bond investment transaction with an amount of RMB18 million entered into with Shanghai Bank Corporation Limited, a related party of independent Director Jin Qinglu.

2. *The Company had 3 ordinary related-party asset transfer transactions, with a total amount of RMB176 million, including:*

1 ordinary related-party asset transfer transaction with an amount of RMB100 million entered into with Shanghai Bank Corporation Limited, a related party of the Company's Director Jin Qinglu, for the spot bonds trading business automatically matched and completed through the inter-bank bond secondary market; 2 related-party asset transfer transactions with a total amount of RMB76 million entered into with Beijing Baohong Tiancheng Real Estate Development Co., Ltd.

3. *The Company had 11 ordinary related-party service transactions, with a total amount of RMB149 million, including:*

3 related-party service transactions with a total amount of RMB22 million entered into with Harbin Yintong Property Co., Ltd.; 1 related-party service transaction with an amount of RMB5 million entered into with Beijing Hayin International Property Management Co., Ltd. (北京哈銀國際物業管理有限公司); 7 ordinary related-party service transactions with a total amount of RMB122 million entered into with HBCF, a subsidiary of the Company.

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4. *The Company had 356 related-party deposit transactions, with a total amount of RMB6,657 million, including:*
- 222 transactions with a total amount of RMB194 million entered into with related natural persons; 127 transactions with a total amount of RMB6,311 million entered into with related inter-bank institutions; 7 transactions with a total amount of RMB153 million entered into with other related corporate parties.

(XIV) Directors and Supervisors

The details of the members of the Board and the Board of Supervisors of the Company as at the end of the Reporting Period and the Latest Practicable Date and their biographies are set out in the section headed “Basic Information on Directors, Supervisors, Senior Management, Employees and Organisations”, which constitutes a part of the Report of the Board of Directors.

(XV) Directors’ and Supervisors’ Interests in Business in Competition with the Bank

None of the Directors and Supervisors of the Company holds any interest required to be disclosed in accordance with Rule 8.10(2) of the Hong Kong Listing Rules in any business which competes or is likely to compete, whether directly or indirectly, with the Bank.

(XVI) Remuneration Policy

Details of the remuneration policy and reward scheme of the Bank are set out in “Basic Information on Directors, Supervisors, Senior Management, Employees and Organisations” – “Employees”.

The details of the remuneration determination policy for the Directors and Supervisors of the Company are set out in “Basic Information on Directors, Supervisors, Senior Management, Employees and Organisations”– “Information on Evaluation and Incentive Scheme and Annual Remuneration for Directors, Supervisors and Senior Management” and Notes 11 and 12 to the financial statements.

(XVII) Directors’ and Supervisors’ Service Contracts

During the Reporting Period, the Directors and Supervisors of the Company did not sign any service contracts which were not determinable by the Bank within one year without payment of compensation (other than statutory compensation).

(XVIII) Directors', Supervisors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

Save as disclosed below, to the knowledge of the Company, as at 31 December 2025, the Directors, Supervisors and chief executive of the Company did not hold any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (as defined in Part XV of the SFO) which were required to be registered in the register pursuant to section 352 of the SFO or to be disclosed to the Company and the Hong Kong Stock Exchange as provided by the Model Code:

Name	Position	Nature of Interest	Class of Shares	Number of Shares held (shares)	Percentage of Total Number of Shares of the Company (%)
Deng Xinquan	Executive Director	Beneficial owner	Domestic Shares	1,205	0.00001

During the Reporting Period, the Company did not grant any right to subscribe for shares or debentures of the Company or any associated corporations to its Directors, Supervisors and president (including their spouses or children under the age of 18).

(XIX) Permitted Indemnity Provisions

In 2025, the Company did not have any permitted indemnity provisions once in effect or in effect for the benefit of Directors of the Company (whether entered into by the Company or not) or any directors of associated companies of the Company (if entered into by the Company).

The Company has purchased legal liability insurance for duties performed by Directors and Supervisors, and the relevant applicable laws for such insurance policies are PRC laws.

(XX) Interests of Directors or Supervisors in Transactions, Arrangements or Contracts

For the year ended 31 December 2025, there was no transaction, arrangement or contract of significance to which the Company, any of its holding companies, subsidiaries or any subsidiary of its holding companies was a party and in which a Director, Supervisor or any entity connected with any of them has or had at any time during that period, in any way, whether directly or indirectly, a material interest.

(XXI) Corporate Governance

The Bank is committed to maintaining a high level of corporate governance. Details of corporate governance of the Bank are set out in the "Corporate Governance Report" of this report.

(XXII) Auditors

Please refer to the section "Corporate Governance Report" – "External Auditors and Auditors' Remuneration" for the information on the auditors of the Company.

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(XXIII) Assets Pledged as Security

For the details of assets pledged as security of the Group, please refer to 50. ASSETS PLEDGED AS SECURITY of “Notes to the Consolidated Financial Statements”.

(XXIV) Equity-linked Agreements

For the details of equity-linked agreements of the Company, please refer to the section “Important Events”– “IX. Supplementary Information of Other Tier-one Capital and Equity-linked Agreements”.

XIV. Prospects

Looking ahead to the new year, China’s economy will maintain stable operation, and the long-term positive fundamentals will remain unchanged. As the effects of various policies continue to emerge, the annual socio-economic development targets are expected to be achieved. Opportunities and challenges will continue to coexist in China’s banking industry. With the continuous implementation of various industrial policies, proactive fiscal policies and moderately loose monetary policies, China’s economy is expected to overcome the pains of transformation and the lack of effective demand, break through obstacles and move forward steadily.

In terms of the domestic economy, the Political Bureau of the CPC Central Committee has set the principle for the economy in 2026. It will be guided by Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, fully and accurately implement the new development philosophy, accelerate the construction of a new development pattern, and focus on promoting high-quality development. Adhering to the general direction of seeking improvement in stability, the aim is to better coordinate domestic economic work with international economic and trade struggles, better balance development and security, and implement a more proactive and effective macroeconomic policy. The policy will be more forward-looking, targeted, and coordinated, continuously expand domestic demand, optimize supply, improve incremental growth, revitalize stock resources, develop new productive forces of a higher quality suited to local conditions, and deepen the development of a nationwide unified market. Focus will be placed on stabilizing employment, businesses, markets, and expectations, driving the economy toward a qualitative improvement and reasonable quantitative growth. The goal is to maintain social harmony and stability, ensuring a strong start for the 15th Five-Year Plan.

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The Bank will continue to take Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era as the guide, comprehensively implement the spirit of the 20th National Congress of the Communist Party of China, the third and fourth plenary sessions of the 20th Central Committee of the Communist Party of China. We will focus on the new development stage, practice the new development philosophy, and fulfill our responsibility to execute the national financial strategy. We will comprehensively serve the real economy, work to improve fine management, deeply integrate into the new development pattern, and adhere to the general direction of seeking improvement in stability. We will uphold the leadership of the Party, deepen reforms, safeguard the risk bottom line, and be market-oriented, with high-quality development as the main line. We will continuously optimize the structure of assets and liabilities, and enhance profitability and risk resistance capabilities. We aim to create core competitiveness and leadership by combining the legal and compliance operating with proactive exploration, digital-driven approaches with agile transformation, and value creation with meeting customer needs. This will allow us to achieve an organic unity of efficiency, quality, and scale, while accelerating the construction of a modern financial system with Chinese special characteristics and forging a distinctive path suitable for our own development.

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I. Share Capital

The Company was listed on the Hong Kong Stock Exchange on 31 March 2014, upon an issuance of 2,748,700,000 H Shares in total, and on the same date, 274,870,000 Domestic Shares were transferred to the National Council for Social Security Fund of the PRC (全國社會保障基金理事會) and converted into H Shares on a one-for-one basis pursuant to the relevant PRC regulations relating to reduction of state-owned shares. After completion of the issuance, the total share capital of the Company increased to 10,995,599,553 shares. As at the end of the Reporting Period, the Company has a registered capital of RMB10,995,599,553 in total.

II. Statement of Changes in Shares

Unit: share

	1 January 2025		Increase/decrease during the Reporting Period (+/-)					31 December 2025	
	Number	Percentage	Private placement	New shares issued	Bonus issue	Others	Subtotal	Number	Percentage
Domestic Shares									
1. Non-listed shares held									
by corporations	7,908,966,550	71.93%	-	-	-	-	-	7,908,966,550	71.93%
Including: (1) Shares held by state-owned enterprises ^{Note}	6,886,196,734	62.63%	-	-	-	467,223,571	467,223,571	7,353,420,305	66.88%
(2) Shares held by private enterprises	1,022,769,816	9.30%	-	-	-	-467,223,571	-467,223,571	555,546,245	5.05%
2. Non-listed shares held by natural persons	63,063,003	0.57%	-	-	-	-	-	63,063,003	0.57%
H Shares									
3. Overseas listed foreign shares	3,023,570,000	27.50%	-	-	-	-	-	3,023,570,000	27.50%
Total number of shares	10,995,599,553	100%	-	-	-	-	-	10,995,599,553	100%

Note: Non-listed corporate shares (Domestic Shares) of the Company were held by 36 state-owned corporate shareholders, including Harbin Economic Development, Heilongjiang Financial Holdings, Harbin Hadong Investment Co., Ltd. (哈爾濱市哈東投資有限責任公司), and Harbin Industrial Investment Group Co., Ltd. (哈爾濱工業投資集團有限公司), etc.

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III. Shareholdings of Shareholders

As at the end of the Reporting Period, the total number of the shares of the Company was 10,995,599,553 shares, comprising 7,972,029,553 Domestic Shares and 3,023,570,000 overseas listed H Shares.

Shareholdings of Top 10 Shareholders of the Company as at the end of the Reporting Period

Name of shareholder	Nature of shareholder	Number of shares held(Shares)	Share holding percentage (%) ²	Number of shares pledged or frozen	Type of shares
1 Harbin Economic Development and Investment Company	State-owned	3,257,943,986	29.63%	-	Non-overseas listed shares
2 Heilongjiang Financial Holdings Group Co., Ltd.	State-owned	2,036,215,535	18.52%	-	Non-overseas listed shares
3 Fubon Life Insurance Company Limited	Foreign investment	725,712,000	6.60%	-	H Shares
4 Harbin Chengyin Asset Operation Co., Ltd. (哈爾濱城銀資產運營有限公司)	State-owned	467,223,571	4.25%	-	Non-overseas listed shares
5 Harbin Heli Investment Holding Co., Ltd.	State-owned	397,000,000	3.61%	-	Non-overseas listed shares
6 Huaxia Life Insurance Co., Ltd.	Private enterprise	386,199,000	3.51%	-	H Shares
7 Finance Bureau of Daoli District, Harbin	State-owned	386,025,859	3.51%	-	Non-overseas listed shares
8 Finance Bureau of Nangang District, Harbin	State-owned	378,941,968	3.45%	-	Non-overseas listed shares
9 Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd. ¹	State-owned	301,315,846	2.74%	-	Non-overseas listed shares
10 CC HB Investment, L. P.	Foreign investment	284,212,000	2.58%	-	H Shares

Notes:

1. Harbin High-tech Industrial Development Zone Infrastructure Development and Construction Co., Ltd., a shareholder of the Company, and Harbin Science and Technology Innovation Investment Co., Ltd. are related with each other. Harbin Science and Technology Innovation Investment Co., Ltd. held 96,220,000 shares of the Company, with aggregate shareholding of 397,535,846 shares, representing 3.62% of total shareholding.
2. The above shareholding percentage of non overseas-listed shares and H Shares as at the end of the Reporting Period is calculated based on the total share capital of the Company, being 10,995,599,553 shares.

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Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares of the Company

As at 31 December 2025, according to the disclosure of interest information as shown on the website of the Hong Kong Stock Exchange, the interests or short positions of the following persons (excluding the Directors, Supervisors and the chief executive of the Bank) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Domestic Shares

Name of shareholder	Capacity	Number of Domestic Shares held (long position)	Percentage of issued Domestic Share capital of the Company	Percentage of total issued share capital of the Company
Harbin Municipal People's Government State-owned Assets Supervision and Administration Commission ¹	Interest of controlled corporation	3,258,338,652	40.87%	29.63%
Harbin Investment Group Corporation Limited ¹	Interest of controlled corporation	3,258,338,652	40.87%	29.63%
Harbin Economic Development and Investment Company ¹	Beneficial owner	3,257,943,986	40.87%	29.63%
Department of Finance of Heilongjiang Province of the People's Republic of China ²	Interest of controlled corporation	2,041,132,253	25.60%	18.56%
Heilongjiang Financial Holdings Group Co., Ltd. ²	Beneficial owner	2,036,215,535	25.54%	18.52%
	Interest of controlled corporation	4,300,000	0.05%	0.04%
	Interest of controlled corporation	616,718	0.008%	0.006%
Harbin Property Right Exchange Co., Ltd. ³	Interest of controlled corporation	467,223,571	5.86%	4.25%

Notes:

1. Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司) indirectly holds a total of 3,258,338,652 Domestic Shares of the Company through its controlled corporations, including (1) Harbin Economic Development, its wholly-owned subsidiary, which holds 3,257,943,986 Domestic Shares of the Company; and (2) Harbin Property Financing Guarantee Co., Ltd. (哈爾濱市房屋置業融資擔保有限責任公司), its wholly-owned subsidiary, which holds 394,666 Domestic Shares of the Company. Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司) is owned as to 90% and 10% by the Harbin Municipal People's Government State-owned Assets Supervision and Administration Commission (哈爾濱市人民政府國有資產監督管理委員會) and the Heilongjiang Provincial People's Government State-owned Assets Supervision and Administration Commission (黑龍江省人民政府國有資產監督管理委員會), respectively. According to the SFO, each of the Harbin Municipal People's Government State-owned Assets Supervision and Administration Commission and Harbin Investment Group Corporation Limited are deemed to be interested in the 3,258,338,652 Domestic Shares held by Harbin Economic Development. Harbin Economic Development was established on 22 August 1992 with a registered capital of RMB2,307,522,010, and Ren Yi (任毅) being the legal representative. The business scope of Harbin Economic Development is to make financial investments in areas like fixed-assets to municipally owned enterprises and to receive dividends in return (business subject to approval by law shall be conducted upon approval by competent authorities).

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- Heilongjiang Financial Holdings directly holds 2,036,215,535 Domestic Shares of the Company and indirectly holds 4,300,000 and 616,718 Domestic Shares of the Company through its indirectly controlled entity, namely Harbin Dazheng Microcredit Co., Ltd. (哈爾濱市大正小額貸款有限責任公司), and Heilongjiang Dazheng Investment Group Co., Ltd. (黑龍江省大正投資集團有限責任公司), respectively. According to the SFO, Heilongjiang Financial Holdings is deemed to be interested in a total of 2,041,132,253 Domestic Shares. In addition, Heilongjiang Financial Holdings is wholly owned by the Department of Finance of Heilongjiang Province (黑龍江省財政廳). According to the SFO, the Department of Finance of Heilongjiang Province is also deemed to be interested in such 2,041,132,253 Domestic Shares. Heilongjiang Financial Holdings was established on 18 January 2019 with a registered capital of RMB10,315,660,690 and Lang Shufeng (郎樹峰) being the legal representative. The business scope of Heilongjiang Financial Holdings is investment and asset management and capital investment services; non-public offering of securities investment funds; holding company services; and financial information services (business subject to approval by law shall be conducted upon approval by competent authorities).
- Harbin Chengyin Asset Operation Co., Ltd. holds 467,223,571 domestic shares of the Company. As Harbin Chengyin Asset Operation Co., Ltd. is a wholly-owned subsidiary of Harbin Property Right Exchange Co., Ltd. (哈爾濱產權交易所有限責任公司), Harbin Property Right Exchange Co., Ltd. is deemed, according to the SFO, to hold the above shares of the Company held by Harbin Chengyin Asset Operation Co., Ltd.

H Shares

Name of shareholder	Capacity	Number of H Shares held (long position)	Percentage of issued H Share capital of the Company	Percentage of total issued share capital of the Company
Fubon Financial Holding Co., Ltd. ¹	Interest of controlled corporation	725,712,000	24.00%	6.60%
Huaxia Life Insurance Co., Ltd.	Beneficial owner	386,199,000	12.77%	3.51%
CITIC Capital Holdings Limited ²	Interest of controlled corporation	284,212,000	9.40%	2.58%

Notes:

- Fubon Financial Holding Co., Ltd. held the interests in 725,712,000 H Shares of the Company through its 100% owned corporation Fubon Life Insurance Co., Ltd., which was established in March 2006 with a paid-up capital of TWD118,420,450,000 and Lin Fuxing (林福星) being the legal representative. The business scope of Fubon Life Insurance Co., Ltd. is personal insurance related operations, such as life insurance, injury insurance, health insurance and annuity insurance. Fubon Life Insurance Co., Ltd. held 18% equity interest in CITIC Capital Holdings Limited and nominated directors. Pursuant to PRC laws and regulations and as determined by the competent regulatory authorities, the two companies are therefore parties related to each other. Due to reasons including different requirements under the laws of Taiwan and Mainland China, Fubon Life Insurance Co., Ltd. is unable to issue a capital supplement undertaking to the Company. As of the Latest Practicable Date, its shareholder's qualifications have yet to be approved.
- CITIC Capital Holdings Limited held the interests in the relevant number of shares through a series of controlled corporations. Pursuant to requirements of regulatory authorities, CC HB Investment, L. P. (an indirect subsidiary of CITIC Capital Holdings Limited) was undergoing the approval procedures for shareholder's qualification with Fubon Life Insurance Co., Ltd. As of the Latest Practicable Date, its shareholder's qualifications have yet to be approved.

Save as disclosed above, to the knowledge of the Directors, none of other persons (excluding the Directors, Supervisors and the chief executive of the Bank) had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as at 31 December 2025.

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IV. Substantial Shareholders of the Company under the Hong Kong Listing Rules

As at the end of the Reporting Period, details of the direct substantial shareholders of the Company (holding 10% or more of the shares of the Company) under the Hong Kong Listing Rules are as follows:

- (I) As at 31 December 2025, Harbin Economic Development, the largest shareholder of the Company, directly held 29.63% of the total issued shares of the Company. According to the Business License (Unified Social Credit Code: 91230100424004064C) issued by the Administrative Approval Bureau of Harbin New Area Management Committee on 3 February 2023, and the Articles of Association of Harbin Economic Development and Investment Company, Harbin Economic Development is a validly subsisting entity with limited liability (sole proprietorship invested or controlled by a non-natural person). Harbin Economic Development is owned as to 100% by Harbin Investment Group Corporation Limited, which in turn is owned as to 90% and 10% by the Harbin Municipal People's Government State-owned Assets Supervision and Administration Commission and the Heilongjiang Provincial People's Government State-owned Assets Supervision and Administration Commission, respectively.
- (II) As at 31 December 2025, Heilongjiang Financial Holdings directly held 18.52% of the total issued shares of the Company. According to the Business License (Unified Social Credit Code: 91230100MA1BF51Q38) issued by the Administrative Approval Bureau of Harbin New Area Management Committee on 13 September 2024 and the Articles of Association of Heilongjiang Financial Holdings Group Co., Ltd., Heilongjiang Financial Holdings is a validly subsisting entity with limited liability (wholly state-owned). Heilongjiang Financial Holdings is wholly owned by the Department of Finance of Heilongjiang Province.

V. Details of Pledged and Frozen Shares Held by Shareholders with Shareholding of 5% or More in the Company

As at 31 December 2025, no shares held by any shareholder with shareholding of 5% or more of the Company were pledged or judicially frozen.

VI. Controlling Shareholders and Actual Controllers

The Company does not have a controlling shareholder or actual controller.

VII. Shareholders with Shareholding of 5% or More of the Company

Please see "III. Shareholdings of Shareholders" above for the particulars of shareholders with shareholding of 5% or more of the Company as at 31 December 2025.

Changes in Share Capital and Information on Shareholders

VIII. Purchase, Sale or Redemption of Listed Securities of the Company

Save as disclosed in the section headed “Important Events” – “Issuance of Debt Securities” in this report, the Company or any of its subsidiaries did not purchase, sell or redeem any listed securities of the Company (including sale of treasury shares (if any)) during the Reporting Period.

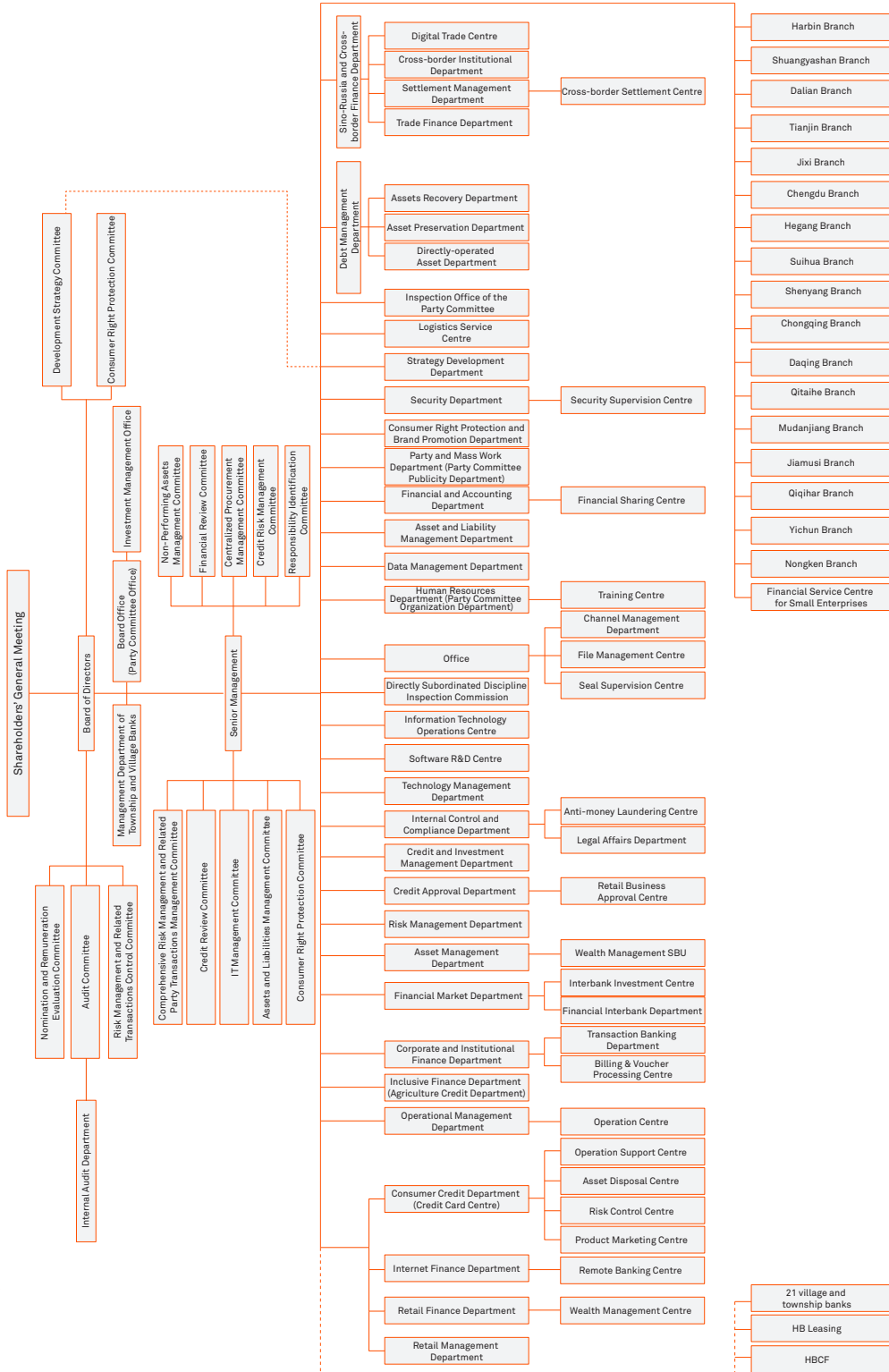
IX. Directors Nominated by the Shareholders of the Company

Name of shareholder	Director nominated
Harbin Economic Development and Investment Company	Zhang Xianjun, Jia Haining
Heilongjiang Financial Holdings Group Co., Ltd.	Liu Peiwei, Cheng Shuai

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I. Organisation Chart of Corporate Governance



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II. Corporate Governance Overview

Sound corporate governance is the essential responsibility of the Board of Directors of the Company. In 2025, the Bank strictly complied with relevant overseas listing regulatory requirements, and strove to improve the Bank's corporate governance mechanisms and enhance its corporate governance. The Bank has adopted the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules and the requirements of the PRC commercial bank administrative measures and relevant corporate governance requirements, and has established a sound corporate governance system. Currently, the primary corporate governance documents of the Company include: the Articles of Association, the Rules of Procedure for the Shareholders' General Meeting, the Rules of Procedure for the Board of Directors' Meetings, the Working Rules for the Independent Directors, the Terms of Reference of the Development Strategy Committee of the Board of Directors, the Terms of Reference of the Risk Management and Related Transactions Control Committee of the Board of Directors, the Terms of Reference of the Audit Committee of the Board of Directors, the Terms of Reference of the Nomination and Remuneration Evaluation Committee of the Board of Directors, the Terms of Reference of the Consumer Rights Protection Committee of the Board of Directors, the Terms of Reference of the President, the Administrative Measures for Shareholding, the Administrative Measures for Related Party Transactions, the Information Disclosure Administrative Measures, etc. The Board believes that during the period from 1 January 2025 to 31 December 2025, the Company had complied with the requirements of the code provisions of Part 2 of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules.

The shareholders' general meeting is the organ of power of the Company which exercises the following functions and powers within the scope stipulated by laws, regulations and the provisions of the Articles of Association:

- (1) Electing and replacing directors not appointed from employee representatives, and determining matters concerning remunerations to directors;
- (2) Examining and approving reports of the Board of Directors;
- (3) Examining and approving the Company's profit distribution plans and loss making up plans;
- (4) Adopting resolutions concerning the increase or decrease of the Company's registered capital;
- (5) Adopting resolutions on the issuance of the Company's bonds, or authorizing the Board of Directors to adopt resolutions on the issuance of the Company's corporate bonds;
- (6) Adopting resolutions on the listing of the Company;
- (7) Adopting resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (8) Adopting resolutions on the acquisition of the Company's shares that shall be submitted to the shareholders' general meeting in accordance with the law and provisions of the securities regulatory authority of the place in which the Company's shares are listed;

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- (9) Modifying the Articles of Association;
- (10) Adopting resolutions on the engagement, dismissal or discontinuance of appointment of an accounting firm that conducts regular statutory audits of the Company's financial reports;
- (11) Examining matters of external investments, asset purchase, asset disposal and write-off, asset mortgage, external guarantees, and affiliated/connected transactions that shall be submitted to the shareholders' general meeting for examination in accordance with the relevant laws, administrative regulations, departmental rules, provisions of the securities regulatory authority of the place where the Company's shares are listed for trading, as well as the Articles of Association and other internal system rules of the Company;
- (12) Examining temporary proposals put forward by shareholders who individually or jointly hold more than 1% of the total voting shares of the Company;
- (13) Examining and approving changes in the use of the Company's raised capital;
- (14) Examining and approving equity incentive plans and schemes;
- (15) Examining and approving the rules of procedure of the shareholders' general meetings and the meetings of the Board of Directors;
- (16) Examining other matters that shall be decided by the shareholders' general meeting in accordance with the laws, administrative regulations, departmental rules, the securities regulatory authority of the place where the Company's shares are listed for trading, the Articles of Association, and other internal rules of the Company.

In 2025, the shareholders' general meetings of the Company passed the following resolutions relating to corporate governance of the Company:

At the 2025 first extraordinary general meeting convened by the Company at Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin on 17 January 2025, 1 proposal namely the Proposal on the Change of Non-executive Director Candidate of the Ninth Session of the Board of Directors was considered and approved. All the Directors of the Company have attended such general meeting.

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At the 2024 annual general meeting convened by the Company at Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin on 30 May 2025, 10 proposals namely the Proposal on the 2024 Work Report of the Board of Directors of Harbin Bank Co., Ltd., the Proposal on the 2024 Work Report of the Board of Supervisors of Harbin Bank Co., Ltd., the Proposal on the 2024 Final Financial Accounts, the Proposal on the 2025 Financial Budgets, the Proposal on the 2024 Profit Distribution Plan, the Proposal on the 2024 Annual Report, the Proposal on the Appointment of Auditors for 2025, the Proposal on the 2024 Special Report on the Management of Related Party Transactions of Harbin Bank Co., Ltd., the Proposal on the 2023 Remuneration Distribution Plan for Directors, and the Proposal on the 2023 Remuneration Distribution Plan for Supervisors were considered and approved. The Report on the Assessment of Major Shareholders (Substantial Shareholders) of Harbin Bank for 2024 and the 2024 Appraisal of Duty Performance of Directors, Supervisors and Senior Management by the Board of Supervisors were presented at the 2024 annual general meeting. All the Directors of the Company have attended such general meeting.

At the 2025 second extraordinary general meeting convened by the Company at Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin on 29 August 2025, 5 proposals namely the Proposal on the Cancellation of the Board of Supervisors of Harbin Bank Co., Ltd., the Proposal on the Amendments of the Articles of Association of Harbin Bank Co., Ltd., the Proposal on the Amendments of the Rules of Procedure of the Shareholders' General Meetings of Harbin Bank Co., Ltd., the Proposal on the Amendments of the Rules of Procedure of the Board of Directors of Harbin Bank Co., Ltd., and the Proposal on Absorption and Merger of Huachuan Rongxing Village and Township Bank Co., Ltd. and Its Conversion to a Sub-branch were considered and approved. The Report on the Renewal of Directors', Supervisors' and Senior Management Liability Insurance was presented at the meeting. All the Directors of the Company have attended such general meeting.

At the 2025 third extraordinary general meeting convened by the Company at Harbin Bank Headquarters Building, No. 888 Shangjiang Street, Daoli District, Harbin on 22 October 2025, 4 proposals namely the Proposal on Absorption and Merger of Chongqing Dadukou Rongxing Village and Township Bank Co., Ltd. and Its Conversion to a Sub-branch, the Proposal on Absorption and Merger of Chongqing Shapingba Rongxing Village and Township Bank Co., Ltd. and Its Conversion to a Sub-branch, the Proposal on Absorption and Merger of Chongqing Wulong Rongxing Village and Township Bank Co., Ltd. and Its Conversion to a Sub-branch, and the Proposal on Absorption and Merger of Nehe Rongxing Village and Township Bank Co., Ltd. and Its Conversion to a Sub-branch were considered and approved. All the Directors of the Company have attended such general meeting.

In 2025, the Company organised and held 104 important meetings in total of all kinds (such as general meetings, meetings of the Board and its special committees, and meetings of the Board of Supervisors and its special committees), including 4 general meetings, 23 meetings of the Board, 58 meetings of the special committees of the Board, 8 meetings of the Board of Supervisors and 11 meetings of the special committees of the Board of Supervisors. At the meetings, the Company considered and approved 525 major proposals and reports, including: the Work Report of the Board of Directors, the Work Report of the Board of Supervisors, the Work Report of the President, the Financial Budgets, the Final Financial Accounts, the Profit Distribution Plan, the Performance Evaluation Indicators of Senior Management, the Operation Plan, the Report on the Management and Implementation of Related Party Transactions, the Risk Management Report, etc.

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During the Reporting Period, the Board of the Company conducted an annual evaluation of the senior management approved to be appointed in accordance with the requirements of the Administrative Measures on the Performance Evaluation of Senior Management, and applied the performance evaluation results in the remuneration distribution and terms of employment of the evaluated targets so as to provide incentives for the continuous improvement of duty performance of the senior management of the Company and to systematise, standardise and normalise the evaluation mechanism on the performance of the senior management by the Board.

According to the requirements of the Evaluation Method on Duty Performance of Directors of the Company, the Board of Supervisors of the Company conducted an annual evaluation of duty performance of the Directors in order to promote careful, earnest and diligent duty performance and self-discipline of the Directors.

The Company continued to deepen the development of its internal control system by establishing, optimising and implementing various rules and regulations of internal control. A good internal control culture was developed and the management and control mode of all business lines and business of various regions was refined through systematic publicity and education. Various internal control targets were achieved through various effective measures such as division of responsibilities, lines of reporting, incentive and restraint, etc.

III. Board of Directors

The Board of the Company holds at least 4 regular meetings every year. The notices and materials of the meetings should be sent to each Director at least 14 days and 3 working days before the relevant meeting is convened, respectively, in accordance with the relevant corporate governance requirements under the Hong Kong Listing Rules and the Articles of Association. Each Director may put forward proposals to be added to the agenda of the Board meetings. The detailed minutes of the meetings of the Board will be provided to all attending Directors after the meeting for their review, giving opinions and then signed by all Directors for confirmation. A good communication and report mechanism has been established among the Board, the Directors and senior management of the Company. The senior management provides sufficient information to the Board and its special committees in due course for their decision-making. The senior management conducts business and management activities within the scope of authorisation by the Articles of Association and the Board. All Directors may seek independent professional opinions with the cost paid by the Company. The President of the Company regularly reports to the Board and is subject to the supervision of the Board. Relevant senior management personnel may be invited to attend the meetings of the Board and its special committees from time to time for explanation or answering inquiries. In the Board meetings, all Directors can present their opinions freely, and decisions on important matters should be made after detailed discussion.

As the administrative body of the Board, the Board Office has been established under the Board and is responsible for the preparation of the shareholders' general meetings and the meetings of the Board and each special committees of the Board, information disclosure, investor relationship management and other daily routines.

Corporate Governance Report

As the decision-making body of the Company, the Board is accountable to the shareholders' general meeting and responsible for implementing the resolutions of the shareholders' general meeting. The Board mainly exercises the following functions and powers:

- (1) Convening the shareholders' general meeting, and reporting to the shareholders' general meeting;
- (2) Implementing the resolutions of the shareholders' general meeting; deliberating and approving the external investment, asset acquisition, asset disposal and cancellation, asset mortgage and external guarantees, related party/connected transaction and data governance of the Company within the scope authorized by the shareholders' general meeting of the Company in accordance with laws, regulations and regulatory requirements;
- (3) Deciding on operation plans of the Company, formulating scientific, reasonable and stable development strategy of the Company and supervising the implementation thereof, determining the market positioning and development objective, and reflecting the differentiation and specialization;
- (4) Formulating the risk tolerance level, risk management and internal control policies of the Company, and bearing the ultimate liability for the comprehensive risk management;
- (5) Continuing to focus on the internal control of the Company, formulating good internal control culture and carrying out regular research and evaluation on the robustness, rationality and effectiveness of the internal control;
- (6) Bearing ultimate liability for the establishment, operation and maintenance of the internal audit system, and the independence and effectiveness of internal audit;
- (7) Deciding annual financial budgets and final account plan of the Company;
- (8) Formulating profit distribution plans and loss recovery plans of the Company;
- (9) Formulating proposals on the increase or decrease of registered capital, the issuance of bonds or other securities and the listing of the Company;
- (10) Formulating capital plans and bearing the ultimate responsibility of capital management;
- (11) Formulating proposals on major acquisitions of the Company, acquisitions of the shares of the Company or merger, division, dissolution and change of the corporate form;
- (12) Regularly evaluating and improving the Company's corporate governance, and protecting the legitimate rights and interests of financial consumers and other stakeholders;

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- (13) Determining arrangement plans for the Company's internal management agencies;
- (14) Appointing or removing the president or board secretary of the Company, according to the nomination of the chairman of the Board; appointing or removing senior management such as the vice president, assistant president and financial controller, according to the nomination of the president;
- (15) Establishing and implementing the responsibility performance accountability system of the senior management, supervising the effective performance of responsibilities by the senior management, deciding on remuneration and disciplinary matters of senior management personnel and specifying the specific way for accountability of malfunction and improper performance of responsibilities;
- (16) Validating work rules for the president, listening to the work reports by the president of the Company, and inspecting the work of the president;
- (17) Formulating the amendment plan for the Articles of Association, formulating the rules of procedures for the shareholders' general meetings and the Board of Directors, and deliberating and ratifying the working rules of the Special Committees of the Board of Directors;
- (18) Proposing appointment or dismissal of an accounting firm which will provide regular and legal audits on the financial reports of the Company to the shareholders' general meeting;
- (19) Being responsible for determining the green credit development strategy, deliberating and ratifying the green credit targets formulated by the senior management and the submitted green credit report, supervising and evaluating the implementation of the Company's green credit development strategy;
- (20) Establishing mechanism for the identification, investigation and management of the conflict of interests between the Company and shareholders, especially major shareholders; bearing the ultimate liability for the management of shareholders' affairs;
- (21) Verifying the Company's compliance with the Corporate Governance Code specified in the Hong Kong Listing Rules and the information disclosed in the Corporate Governance Report;
- (22) In charge of the information disclosure matters of the Company and bearing the ultimate liability of authenticity, accuracy, completeness and promptness of the Company's accounting and financial report;
- (23) Other functions and powers granted by laws, administrative regulations, department rules, the Articles of Association or the shareholders' general meeting.

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The Company has multiple mechanisms in place to ensure independent views and inputs are available to the Board, including but not limited to reviewing the structure of the Board to ensure that the composition of executive and non-executive Directors (including independent non-executive Directors) is balanced and ensures that there is a strong independent element on the Board. Independent non-executive Directors of the Company should be of sufficient professional experience for their views to carry weight. All Directors (including independent non-executive Directors) are given opportunities to include matters in the agenda for regular Board meetings. Upon a reasonable request of any Director, the Board will ensure that independent third-party professional bodies are engaged to provide advice, at the Company's expense, to assist such Director(s) or the Board in performing duties to the Company. At each Board meeting, the chairperson of the meeting shall ask the attending Directors for their definite opinions on each of the resolutions, and the Directors shall carefully read documents relating to the meeting and shall express well-informed, independent and discreet opinions. During the Reporting Period, the Board reviewed the implementation of above mechanisms and considered it to be effective.

IV. Board Members

As at the Latest Practicable Date, the Board of the Company consisted of 9 Directors, including 2 executive Directors (Mr. Deng Xinquan and Mr. Yao Chunhe), 4 non-executive Directors (Mr. Zhang Xianjun, Mr. Liu Peiwei, Mr. Cheng Shuai and Mr. Jia Haining), 3 independent non-executive Directors (Mr. Jin Qinglu, Mr. Chen Ming and Ms. Leung Sau Fan, Sylvia). The 2 executive Directors have worked in the areas of banking and management for a long time and possess extensive bank management experience and professional expertise, the 4 non-executive Directors are all nominated by shareholders and have working experience in the fields of management, finance and accounting; the 3 independent non-executive Directors are experts in economics, finance, accounting and legal fields, 1 of whom is from Hong Kong, and has extensive experience in areas such as auditing, finance, management consulting, as well as corporate governance, risk control and management of the banking industry. For details of the changes, biographies and terms of office of the members of the Board, please refer to the section headed "Basic Information on Directors, Supervisors, Senior Management, Employees and Organisations" in this report.

V. Board Diversity Policy

The Company understands and recognizes the importance of Board diversity and considers it a major factor to ensure that the Company can enhance its corporate governance standards and achieve sustainable development. The Company has developed the Policy of Harbin Bank Co., Ltd. on Board Diversity, pursuant to which the Company should take into account board diversity from various aspects, including gender, age, nationality, education background, professional qualifications, industry experience and other factors when designing the composition of the Board of Directors. When selecting and appointing members of the Board of Directors, the Company should take into full account the diversity characteristics of relevant candidates; evaluate their talents, skills, experience and background comprehensively; and assess their potential contributions to the Bank objectively, thereby making sure the Board of Directors has diverse views and perspectives when discharging its duties by having the best combination of members in line with the Company's development strategy.

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The Company's main policy for selecting Board members is to actively consider the benefits of diversity to appoint the most appropriate candidates. Selection of Board members shall be based on a range of diversified areas, taking into account the skills, experience, independence, knowledge of the Bank's business, a combination of various factors (including gender and age) and other factors related to the operation efficiency of the Board. The Nomination and Remuneration Evaluation Committee of the Board shall review this policy in due course to ensure its effectiveness. The Nomination and Remuneration Evaluation Committee shall discuss the necessity for amendments to be made on the policy, make amendment proposals to the Board and submit them to the Board for consideration and approval. During the Reporting Period, the Board has reviewed the implementation of such policy.

The Board of Directors of the Company currently has one female Director, which achieves the target for gender diversity of the Board of Directors. For details of employee diversity of the Company, please refer to "Employees" in Chapter "Basic Information on Directors, Supervisors, Senior Management, Employees and Organisations".

VI. Change in the Composition of the Board during the Reporting Period

At the 2025 first extraordinary general meeting of the Company held on 17 January 2025, the proposal for the change of a non-executive Director candidate for the ninth session of the Board was approved. Mr. Jia Haining was appointed as a non-executive Director of the Company, and his qualification has been approved by the Heilongjiang Office of the NFRA, with effect from 17 April 2025. Mr. Jia Haining obtained the legal advice as required by Rule 3.09D of the Hong Kong Listing Rules from the Company's Hong Kong legal advisor on 27 March 2025, and confirmed that he understood his obligations as a director. Mr. Zhao Hongbo ceased to be a non-executive Director of the Company, with effect from 17 April 2025.

As Mr. Hou Bojian has served as an independent non-executive Director of the Company for six consecutive years, pursuant to the Articles of Association and relevant rules and regulations, he has resigned as an independent non-executive Director and a member of the Risk Management and Related Transactions Control Committee of the Board, the Nomination and Remuneration Evaluation Committee of the Board, and the Audit Committee of the Board, effective from 29 August 2025.

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At the 2026 first extraordinary shareholders' meeting convened on 27 March 2026, the Company considered and approved the resolution in relation to the proposed appointment of Mr. Du Xiaoquan as non-executive Director of the ninth session of the Board. Mr. Du Xiaoquan has been appointed as a non-executive Director of the Company, and his appointment qualification is subject to the approval of the Heilongjiang Office of the NFRA. Pending approval of Mr. Du Xiaoquan's appointment qualification, Mr. Zhang Xianjun will continue to perform his duties as a non-executive Director and a member of the Nomination and Remuneration Evaluation Committee of the ninth session of the Board.

VII. Chairman and President

The roles and works of the chairman of the Board and president of the Company are taken by different individuals. There is a clear division of their responsibilities in compliance with the recommendation of the Hong Kong Listing Rules.

Mr. Deng Xinquan, as the chairman of the Board of the Company, is mainly in charge of chairing shareholders' general meetings, convening and chairing the Board meetings, supervising and examining the implementation of the resolutions of the Board, proposing to the Board candidates of the special committees, the president and secretary to the Board of Directors of the Company, signing important documents of the Board and other documents which shall be signed by the legal representative of the Company, encouraging different constructive opinions from Directors and facilitating effective contribution by non-executive Directors.

Mr. Yao Chunhe, as the president of the Company, is mainly in charge of the management of daily operation and the implementation of relevant resolutions and operation plans of the Board.

VIII. Duties of Directors

During the Reporting Period, all Directors of the Company carefully, earnestly and diligently exercised the rights granted by the Company and regulatory authorities, and devoted enough time and energy to handle the matters of the Company. During the Reporting Period, in terms of on-site Board meetings, Mr. Deng Xinquan had an attendance of 86.96%, Mr. Yao Chunhe had an attendance of 86.96%; and the attendance of all other Directors was 100%.

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The independent non-executive Directors of the Company gave their professional advice on the proposals considered by the Board, such as the profit distribution plan, significant related party transactions, engagement of senior management and engagement of accounting firm. In addition, the independent non-executive Directors of the Company also gave full play to their professional expertise in the special committees of the Board, and put forward professional and independent opinions on the corporate governance and operation management of the Company.

During the Reporting Period, the Board of Supervisors of the Company conducted annual evaluation of the performance of duties of the Directors, and reported the results of the evaluation to the shareholders' general meeting.

The Directors are responsible for monitoring the preparation of financial statements of every accounting year to ensure a true and fair view of the Group's business condition, results and cash flows in the corresponding accounting period. While preparing for the financial statements for the year ended 31 December 2025, the Group has selected and consistently applied appropriate accounting policies and has made reasonable and prudent judgements and estimates. The Directors have acknowledged their responsibility for the preparation of financial statements and the auditor's statement of reporting responsibility for their report is set out in the Independent Auditor's Report on page 167 of this report.

IX. Board Meetings and the Directors' Attendance

During the Reporting Period, the Company held 23 Board meetings to consider and approve major proposals on the appointment of senior management, operation plans, major related party transactions, rule amendments and other matters, including 216 important proposals and reports such as the work report of

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the Board, the work report of the President, the financial budgets, the final financial accounts, the profit distribution plan, the performance evaluation indicators of senior management, the operation plan, the report on the management and implementation of related party transactions.

Meeting	Meeting date	Meeting mode
The 2025 first interim meeting of the Board	24 January 2025	On-site conference
The 2025 second interim meeting of the Board	10 March 2025	On-site conference
The 2025 third interim meeting of the Board	24 March 2025	Written circular
The fourth meeting of the ninth session of the Board	28 March 2025	On-site conference
The 2025 fourth interim meeting of the Board	16 April 2025	Written circular
The 2025 fifth interim meeting of the Board	26 April 2025	Written circular
The 2025 sixth interim meeting of the Board	30 April 2025	On-site conference
The 2025 seventh interim meeting of the Board	24 May 2025	Written circular
The 2025 eighth interim meeting of the Board	9 June 2025	Written circular
The fifth meeting of the ninth session of the Board	27 June 2025	On-site conference
The 2025 ninth interim meeting of the Board	29 July 2025	On-site conference
The 2025 tenth interim meeting of the Board	11 August 2025	Written circular
The sixth meeting of the ninth session of the Board	29 August 2025	On-site conference
The 2025 eleventh interim meeting of the Board	8 September 2025	Written circular
The 2025 twelfth interim meeting of the Board	22 September 2025	Written circular
The 2025 thirteenth interim meeting of the Board	29 September 2025	Written circular
The 2025 fourteenth interim meeting of the Board	31 October 2025	On-site conference
The 2025 fifteenth interim meeting of the Board	20 November 2025	Written circular
The 2025 sixteenth interim meeting of the Board	26 November 2025	Written circular
The 2025 seventeenth interim meeting of the Board	4 December 2025	Written circular
The seventh meeting of the ninth session of the Board	18 December 2025	On-site conference
The 2025 eighteenth interim meeting of the Board	23 December 2025	On-site conference
The 2025 nineteenth interim meeting of the Board	31 December 2025	Written circular

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The attendance of each Director in the Board meetings and general meetings in 2025 is set out below:

Board members	Number of Board meetings requiring attendance	Number of Board meetings attended in person	Number of Board meetings attended by proxy	Attendance rate of Board meetings^(note)	Number of general meetings attended/ requiring attendance
Deng Xinquan	23	20	3	86.96%	4/4
Yao Chunhe	23	20	3	86.96%	4/4
Zhao Hongbo (ceased to act on 17 April 2025)	5	5	0	100%	1/1
Zhang Xianjun	23	23	0	100%	4/4
Liu Peiwei	23	23	0	100%	4/4
Cheng Shuai	23	23	0	100%	4/4
Hou Bojian (ceased to act on 29 August 2025)	13	13	0	100%	3/3
Jin Qinglu	23	23	0	100%	4/4
Chen Ming	23	23	0	100%	4/4
Leung Sau Fan, Sylvia	23	23	0	100%	4/4
Jia Haining (newly appointed on 17 April 2025)	18	18	0	100%	3/3

Note: During the Reporting Period, attendance by proxy was not counted as attendance.

X. Duty Performance of Independent Non-Executive Directors

The Board of the Company is currently composed of 3 independent non-executive Directors, the appointment of whom is in full compliance with the requirements of the NFRA and the Hong Kong Listing Rules regarding the qualification, number and proportion of independent non-executive Directors. During the Reporting Period, the independent non-executive Directors maintained communications with the Bank through meetings, investigations, trainings and other approaches. They actively expressed independent, objective and professional opinions at the Board meetings and the meetings of the special committees under the Board, attached importance to safeguarding minority shareholders' interests, and thus played a full role as independent non-executive Directors.

The Company has received independence confirmation letters from all the independent non-executive Directors, based on which, the Company is of the view that all the independent non-executive Directors have been independent from 1 January 2025 to the Latest Practicable Date.

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XI. Special Committees of the Board

The Board of the Company has 5 special committees, including the Audit Committee, Nomination and Remuneration Evaluation Committee, Risk Management and Related Transactions Control Committee, Development Strategy Committee, and Consumer Rights Protection Committee. Both the structure and the composition of each special committee comply with the requirements of regulatory authorities and the Articles of Association. Amongst these committees, each of the Nomination and Remuneration Evaluation Committee, Risk Management and Related Transactions Control Committee, Audit Committee and Consumer Rights Protection Committee is chaired by independent non-executive Directors, thus further strengthens the supervision on the Company by independent non-executive Directors.

In 2025, the special committees of the Board of the Company exercised their power in an independent, standardized and effective manner in accordance with the laws. During the Reporting Period, they held 58 meetings, at which 246 major proposals and reports including regular reports, rule amendments and other matters were studied and considered, which are critical to the sustainable development and corporate governance of the Bank. As a result, the professionalism of discussion procedure of the Board meetings and the work efficiency, and scientific decision-making process of the Board were improved, thereby fostering the sustainable and healthy development of businesses of the Bank.

Members and terms of reference of the 5 special committees of the Company and their work in 2025 are as follows:

(I) Audit Committee

The Audit Committee mainly consists of independent non-executive Directors. As at the Latest Practicable Date, its members included independent non-executive Directors, namely Mr. Jin Qinglu (chairman of the committee), Ms. Leung Sau Fan, Sylvia and a non-executive Director, namely Mr. Cheng Shuai.

The major terms of reference of the Audit Committee during the Reporting Period are as follows:

1. Review the financial information of the Company and inspect the finances of the Company;
2. Review the financial reporting system, the internal control system and their Implementation;
3. Supervise and evaluate the adequacy and effectiveness of the internal control function of the Internal Audit Department, including but not limited to regular meetings and exchange of opinions with the responsible persons of the Internal Audit Department, reviewing the annual working plan and annual working report of the Internal Audit Department, ensuring coordinated work between the Internal Audit Department and external auditors, and ensuring that the Internal Audit Department has sufficient resources for operation, and have appropriate standing;

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4. Supervise and evaluate the relationship between the Company and external auditors and the work of external auditors;
5. Provide guidance on and oversee the internal audit work;
6. Report to the Board on the corporate governance functions of the Company;
7. Oversee the operational decisions and risk management of the Company, and supervise the rectification;
8. Oversee the Board, senior management, and their members;
9. Establish and improve an evaluation system for the performance of the Board, senior management, and their members, and conduct evaluations of their performance. Within four months after the end of each year, report the evaluation results and basis for the performance of the Board, senior management, and their members to the national financial regulatory authority, and report the evaluation results to the shareholders' general meeting;
10. Supervise the conduct of directors and senior management in performing their duties for the Company, and propose the removal of directors and senior management who violate laws, administrative regulations, the Articles of Association, or resolutions of the shareholders' general meeting;
11. Urge directors and senior management to correct their acts which impair the interests of the Company;
12. Initiate litigation against the directors and senior management in accordance with the relevant provisions of the Company Law;
13. Submit proposals to shareholders' general meetings; propose the convening of extraordinary general meetings; convene and preside over shareholders' general meetings when the Board fails to fulfill its duties under the Company Law to convene and preside over such meetings;
14. Oversee the Board in establishing sound business principles and value standards and formulating development strategies that are appropriate for the Company;
15. Assess the scientific nature, rationality, and soundness of the Company's development strategies and prepare assessment reports;

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16. Oversee the selection and appointment procedures for directors;
17. Supervise the implementation of the Company's compensation management system and the scientific and reasonable nature of compensation schemes for senior management;
18. Members of the Audit Committee may attend meetings of special committees of the Board and senior management meetings, and have the right to raise queries or make suggestions regarding matters that are the subjects of resolutions of such meetings;
19. Review the audit work plan and report on the performance of the senior management of the Company, and report the audit reports to the Board;
20. Perform other duties as required by the laws and regulations, regulatory provisions and as authorised by the shareholders' general meeting and the Board.

In 2025, the Audit Committee held 12 meetings, at which 86 proposals and reports, including the Proposal on the 2024 Annual Results Announcement and Annual Report, the Proposal on the 2024 Profit Distribution Plan, the Proposal on the 2025 Financial Budgets, the Proposal on the Appointment of Auditors for 2025, the Proposal on the 2025 Internal Control Evaluation Report of Harbin Bank Co., Ltd., the Proposal on Approval of First Half of 2025 Unaudited Interim Financial Statements Prepared according to the International Financial Reporting Standards, and the Proposal on Consideration of 2025 Interim Results Announcement and Interim Report, were considered and approved. In 2025, the Audit Committee listened to the work reports from the Internal Audit Department, continued to deepen the implementation of the internal control system, supervised and guided the audit and examination work, and further improved the internal control system. The Audit Committee also organised the preparation and review of the 2024 annual report and 2025 interim report according to the disclosure requirements on the annual report of regulatory authorities and the disclosure plan of the Audit Committee. During the Reporting Period, the Audit Committee held two meetings with the external auditors, which, in part, were held in

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the absence of executive Directors and the senior management. On 24 March 2026, the Audit Committee reviewed the audited consolidated financial statements for the year ended 31 December 2025 prepared in accordance with the accounting principles and policies of the Bank. The attendance of each member in the meetings of the Audit Committee in 2025 is as follows:

Member of Audit Committee	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate ^(note)
Jin Qinglu	12	12	0	100%
Hou Bojian (ceased to act on 29 August 2025)	9	9	0	100%
Leung Sau Fan, Sylvia	12	12	0	100%
Cheng Shuai	12	12	0	100%

Note: During the Reporting Period, attendance by proxy was not counted as attendance.

(II) Nomination and Remuneration Evaluation Committee

The Nomination and Remuneration Evaluation Committee mainly consists of independent non-executive Directors. As at the Latest Practicable Date, its members included independent non-executive Directors, namely Mr. Chen Ming (chairman of the committee) and Ms. Leung Sau Fan, Sylvia, and a non-executive Director, namely Mr. Zhang Xianjun.

The major terms of reference of the Nomination and Remuneration Evaluation Committee during the Reporting Period are as follows:

1. Examining and assessing at least once a year, the structure, size, and composition of the Board (including skills, knowledge and experience), assisting the Board in preparing a board skills matrix, and raising proposals about any changes proposed to be made to the Board in coordination with the Company strategy;
2. Drafting selection standards and procedures for the directors and the senior management personnel, conducting preliminary reviews of and raising proposals to the Board for qualifications and conditions of service of the directors and the senior management personnel;
3. Seeking persons qualified to act as a director, selecting and nominating relevant persons as the directors or providing recommendations to the Board therefor;
4. Evaluating the independence of independent non-executive Directors;

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5. Raising proposals to the Board for the appointment or reappointment of directors as well as the succession planning of directors (especially the Chairman and the President);
6. Formulating policies relating to diversity of the Board, reviewing and evaluating the policies annually to ensure its effectiveness, and disclosing the policies or the summary of such policies in the corporate governance report of the Company;
7. Supporting the Company in conducting regular evaluations of the Board's performance;
8. Reviewing the Company's remuneration management system and policies, and making recommendations to the Board on the policy and structure for all remuneration of Directors and senior management personnel and on the establishment of a formal and transparent procedure for formulation of remuneration policy;
9. Reviewing the remuneration plan of directors and senior management personnel in accordance with the corporate guidelines and objectives established by the Board and making recommendations to the Board;
10. Reviewing and/or approving matters in relation to the share schemes as set out in Chapter 17 of the Hong Kong Listing Rules;
11. Drafting performance appraisal measures and conducting evaluation for the senior management personnel of the Company, making recommendations to the Board; and, pursuant to the Board's authorisation, formulating performance appraisal plans for the senior management personnel;
12. Assessing the amount of performance-based remuneration to be allocated to the operational management personnel and employees of the Company;
13. Other matters authorised by the Board to the Committee.

In 2025, the Nomination and Remuneration Evaluation Committee held 14 meetings. All members strictly performed the obligations under the Terms of Reference for the Nomination and Remuneration Evaluation Committee of the Board and fully completed the work arrangements of the Reporting Period. Major works that were launched are as follows: conducting nomination and change of Directors, performance assessment of Directors and the senior management and remuneration management, etc. During the Reporting Period, 29 proposals and reports including the Proposal on Formulating the Total Wage Management Measures for Harbin Bank (Group), the Proposal on the Evaluation Report

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on the Performance of the Directors in 2024 Issued by the Board of Directors, the Proposal on the Performance Assessment of Senior Management in 2024, the Proposal on Revising the Director Election Measures of Harbin Bank Co., Ltd., the Proposal on Revising the Independent Director Working System of Harbin Bank Co., Ltd., the Proposal on Revising the Performance Remuneration Deferred Payment and Clawback Management Measures of Harbin Bank, the Proposal on the 2025 Senior Management Individual Performance Evaluation Indicators, and the Proposal on Revising the Enterprise Annuity Plan of Harbin Bank Co., Ltd. and so on, were considered and approved. The attendance of each member in the meetings of the Nomination and Remuneration Evaluation Committee in 2025 is as follows:

Member of Nomination and Remuneration Evaluation Committee	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate^(note)
Chen Ming	14	14	0	100%
Hou Bojian (ceased to act on 29 August 2025)	12	12	0	100%
Leung Sau Fan, Sylvia	14	14	0	100%
Zhao Hongbo (ceased to act on 17 April 2025)	6	6	0	100%
Zhang Xianjun (newly appointed on 17 April 2025)	8	8	0	100%

Note: During the Reporting Period, attendance by proxy was not counted as attendance.

Nomination policy:

In selecting candidates for the Directors in accordance with the nomination policy and procedure, the Company's Nomination and Remuneration Evaluation Committee shall:

1. Examine and assess at least once a year, the structure, size, and composition of the Board (including skills, knowledge and experience), assist the Board in preparing a board skills matrix, and raise proposals about any changes proposed to be made to the Board in coordination with the Company strategy;
2. Study and review whether the qualifications of Director candidates meet the standards stipulated in domestic and overseas laws and regulations and the Articles of Association;
3. Extensively search for qualified Director candidates;
4. Review the independence of candidates for independent non-executive Directors;
5. Conduct preliminary review on the qualifications and appointment conditions of Director candidates and propose the qualified candidates to the Board for consideration;
6. Propose the Director candidates to the shareholders' general meeting via written proposal after consideration and approval of the Board;
7. Take into account the Board diversity policy when performing the above duties;

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8. Review the Board diversity policy when appropriate to ensure the effectiveness of the policy;
9. Advise the Board on the appointment or reappointment of Directors and the succession of Directors (particularly executive Directors);
10. Deal with other matters authorised by the Board.

(III) Risk Management and Related Transactions Control Committee

The Risk Management and Related Transactions Control Committee consists of independent non-executive Directors and a non-executive Director. As at the Latest Practicable Date, its members included independent non-executive Directors, namely Mr. Jin Qinglu (chairman of the committee), and Mr. Chen Ming, and a non-executive Director, namely Mr. Jia Haining.

The major terms of reference of the Risk Management and Related Transactions Control Committee during the Reporting Period are as follows:

1. Discussing with senior management on matters relating to the risk management mechanism, supervising the senior management's control of credit risk, market risk, liquidity risk, operational risk, country risk, interest rate risk in the banking book, reputation risk, strategic risk and information technology risk; examining the status of work implementation in areas such as anti-money laundering, case risk prevention and control, large exposure risks, capital adequacy assessment, liability quality management, and implementation of the expected credit loss method, so as to ensure that the senior management has fulfilled their duties in establishing an effective risk management mechanism;
2. Receiving the special reports of the Company's risks from senior management on a quarterly basis, making regular assessment on the Company's risk appetite, risk policy, risk level, risk management condition and risk tolerance, and making recommendations on the improvement of overall risk management and internal controls;
3. Considering major investigation findings on risk management matters and senior management's response to these findings on its own initiative or as requested by the Board;
4. Reviewing and overseeing the Company's risk management mechanisms on an ongoing basis;
5. Studying the basic systems for compliance management and submitting them to the Board of Directors for consideration; evaluating the effectiveness of compliance management and the level of compliance culture construction, and urge the resolution of major issues in compliance management and the compliance culture construction;

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6. Bearing corresponding responsibility for the compliance of the Company's related party/connected transactions; being responsible for the daily management of the Company's related party transactions under the authorization of the Board of Directors; reviewing the management system of the related party transactions and making recommendations to the Board of Directors; confirming the list of the Company's related parties; accepting the filing of general related party transactions; and reviewing the matters relating to material related party transactions and other related party transactions that need to be submitted to the Board of Directors or the shareholders' general meeting for consideration and submission to the Board of Directors for consideration or approval;
7. Managing the risks of financial innovation activities and the risks of other traditional businesses in a unified manner by developing appropriate risk management procedures and risk control measures to clearly define the specific responsibilities of each business line and relevant departments;
8. Conducting a preliminary review of changes in the Company's shareholdings, the status of shareholders' qualifications and the pledge (release) of the shareholdings;
9. Formulating Board authorization systems and proposals, and submitting them to the Board for consideration;
10. Reviewing and ratifying matters of asset acquisition and disposal authorized by the Board of Directors for approval; and conducting research on matters of asset acquisition, asset disposal, asset mortgage and external guarantee that require approval by the Board of Directors and the shareholders' general meeting;
11. Developing an annual work plan for the Risk Management and Related Transactions Control Committee;
12. Other matters authorised by the Board of Directors.

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In 2025, the Risk Management and Related Transactions Control Committee held 16 meetings, at which 73 proposals and reports were considered and approved, including the Proposal on the Risk Management Report of Harbin Bank (Group) in 2024, the Proposal on the Report on the Assessment of Major Shareholders (Substantial Shareholders) of Harbin Bank for 2024 and the Proposal on the Special Report on the Management of Related Party Transactions of Harbin Bank Co., Ltd. in 2024. The attendance of each member in the meetings of Risk Management and Related Transactions Control Committee in 2025 is as follows:

Member of Risk Management and Related Transactions Control Committee	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate^(note)
Jin Qinglu	16	16	0	100%
Zhang Xianjun (ceased to act on 17 April 2025)	4	4	0	100%
Hou Bojian (ceased to act on 29 August 2025)	9	9	0	100%
Chen Ming	16	16	0	100%
Jia Haining (newly appointed on 17 April 2025)	12	12	0	100%

Note: During the Reporting Period, attendance by proxy was not counted as attendance.

(IV) Development Strategy Committee

The Development Strategy Committee consists of executive Directors, an independent non-executive Director and a non-executive Director. As at the Latest Practicable Date, its members included executive Directors, namely Mr. Deng Xinquan (chairman of the committee) and Mr. Yao Chunhe, an independent non-executive Director, namely Ms. Leung Sau Fan, Sylvia, and a non-executive Director, namely Mr. Liu Peiwei.

The major terms of reference of the Development Strategy Committee during the Reporting Period are as follows:

1. Researching and providing advice on the revision of key corporate documents, such as the Articles of Association, the Rules of Procedure for the Shareholders' General Meeting and the Rules of Procedure for the Board of Directors' Meetings;
2. Researching and providing advice on the Company's long and medium term development strategies;
3. Researching and providing advice on the major sub-strategies and business strategies under the strategic framework for long and medium development of the Company;

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4. Researching and providing advice on the annual investment and financing programmes, and long and medium term and annual capital management programmes of the Company;
5. Researching and providing advice on material investment and financing programmes, material capital operation and asset operating projects subject to the approval of the Board as required under the Articles of Association;
6. Researching and providing advice on other important issues relating to the Company's development;
7. Researching and providing advice on the annual business targets of the Company;
8. Conducting research into the establishment and fulfilment of performance evaluation metrics for the Company's senior executives and provide recommendations;
9. Supervising and inspecting the implementation by senior management of the long and medium term development plans, annual business targets, investment and financing programmes and capital operation programmes;
10. Communicating with senior management and departments regarding the operation and risk exposure of the Company on a regular basis, as well as providing advice and recommendations;
11. Researching and providing advice on the Company's organizational planning, department setting and change;
12. Researching and providing advice on the Company's environmental, social and governance (ESG) organizational structure, material issues and annual reports;
13. Researching and providing advice on the strategy, policy and objective for green credit, supervising the senior management in the implementation of green credit, so as to fulfill social responsibility;
14. Other matters authorised by the Board of Directors.

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In 2025, the Development Strategy Committee held 12 meetings, at which 52 proposals and reports were considered and approved including the Proposal on the Operational Plan of Harbin Bank (Group) for 2025, the Proposal on the Capital Management Planning of Harbin Bank for 2025–2027, the Proposal on the Environmental, Social and Governance (ESG) Report of Harbin Bank for 2024, the Proposal on the Performance Appraisal Indicators on Senior Management for 2025 and the Proposal on the Strategy Development Plan of Harbin Bank (Group) for 2025–2027. The attendance of each member in the meetings of Development Strategy Committee in 2025 is as follows:

Member of Development Strategy Committee	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate^(note)
Deng Xinquan	12	12	0	100%
Yao Chunhe	12	12	0	100%
Liu Peiwei	12	12	0	100%
Leung Sau Fan, Sylvia	12	12	0	100%

Note: During the Reporting Period, attendance by proxy was not counted as attendance.

(V) Consumer Rights Protection Committee

The Consumer Rights Protection Committee consists of independent non-executive Director(s), non-executive Director(s) and executive Director(s). As at the Latest Practicable Date, its members included an independent non-executive Director, namely Mr. Chen Ming (chairman of the committee), non-executive Directors, namely Mr. Cheng Shuai and Mr. Jia Haining and an executive Director, namely Mr. Yao Chunhe.

The major terms of reference of the Consumer Rights Protection Committee during the Reporting Period are as follows:

1. Being responsible for the Board of Directors by submitting working report of the consumer rights and interests protection and annual report, undertaking relevant work with authorisation granted by the Board of Directors, discussing and deciding relevant matters, and analysing substantial issues and important policies in relation to protection of consumers' right and interests;
2. Instructing and promoting the establishment and improvement of the management system of the consumer rights and interests protection, ensuring such systems and relevant rules are in line with corporate governance, corporate culture cultivation and business development strategies;

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3. Supervising the senior management and the consumers' rights and interests protection department for comprehensiveness, timeliness and effectiveness of their work in accordance with regulatory requirements, strategies and policies for protection of consumers' rights and interests, implementation of goals and enforcement of assigned work;
4. Holding regular meetings for consumers rights and interests protection, reviewing working reports of the senior management and the consumers' rights and interests protection department, to analyse the annual audit report relating to consumers' rights and interests protection, regulatory correspondence and internal assessment results, and to urge the senior management and relevant departments to timely fix issues spotted during the work review;
5. Being responsible for providing guidance on the disclosure of significant information concerning consumer rights protection;
6. Other matters authorised by the Board of Directors.

In 2025, the Consumer Rights Protection Committee held 4 meetings, at which 6 proposals and reports were considered and heard, namely the Work Conclusions of the Consumer Rights Protection Committee of the Board for 2024 and the Work Plan for 2025, the Proposal on the Report of Consumer Rights Protection of Harbin Bank for 2024, the Proposal on the Work Scheme of Consumer Rights Protection of Harbin Bank for 2025, the Proposal on the Amendments of the Terms of Reference of the Consumer Rights Protection Committee of the Board of Directors of Harbin Bank Co., Ltd., the Proposal on the Report of Consumer Rights Protection of Harbin Bank for the First Half of 2025, and the Proposal on the Self-Assessment Report of Harbin Bank on the Supervisory Evaluation of Consumer Rights Protection for 2025. The attendance of each member in the meetings of Consumer Rights Protection Committee in 2025 is as follows:

Member of Consumer Rights Protection Committee	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate^(note)
Chen Ming	4	4	0	100%
Yao Chunhe	4	4	0	100%
Cheng Shuai	4	4	0	100%
Zhang Xianjun (ceased to act on 17 April 2025)	1	1	0	100%
Jia Haining (newly appointed on 17 April 2025)	3	3	0	100%

Note: During the Reporting Period, attendance by proxy was not counted as attendance.

XII. Board of Supervisors

The Board of Supervisors, serving as the internal supervisory body of the Company, independently performs its function of supervision and is accountable to the general meeting of shareholders. During the daily operations, the Board of Supervisors oversees the Company's financial activities, strategic initiatives, internal controls, and risk management. Additionally, it monitors and assesses the conduct of Directors and senior management in the execution of their duties within the Company. Prior to its cancellation on 15 December 2025, the Board of Supervisors of the Company consisted of 7 Supervisors, including 3 external Supervisors, 3 employee representative Supervisors and 1 shareholder representative Supervisor. The number and composition of the Board of Supervisors of the Company are in compliance with the provisions of relevant laws and regulations. During the Reporting Period, the Board of Supervisors held 8 meetings, at which 20 proposals and reports were considered, including the annual and interim reports of the Company, the work report and work plan of the Board of Supervisors, the profit distribution plan, the performance evaluation reports of the Board and the Directors, the Board of Supervisors and Supervisors and senior management and its members, the audit proposal and report of the performance of executive officers, the assessment report of internal control, the cancellation of the Board of Supervisors of Harbin Bank Co., Ltd.. The attendance of each Supervisor in the meetings of the Board of Supervisors in 2025 is as follows:

Member of Board of Supervisors	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate^(note)
Zhao Baocai	8	7	1	87.5%
Li Zhaohua	8	8	0	100%
Sun Yi	8	8	0	100%
Chen Wei	8	8	0	100%
Jiang Minghui	8	8	0	100%
Wang Yuanfang	8	8	0	100%
Jiang Yongmei	8	8	0	100%

Note: During the Reporting Period, attendance by proxy was not counted as attendance.

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During the Reporting Period, the Board of Supervisors of the Company had two special committees, namely the Nomination Committee and the Supervision Committee. The structure and composition of each special committee are in compliance with the requirements of the regulatory authorities and the Articles of Association. The chairman of each committee is an external Supervisor. Both special committees work in accordance with the requirements of laws and regulations, the Articles of Association, the Rules of Procedure for the Board of Supervisors and the terms of reference for the committees under the Board of Supervisors.

During the Reporting Period, the special committees of the Board of Supervisors of the Company exercised their authority and power in an independent, regular and effective manner in accordance with the law. 11 meetings were held throughout the year at which 20 proposals were considered and approved including the annual evaluation report of internal control, periodic reports and the profit distribution plan.

(I) Nomination Committee

The Nomination Committee consists of external Supervisor(s), shareholder representative Supervisor(s) and employee representative Supervisor(s). The members include an external Supervisor, namely Mr. Sun Yi (chairperson of the committee), a shareholder representative Supervisor, namely Ms. Chen Wei, and an employee representative Supervisor, namely Jiang Yongmei.

The major terms of reference are as follows:

1. Drafting the conditions of service, criteria and selection procedures for Supervisors;
2. Conducting preliminary review and providing advice to the Board of Supervisors on the qualifications and conditions of Supervisor candidates;
3. Nominating qualified external Supervisor candidates and recommending Supervisors to the Board of Supervisors;
4. Supervising the election and employment procedure of Directors;
5. Comprehensively evaluating and reporting to the Board of Supervisors on the performance of duties of Directors, Supervisors and senior management personnel;
6. Providing advice to the Board of Supervisors on the size and composition of the Board of Supervisors based on the Company's operational and management status, total asset size and shareholding structure;

7. Supervising the scientificity and rationality of the Company's remuneration management system and policy and remuneration management of senior management personnel;
8. Other matters authorised by the Board of Supervisors.

During the Reporting Period, the Nomination Committee held 5 meetings, at which a total of 8 proposals were considered and approved, namely the Report on the Performance Evaluation of Department and Management Employees of the Office of the Board of Supervisors in 2024, the Remuneration Distribution Scheme for Supervisors for 2023, the Evaluation on the Performance of Directors, Supervisors and Senior Management in 2024, the Evaluation Report of the Board of Supervisors on the Performance of the Board of Directors and Directors in 2024, the Evaluation Report of the Board of Supervisors on the Performance of the Senior Management and its Members in 2024, the Evaluation Report on the Performance of the Board of Supervisors and Supervisors in 2024, the Plan of Evaluation on the Performance of Employees of the Office of the Board of Supervisors of Harbin Bank in 2025, and the Report on the Performance Evaluation of Employees of the Department and Management of the Office of the Board of Supervisors in 2025. The attendance of each Supervisor in the meetings of the Nomination Committee in 2025 is as follows:

Committee member	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate
Sun Yi	5	5	0	100%
Chen Wei	5	5	0	100%
Jiang Yongmei	5	5	0	100%

(II) Supervision Committee

The Supervision Committee consists of external Supervisor(s), and employee representative Supervisor(s). The members include external Supervisors, namely Ms. Li Zhaohua (chairperson of the committee), Mr. Jiang Minghui and an employee representative Supervisor, namely Mr. Wang Yuanfang.

The major terms of reference are as follows:

1. Drafting the off-office auditing programme on senior management personnel of the Company and implementing such plans as approved by the Board of Supervisors;
2. Tracking the formulation of the Board's regular reports and relevant material adjustments and reporting the same to the Board of Supervisors;

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3. Supervising the Board to establish steady business philosophy and value criterion, formulate development strategies conforming with the actual circumstances of the Company and supervising the Company's financial activities, business decisions, risk management and internal control;
4. Making recommendations on the engagement of external auditors based on supervision as needed;
5. Other matters authorised by the Board of Supervisors.

During the Reporting Period, the Supervision Committee held 6 meetings, at which 12 proposals and reports were considered and approved, namely the Audit Report on the Performance of Zhou Jie, the Vice President of Harbin Bank Co., Ltd. (Supplementary Audit), the Audit Report on the Performance of Zhou Jie, the Chairman of Harbin Bank Consumer Finance Co., Ltd. (Supplementary Audit), the 2024 Profit Distribution Plan, the 2024 Annual Report, the 2024 Internal Capital Adequacy Evaluation Procedure Report of Harbin Bank, the 2024 Internal Control Evaluation Report of Harbin Bank, the Proposal on the Performance Auditing for Liang Yong, Sun Shengxue and Wu Mingfei, the Audit Report on the Performance of Liang Yong, the Chief Information Officer of Harbin Bank Co., Ltd., the Audit Report on the Performance of Sun Shengxue, the Chief Risk Officer of Harbin Bank Co., Ltd., the Audit Report on the Performance of Wu Mingfei, the Chief Credit Approval Officer of Harbin Bank Co., Ltd., the 2025 Interim Report, and the Strategic Development Plan of Harbin Bank (Group) for 2025–2027. The attendance of each Supervisor in the meetings of the Supervision Committee in 2025 is as follows:

Committee member	Number of meetings requiring attendance	Number of meetings attended in person	Number of meetings attended by proxy	Attendance rate
Li Zhaohua	6	6	0	100%
Jiang Minghui	6	6	0	100%
Wang Yuanfang	6	6	0	100%

(III) The Work Performance of External Supervisors

During the Reporting Period, external Supervisors fully leveraged their professional expertise, upheld principles of independence and professional ethics, and diligently fulfilled their legal obligations of loyalty and diligence. They attended 8 meetings of the Board of Supervisors, deliberated 20 resolutions, submitted 13 reports, reviewed 50 reports, and participated in 4 interviews and research activities. The external Supervisor serving as the chairperson of the special committee effectively organized and convened special committee meetings on a regular and timely basis, presenting collective recommendations for the Board of Supervisors' consideration. In the decision-making and supervision processes, external Supervisors remained unaffected by substantial shareholders, senior management, or other entities and individuals with interests in the Company. They provided objective, impartial, and independent opinions on matters discussed at the general meetings of shareholders, the meetings of the Board, and the meetings of the Board of Supervisors. They completed 7 key tasks, including ensuring the implementation of feedback from corporate governance regulatory assessments and overseeing the strategic development planning for Harbin Bank (Group) for the period 2025–2027.

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XIII. Change of Members of the Board of Supervisors during the Reporting Period

On 15 December 2025, the Company received the Approval in relation to the Amendments to the Articles of Association of Harbin Bank Co., Ltd. Issued by the Heilongjiang Office of the National Financial Regulatory Administration from the Heilongjiang Office of the National Financial Regulatory Administration, and the amended Articles of Association have been approved and have taken effect. The Board of Supervisors of the Company and its special committees shall be cancelled from the date of approval of the Articles of Association. Zhao Baocai, Jiang Yongmei, Wang Yuanfang, Chen Wei, Jiang Minghui, Li Zhaohua and Sun Yi, shall cease to serve as supervisors of the Company.

XIV. Financial, Business and Family Relationship among Directors, Supervisors and Senior Management

No relationship exists among Directors, Supervisors and senior management of the Bank, including financial, business and family relationships or other material relationships.

XV. Securities Transactions by Directors, Supervisors and Relevant Employees

The Company has adopted the Model Code set out in Appendix C3 of the Hong Kong Listing Rules as the code of conduct for governing the securities transactions by the Directors and Supervisors of the Company. Having made specific enquiries to the Directors and Supervisors, all Directors and Supervisors have confirmed that they had complied with the aforesaid code during the period from 1 January 2025 to 31 December 2025. The Bank also set guidelines for relevant employees' dealings in the Company's securities on terms no less exacting than the required standards as set out in the Model Code. The Bank is not aware of any violation of such guidelines by any relevant employee.

XVI. Training of Directors during the Reporting Period

During the Reporting Period, the Board arranged training for all Directors on corporate governance, information disclosure, compliance management, anti-money laundering, and anti-corruption, in order to help them gain a comprehensive understanding of how to strengthen corporate governance capabilities and risk management of the Bank and the importance of consolidated management in improving company management efficiency. They gained an in-depth understanding of the latest regulatory policies concerning anti-money laundering management and compliance management, and established an adequate appreciation of the responsibilities and legal liabilities of listed companies, which further enhanced the professionalism of our Directors in discharging their duties.

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During the Reporting Period, the Board of the Company also arranged independent Directors to carry out investigation, research and discussion on risk management of the Bank, so as to listen to Directors' opinions and suggestions in time.

The attendance of each Director in training sessions on specific topics and on-site business visits in 2025 is as follows:

Name of Directors	Number of training sessions on specific topics attended	Number of on-site business visits
Deng Xinquan	4	7
Yao Chunhe	4	13
Zhang Xianjun	4	2
Liu Peiwei	4	2
Jia Haining (newly appointed on 17 April 2025)	4	2
Cheng Shuai	4	2
Hou Bojian (ceased to act on 29 August 2025)	3	2
Jin Qinglu	4	2
Chen Ming	5	2
Leung Sau Fan, Sylvia	5	2

XVII. Amendments to the Articles of Association

Pursuant to the Company Law of the People's Republic of China with effect from 1 July 2024, the Notice on Matters Related to the Coordination of Corporate Governance Regulations and the Company Law with effect from 17 December 2024, and the latest legal and regulatory requirements, the Board resolved on 27 June 2025 to propose amendments to the currently effective Articles of Association. The proposed amendments include, but are not limited to, the revocation of the Board of Supervisors. For details of the amendments to the Articles of Association, please refer to the announcement of the Company dated 27 June 2025 and the circular of the Company dated 11 August 2025. The relevant proposal in respect of the amendments to the Articles of Association was considered and approved at the second extraordinary general meeting of the Company held on 29 August 2025. The amended Articles of Association took effect on 15 December 2025.

XVIII. Company Secretary under the Hong Kong Listing Rules

Dr. Ngai Wai Fung and Mr. Wu Siliang are joint company secretaries of the Company since 8 July 2022. Each Director may discuss with, seek advice and obtain materials from the joint company secretaries. Dr. Ngai and Mr. Wu have confirmed their receipt of no less than 15 hours of relevant professional training during the Reporting Period. Mr. Wu is the key contact person for Dr. Ngai (for external services agency).

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Dr. Ngai Wai Fung has served as the company secretary of the Company since March 2022. Dr. Ngai served as the joint company secretaries of the Company from January 2014 to May 2017. He is the director and chief executive officer of China Resources SWCS Holding Limited and SWCS Corporate Services Group (Hong Kong) Limited. Dr. Ngai has over 30 years of professional practice and senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and company secretarial work for listed issuers including major red chips companies. Dr. Ngai is a fellow of the Hong Kong Chartered Governance Institute, a fellow of the Chartered Governance Institute, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants and a member of the Chartered Institute of Arbitrators. Dr. Ngai obtained a Master's degree in Business Administration from Andrews University of Michigan, a Bachelor's degree in Law (Honours) from University of Wolverhampton, a Master's degree in Corporate Finance from Hong Kong Polytechnic University and a doctoral degree in Economics (Finance) from Shanghai University of Finance and Economics.

For the biography of Mr. Wu Siliang, senior management of the Company, please refer to "Basic Information on Directors, Supervisors, Senior Management, Employees and Organisations – III. Information on Directors, Supervisors, Senior Management and Other Persons – (III) Information on Senior Management".

XIX. Communication with Shareholders

In the management of investor relationship, the Company highlights its works in supporting provincial and municipal key projects and important industries, real economy, people's livelihood and rural revitalization, and gives emphasis to present to investors the Bank's latest achievements and future potentials of developing business fields such as serving the real economy, inclusive finance, fintech and cross-border credit. Meanwhile, the Company also presents its comprehensive development plan in establishing village and township banks and subsidiaries such as HB Leasing and HBCF.

During the Reporting Period, the Company continuously paid high attention to the interest of investors and strove to create practicable returns for our investors. The Company continued to enhance its communication with investors through the following means: (1) In 2025, the Bank published more than 100 news reports regarding investor relations on many domestic and overseas mainstream media, including Xinhua News Agency, Xinhua Finance, CNR News, China Network Television, China Banking and Insurance News, China News Network etc., thus effectively promoting the corporate image and further enhancing market attention and influence of the Bank; (2) The Bank timely responded to the questions and recommendations from investors through various channels, including answering over 280 calls from investors, replying numerous e-mail enquiries from investors and analysts, and arranging meetings between investors and the Bank.

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Shareholders may at any time make inquiries to the Company, whose contact details are as follows:

Address: No. 888 Shangjiang Street, Daoli District, Harbin, Heilongjiang Province, PRC
Post code: 150010
Tel: 86-451-86779933
Fax: 86-451-86779000
E-mail: ir@hrbb.com.cn

The Company provides the above contact details for shareholders to express their opinions on various matters affecting the Company, and conducts follow-up and feedback on their opinions in a timely manner. During the Reporting Period, the Company has reviewed the implementation of the shareholders' communication policy and believes that the shareholders' communication policy is smooth and efficient.

XX. Rights of Shareholders

(I) Procedure of convening an extraordinary general meeting of shareholders

According to the provisions of the Articles of Association and the Rules of Procedure for Shareholders' General Meeting of the Company:

1. Shareholders individually or jointly holding 10% or more of shares of the Company may sign one or more written requests in the same form and content and submit to the Board to request that the Board should convene an extraordinary general meeting or a separate class meeting of shareholders while declaring the topic of such meeting in such request. The Board shall, within 10 days after receipt of the request, make written feedback to agree or disagree to convene an extraordinary general meeting or a separate class meeting of shareholders in accordance with provisions of the laws, administrative regulations and the Articles of Association;
2. The Board shall deliver such notice of convening an extraordinary general meeting or a separate class meeting of shareholders within 5 days after the decision of the Board if it agrees to convene an extraordinary general meeting or a separate class meeting of shareholders. Any change of the former request in the notice shall be made with the consent of relevant shareholders;
3. While the Board disagrees to convene an extraordinary general meeting or a separate class meeting of shareholders or does not give feedback within 10 days after the receipt of such request, shareholders individually or jointly holding 10% or more of shares of the Bank are entitled to propose that the Audit Committee of the Board of Directors should convene an extraordinary general meeting by submitting such request in writing;

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4. While the Audit Committee of the Board of Directors agrees to convene an extraordinary general meeting or a separate class meeting of shareholders, it shall, within 5 days after the receipt of the request, deliver such notice, in which any change in the former proposal shall be made with the consent of relevant shareholders; and
5. In the event that the Audit Committee of the Board of Directors fails to deliver such notice to convene an extraordinary general meeting or a separate class meeting of shareholders in a specified period, such acts shall be deemed to be refusing to convene such aforesaid meeting by the Audit Committee of the Board of Directors. Such shareholders individually or jointly holding 10% or more of shares of the Company for 90 consecutive days or more may at their discretion convene and preside over such aforesaid meeting.

(II) Procedure for shareholders to submit a proposal to the general meeting of shareholders

Shareholders individually or jointly holding 1% or more of the shares of the Company may propose an interim proposal in writing and submit it to the convener 10 days before the general meeting. For contact details, please refer to “Corporate Governance Report” – “Communication with Shareholders”. The convener shall issue a supplementary notice of the general meeting within 2 days after receiving the proposal and announce such proposal, which shall satisfy such provisions as otherwise specified in the local listing rules (the Hong Kong Listing Rules). Except the aforementioned situation, the convener shall not alter proposals listed in the notice of the general meeting or add any proposals after the issuance of notice of the general meeting.

XXI. Profit and Dividend Distribution Policy

Following is the profit and dividend distribution policy of the Company according to the requirements of the Articles of Association:

- (I) Pursuant to Article 258 of the Articles of Association, the profits after income tax paid by the Company shall be distributed in the following order:
 - (1) To make up the losses of the previous years;
 - (2) To extract ten percent (10%) of the statutory reserve fund;
 - (3) To extract fund for general (risk) provision;
 - (4) To extract discretionary reserve fund by the resolutions of shareholders’ general meeting; and
 - (5) To distribute profits to shareholders.

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To distribute the profits in light of the proportions of shares held by shareholders, unless it is instructed by the Articles of Association to not distribute profits according to the proportions of shares held by shareholders.

If the shareholders' meeting distributes the profits by violating the provisions of the preceding Item (1) to (4), the profits distributed must be refunded to the Company; and where losses are caused to the Company, the shareholders and the responsible Directors and senior management shall be liable for compensation.

No profit may be distributed for the Company's shares held by the Company.

- (II) Pursuant to Article 262 of the Articles of Association, dividends shall be distributed by the Company in the form of cash or shares. The Company shall pay cash dividends and other amounts to holders of Domestic Shares in Renminbi. The Company shall calculate and declare cash dividends and other payments which are payable to holders of H Shares in Renminbi, and shall pay such amounts in Hong Kong dollars.

The Company shall pay cash dividends and other amounts to holders of overseas listed foreign shares in foreign currency in accordance with the relevant foreign exchange control regulations of the State. Dividends distributed in shares shall be upon resolutions of the shareholders' general meeting and reported to the banking and insurance regulatory authority for approval.

- (III) Pursuant to Article 262 of the Articles of Association, the profit distribution of the Company attaches the emphasis on the reasonable return on the investment of investors. The Company's profit distribution policy should maintain a certain continuity and stability, and the Company shall distribute dividends in the profitable year. On the premise of meeting regulatory requirements, the profits distributed by the Company in the form of cash shall not be less than ten percent (10%) of the achieved profits available for distribution in each year.
- (IV) Pursuant to Article 263 of the Articles of Association, when the Company formulates a prudent profit distribution plan, it shall take into account a range of factors, including its business operations, risk status, capital planning, and market environment. The Company shall not distribute profits to its shareholders where such distribution is restricted by applicable laws, regulations, and regulatory requirements.
- (V) Pursuant to Article 90(3) of the Articles of Association, the profit distribution plan and loss make-up plan proposed by the Board of Directors shall be passed by ordinary resolution by the shareholders' general meeting.

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XXII. External Auditors and Auditors' Remuneration

Subject to consideration and approval at the 2024 annual general meeting held on 30 May 2025, the Bank engaged BDO China Shu Lun Pan CPAs LLP and BDO Limited to respectively act as auditors for 2025 annual financial report of the Bank prepared in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, respectively. There has been no change in the auditors of the Company since 2021.

For the year ended 31 December 2025, the Company agreed to pay RMB3.050 million and RMB1.800 million to the above external auditors for their audit and non-audit services, respectively. The non-audit service represents the interim review in 2025.

XXIII. Risk Management, Internal Control and Internal Audit

The Board of Directors is responsible for supervising the Company's risk management and internal control systems on an ongoing basis, upholds responsibility for the Bank's risk management and internal control system and takes responsibility to review the effectiveness of such risk management and internal control systems. The Board of Directors reviews the effectiveness of the Group's risk management and internal control systems through its special committees on an annual basis.

The Board of Directors has reviewed the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025 through its special committees. The Company commenced internal control evaluation according to the requirements under the Guidelines for Internal Control of Commercial Banks of the former CBRC. The Board of Directors is of the view that with respect to various controls involving the Company's business and matters included in the scope of the internal control evaluation at the company level and business level as well as in the information technology field, the internal control systems for the major aspects covering Company's operation and management such as finance, operation, compliance monitoring and risk management, were effective and adequate during the Reporting Period. In addition, the Board also reviewed and was satisfied with the sufficiency of resources and the qualifications and experience of the employees for performing the Company's accounting and financial reporting functions, as well as the adequacy of the employee training courses and the relevant budget. However, the risk management and internal control systems were designed to manage rather than to eliminate the risk of failure to achieve the business objectives. Accordingly, the Board can provide only reasonable assurance, instead of absolute assurance, against material misstatement or losses.

(I) Procedures for Identification, Evaluation and Management of Significant Risks

For the procedures adopted by the Bank for identification, evaluation and management of significant risks, please refer to "Report of the Board of Directors" – "Risk Exposure and Management" in this report.

(II) Procedures for Review of the Effectiveness of the Risk Management and Internal Control Systems

The Bank conducts an annual review of the effectiveness of its risk management and internal control systems covering all material controls, including financial, operational and compliance controls as well as risk management. The review is conducted by reference to the guidelines and definitions given by the regulatory authorities and professional bodies for the purpose of assessing five different internal control elements, namely the internal control environment, risk assessment, control activities, information and communication, and internal monitoring. The assessment covers all the major internal controls and measures, including financial, operational and compliance controls as well as risk management functions. The review also considers the adequacy of resources, staff qualifications and experience and training of the Bank's accounting, financial reporting, internal audit functions as well as the ESG performance and report of the issuer. The review is coordinated by the Bank's Internal Audit Department which, after the management and various business departments have performed their self-assessment and the management has confirmed the effectiveness of the relevant systems, then carries out an independent examination and other post-assessment work on the review process and results. The results of the 2025 review, which have been reported to the Audit Committee and the Board, reflect that the Group's risk management and internal control systems are effective and adequate.

(III) Procedures for Prevention and Resolution of Material Internal Control Defects

The control procedures and measures that the Bank has basically established and implemented to prevent and solve material internal control deficiencies are summarised as follows:

- a rational organisational structure with appropriate personnel is developed and whose responsibility, authority, and accountability are clearly delineated. The Bank has formulated policies and procedures to ensure reasonable checks and balances for all the operating units, reasonable safeguard for the Group's assets and adherence to relevant laws and regulations and risk management in its operations;
- the management draws up and continuously monitors the implementation of the Group's development strategies, business plans and financial budgets. The accounting and management systems that are in place provide the basis for evaluating financial and operational performance;
- the Bank has established various risk management and human resources policies. There are specific units and personnel that are responsible for handling reputation, strategic, legal, compliance, credit, market, operational, liquidity and interest rate risks. There are also procedures and internal controls for the handling and dissemination of inside information. The Bank has set up mechanisms to identify, evaluate and manage all the major risks (including the environmental, social and governance risks) in a timely manner, and has established corresponding internal control procedures;

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- the Bank has established an information technology governance structure that produces a range of reports on information systems and management, including information on the monitoring of various business units, financial information and operating performance. Such information facilitates the management, business units and the regulatory authorities in assessing and monitoring the Bank's operation and performance. Proper communication channels and reporting mechanisms are in place at various business units and levels to facilitate the smooth exchange of information; and
- pursuant to a risk-based assessment approach and in accordance with the internal audit plan approved by the Audit Committee of the Board, the Company's Internal Audit Department conducts independent reviews on such aspects as financial activities, various business sectors, various kinds of risks, operations and activities. Reports are submitted directly to the Audit Committee. The Company's Internal Audit Department closely follows up on the items that require attention in a systematic way and reports to the management and the Audit Committee in a timely manner.

(IV) Procedures and Internal Control Measures for the Handling and Dissemination of Inside Information

The Board secretary of the Company is responsible for organising and coordinating the information disclosure matters of the Company, collecting the information to be disclosed by the Company and reporting to the Board, continuously paying attention to the media coverage of the Company, and verifying the coverage of the inside information related to the Company.

If any employee of the Bank becomes aware of any new progress or information which may constitute inside information, he/she shall inform his/her reporting person on information disclosure at once through the person in charge of his/her unit or department. The reporting person on information disclosure shall report the related information at once to the reporting person on information disclosure of the related department of the headquarters of the Bank, who shall inform the Board secretary and the Board Office at once. If the information to be disclosed is covered by the media before it is disclosed according to the law, the Company shall make an announcement immediately.

Internal Control

During the Reporting Period, the Company followed the principles of comprehensiveness, prudence, effectiveness and independence, anchoring its efforts to the core requirements of the Administrative Measures for Compliance Management of Financial Institutions to systematically advance the optimisation and upgrading of its internal control system. First, the Company was committed to establishing and maintaining a sound and prudent internal control environment in compliance with laws and regulations. The responsibilities and authorities of the Board, senior management, various departments and branches were clearly defined to advance the implementation of the Measures for the Compliance Management of Financial Institutions. The internal control and compliance system was comprehensively optimised, with the appointment of a Chief Compliance Officer to deeply embed compliance principles into business operations. Second, the Company constantly improved its risk

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evaluation system. The Company has established a comprehensive risk management system geared to the Company, developing a working pattern in which business units and business lines, compliance and risk control lines, internal audit departments and other supervision units work together to strengthen pre-emptive identification and dynamic monitoring of various risks. Third, the Company took multiple measures and implemented practical and effective risk control measures. The Company established a comprehensive, systematic and standardized internal control system, so as to continuously regulate business activities and operational management practices. Fourth, the Company was standardized and reasonable in the establishment of information transmission and communication channels. The Company established and continuously optimized information reporting systems such as compliance reports, and formulated a two-way information communication mechanism to ensure timely and accurate information flow. Fifth, the Company strengthened its internal supervision mechanism. “Board of Directors, Board of Supervisors and management” continuously considered and made decisions on the internal control compliance management across the Bank, jointly exercising the functions of leadership, supervision and management.

Internal Audit

The internal audit of the Company closely focuses on the key areas of regulatory concern and the work priorities of the Company. With the identification and disclosure of risks as the core and the purpose of improving the operation and management, an independent and vertical internal audit management system is established. The Internal Audit Department is the internal audit department of the Company, responsible for independently carrying out audit work within its duties and authorities. It is accountable to the Board and the Audit Committee of the Board and reports its work to them, and notifies the senior management of the audit situation.

During the Reporting Period, the internal audit department strictly implemented regulatory requirements and the work directives of the Party Committee. Adhering to the principle of rigorous auditing, it adopted measures encompassing the formulation of meticulous audit plans, the execution of strict audit procedures, the maintenance of stringent quality control, and the cultivation of a serious audit atmosphere. In accordance with the work deployment of the Board and the Audit Committee, and upholding the principle of “combining comprehensive coverage with a focus on key areas”, the department prioritized audits in areas such as credit management, operation management, financial management, risk management, non-performing asset management, information technology management, consumer right protection and AML. It conducted audits on the economic responsibilities by key personnel and supervised the operational activities of subsidiaries. Efforts were intensified to strengthen audit information technology construction and deepen the application of data analysis techniques within audit work. The primary responsibility for rectifying identified audit issues was firmly established, with remediation efforts extending towards source and systematic governance. This promoted continuous improvement in internal control mechanisms, optimization of business processes, enhancement of system functionalities, and elevation of risk and compliance awareness among all employees across various units. Consequently, the internal audit function effectively fulfilled its supervisory role and contributed to value addition, providing assurance for the Company’s stable operations and development, as well as the achievement of its strategic objectives.

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I. Issuance of Debt Securities

(I) Bond Issuance during the Reporting Period

During the Reporting Period, the Bank did not issue new bonds.

(II) Previous Financial Bonds Issuance

1. *Capital Bonds without a Fixed Term*

According to the resolutions of the 22nd meeting of the sixth session of the Board held on 28 March 2018 and the 2017 annual general meeting of the Company held on 18 May 2018, the Board and the general meeting of the Company approved the Proposal on the Issuance of not more than RMB15.0 Billion Capital Supplemental Bonds, pursuant to which the Company was approved to issue capital supplemental bonds by way of public or non-public issuance to onshore or offshore investors, and the capital supplemental bonds not exceeding RMB15.0 billion (inclusive) shall, upon approval by regulatory authorities, be issued in a single or multiple series in accordance with the relevant procedures. The actual issuance size of the capital supplemental bonds was determined by the Board or its designated person within the abovementioned scope, in accordance with the capital needs of the Company and the market condition at the time of the issuance. The capital supplemental bonds shall be issued at par value. All target investors shall subscribe for the capital supplemental bonds in cash. The initial term of the capital supplemental bonds shall not be less than 5 years. There is no fixed expiration date prior to the exercise of redemption right by the Company. Interests on the capital supplemental bonds shall be paid in cash. The interest-bearing principal amount of the capital supplemental bonds shall be the aggregate amount of the relevant series of the capital bonds without a fixed term then issued and outstanding. After receiving the interests at the prescribed interest rate, the holders of the capital supplemental bonds shall not be entitled to any distribution of residual profits of the Company together with the ordinary shareholders. Relevant matters in respect of the proposed issuance of the capital supplemental bonds by the Company were disclosed in the circular dated 6 April 2018 and the announcement dated 18 May 2018 of the Company. The Company received the Approval of Heilongjiang Regulatory Bureau of the CBIRC for Harbin Bank to Issue the Capital Bonds Without a Fixed Term (Hei Yin Bao Jian Fu [2021] No. 44) on 5 February 2021 and the Administrative Approval Decision of the People's Bank of China (Banking Market Licence [2021] No. 92) issued by the PBOC on 7 June 2021, approving the Company's issuance of capital bonds without a fixed term in an amount not more than RMB15.0 billion, which shall be included in additional tier-1 capital according to relevant regulations.

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The Capital Bonds Without a Fixed Term of Harbin Bank Co., Ltd. in 2021 has an issuance size of RMB8.0 billion. The coupon rate of the bonds for the first five years is 4.8%, and is subject to adjustment every five years. The issuer's conditional redemption right is attached to the bonds which can be exercised on the annual interest payment date of the fifth year and the subsequent years.

The second tranche of Capital Bonds Without a Fixed Term of Harbin Bank Co., Ltd. in 2021 has an issuance size of RMB3.0 billion. The coupon rate of the bonds for the first five years is 5.0%, and is subject to adjustment every five years. The issuer's conditional redemption right is attached to the bonds which can be exercised on the annual interest payment date of the fifth year and the subsequent years.

The Capital Bonds Without a Fixed Term of Harbin Bank Co., Ltd. in 2022 has an issuance size of RMB0.7 billion. The coupon rate of the bonds for the first five years is 4.8%, and is subject to adjustment every five years. The issuer's conditional redemption right is attached to the bonds which can be exercised on the annual interest payment date of the fifth year and the subsequent years.

II. Material Legal Proceedings and Arbitrations

As at the end of the Reporting Period, there were no major unresolved litigation cases in which the Group is the defendant or a third party defendant, with a single dispute amount exceeding RMB10 million. During the Reporting Period, there were no other material legal proceedings or arbitrations which had substantial impact on the operating activities of the Bank.

III. Material Penalties Imposed on the Company and Directors, Supervisors and Senior Management of the Company

During the Reporting Period, the Company and all its Directors, Supervisors and senior management had no records of being imposed on inspections, material administrative penalties or circulating criticisms by the CSRC or public censures by the Hong Kong Stock Exchange, or penalties by other relevant regulatory authorities that posed significant impact on the Company's operation.

IV. Material Contracts and Their Performance

During the Reporting Period, the Company had not entered into any material contracts nor performed such contracts.

V. Audit Review

The Bank's consolidated financial statements for the year ended 31 December 2025 prepared in accordance with International Financial Reporting Standards had been audited by BDO Limited, who had issued an unqualified audit report. The Bank's audited consolidated financial statements for the year ended 31 December 2025 had been reviewed by the Audit Committee of the Board and the Board of Directors of the Company.

Important Events

VI. Material Acquisition and Disposal of Assets and Merger of Enterprises

With the approval of the shareholders of the Company at the 2025 second extraordinary general meeting held on 29 August 2025, the Company carried out absorption and merger of Huachuan Rongxing Village and Township Bank Co., Ltd., converting it to a sub-branch (for details, please refer to the circular issued by the Company on 11 August 2025). With the approval of the shareholders of the Company at the 2025 third extraordinary general meeting held on 22 October 2025, the Company carried out absorption and merger of Chongqing Dadukou Rongxing Village and Township Bank Co., Ltd., Chongqing Shapingba Rongxing Village and Township Bank Co., Ltd., Chongqing Wulong Rongxing Village and Township Bank Co., Ltd. and Nehe Rongxing Village and Township Bank Co., Ltd., converting each of them to a sub-branch (for details, please refer to the circular issued by the Company on 30 September 2025). As of the Latest Practicable Date, the relevant work regarding the absorption and merger of Nehe Rongxing Village and Township Bank Co., Ltd. and its conversion into a branch were in progress. The above-mentioned other village and township banks have obtained the approval for the dissolution issued by local regulatory authorities, with the industrial and commercial deregistration procedures still in process.

Save for the above, during the Reporting Period, the Bank had no material acquisition, disposal of assets or merger of enterprises.

VII. Profit Distribution during the Reporting Period

The Proposal on the 2024 Profit Distribution Plan was considered and approved at the 2024 annual general meeting held on 30 May 2025, pursuant to which, no final dividend for the year of 2024 would be distributed to all shareholders. The Company has not distributed any interim dividend for the six months ended 30 June 2025.

VIII. Appointment and Dismissal of Auditors

Pursuant to the resolutions of the 2024 annual general meeting of the Company held on 30 May 2025, the Company was approved to re-appoint BDO China Shu Lun Pan CPAs LLP and BDO Limited to respectively act as auditors for 2025 annual financial report of the Bank prepared in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, respectively.

IX. Supplementary Information of Other Tier-one Capital and Equity-linked Agreements

In order to actively implement the government's special bond policy to replenish capital, enhance the Bank's capital strength, improve capital structure and risk resistance level, the Company carried out the convertible negotiated deposit business to replenish other tier-one capital. In this regard, the Company convened the 2022 second extraordinary general meeting on 8 December 2022, the 2022 first domestic shareholders' class meeting, and 2022 first H shareholders' class meeting to consider and approve the Company's replenishment of other tier-one capital by means of the convertible negotiated deposit, and in March 2023, based on the authority granted by shareholders, entered into the Capital Replenishment Instrument – Convertible Negotiated Deposit Subscription Agreement with Harbin Municipal Finance Bureau (the "Agreement").

Important Events

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Pursuant to the Agreement, Harbin Municipal Finance Bureau shall deposit RMB10 billion in the form of negotiated deposit into the special convertible negotiated deposit account in the Bank, all of the deposit will be used to replenish the Company's other tier-one capital, and bear an interest rate of 3.02%, which matches with the corresponding local government special bonds issuance interest rate. During the term of the Agreement, if one of the following triggering events occurs, the remaining principal amount of the deposit, after deducting the expected principal repayment amount of the special bonds for the year, may be fully or partially converted into the Bank's ordinary shares in stages:

1. The core tier-one capital adequacy ratio of the Company decreased to 5.125% (or less);
2. As confirmed by the regulatory authorities, the core tier-one capital adequacy ratio of the Company is not less than 5.125%, but non-viability trigger events occurred to the Company. The non-viable trigger event is defined as the earlier of: (a) the former CBIRC (currently, the NFRA) having decided that without a conversion, the Bank would become non-viable; or (b) the relevant authorities having decided that injection of capital or equivalent support by a public sector is necessary, without which the Bank would become non-viable.

Subject to the above triggering conditions, if the share-holding entity designated by Harbin Municipal Finance Bureau does not satisfy the relevant requirements of the Banking and Insurance Regulatory Authorities and the Harbin Municipal Government, or if the class and number of ordinary shares to be converted and the shareholding structure of the Company after the conversion as calculated do not satisfy the relevant requirements of the Hong Kong Stock Exchange in respect of the minimum percentage of public float, no conversion shall be made until the conversion is in compliance with the relevant requirements of the Banking and Insurance Regulatory Authorities, the Hong Kong Stock Exchange and the Harbin Municipal Government.

The conversion price shall be the highest of the following and subject to adjustment: (1) the average trading price of H Shares of the Bank for 20 trading days preceding the date of the Board resolution approving the Agreement (i.e. 18 November 2022), i.e. HK\$0.285 (approximately RMB0.259); (2) the appraised value of the net assets per share as determined after asset appraisal at the time of conversion; or (3) RMB1 per share.

Provided that the deposit under the Agreement has fulfilled the conversion conditions and satisfied with the minimum public float requirement, the maximum number to be converted will be 7,774,670,111 Domestic Shares and 2,225,329,889 H Shares of the Company (taking up approximately 37.03% and 10.60% of the enlarged total share capital of the Bank, respectively), with a par value of RMB1 per share. Based on that and the estimated minimum conversion price of RMB1 per share, the conversion will not result in a theoretical dilution effect. The Company has at the time of entering into the Agreement complied with and will at the time of implementing the convertible negotiated deposit ensure to comply with the theoretical dilution effect requirement in accordance with Rule 7.27B of the Hong Kong Listing Rules.

For further details, please refer to the circular of the Company dated 21 November 2022 and the announcement of the Company dated 17 March 2023.

In 2023, the Company received RMB10 billion of convertible negotiated deposit from Harbin Municipal Finance Bureau, which was fully used to replenish other tier-one capital.

During the Reporting Period, the deposits provided by the Harbin Municipal Finance Bureau have not been converted into the Shares of the Bank.

Basic Information on Directors, Supervisors, Senior Management, Employees and Organisations

I. Directors, Supervisors and Senior Management

The Directors, Supervisors and senior management of the Company as at the Latest Practicable Date were as follows:

Directors

Name	Gender	Age	Position	Term of office
Deng Xinquan	Male	61	Executive Director and Chairman of the Board	2024.7.12 – expiry of Ninth Session of the Board
Yao Chunhe	Male	48	Executive Director and President	2024.7.12 – expiry of Ninth Session of the Board
Du Xiaoquan	Male	50	Non-executive Director	The date of approval of his appointment qualification – expiry of Ninth Session of the Board
Jia Haining	Male	39	Non-executive Director	2025.4.17 – expiry of Ninth Session of the Board
Liu Peiwei	Male	54	Non-executive Director	2024.12.12 – expiry of Ninth Session of the Board
Cheng Shuai	Male	44	Non-executive Director	2024.12.12 – expiry of Ninth Session of the Board
Jin Qinglu	Male	53	Independent non-executive Director	2024.7.12 – expiry of Ninth Session of the Board
Chen Ming	Male	55	Independent non-executive Director	2024.12.12 – expiry of Ninth Session of the Board
Leung Sau Fan, Sylvia	Female	62	Independent non-executive Director	2024.12.12 – expiry of Ninth Session of the Board

Notes:

1. Pending the approval of Mr. Yao Chunhe's qualification for the position of chairman of the Board by the Heilongjiang Office of the NFRA, Mr. Deng Xinquan will continue to serve as an executive Director, chairman of the Board and chairman of the Development Strategy Committee of the Board of the ninth session of the Board of the Company.
2. Mr. Du Xiaoquan's appointment qualification as a non-executive Director is subject to the approval of the Heilongjiang Office of the NFRA. Before such approval, Mr. Zhang Xianjun will continue to perform his duties as a non-executive Director and a member of the Nomination and Remuneration Evaluation Committee of the ninth session of the Board.

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Supervisors

Name	Gender	Age	Position	Term of office
Zhao Baocai	Male	57	Chairman of the Board of Supervisors and Employee Representative Supervisor	2024.7.2—2025.12.15
Jiang Yongmei	Female	53	Employee Representative Supervisor	2024.7.2—2025.12.15
Wang Yuanfang	Male	50	Employee Representative Supervisor	2024.7.2—2025.12.15
Chen Wei	Female	55	Shareholder Representative Supervisor	2024.7.12—2025.12.15
Jiang Minghui	Male	59	External Supervisor	2024.7.12—2025.12.15
Li Zhaohua	Female	60	External Supervisor	2024.7.12—2025.12.15
Sun Yi	Male	55	External Supervisor	2024.7.12—2025.12.15

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Senior Management

Name	Gender	Age	Position	Term of office
Yao Chunhe	Male	48	President	2024.7.12 – expiry of Ninth Session of the Board
Han Gang	Male	52	Vice President	2024.7.12 – expiry of Ninth Session of the Board
Liu Dianxin	Male	56	Vice President	2024.7.12 – expiry of Ninth Session of the Board
Yang Dazhi	Male	49	Assistant to the President	2024.7.12 – expiry of Ninth Session of the Board
Wang Ying	Female	54	Chief Audit Officer	2024.7.12 – expiry of Ninth Session of the Board
Liang Yong	Male	54	Assistant to the President	2025.10.30 – expiry of Ninth Session of the Board
Wu Siliang	Male	41	Board Secretary and Joint Company Secretary	2024.7.12 – expiry of Ninth Session of the Board
Fang Shang	Male	54	Assistant to the President	2024.7.12 – expiry of Ninth Session of the Board
Sun Weichao	Male	54	Assistant to the President	2024.7.12 – expiry of Ninth Session of the Board
Sun Shengxue	Male	43	Assistant to the President	2025.11.10 – expiry of Ninth Session of the Board
Wu Mingfei	Male	55	Assistant to the President	2025.10.30 – expiry of Ninth Session of the Board
Guan Gongming	Male	54	Chief Compliance Officer	2025.4.25 – expiry of Ninth Session of the Board

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Changes in Directors, Supervisors and Senior Management

At the 2025 first extraordinary general meeting of the Company held on 17 January 2025, the proposal for the change of a non-executive Director candidate for the ninth session of the Board was approved. Mr. Jia Haining was appointed as a non-executive Director of the Company, and his qualification has been approved by the Heilongjiang Office of the NFRA, with effect from 17 April 2025. Mr. Jia obtained the legal advice as required by Rule 3.09D of the Hong Kong Listing Rules from the Company's Hong Kong legal advisor on 27 March 2025, and confirmed that he understood his obligations as a Director. Mr. Zhao Hongbo ceased to be a non-executive Director of the Company, with effect from 17 April 2025.

As Mr. Hou Bojian has served as an independent non-executive Director of the Company for six consecutive years, pursuant to the Articles of Association and relevant rules and regulations, he has resigned as an independent non-executive Director and a member of the Risk Management and Related Transactions Control Committee of the Board, the Nomination and Remuneration Evaluation Committee of the Board, and the Audit Committee of the Board, effective from 29 August 2025.

At the 2026 first extraordinary shareholders' meeting convened on 27 March 2026, the Company considered and approved the resolution in relation to the proposed appointment of Mr. Du Xiaoquan as non-executive Director of the ninth session of the Board. Mr. Du Xiaoquan has been appointed as a non-executive Director of the Company, but his appointment qualification is subject to the approval of the Heilongjiang Office of the NFRA. Pending approval of Mr. Du Xiaoquan's appointment qualification, Mr. Zhang Xianjun will continue to perform his duties as a non-executive Director and a member of the Nomination and Remuneration Evaluation Committee of the ninth session of the Board.

On 15 December 2025, the Company received the Approval in relation to the Amendments to the Articles of Association of Harbin Bank Co., Ltd. Issued by the Heilongjiang Office of the National Financial Regulatory Administration from the Heilongjiang Office of the National Financial Regulatory Administration, and the amended Articles of Association have been approved and have taken effect since 15 December 2025. The Board of Supervisors of the Company and its special committees shall be abolished from the date of approval of the Articles of Association. Zhao Baocai, Jiang Yongmei, Wang Yuanfang, Chen Wei, Jiang Minghui, Li Zhaohua and Sun Yi, shall cease to serve as supervisors of the Company.

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At the 2025 first interim meeting of the Board held on 24 January 2025, the Company considered and approved the proposal regarding the appointment of Mr. Guan Gongming as Chief Compliance Officer of the Company, and accordingly appointed Mr. Guan Gongming as the Chief Compliance Officer of the Company. Mr. Guan Gongming's qualification as Chief Compliance Officer has been approved by the Heilongjiang Office of the NFRA, with effect from 25 April 2025.

At the fifth meeting of the ninth session of the Board held on 27 June 2025, the Company considered and approved the proposal regarding the appointment of Mr. Liang Yong, Mr. Sun Shengxue and Mr. Wu Mingfei as Assistants to the President of the Bank, of which their qualifications has obtained the approval of the Heilongjiang Office of the NFRA. Among them, the qualifications of Mr. Liang Yong and Wu Mingfei have take effect on 30 October 2025, and the qualifications of Mr. Sun Shengxue has take effect on 10 November 2025.

Mr. Wu Siliang, the Company's Board Secretary and Joint Company Secretary, has obtained confirmation from the Hong Kong Stock Exchange on 15 July 2025 that he is qualified to act as the Company Secretary of the Company under Rule 3.28 of the Hong Kong Listing Rules.

II. Information on Remuneration Paid to Directors, Supervisors and Senior Management of the Company for 2025

Please refer to Notes 11 and 12 to the Financial Statements for the details of the remuneration of Directors, Supervisors and senior management of the Company.

The remuneration of the members of the senior management by band for the year ended 31 December 2025 is set out below:

Remuneration band	Number of individuals
RMB1,000,000 and below	1
RMB1,000,001 to RMB1,500,000	8
RMB1,500,001 to RMB2,000,000	2
RMB2,000,001 to RMB2,500,000	0
RMB2,500,001 to RMB3,000,000	0
RMB3,000,001 and above	0

Note: Pursuant to the relevant regulations, total compensation packages for 2025 of the above-mentioned senior management have not yet been finalised, the amount of the compensation not provided for is not expected to have any significant impact on the Group's 2025 consolidated financial statements.

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III. Information on Directors, Senior Management and Other Persons

(I) Information on Directors

Executive Directors

Mr. Deng Xinquan (鄧新權), has been an executive Director, chairman of the Board and the legal representative of the Company since March 2021. Mr. Deng served as the secretary of the Party Committee of the Company from September 2020 to November 2024, and as the chairman of the Board of Supervisors and the employee representative Supervisor of the Company from May 2018 to February 2021. From November 2007 to May 2018, Mr. Deng was a member of the Party Committee and deputy director of Heilongjiang Office of the former China Banking Regulatory Commission (CBRC). From August 2006 to November 2007, he was the director of the office (office of the Party Committee) of Heilongjiang Office of the former CBRC. From December 2003 to August 2006, he was the head of the preparation team, secretary to the Party Committee and director of Daqing Branch of the former CBRC. From June 1997 to December 2003, he was a deputy head of the rural cooperative finance management division of Heilongjiang Provincial Branch of PBOC, deputy head and head of the second bank supervision division of Shenyang Branch of the PBOC, head of the joint-stock commercial bank supervision division of Shenyang Branch of the PBOC, secretary to the Party Committee and president of Daqing City Center Sub-branch of the PBOC. From August 1984 to June 1997, he was an officer of the industrial and commercial credit division, an officer and deputy chief officer of the commercial credit division and chief officer and deputy head of the credit cooperation division of Heilongjiang Provincial Branch of the AGRICULTURAL BANK OF CHINA LIMITED (1288. HK; 601288. SH). Mr. Deng received a Master's degree in Business Administration of Senior Management from Harbin Institute of Technology in July 2010. He is currently a senior economist accredited by the Evaluation Committee of Senior Professional Qualification in Economics of the PBOC.

Mr. Yao Chunhe (姚春和), has been the secretary of the Party Committee of the Company since November 2024 and an executive Director and the president of the Company since March 2023. Mr. Yao was the deputy secretary of the Party Committee of the Company from June 2022 to November 2024. Mr. Yao served as a member of the Party Committee and the vice president of Heilongjiang Branch of Industrial and Commercial Bank of China Limited (1398. HK; 601398. SH) ("ICBC") from November 2020 to June 2022; a member of the Party Committee and the vice president of Heilongjiang Branch of ICBC and the president of Dalian Branch of ICBC from September 2020 to November 2020 (the secretary of the Direct Party Committee of Heilongjiang Branch of ICBC in October 2020); the secretary of the Party Committee and the president of Dalian Branch of ICBC from January 2018 to September 2020; a member, the deputy secretary (in charge of overall work) and the secretary of the Party Committee and the vice president of Dalian Branch of ICBC from February 2015 to January 2018; the secretary of general Party branch committee of Xinghai Sub-branch of Dalian Branch of ICBC, the president of Xinghai Sub-branch and an assistant to the president of Dalian Branch from December 2011 to February 2015; the deputy general manager (in charge of work) and the general manager of the Corporate Business Department of Dalian Branch of ICBC from February 2009 to December 2011; a clerk of the Financial Planning Department, the manager of centralized procurement unit of the Financial Planning Department, the manager and deputy general manager of the Financial and Accounting Department of Dalian Branch of ICBC from August 2003 to February 2009. Mr. Yao received a Master's degree in Economics from Jilin University in July 2003. He is currently an economist accredited by the Ministry of Human Resources and Social Security.

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Non-executive Directors

Mr. Du Xiaoquan (杜曉權), his appointment qualification for non-executive director of the Company is subject to the approval of the Heilongjiang Office of the National Financial Regulatory Administration. Mr. Du has been the deputy secretary of the Party Committee, director and general manager of Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司) since January 2025. Mr. Du served as the deputy secretary of the Party Committee and general manager of Harbin Investment Group Corporation Limited from November 2024 to January 2025; the deputy director and a member of the Party Committee of Harbin Municipal Finance Bureau (哈爾濱市財政局) from November 2020 to November 2024; head of the budget division of Harbin Municipal Finance Bureau from June 2017 to November 2020; the deputy head of the budget division of Harbin Municipal Finance Bureau from December 2012 to June 2017; the chief officer of the budget division of Harbin Municipal Finance Bureau from December 2008 to December 2012; an associate chief officer of the budget division of Harbin Municipal Finance Bureau from November 2004 to December 2008; an officer of the budget division of Harbin Municipal Finance Bureau from December 2000 to November 2004; an officer of the confiscation division of Harbin Municipal Finance Bureau from January 2000 to December 2000; an officer of the statistics and evaluation division of Harbin Municipal Finance Bureau from June 1999 to January 2000; an officer of the confiscation division of Harbin Municipal Finance Bureau from October 1998 to June 1999. Mr. Du received a Bachelor's degree in economics from Harbin University of Science and Technology in July 1998.

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Mr. Jia Haining (賈海寧), has been a non-executive Director of the Company since April 2025. Mr. Jia has been the director of the financial asset management department of Harbin Investment Group Corporation Limited (哈爾濱投資集團有限責任公司) since January 2025, a director and the general manager of Harbin Hatou Micro-credit Co., Ltd. (哈爾濱市哈投小額貸款有限責任公司) since December 2025, the general manager of Harbin Hatou Capital Co., Ltd. (哈爾濱哈投資本有限公司) since December 2025, and a partner of Ningbo Jinxiang Qianyi Investment Partnership (Limited Partnership) (寧波錦享謙溢投資合夥企業(有限合夥)) with 9.98% shares since March 2018; Mr. Jia served as the deputy general manager of Harbin Hatou Capital Co., Ltd. (哈爾濱哈投資本有限公司) from May 2023 to December 2025, a director of Harbin Property Financing Guarantee Co., Ltd. (哈爾濱市房屋置業融資擔保有限責任公司) from October 2021 to May 2025, the deputy director of the financial asset management department of Harbin Investment Group Corporation Limited from June 2022 to January 2025, an assistant to the director of the financial asset management department of Harbin Investment Group Corporation Limited from April 2020 to June 2022, a junior staff (II), junior staff (I), intermediate staff and senior staff of the financial business department of Harbin Investment Group Corporation Limited from July 2014 to April 2020, and a trainee and junior staff (II) of the financing department of Harbin Investment Group Corporation Limited from March 2012 to July 2014. Mr. Jia received a Master's degree in Management from Dongbei University of Finance & Economics in December 2011, and is currently a senior economist accredited by the Heilongjiang Human Resources and Social Security Bureau.

Mr. Liu Peiwei (劉培偉), has been a non-executive Director of the Company since December 2024. Mr. Liu has been the deputy general manager of Heilongjiang Financial Holdings Group Co., Ltd. (黑龍江省金融控股集團有限公司) since July 2019. Mr. Liu served as the deputy general manager of Heilongjiang Longcai Asset Operation Co., Ltd. (黑龍江省龍財資產經營有限公司) and the legal representative and general manager of Heilongjiang Longcai Public Private Partnerships Financing Support Investment Fund Co., Ltd. (黑龍江省龍財政企合作融資支持投資基金有限公司) from October 2012 to June 2019; the manager of the project management department and assistant to the general manager of Heilongjiang Longcai Asset Operation Co., Ltd. (黑龍江省龍財資產經營有限公司) from September 2005 to September 2012; the manager of the finance department of Heilongjiang Zhongmeng Group Co., Ltd. (黑龍江中盟集團有限公司) from December 2000 to August 2005; the deputy manager of the investment department of Heilongjiang Economic and Trade Development Group Corporation (黑龍江省經濟貿易開發集團總公司) from January 1997 to November 2000; and a staff member of the finance department and investment department of Heilongjiang Economic and Trade Development Group Corporation (黑龍江省經濟貿易開發集團總公司) from July 1993 to December 1996. Mr. Liu received a Master's degree in Economics from Peking University in January 2006, and is currently a senior accountant accredited by the former Personnel Department of Heilongjiang Province.

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Mr. Cheng Shuai (程帥), has been a non-executive Director of the Company since December 2024. Mr. Cheng has served as a director of Heilongjiang Credit Information Co., Ltd. since September 2025, and has been the general manager of the FinTech Department of Heilongjiang Financial Holdings Group Co., Ltd. (黑龍江省金融控股集團有限公司) since December 2024, a director of Longjiang Bank Corporation since April 2024, and the general manager of Heilongjiang Credit Corporation (黑龍江省徵信有限責任公司) since January 2024. Mr. Cheng served as the general manager of the first business development department of Heilongjiang Financial Holdings Group Co., Ltd. (黑龍江省金融控股集團有限公司) from October 2022 to December 2024, the deputy general manager (in charge of work) of the first business development department of Heilongjiang Financial Holdings Group Co., Ltd. (黑龍江省金融控股集團有限公司) from March 2021 to October 2022; a chief officer, deputy researcher and fourth level researcher of the finance division of the Department of Finance of Heilongjiang Province from June 2016 to March 2021; a director and the deputy general manager of Heilongjiang Nonghe E-commerce Co., Ltd. (黑龍江農合電子商務有限公司) from August 2012 to June 2016; and an associate chief officer and chief officer of the economic development division of Heilongjiang Province Supply and Marketing Cooperatives (黑龍江省供銷合作社聯合社) from August 2005 to June 2016. Mr. Cheng received a Master's degree in Public Administration from Harbin Institute of Technology in April 2014.

Independent non-executive Directors

Mr. Jin Qinglu (靳慶魯), has been an independent non-executive Director of the Company since March 2021. Mr. Jin has served as an independent director of J.P. Morgan Securities (China) Company Limited (摩根大通證券(中國)有限公司) since August 2025, an independent director of Shanghai International Trust Co., Ltd. since March 2025 and an independent director of Shanghai Bank Corporation Limited (601229. SH) since September 2024, the dean of the School of Accountancy of Shanghai University of Finance and Economics since November 2018, a professor of the School of Accountancy of Shanghai University of Finance and Economics since June 2012. Mr. Jin was an independent director of Orient Securities Company Limited (600958. SH; 03958. HK) from September 2017 to October 2023; an independent director of Shanghai Emperor of Cleaning Hi-tech Co., Ltd. (603200. SH) from October 2017 to October 2020; an independent director of China Grand Automotive Services Group Co., Ltd. (600297. SH) from July 2015 to December 2015; an independent director of Besttone Holding Co., Ltd. (600640. SH) from May 2014 to December 2015; an independent director of Shanghai SK Petroleum & Chemical Equipment Corporation Ltd. (002278. SZ) from November 2013 to November 2016; the vice dean of the School of Accountancy of Shanghai University of Finance and Economics from March 2015 to November 2018; the vice dean of the Institute of Accounting and Finance of Shanghai University of Finance and Economics from March 2014 to November 2018; an assistant professor and a vice professor in the School of Accountancy of Shanghai University of Finance and Economics from June 2005 to May 2012; and an assistant professor of Accounting Department of Xi'an Jiaotong University from March 1999 to June 2000. Mr. Jin received a doctorate degree in accountancy from the Hong Kong University of Science and Technology in November 2005.

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Mr. Chen Ming (陳明), has been served as an independent non-executive Director of the Company since December 2024 and a partner at Beijing Huamao Guigu Law Firm (北京市華貿矽谷律師事務所) since September 2025. Mr. Chen was a consultant of Zhong Lun Law Firm from April 2020 to September 2025; a partner of Zhong Lun Law Firm from September 2016 to March 2020; a partner of Beijing Jun He Law Offices from March 2013 to August 2016; a lawyer and partner of Zhong Lun Law Firm from August 2003 to February 2013; a lawyer of Guangsheng & Partners Law Offices from September 1996 to June 1999; a legal consultant of Beijing Yintong Real Estate Development Co., Ltd. (北京銀通房地產開發有限公司) from September 1995 to August 1996. Mr. Chen obtained a Master's degree in law from Peking University in July 1995 and a doctorate degree in professional law from Columbia University in May 2002.

Ms. Leung Sau Fan, Sylvia (梁秀芬), a Hong Kong citizen with Chinese nationality, has been an independent non-executive Director of the Company since December 2024. Ms Leung is currently a responsible officer of an entity licensed to conduct type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance. Since August 2010, she has served as an independent non-executive director of Poly Property Group Co., Limited (0119. HK). Ms. Leung has served as an independent non-executive director of China Aerospace International Holdings Limited (0031. HK) from March 2012 to June 2022 and has more than 20 years of experience in the fields of company secretarial work and corporate finance advisory. Ms. Leung obtained a Bachelor's degree in accountancy from City University of Hong Kong in November 1992.

(II) Information on Senior Management

Mr. Yao Chunhe (姚春和), is our executive Director. For the biography of Mr. Yao, please refer to "(I) Information on Directors" of this section.

Mr. Han Gang (韓剛), has been the vice president of the Company since March 2023. Mr. Han has served as a member of the Party Committee of the Company and the secretary of the Party Committee of Harbin Branch since March 2021 and the president of Harbin Branch of the Company since October 2021. Mr. Han served as a deputy secretary to the Discipline Committee of the Company from January 2017 to February 2023; the deputy director and director of the Discipline Inspection Supervisory Office, the general manager of the Security Department, as well as the general manager of the Monitoring and Command Center of the Company from February 2010 to January 2018; the vice general manager of the Human Resources Department, the vice general manager of the Security Department, the vice general manager (in charge of work) of the Security Department and the deputy director of the Discipline Inspection Supervisory Office of the Company from July 2006 to February 2010; the assistant to the general manager of the Human Resources Department of the Company from May 2005 to July 2006; the assistant to the general manager (for training and assessment) of the Human Resources Department of the Company from June 2004 to May 2005; a clerk of the Personnel and Education Department and the assistant to the Human Resources Department of Harbin Commercial Bank Co., Ltd. from March 1999 to June 2004; a clerk of credit department of the Daqing Road Sub-branch of Harbin Commercial

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Bank Co., Ltd. from February 1997 to March 1999; a clerk of business department of the practicing bank of Heilongjiang Banking School, a clerk of credit department of the Daqing Road Urban Credit Union of Harbin from December 1993 to February 1997. Mr. Han received a Master's degree in Software Engineering from the School of Software of East China Normal University in June 2012.

Mr. Liu Dianxin (劉殿新), has been a vice president of the Company since March 2024. Mr. Liu was the vice president of the Harbin Branch of Industrial Bank Co. Ltd. (601166. SH) ("**Industrial Bank**") from May 2015 to October 2023, the member of the Party Committee of the Harbin Branch of Industrial Bank from August 2012 to October 2023, and held the concurrent position as the secretary of the Disciplinary Inspection Committee of the Harbin Branch of Industrial Bank Co., Ltd. from August 2019 to August 2022. From March 2011 to May 2015, he was the assistant to president of the Harbin Branch of Industrial Bank during the time of which he concurrently was the general manager of the Integrated Department of the Harbin Branch of Industrial Bank from April 2011 to March 2012; from March 2009 to March 2011, he was the employee of the business management department and the general manager of Corporate Finance Department of the Harbin Branch of Industrial Bank; from August 2005 to March 2009, he was the general manager of the Corporate Business Department of the Heilongjiang Branch of China Everbright Bank during the time of which he concurrently was the general manager of the International Business Department of the Heilongjiang Branch of China Everbright Bank from February 2006 to January 2008; from May 2003 to August 2005, he was the deputy president and then the president of the Xuanhua Sub-branch of the Heilongjiang Branch of China Everbright Bank; from September 2001 to May 2003, he was deputy general manager of the international business department of the Heilongjiang Branch of China Everbright Bank; from February 2001 to September 2001, he was the assistant to general manager of the business department of the Heilongjiang Branch of China Everbright Bank; from March 2000 to February 2001, he was a staff member and the assistant to general manager of International Business Department of the Heilongjiang Branch of China Everbright Bank; from July 1999 to March 2000, he served as the associate chief officer of Harbin Zhaolin Sub-branch of the Heilongjiang Branch of Bank of China; from November 1991 to July 1999, he served successively as an officer and associate chief officer of the International Business Department of the Harbin Branch of Bank of China; from July 1990 to November 1991, he was the officer of deposit bank of Nantong Street, the Binjiang Branch of Bank of China. Mr. Liu received a postgraduate degree from Harbin Industrial University in April 1995. He is an intermediate economist accredited by the former Ministry of Personnel of the People's Republic of China.

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Mr. Yang Dazhi (楊大治), has been an assistant to the president of the Company since July 2018. Mr. Yang worked consecutively as the deputy general manager of the Financial and Accounting Department and the general manager of the Asset and Liability Management Department of the Company from April 2015 to March 2020. From July 1999 to April 2015, he worked at the headquarter of Industrial and Commercial Bank of China Limited (1398. HK; 601398. SH) (“**ICBC**”) and was an officer of the accounting division under the accounting and settlement department, an officer, associate chief officer, chief officer and deputy head of the accounting management division under the accounting and settlement department, deputy head and head of the accounting division under the financial and accounting department, and head of the overseas and controlling company financial management division under the financial and accounting department. Mr. Yang received a Master’s degree in Business Administration from the University of Hong Kong in November 2014. He is an assistant accountant accredited by Industrial and Commercial Bank of China Limited.

Ms. Wang Ying (王穎), has been the chief audit officer of the Company since July 2018. Ms. Wang has been the general manager of the Internal Audit Department of the Company from September 2012 to April 2025 and was an employee representative Supervisor of the Company from June 2007 to May 2018. From July 1997 to September 2012, Ms. Wang held a number of positions in the Company, including assistant to office manager of the Board of Supervisors, deputy general manager of the Internal Audit Department and assistant to general manager. Ms. Wang worked as cashier and accountant at the Harbin Urban Credit Union from August 1992 to July 1997. Ms. Wang received a Master’s degree in Law from the China University of Political Science and Law in January 2010. She is currently a senior accountant and senior auditor accredited by the Human Resources and Social Security Department of Heilongjiang Province.

Mr. Liang Yong (梁勇), has been the assistant to the president of the Company since October 2025. Mr. Liang served as the chief information officer of the Company from October 2018 to October 2025; worked as chief information officer of Beijing Zhongguancun Bank Co., Ltd. (北京中關村銀行股份有限公司) from June 2017 to August 2018 and worked in the preparation and execution team of the same company from January 2017 to June 2017. From April 1999 to December 2016, he worked at the headquarter of Agricultural Bank of China Limited (1288. HK; 601288. SH) (“**Agricultural Bank of China**”) and held a number of positions, including officer and deputy manager officer of the Science Department, manager officer and deputy director of the Technology Development Division I of the Software Development Center, director of the Application Development Division II, general manager of the Technology Supervision Office, and a member of the Party Committee of and deputy general manager of the Software Development Center. Mr. Liang received a postgraduate degree from Beihang University, and graduated with a Master’s degree in Engineering in March 1999. He is a senior engineer under the computer engineering system as recognised by the Agricultural Bank of China.

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Mr. Wu Siliang (吳思量), has served as the secretary of the Board of the Company since August 2022 and served as a joint company secretary of the Company since July 2022. Mr. Wu served as the manager of the Board Office of the Company from January 2021 to August 2025 and concurrently served as the manager of the Board Office (office of the Party Committee) of the Company from March 2022 to August 2025. From March 2022 to April 2022, Mr. Wu held the concurrent position as the manager of the Investment Management Office of the Company. From January 2018 to January 2021, he was an assistant to the manager of the Board Office, an assistant to the manager of the office (office of the Party Committee), a deputy manager of the office and a deputy manager (in charge of work) of the Board Office of the Company. From January 2016 to January 2018, he served as a clerk of the Board Office of the Company. Mr. Wu was an associate chief officer, a chief officer and a secretary for the Party Committee of the office (office of the Party Committee) of former CBRC Heilongjiang Office from January 2012 to January 2016. From July 2008 to January 2012, he was an associate chief officer of the No. 2 State-owned Bank Supervision Department, and an associate chief officer of the Offsite Supervision Department in the former CBRC Heilongjiang Office. Mr. Wu received a Master's degree in Economics from the Central University of Finance and Economics in July 2008.

Mr. Fang Shang (房尚) (former name: Fang Minghui (房明輝)), has been an Assistant to the President of the Company since December 2022, and an arbitrator of the sixth session of committee of Harbin Arbitration Commission since January 2026. Mr. Fang has served as an arbitrator of the fifth session of committee of Harbin Arbitration Commission from September 2018 to January 2026, the president of the Debt Management Headquarters from February 2023 to June 2026, the president of the Debt Management Department from April 2022 to February 2023, the general manager of the Compliance Management Department of the Company from April 2019 to January 2023, the general manager of the Customers' Rights and Interests Protection Department of the Company from April 2019 to June 2022, the employee representative Supervisor of the Company from May 2018 to October 2022, the general manager of the Compliance Management Department of the Company from November 2013 to April 2019, the general manager of the Risk Asset Management Department and the general manager of the Financial Planning Department from January 2011 to November 2013. From May 2006 to January 2011, he served as the vice president (in charge of work) and president of Longjiang Governing Sub-Branch, Harbin Branch. From January 2001 to May 2006, he held various positions including an assistant to general manager, deputy general manager of the Human Resources and Education Department, deputy general manager of the Asset Recovery Center, deputy general manager of the Asset Management Department. From February 1997 to January 2001, he has served as an accountant of the Financial Accounting Department and an officer of the Human Resources and Education Department of the Company. From July 1993 to February 1997, he worked as a teller of Songhuajiang deposit bank of Harbin Urban Credit United Cooperative (哈爾濱城市信用聯社松花江儲蓄所) and an accountant of the Financial accounting Department of the Credit United Cooperative. Mr. Fang received a Master's degree in Business Administration of Senior Management from Harbin Institute of Technology in April 2011. He is a senior economist accredited by the Personnel Department of Heilongjiang Province.

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Mr. Sun Weichao (孫偉超), has been assistant to the president of the Company since December 2022. Mr. Sun was deputy secretary of the Party Committee and executive vice president of the Harbin Branch of the Company from March 2022 to April 2025; general manager of the Small Business Financial Service Centre of the Company from December 2022 to April 2025; member of the Party Committee of the Harbin Branch of the Company from September 2014 to April 2025; vice president of the Harbin Branch of the Company from May 2021 to March 2022; general manager of the Assets Clearing and Settlement Center of the Harbin Branch of the Company from January 2018 to April 2018; deputy secretary of the Party Committee of the Harbin Branch of the Company from January 2018 to January 2021 (during which from November 2018 to November 2020, served temporarily as a commissioner at Harbin Finance Bureau); vice president of the Harbin Branch of the Company from January 2017 to April 2018; secretary of the Disciplinary Inspection Committee of the Harbin Branch of the Company from April 2016 to September 2023, assistant to the president and general manager of the Assets Clearing and Settlement Center of the Harbin Branch of the Company from October 2015 to January 2017; assistant to the president of the Harbin Branch of the Company from January 2015 to October 2015; served successively as assistant to the president of Acheng Governing Sub-branch, vice president of Longjiang Governing Sub-branch, deputy general manager of the personal finance department, and the president of Daoli Sub-branch of the Harbin Branch of the Company from February 2006 to February 2015; assistant manager of the Personal Finance Department of the Company from January 2001 to February 2006; teller of the operations department of the Company from February 1997 to January 2001; and teller of the operations department of Harbin Urban Credit United Cooperative (哈爾濱城市信用聯社) from September 1994 to February 1997. Mr. Fang received a Master's degree in Business Administration of Senior Management from Harbin Institute of Technology in October 2016. He is a senior economist accredited by the Heilongjiang Human Resources and Social Security Bureau.

Mr. Sun Shengxue (孫升學), has been an assistant to the president of the Company and the chairman of Harbin Bank Consumer Finance Co., Ltd since November 2025. Mr. Sun served as the chief risk officer of the Company from July 2023 to November 2025; the president of Dalian Branch of the Company from November 2023 to August 2025; the standing vice president of the Debt Management Headquarter of the Company from February 2023 to July 2023; the standing vice president of the Debt Management Department of the Company from February 2022 to February 2023; the general manager of the Micro Finance Department (Research Center of Microcredit) and the general manager of the Mobile Finance Department of the Company from January 2020 to February 2022; the vice general manager (in charge of work) of the Mobile Finance Department of the Company from January 2018 to January 2020; the senior manager and apprentice assistant of the Credit Card Center of the Company from August 2015 to January 2018; a credit assessor of the Credit Assessment Department, the manager of the Credit Assessment Office, the assistant to general manager of Nanjing Marketing Center under the Credit Card Center and the deputy general manager (in charge of work) of the Changzhou Secondary Marketing Center at China Minsheng Banking Corp., Ltd. (1988. HK; 600016. SH) ("**China Minsheng Bank**") successively from July 2006 to August 2015. Mr. Sun graduated from China University of Political Science and Law with a bachelor's degree and received an Executive Master of Business Administration degree from Renmin University of China. He possesses a Legal Professional Qualification Certificate

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and currently is an advanced information systems project manager accredited by the Ministry of Human Resources and Social Security and the Ministry of Industry and Information Technology of the PRC and a senior economist accredited by the Department of Human Resources and Social Security of Heilongjiang Province.

Mr. Wu Mingfei (吳明飛), has been assistant to the president of the Company since October 2025. Mr. Wu served as the chief credit approval officer of the Company from July 2023 to October 2025; the general manager of the Credit Granting Approval Department of the Company from February 2023 to April 2025; the general manager of the Credit Granting Management Department of the Company from March 2022 to February 2023; the secretary of the Party Committee and the president of Daqing Branch of the Company from April 2019 to March 2022; the secretary of the Party Committee and the president of Suihua Branch of the Company from August 2015 to April 2019; the deputy general manager (in charge of work) of the Finance Market Department and the general manager of the Cross-border E-commerce Financial Platform from February 2012 to August 2015; the president of the Dazhi Governing Sub-branch of Harbin Management Department of the Company from February 2010 to February 2012; the vice president of the Dazhi Governing Sub-branch, the vice president (in charge of work) of the Daoli Sub-branch (governing sub-branch), the president of the Daoli Governing Sub-branch of the Company successively from August 2002 to February 2010; an associate chief officer, an assistant to general manager and the deputy general manager of the Planning and Financial Department of the Company successively from February 2000 to August 2002; the manager of the Credit Department of the Company from May 1996 to February 2000; a teacher of the Heilongjiang Communist Party Cadre School of Agricultural Bank of China Limited (1288. HK; 601288. SH) from July 1992 to May 1996. Mr. Wu Mingfei received a Master's degree in Business Administration from Harbin Engineering University in December 2011 and currently is a senior economist accredited by the Personnel Department of Heilongjiang Province.

Mr. Guan Gongming (管公明), has been the Chief Compliance Officer of the Company since April 2025. Mr. Guan previously served as the head and first-class researcher of the credit collection management division of Heilongjiang Provincial Branch of PBOC from August 2024 to January 2025; the head of the credit collection management division of Heilongjiang Provincial Branch of PBOC from August 2023 to August 2024; and the head of the currency and credit management division of the Harbin Center Sub-branch of the PBOC successively from December 2012 to August 2023 (during which: from April 2021 to March 2023, he was appointed as a member of the party group and deputy director of the Daqing Financial Work Office), and head of the credit management division. From September 2007 to December 2012, he successively served as the director of the office of the Party Committee and the director of the office of the Harbin Center Sub-branch of the PBOC, the secretary of the Party Committee and the president of the Heihe Center Sub-branch of the PBOC, and the president of the Heihe Center Sub-branch of the State Administration of Foreign Exchange. From November 2004 to September 2007, he successively served as a deputy director of the office of the Harbin Center Sub-branch of the PBOC, deputy director of the office of the Party Committee, and deputy director (in charge of work) of the office of the Party Committee. From October 1993 to November 2004, he successively served as a staff of the

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funding division, a staff of the banking division, deputy principal staff of the banking division of the Harbin Branch of PBOC, deputy principal staff and manager officer of the office of the Harbin Center Sub-branch of the PBOC. He served as a staff member of Harbin Securities Company from July 1993 to October 1993. Mr. Guan obtained a Master's degree in economics in October 2012 from Harbin Institute of Technology.

(III) Information on Company Secretary

For the biographies of Mr. Wu Siliang and Mr. Ngai Wai Fung, the joint company secretaries of the Company, please refer to “(III) Information on Senior Management” and “Corporate Governance Report – XVIII. Company Secretary under the Hong Kong Listing Rules”, respectively.

IV. Information on Evaluation and Incentive Scheme and Annual Remuneration for Directors, Supervisors and Senior Management

In accordance with the Methods of Evaluation of Duty Performance of Directors and the Methods of Evaluation of Duty Performance of Supervisors, the Company has completed the evaluation on Directors through self-evaluation, evaluation by the Board and evaluation by the Board of Supervisors; and evaluation on Supervisors through evaluation by the Board of Supervisors and mutual evaluation between Supervisors; the Nomination and Remuneration Evaluation Committee under the Board of Directors has set up scientific and reasonable evaluation indicators and systems pursuant to the Management Measures of Performance Review of Senior Management based on the principle of tying performance to remuneration and the combination of qualitative and quantitative methods, in order to mobilise the enthusiasm and creativity of senior management to the largest extent.

The Company provides allowances for independent non-executive Directors, non-executive Directors, external Supervisors and shareholder representative Supervisors in accordance with provisions of the Directors' Subsidies Management Measures and the Supervisors' Subsidies Management Measures, and provides remuneration for executive Directors and employee representative Supervisors and senior management in accordance with provisions of the Remuneration Management Measures. Remuneration for senior management should be in strict compliance with requirements of the Guidelines on Supervising the Stable Remuneration of Commercial Banks released by the former CBRC.

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V. Confirmation of Independence of Independent Non-executive Directors

The Company had already received letters of confirmation on independence submitted by independent non-executive Directors. Hence, the Company believes that all independent non-executive Directors are in compliance with the Independence Guidelines set out in Rule 3.13 of the Hong Kong Listing Rules during the Reporting Period.

The Company's independent non-executive Directors neither have any business or financial interests in the Company and its subsidiaries nor hold any management position in the Bank. The current independent non-executive Directors of the Company are all elected for a term of three years. They may continue to serve for another three years upon re-election after the expiration of the term.

VI. Share Plan during the Reporting Period

The Bank did not adopt any share plan during the Reporting Period.

VII. Employees

(I) Personnel Composition

As at 31 December 2025, The Group had a total of 8,806 regular employees. Among them, the Company had 7,451 permanent employees, 796 were management functions staff in Head Office, accounting for 10.68% of the total, 500 were staff in the directly affiliated centers, accounting for 6.71% of the total, and 2,473 were Harbin Branch staff, accounting for 33.19% of the total. Regarding the gender of employees, the Company had 3,209 male employees, accounting for 43.07% of the total, and 4,242 female employees, accounting for 56.93% of the total. Regarding the age composition, the average age of employees of the Company was 38.20 years old, 1,286 were between 20 and 30 years old, accounting for 17.26% of the total. Regarding the educational background composition, there were 6,975 employees of the Company holding a bachelor's degree or above, accounting for 93.61% of the total. Regarding the number of years of services, the Company had 4,481 employees with 10 years or more banking experiences, accounting for 60.14% of the total. Staff turnover rate of the Company was 1.74%.

Employees of the Company enjoy equal rights in recruitment, position adjustment, training and promotion. The Company appreciates and encourages differences in the workplace to create a professional, inclusive and diversified working environment.

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(II) Staff training Programmes

During the Reporting Period, the Bank emphasized on the development demands of the Group and focused on the training needs of staff from different career stages and levels with respect to job competency and core competency improvement, with particular emphasis on new recruits, those in the early and mid-career phases, newly promoted staff, and those undergoing role rotations. Aligned with professional development requirements, the Bank created the “embark, guide, escort, endure, voyage, cruise, pilot” (啟航、導航、護航、續航、遠航、巡航、領航) training system. Leveraging high-quality internal and external resources through blended online and offline delivery, it continuously refined premium training programmes via multiple approaches including “delivering training to the workplace”, “sending staff for external development”, and “inviting experts in”. During the Reporting Period, both training completion rate and coverage rate were 100%. In 2025, the Company arranged 354 training sessions in total, including 206 internal training sessions, and 148 external training sessions for selected staff of the Company. The total training hours amounted to 1,245 hours.

(III) Staff Incentive Policy

The Bank has established a scientific and reasonable staff evaluation system to implement comprehensive performance management. At the beginning of each year, the Bank sets up a performance plan for each staff by breaking down its strategic objectives layer by layer, and carries out the mechanism of review every year. Apart from the performance review on business, the Bank has also adopted a multi-dimensional measurement to evaluate employee performance, and innovatively adopted an autonomous allocation of performance levels within the total points to ensure truthful staff performance evaluation. In addition, the effective performance communication helps the employees reach their performance goals.

The Bank has established a series of staff incentive policies in line with its development needs based on scientific performance review results: firstly, the Bank has implemented the management of total annual performance remuneration of the head office departments, and gave them the right to distribute performance remuneration. They would focus on distributing performance remuneration to staff with “good performance review results”, “high value contribution” and in “key positions”, so as to form a remuneration determination mechanism of “fixed remuneration reflecting historical contribution and performance remuneration reflecting current contributions”; secondly, the Bank has adopted a points system for adjusting employee grades and salary scales, with employees’ annual performance review results translated into points, which may be redeemed for rank or salary promotion qualifications, ensuring the “fairness, openness, transparency” in the rank and salary promotion system; thirdly, the Bank has established a career development platform, and implemented three talent development initiatives: the “Young Talent Cultivation Programme (青苗培育)”, the “Career Progression Ladder (成長階梯)”, and the “Outstanding Talent Scheme (拔尖人才)”. These are integrated with the “Navigation Series (航行系列)” training framework to create a tiered development system covering the entire career lifecycle of employees.

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(IV) Remuneration Policy for Employees

The Bank has successfully established a broadband salary management system with diversified composition, standardised management and systematic implementation and adopted a market-oriented and diversified management by region in order to scientifically and effectively motivate the Bank's employees and ensure the smooth implementation of the Bank's strategic development. The Bank's remuneration package is composed of fixed remuneration, variable remuneration and welfare income. The Bank is able to strictly comply with regulatory requirements in remuneration payment by adopting deferred payment and setting up a lockup period for paying senior management as well as employees holding positions that may exert significant influence to risks in order to tie job duties with risk management responsibilities. Meanwhile, the Bank will claw back the performance remuneration of employees who have been exposed to risks within the scope of their duties due to obvious negligence or failure to fulfill their prudent management obligations. In 2025, the Bank clawed back performance remuneration of more than RMB3.08 million with 321 persons involved.

(V) Retirement and Benefits

The Bank pays living expenses and other welfare benefits for employees who have not yet reached the statutory retirement age limit but are approved by the Bank to voluntarily retire from their employment from the internal retirement date to the statutory retirement age limit. For details of the retirement benefit scheme, please refer to Note 36 to the condensed consolidated interim financial information. Save as disclosed in Note 36 to the condensed consolidated interim financial information of this report (if any), there was no forfeiture of retirement benefits schemes contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) in the Group. As at 31 December 2025, no forfeited contribution under the retirement benefits schemes of the Group is available to reduce the contribution payable in future years.

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VIII. Basic Information of Branches under the Parent Company

No.	Name of branch	Business address	Notes
1	Harbin Branch	No. 888 Shangjiang Street, Daoli District, Harbin	128 sub-branches
2	Shuangyashan Branch	No. 248 Xinxing Street, Jianshan District, Shuangyashan	12 sub-branches
3	Dalian Branch	1-4/F, No. 118 Gangxing Road, Zhongshan District, Dalian City	14 sub-branches
4	Tianjin Branch	1-4/F, No. 223 Yong'an Road, Hexi District, Tianjin	16 sub-branches
5	Chengdu Branch	1, 2, 4, 5, 6/F, Chengdu Palm Spring International Centre, No. 199 Middle Section of Tianfu Avenue, High-tech District, Chengdu (registered address: 1-4/F, No. 210 Xiyulong Street, Qingyang District, Chengdu)	10 sub-branches
6	Hegang Branch	Room 000101-000114, Building B, Garden Building, 7th Committee, Xiangyang District, Hegang City	8 sub-branches
7	Shenyang Branch	No. 200A3 Shifu Road, Heping District, Shenyang City	13 sub-branches
8	Suihua Branch	Crossing of Huanghe North Road and Xinhua Street, Beilin District, Suihua	10 sub-branches
9	Jixi Branch	No. 45 Jixingdong Street, Jiguan District, Jixi	10 sub-branches
10	Chongqing Branch	1-6/F, No. 197 Wuyi Road, Yuzhong District, Chongqing	34 sub-branches
11	Daqing Branch	H-A, Jingsan Street, Dongfengxin Village, Saertu District, Daqing	7 sub-branches
12	Qitaihe Branch	No. 247 Dongjin Street, Taoshan District, Qitaihe	6 sub-branches
13	Mudanjiang Branch	No. 267 Taiping Road, Dong'an District, Mudanjiang	8 sub-branches
14	Jiamusi Branch	No. 152 Heping Street, Qianjin District, Jiamusi	10 sub-branches
15	Qiqihar Branch	No. 33, 01/F, Unit 00, Qiqihar Jinmao Plaza, Jianhua District, Qiqihar City	10 sub-branches
16	Yichun Branch	No. 115, Xinxing Middle Street, Yimei District, Yichun City	1 sub-branches
17	Nongken Branch	Financial Building, Yingbin Road, Jiansanjiang, Jiamusi City, Heilongjiang Province	5 sub-branches
18	Small Business Financial Service Centre	No. 888 Shangjiang Street, Daoli District, Harbin, Heilongjiang Province	

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- III. Notes to the Consolidated Financial Statements
- IV. Unaudited Supplementary Financial Information

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TO THE SHAREHOLDERS OF HARBIN BANK CO., LTD.

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

OPINION

We have audited the consolidated financial statements of Harbin Bank Co., Ltd. (the “**Bank**”) and its subsidiaries (the “**Group**”) set out on pages 174 to 323, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with “the Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Impairment assessment of loans and advances to customers and financial investments at amortised cost

Refer to the accounting policies in note 3.2, note 22 and note 24 to the consolidated financial statements.

The Key Audit Matter

Since impairment assessment of loans and advances to customers (“**loans**”) and financial investments at amortised cost involves many judgements and assumptions, and in view of the significance of the amount (as at 31 December 2025, gross loans and financial investments at amortised cost amounted to RMB707,241 million, representing 69% of total assets, and impairment allowance for loans and financial investments at amortised cost amounted to RMB33,412 million), impairment of loans and financial investments at amortised cost is considered a key audit matter.

The Group uses a number of models and assumptions in the measurement of expected credit losses, for example:

- criteria for judging a significant increase in credit risk;
- definition of credit impaired assets;
- models and parameters for the measurement of expected credit losses;
- forward-looking information; and
- individual impairment assessment.

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KEY AUDIT MATTERS (Continued)

How the matter was addressed in our audit

Our audit procedures to assess the impairment assessment of loans and advances to customers and financial investments at amortised cost included the following:

- evaluating and testing the effectiveness of design and implementation of key controls related to the credit approval process, post approval credit management, loan grading system, collateral monitoring and loan impairment assessment, including relevant data quality and information systems.
- assessing the debtors' repayment capacity and evaluating the Group's grading for loans and financial investments at amortised cost, taking into consideration post-lending investigation reports, debtors' financial information, collateral valuation reports and other available information which we adopted a risk-based sampling approach in our review procedure for loans and financial investments at amortised cost.
- evaluating and testing the important parameters of the expected credit loss model, management's major judgements and related assumptions with the support of our internal credit risk modelling experts and we mainly focusing on the following aspects:
 1. Expected credit loss model:
 - Assessing the rationality of the expected credit loss model methodology and related parameters, including probability of default, loss given default, risk exposure, and significant increases in credit risk;
 - Assessing forward-looking information that management used to determine expected credit losses, including the forecasts of macroeconomic variables and the assumption of multiple macroeconomic scenarios; and
 - Evaluating the models and the related assumptions used in individual impairment assessment and analysed the amount, timing and likelihood of management's estimated future cash flows, especially cash flows from collateral.
 2. Design and operating effectiveness of key controls:
 - Evaluating and testing the data and processes used to determine expected credit losses, including loan business data, internal credit rating data, macroeconomic statistics, impairment system computational logic, as well as data inputs and outputs; and
 - Evaluating and testing key controls over the expected credit loss model, including approval of model changes, ongoing monitoring model performance, model validation and parameter calibration.
- assessing whether the disclosures in the consolidated financial statements in relation to the impairment assessment of loans and advances to customers and financial investments at amortised cost meet the requirements in the prevailing accounting standards.

Independent Auditor's Report

KEY AUDIT MATTERS (Continued)

Consolidation assessment of structured entities

Refer to the accounting policies in note 3.19 and note 49 to the consolidated financial statements.

The Key Audit Matter

The Group holds interests in various structured entities, such as bank wealth management products, trust and asset management plans, in conducting financial investments and asset management business. The Group determines whether to consolidate these structured entities based on the assessment of whether the Group has control taking into consideration power arising from rights, variable returns, and the link between power and returns.

The assessment of the Group's control over structured entities involves significant judgement on factors such as the purpose and design of structured entities, its ability to direct the relevant activities, direct and indirect beneficial interests and returns, performance fee, remuneration and exposure to loss from providing credit enhancement or liquidity support.

Due to the significance of the unconsolidated structured entities and the complexity of judgement exercised by management, consolidation assessment of structured entities is considered a key audit matter.

How the matter was addressed in our audit

Our audit procedures to the consolidation assessment of structured entities included the following:

- evaluating and testing the design and operating effectiveness of the key controls related to the Group's assessment of whether it controls a structured entity;
- assessing the Group's analysis and conclusions on whether it controls structured entities based on the Group's analysis on its power over structured entities, and the magnitude and variability of variable returns from its involvement with structured entities;
- assessing whether the Group has legal or constructive obligation to absorb any loss of structured entities by reviewing relevant term sheets, and whether the Group has provided liquidity support or credit enhancement to structured entities, as well as the fairness of transactions between the Group and structured entities; and
- assessing the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards.

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OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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

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

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

Independent Auditor's Report

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

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

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

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

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

BDO Limited

Certified Public Accountants

Chan Wing Fai

Practising Certificate no. P05443

Hong Kong, 27 March 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025
(Amount in thousands of RMB, unless otherwise stated)

	Notes	Year ended 31 December	
		2025	2024
Interest income	5	28,598,133	30,272,702
Interest expense	5	(18,759,041)	(20,435,759)
NET INTEREST INCOME	5	9,839,092	9,836,943
Fee and commission income	6	633,327	570,241
Fee and commission expense	6	(192,803)	(202,741)
NET FEE AND COMMISSION INCOME	6	440,524	367,500
Net trading income	7	308,306	2,424,698
Net gains on financial investments	8	3,888,061	1,521,777
Other operating income, net	9	70,012	92,342
OPERATING INCOME		14,545,995	14,243,260
Operating expenses	10	(5,455,403)	(5,415,750)
Credit impairment losses	13	(8,500,873)	(8,073,098)
Other assets impairment losses	14	(56,714)	(102,984)
OPERATING PROFIT		533,005	651,428
PROFIT BEFORE TAX		533,005	651,428
Income tax credit	15	731,547	430,927
PROFIT FOR THE YEAR		1,264,552	1,082,355
Attributable to:			
Equity holders of the Bank	16	1,145,550	919,666
Non-controlling interests		119,002	162,689
		1,264,552	1,082,355
EARNINGS PER SHARE (RMB yuan)			
Basic and diluted	18	0.05	0.03

Details of the dividends declared, paid and proposed are disclosed in note 17 to the consolidated financial statements.

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

Consolidated Statement of Comprehensive Income

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For the year ended 31 December 2025

(Amount in thousands of RMB, unless otherwise stated)

	Notes	Year ended 31 December	
		2025	2024
Profit for the year		1,264,552	1,082,355
Other comprehensive (expense)/income, net of tax:			
Other comprehensive (expense)/income :	40	(1,383,150)	1,205,612
Items that will not be reclassified to profit or loss			
– Net losses on investments in equity instruments designated at fair value through other comprehensive income		(82,769)	(104,491)
Items that may be reclassified to profit or loss in subsequent years			
– Net (losses)/gains on debt instruments measured at fair value through other comprehensive income		(717,739)	1,428,925
– Allowance for credit impairment on debt instruments measured at fair value through other comprehensive income		35,200	(2,052)
– Reclassified to profit or loss upon disposal		(617,842)	(116,770)
Subtotal of other comprehensive (expense)/income for the year, net of tax		(1,383,150)	1,205,612
Total comprehensive (expense)/income for the year		(118,598)	2,287,967
Total comprehensive (expense)/income attributable to:			
Equity holders of the Bank		(237,603)	2,125,278
Non-controlling interests		119,005	162,689
Total		(118,598)	2,287,967

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

Consolidated Statement of Financial Position

For the year ended 31 December 2025
(Amount in thousands of RMB, unless otherwise stated)

As at 31 December 2025
(Amount in thousands of RMB, unless otherwise stated)

	Notes	As at 31 December	
		2025	2024
ASSETS			
Cash and balances with the central bank	19	99,275,225	99,873,888
Due from banks and other financial institutions	20	21,138,574	31,944,199
Reverse repurchase agreements	21	–	149,994
Loans and advances to customers	22	394,261,733	362,408,130
Derivative financial assets	23	271,028	375,304
Financial investments	24	457,970,355	377,800,978
– financial assets at fair value through profit or loss	(a)	81,635,815	81,646,830
– financial assets at fair value through other comprehensive income	(b)	83,485,487	71,353,926
– financial assets at amortised cost	(c)	292,849,053	224,800,222
Finance lease receivables	25	24,102,510	22,755,963
Property and equipment	26	7,393,310	7,807,223
Deferred income tax assets	27	7,918,502	6,172,385
Other assets	28	6,887,730	6,943,865
		1,019,218,967	916,231,929
Assets of a disposal group classified as held for sale	29	121,070	–
TOTAL ASSETS		1,019,340,037	916,231,929
LIABILITIES			
Due to the central bank	30	11,512,492	5,548,237
Borrowings from banks and other financial institutions	31	29,305,817	26,342,546
Due to banks and other financial institutions	32	48,590,808	23,416,864
Derivative financial liabilities	23	271,028	375,304
Repurchase agreements	33	54,142,757	34,721,246
Due to customers	34	738,578,783	713,113,428
Income tax payable		396,614	398,304
Debt securities issued	35	55,830,222	39,942,009
Other liabilities	36	15,808,427	6,777,643
		954,436,948	850,635,581
Liabilities directly associated with the assets classified as held for sale	29	120,334	–
TOTAL LIABILITIES		954,557,282	850,635,581

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	Notes	As at 31 December	
		2025	2024
EQUITY			
Share capital	37	10,995,600	10,995,600
Other equity instruments	38	11,699,007	11,699,007
Capital reserves	39	7,591,470	7,657,284
Other comprehensive income	40	95,093	1,478,246
Surplus reserves	41	4,133,408	4,017,540
General and regulatory reserves	42	10,297,176	9,197,649
Undistributed profits	43	17,479,164	18,116,609
Equity attributable to equity holders of the Bank		62,290,918	63,161,935
Non-controlling interests		2,491,837	2,434,413
TOTAL EQUITY		64,782,755	65,596,348
TOTAL EQUITY AND LIABILITIES		1,019,340,037	916,231,929

DENG Xinquan	YAO Chunhe	YANG Dazhi	DONG Kai
Chairman	President	Assistant to the President (in Charge of Finance)	General Manager of Finance and Accounting Department

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025
(Amount in thousands of RMB, unless otherwise stated)

	Notes	Equity attributable to equity holders of the Bank								Total
		Other equity instruments		Capital reserves	Other comprehensive income	Surplus reserves	General and regulatory		Non-controlling interests	
		Share capital	Perpetual bonds				reserves	reserves		
Balance at 1 January 2025		10,995,600	11,699,007	7,657,284	1,478,246	4,017,540	9,197,649	18,116,609	2,434,413	65,596,348
Movements in this year		-	-	(65,814)	(1,383,153)	115,868	1,099,527	(637,445)	57,424	(813,593)
Total comprehensive income	40	-	-	-	(1,383,153)	-	-	1,145,550	119,005	(118,598)
Acquisition of non-controlling interests		-	-	(6,886)	-	-	-	-	(19,781)	(26,667)
Profit distribution		-	-	-	-	115,868	1,099,527	(1,215,395)	(7,050)	(7,050)
1. Appropriation to surplus reserves	41	-	-	-	-	115,868	-	(115,868)	-	-
2. Appropriation to general and regulatory reserves	42	-	-	-	-	-	1,099,527	(1,099,527)	-	-
3. Distribution to shareholders		-	-	-	-	-	-	-	(7,050)	(7,050)
Disposal of a subsidiary	45	-	-	(58,928)	-	-	-	-	(34,750)	(93,678)
Distribution of interests of perpetual bonds		-	-	-	-	-	-	(567,600)	-	(567,600)
Transfer of losses on disposal of financial asset at fair value through other comprehensive income to retained earnings		-	-	-	-	-	-	-	-	-
Balance at 31 December 2025		10,995,600	11,699,007	7,591,470	95,093	4,133,408	10,297,176	17,479,164	2,491,837	64,782,755

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

Consolidated Statement of Changes in Equity

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	Equity attributable to equity holders of the Bank									
	Notes	Other equity instruments		Capital reserves	Other comprehensive income	Surplus reserves	General and regulatory reserves	Undistributed profits	Non-controlling interests	Total
		Share capital	Perpetual bonds							
Balance at 1 January 2024		10,995,600	11,699,007	7,657,284	305,322	3,956,250	8,230,272	18,760,522	2,283,944	63,888,201
Movements in this year		-	-	-	1,172,924	61,290	967,377	(643,913)	150,469	1,708,147
Total comprehensive income	40	-	-	-	1,205,612	-	-	919,666	162,689	2,287,967
Capital contribution by non-controlling interests		-	-	-	-	-	-	-	-	-
Profit distribution		-	-	-	-	61,290	967,377	(1,028,667)	(12,220)	(12,220)
1. Appropriation to surplus reserves	41	-	-	-	-	61,290	-	(61,290)	-	-
2. Appropriation to general and regulatory reserves	42	-	-	-	-	-	967,377	(967,377)	-	-
3. Distribution to shareholders		-	-	-	-	-	-	-	(12,220)	(12,220)
Distribution of interests of perpetual bonds		-	-	-	-	-	-	(567,600)	-	(567,600)
Transfer of losses on disposal of financial asset at fair value through other comprehensive income to retained earnings		-	-	-	(32,688)	-	-	32,688	-	-
Balance at 31 December 2024		10,995,600	11,699,007	7,657,284	1,478,246	4,017,540	9,197,649	18,116,609	2,434,413	65,596,348

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2025
(Amount in thousands of RMB, unless otherwise stated)

	Notes	Year ended 31 December	
		2025	2024
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES			
Profit before tax		533,005	651,428
Adjustments for:			
Depreciation and amortisation	10	653,167	716,724
Net trading gains	7	(308,306)	(2,424,698)
Dividend income	8	(13,770)	(17,512)
Interest income on financial investments	5	(9,106,241)	(9,785,741)
Credit impairment losses	13	8,500,873	8,073,098
Other assets impairment losses	14	56,714	102,984
Unrealised foreign exchange losses/(gains)		2,071	(67,272)
Interest expense on debt securities issued	5	927,189	609,325
Losses on disposal of a subsidiary	9	3,545	–
Interest expense on lease liabilities	5	7,853	16,539
Accrued interest on impaired loans	22	(588,085)	(569,601)
Net gains on disposal of financial investments	8	(3,874,291)	(1,504,265)
Net (gains)/losses on disposal of property and equipment	9	(20,358)	21,766
		(3,226,634)	(4,177,225)
Net (increase)/decrease in operating assets:			
Due from the central bank		2,236,075	4,225,846
Due from banks and other financial institutions		7,534,506	(1,625,098)
Loans and advances to customers		(35,405,820)	(58,816,053)
Finance lease receivables		(1,569,833)	(420,298)
Other assets		190,701	(856,300)
		(27,014,371)	(57,491,903)
Net increase/(decrease) in operating liabilities:			
Due to the central bank		5,953,870	2,136,492
Borrowings from banks and other financial institutions		2,967,909	4,035,201
Due to banks and other financial institutions		25,142,967	(947,127)
Repurchase agreements		19,358,986	24,036,094
Due to customers		25,564,300	51,173,802
Other liabilities		6,543,198	2,349,129
		85,531,230	82,783,591
Net cash flows from operating activities before tax		55,290,225	21,114,463
Income tax paid		(522,745)	(438,009)
Net cash flows from operating activities		54,767,480	20,676,454

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

Consolidated Statement of Cash Flows

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	Notes	Year ended 31 December	
		2025	2024
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES			
Purchases of items of property and equipment, intangible assets and other long-term assets		(194,262)	(391,072)
Proceeds from disposal of property and equipment		224,658	181,587
Cash paid for disposal of a subsidiary	45(c)	(283,156)	–
Cash paid for investments		(495,487,413)	(590,264,095)
Proceeds from sales and redemption of investments		410,431,857	560,300,279
Return on investments		14,808,892	13,629,480
Net cash flows used in investing activities		(70,499,424)	(16,543,821)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES			
Proceeds from issue of debt securities		190,190,000	106,410,000
Payment for redemption of debt securities		(174,810,000)	(90,200,000)
Interest and issue expenses paid on debt securities		(418,976)	(603,650)
Payment for lease liabilities		(178,597)	(147,270)
Payment for the acquisition of non-controlling interests in subsidiaries		(26,667)	–
Dividends or interest paid to holders of other equity instruments		(567,600)	(567,600)
Distribution of dividends to non-controlling shareholders		(7,050)	(12,220)
Net cash flows from financing activities		14,181,110	14,879,260
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year		76,019,116	57,031,629
Effect of exchange rate changes on cash and cash equivalents		12,842	(24,406)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	44	74,481,124	76,019,116
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		19,491,892	20,486,961
Interest paid		(17,831,852)	(19,826,434)

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

Notes to the Consolidated Financial Statements

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1. CORPORATE INFORMATION AND GROUP STRUCTURE

Harbin Bank Co., Ltd. (the “**Bank**”) is a joint-stock commercial bank established on 25 July 1997 based on the authorisation of the People’s Bank of China (“**PBOC**”) designated as YinFu [1997] No. 69 “Approval upon the opening of Harbin Urban Cooperative Bank”.

The Bank obtained its finance permit No. B0306H223010001 from the China Banking and Insurance Regulatory Commission (“**CBIRC**”) (In 2023, the regulator was renamed as the National Financial Regulatory Administration, hereinafter referred to as the “**NFRA**”) of the PRC. The Bank obtained its business licence No. 912301001275921118 from the Market Supervision and Administration Bureau of Harbin. As at 31 December 2025, the legal representative is Deng Xinquan and the registered office is located at No. 888 Shangjiang Street, Daoli District, Harbin, PRC.

The principal activities of the Bank and its subsidiaries (collectively referred to as the “**Group**”) comprise deposit services, loan services, payment and settlement services and financial leasing services, as well as other financial services approved by the NFRA.

The subsidiaries of the Bank as at 31 December 2025 are as follows:

Company name	Place of incorporation/ registration and operations	Nominal value of issued share/paid-up capital	Percentage of interest owned by the Bank/ voting rights %	Amount invested by the Bank	Principal activities
Huining Huishi Village and Township Bank Co., Ltd.	Huining, Gansu	30,000	100.00	30,000	Village and township bank
Beijing Huairou Rongxing Village and Township Bank Co., Ltd.	Huairou, Beijing	200,000	85.00	207,600	Village and township bank
Yushu Rongxing Village and Township Bank Co., Ltd.	Yushu, Jilin	30,000	100.00	30,000	Village and township bank
Shenzhen Baoan Rongxing Village and Township Bank Co., Ltd.	Baoan, Shenzhen	220,000	70.00	140,000	Village and township bank
Suining Anju Rongxing Village and Township Bank Co., Ltd.	Suining, Sichuan	80,000	75.00	60,000	Village and township bank
Yanshi Rongxing Village and Township Bank Co., Ltd.	Luoyang, Henan	90,000	100.00	90,000	Village and township bank
Leping Rongxing Village and Township Bank Co., Ltd.	Leping, Jiangxi	294,000	100.00	294,000	Village and township bank
Honghu Rongxing Village and Township Bank Co., Ltd.	Honghu, Hubei	30,000	100.00	30,000	Village and township bank
Zhuzhou Rongxing Village and Township Bank Co., Ltd.	Zhuzhou, Hunan	55,000	80.00	40,000	Village and township bank
Xin'an Rongxing Village and Township Bank Co., Ltd.	Xin'an, Henan	33,300	90.09	30,000	Village and township bank
Anyi Rongxing Village and Township Bank Co., Ltd.	Anyi, Jiangxi	60,000	100.00	30,000	Village and township bank
Yingcheng Rongxing Village and Township Bank Co., Ltd.	Yingcheng, Hubei	142,000	100.00	132,000	Village and township bank
Leiyang Rongxing Village and Township Bank Co., Ltd.	Leiyang, Hunan	160,000	100.00	160,000	Village and township bank
Hainan Baoting Rongxing Village and Township Bank Co., Ltd. (note 29)	Baoting, Hainan	30,000	96.67	29,000	Village and township bank
Hejian Ronghui Village and Township Bank Co., Ltd.	Hejian, Hebei	50,000	100.00	50,000	Village and township bank
Nehe Rongxing Village and Township Bank Co., Ltd.	Nehe, Heilongjiang	50,000	80.00	40,000	Village and township bank

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1. CORPORATE INFORMATION AND GROUP STRUCTURE (Continued)

Company name	Place of incorporation/ registration and operations	Nominal value of issued share/paid-up capital	Percentage of interest owned by the Bank/ voting rights %	Amount invested by the Bank	Principal activities
Pingliang Kongtong Rongxing Village and Township Bank Co., Ltd.	Pingliang, Gansu	50,000	90.00	45,000	Village and township bank
Tianshui Maiji Rongxing Village and Township Bank Co., Ltd.	Tianshui, Gansu	50,000	98.00	49,000	Village and township bank
Zhongjiang Rongxing Village and Township Bank Co., Ltd.	Zhongjiang, Sichuan	50,000	70.00	35,000	Village and township bank
Chengdu Qingbaijiang Rongxing Village and Township Bank Co., Ltd.	Chengdu, Sichuan	100,000	70.00	70,000	Village and township bank
Langzhong Rongxing Village and Township Bank Co., Ltd.	Langzhong, Sichuan	50,000	90.00	45,000	Village and township bank
Harbin Bank Financial Leasing Co., Ltd.	Harbin, Heilongjiang	2,000,000	80.00	1,600,000	Leasing company
Harbin Bank Consumer Finance Co., Ltd.	Harbin, Heilongjiang	1,500,000	53.00	795,000	Consumer finance company

During the year ended 31 December 2025, the major changes to the structure of the Group are as follows:

On 15 August 2025, Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd., a subsidiary of the Bank, received the “Approval of the Jiangsu Office of the NFRA on the Change in Equity Interest and Qualifications of Relevant Shareholder of Rudong Rongxing Village and Township Bank” (Su Jin Fu [2025] No. 277) 《江蘇金融監管局關於如東融興村鎮銀行變更股權及有關股東資格的批覆》(苏金复[2025]277號) issued by the Jiangsu Office of the NFRA, which approves the shareholder qualification of Jiangsu Changshu Rural Commercial Bank Co., Ltd. in Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd., and consents to the transfer of 80% equity interest in Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd. by the Bank to Jiangsu Changshu Rural Commercial Bank Co., Ltd. Upon completion of the equity transfer, Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd. will cease to be consolidated within the Group. Details can be referred to Note 45.

With the approval of the 2024 second extraordinary general meeting, wholly owned subsidiaries of Baiquan Rongxing Village and Township Bank Co., Ltd., Huanan Rongxing Village and Township Bank Co., Ltd., Ning’an Rongxing Village and Township Bank Co., Ltd. and Chongqing Youyang Village and Township Bank Co., Ltd. were merged by the Bank and converted into Baiquan Branch, Huanan Branch, Ning’an Branch and Youyang Branch at their original locations.

With the approval of the 2025 third extraordinary general meeting, subsidiaries of Chongqing Dadukou Village and Township Bank Co., Ltd., Chongqing Shapingba Rongxing Village and Township Bank Co., Ltd., Chongqing Wulong Rongxing Village and Township Bank Co., Ltd. and Huachuan Rongxing Village and Township Bank Co., Ltd. were merged by the Bank and converted into Dadukou branch, Shapingba branch, Wulong branch and Huachuan branch at their original locations.

Other than the major changes mentioned as above, the Group’s structure remained unchanged during the year ended 31 December 2025.

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2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of Preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and interpretations issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been adopted by the Group in preparation of the financial information throughout the reporting period.

These consolidated financial statements have been prepared under the historical cost convention, except for derivative financial assets, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 3.5. These consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Bank. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Bank’s voting rights and potential voting rights.

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2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Standards and amendments effective in 2025

On 1 January 2025 the Group adopted the following new standards and amendments.

Standards	Subject of amendment
Amendments to IAS 21	<i>Lack of Exchangeability</i>

The adoption of the above standards and amendments does not have any significant impact on the operating results, financial position and comprehensive income of the Group.

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2. BASIS OF PRESENTATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

2.3 Standards and amendments that are not yet effective and have not been early adopted by the Group in 2025

Standards	Subject of amendment	Effective for annual periods beginning on or after
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	1 January 2026
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IAS 21	<i>Translation to a hyperinflationary presentation currency</i>	1 January 2027

The Group has not early adopted any new standards and amendments that are not yet effective for the current accounting period. Except as described below, the application of the new standards and amendments will have no material impact on the result and the financial position of the Group.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 ‘Presentation and Disclosure in Financial Statements’, effective for annual reporting periods beginning on or after 1 January 2027. The new accounting standard aims to give users of financial statements more transparent and comparable information about a company’s financial performance. It will replace IAS 1 ‘Presentation of Financial Statements’ but carries over many requirements from this IAS unchanged. In addition, there are three sets of new requirements relating to the structure of the income statement, management defined performance measures and the aggregation and disaggregation of information.

While IFRS 18 will not change recognition criteria or measurement bases, it is expected to have an impact on presenting information in the financial statements. The Group has already commenced an assessment of the potential impact but is not yet in a position to state whether the impact will be material to the Group.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Foreign Currency Translation

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

3.2 Financial Instruments

3.2.1 Initial Recognition and Measurement

The Group shall recognise a financial asset or a financial liability in its statement of financial position when the Group becomes a party to the contractual provisions of the instrument, which is the trade date.

At initial recognition, the Group shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. For a financial asset or financial liability at fair value through profit or loss, transaction costs are directly recognised in profit or loss.

The fair value of a financial instrument at initial recognition is normally the transaction price. If the Group determines that the fair value at initial recognition differs from the transaction price, and if that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, the Group shall recognise the difference between the fair value at initial recognition and the transaction price as a gain or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is the date that the Group commits to purchase or sell the assets. Regular way purchases or sales are the purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

3.2.2 Financial Assets

According to the business model for managing the financial assets and characteristics of the contractual cash flows, the Group classifies the financial assets into following three categories: amortised cost, fair value through other comprehensive income and fair value through profit or loss.

Business models

Business models refer to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. If financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the business model of the financial assets is 'other'. The Group's assessment of the business model is performed on a financial asset portfolio basis, and determined on a reasonable expected scenario, taking into account: how to generate cash flows in the past, how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and how managers of the business are compensated.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Financial Instruments (Continued)

3.2.2 Financial Assets (Continued)

Contractual cash flow characteristics

The assessment of contractual cash flow characteristics is to identify whether the cash flows are solely payments of principal and interest on the principal amount outstanding. Principal is the fair value of the financial asset at initial recognition. However that principal amount may change over the life of the financial asset (for example, if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

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

Such financial assets that the Group hold mainly include cash and balance with the central bank, reverse repurchase agreement, loans and advances to customers, finance lease receivables, due from banks and other financial institutions and debt securities are subsequently measured at amortised cost.

The amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any loss allowance.

Investments in debt instruments measured at fair value through other comprehensive income

A financial asset shall be classified as investments in debt instruments measured at fair value through other comprehensive income if both of the following conditions are met:

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

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Financial Instruments (Continued)

3.2.2 Financial Assets (Continued)

Investments in debt instruments measured at fair value through other comprehensive income (Continued)

Such financial assets that the Group hold mainly include bills discounted and debt securities, are subsequently measured at fair value. A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Expected credit losses (“ECLs”) of such financial assets shall be recognised in other comprehensive income. The impairment gain or loss shall not adjust the carrying amount of such financial asset item and be recognised in profit or loss.

Financial assets at fair value through profit or loss

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, which includes financial assets held for trading, financial assets designated as at fair value through profit or loss and other financial assets at fair value through profit or loss in accordance with IFRS Accounting Standards.

Such financial assets that the Group hold mainly include debt securities and fund investments, are subsequently measured at fair value. A gain or loss on a financial asset that is measured at fair value shall be recognised in profit or loss unless it is part of a hedging relationship. Qualified dividends generated by such equity instruments, which the Group is entitled to collect, shall be recognised in the statement of profit or loss.

Equity instruments

The Group may, at initial recognition, irrevocably designate an equity instrument except trading equity instrument as financial asset measured at fair value through other comprehensive income when it meets the definition of equity instruments under IAS 32 Financial Instruments: Presentation. When the equity instrument is derecognised, the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from other comprehensive income to undistributed profits under equity. Qualified dividends generated by such equity instruments, which the Group is entitled to collect, shall be recognised in the income statement. Such equity instruments do not recognise impairment losses.

Reclassification of financial assets

Only if the Group changes the business model for financial assets, the Group shall reclassify the affected financial assets. The reclassification shall be effective from the first day of the first reporting period after the change of its business model.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Financial Instruments (Continued)

3.2.3 Financial Liabilities

The Group shall classify all financial liabilities as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss. Such liabilities, including financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; and
- Financial guarantee contracts and commitments to provide a loan at a below-market interest rate.

Such financial liabilities measured at amortised cost that the Group holds mainly include due to customers, borrowings from banks and other financial institutions, due to banks and debt securities issued, are subsequently measured at amortised cost.

An entity shall not reclassify any financial liability.

3.2.4 Financial Assets and Financial Liabilities Held for Trading

The Group shall classify financial assets or liabilities as financial assets or financial liabilities held for trading if the asset or liability:

- is acquired or incurred principally for the purpose of selling or repurchasing in the near term; or
- on initial recognition is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Financial Instruments (Continued)

3.2.5 Financial Guarantee and Loan Commitment

Financial guarantee contract requires the provider to provide reimbursement guarantee for the contract holder, that is, when the guarantee fails to fulfil the terms of the contract at maturity, to compensate for the loss of the contract holder by the guarantor. Such financial guarantees are provided to banks, financial institutions and other entities to secure customer loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised at fair value on the date the guarantee was provided. On the date of financial report, the subsequent measurement shall be made according to the larger of the amortised value of the contract and the amount of impairment provision determined by the expected credit loss model, any increase in the liability relating to guarantees is recognised in the statement of profit or loss.

Loan commitment is provided by the Group to the customer to extend loans to the customer within the commitment period on the agreed terms of the contract. The Group normally does not lend at below-market rates or provide customers with loan commitments to be settled in cash or by issuing other financial instruments. Impairment losses on loan commitment are recognised according to the expected credit loss model.

The Group shows the impairment provision of the financial guarantee contracts and loan commitment in provision.

3.2.6 Determination of Fair Value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of quoted financial assets and financial liabilities in active markets are based on current bid prices and ask prices, as appropriate. If there is no active market, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and option pricing models, and other valuation techniques commonly used by market participants.

The Group uses the valuation techniques commonly used by market participants to price financial instruments and techniques which have been demonstrated to provide reliable estimates of prices obtained in actual market transactions. The Group makes use of all factors that market participants would consider in setting a price, and incorporates these into its chosen valuation techniques and tests for validity using prices from any observable current market transactions in the same instruments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.2 Financial Instruments (Continued)

3.2.7 De-Recognition of Financial Instruments

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired, or when the Group has transferred substantially all risks and rewards of ownership, or when the Group neither transfers nor retains substantially all risks or rewards of ownership of the financial asset but has not retained control of the financial asset.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in equity through other comprehensive income is recognised in the statement of profit or loss.

Financial liabilities are de-recognised when they are extinguished – that is, when the obligation is discharged or cancelled, or expires. The difference between the carrying amount of a financial liability de-recognised and the consideration paid is recognised in the statement of profit or loss.

3.2.8 Impairment Losses on Assets

On the financial reporting date, the Group evaluates and confirms the relevant impairment provisions to financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, and loan commitments and financial guarantee contracts on the basis of anticipated credit losses. See Note 53(a) for specific information.

3.2.9 Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow analysis and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of these derivatives are recognised in “Net trading income” in the statement of profit or loss.

3.2.10 Offsetting of Financial Instruments

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, the Group has a legally enforceable right to offset such amounts with the same counterparty and an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.3 Repurchase and Reverse Repurchase Transactions

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

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

3.4 Property and Equipment

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

Construction in progress comprises the direct costs of construction during the period of construction and is not depreciated. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for “Non-current assets and disposal groups held for sale”.

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

Notes to the Consolidated Financial Statements

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.4 Property and Equipment (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment, less any estimated residual value, over the estimated useful life.

The estimated useful life, estimated residual value and annual depreciation rate of each item of property and equipment are as follows:

	Estimated useful life	Estimated residual value rate	Annual depreciation rate
Properties and buildings	30 years	5%	3.17%
Office equipment	3-10 years	0 or 5%	9.50%-31.67%
Motor vehicles	5 years	5%	19.00%
Operating lease fixed assets	20 years	5%	4.75%
Leasehold improvements	Over the shorter of the economic useful lives and remaining lease terms		

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

3.5 Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use.

For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than deferred tax assets and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

3.6 Repossessed Assets

Repossessed assets are initially recognised at fair value and are subsequently measured at the lower of the carrying value and net recoverable amount. If the recoverable amount is lower than the carrying value of the repossessed assets, the assets are written down to the recoverable amount.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.7 Business Combinations

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

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair values at acquisition date, unless another measurement basis is required by IFRS Accounting Standards. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

3.8 Provisions

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

Notes to the Consolidated Financial Statements

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.9 Asset Impairment

Impairment losses on assets, except for deferred income tax assets, financial assets, goodwill and a disposal group classified as held for sale, are determined based on the following:

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

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

3.10 Cash and Cash Equivalents

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

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.11 Employee Benefits

Employee benefits refer to all forms of consideration and other related expenditure given by the Group in exchange for services rendered by employees. The benefits payable are recognised as liabilities during the period in which the employees have rendered services to the Group. If the effect of discounting on the benefits payable which are payable after one year from the end of the reporting period is significant, the Group will present them at their present value.

Statutory defined contribution plans

In accordance with the relevant laws and regulations, employees of the Group participate in various social insurance schemes like basic pension insurance, medical insurance, unemployment insurance and housing fund schemes administered by the local government authorities. The Group calculates the contributions to the local government agencies for the above pension and insurance schemes using an applicable contribution basis and rates stipulated in the relevant local regulations in the period the employees providing their services to the Group. Contributions to these plans are recognised in the statement of profit or loss as incurred.

Early retirement benefits

According to the Group's policy on early retirement benefits, certain employees are entitled to take leave of absence and in return receive a certain level of staff salaries and related benefits from the Group. The salaries and benefit payments are made from the date of early retirement to the normal retirement date. The Group has established liabilities in connection with benefits payable to early retired employees. These amounts of employee benefit expense and these liabilities are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, inflation rates, and other factors. Actual results that differ from the assumptions are recognised immediately and, therefore, affect recognised expense in the year in which the differences arise. While management believes that its assumptions are appropriate, differences in actual experience or changes in assumptions may affect the Group's expense related to its employee early retirement benefit obligations.

3.12 Fiduciary Activities

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

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

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

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.13 Recognition of Income and Expense

The “interest income” and “interest expense” in the Group’s statement of profit or loss are the interest income and expense from financial assets and financial liabilities using the effective interest rate method at amortised cost, financial assets at fair value with changes recognised through other comprehensive income.

Interest income and expense

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

For the financial assets acquired or originated with credit impairment, the Group calculates the interest income according to the amortised cost of the financial assets and the effective interest rate adjusted since the initial recognition by the Group. The effective interest rate after credit adjustment refers to the estimated future cash flow of the acquired or originated financial assets with credit impairment in the expected duration, which is converted into the interest rate of amortised cost of the financial assets.

For the financial assets acquired or originated without any credit impairment, but incurred credit impairment in the subsequent period, the Group calculates the interest income in accordance with the amortised cost and the effect interest rate of the financial assets.

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. For those services mainly included advisory and consulting fees, agency fees that are provided over a period of time, fee and commission income is accrued in accordance with the actual progress. For other services mainly included bank card fees and settlement and clearing fees, fee and commission income is recognised when the transactions are completed.

Government grants

Government grants are recognised in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and consequently are effectively recognised in profit or loss over the useful life of the asset by way of other income.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.14 Income Tax

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

Current income tax

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

Deferred income tax

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

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

- (i) Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses; and
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries and an associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- (i) Where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses; and
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.14 Income Tax (Continued)

Deferred income tax (Continued)

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period and reflect the corresponding tax effect.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

Deferred income tax assets and deferred income tax liabilities are offset if and only if the Group has a legally enforceable right to set off current income tax assets and current tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current income tax liabilities and 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 income tax liabilities or assets are expected to be settled or recovered.

3.15 Leases

Recognition of lease

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In order to determine whether the contract transfers the right to control the use of the identified assets within a certain period of time, the Group assesses whether the customers in the contract are entitled to receive almost all of the economic benefits arising from the use of the identified assets and have the right to dominate the use of identified assets during the period of use.

Evaluation of lease term

The lease term is the period during which the Group is entitled to use the leased asset and the right is irrevocable. If the Group has the option to renew the lease, that is, it has the right to choose to extend the lease and it is reasonably determined that the option will be exercised, the lease term includes the period covered by the renewal option. If the Group has the option to terminate the lease, that is, has the right to choose to terminate the lease of the asset, but it is reasonably expected that the option will not be exercised, the lease period does not exclude the period covered by the termination lease option.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.15 Leases (Continued)

Evaluation of lease term (Continued)

Group as a lessee

Right-of-use assets

The Group's right-of-use assets consist of buildings, motor vehicles and others.

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When lease payments change, the Group remeasures lease liabilities and adjusts the book value of right-of-use assets accordingly. If the book value of the right-of-use asset has been reduced to zero, but the lease liability still needs to be further reduced, the Group recognises the remaining amount as profit or loss.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term, except short-term leases and leases of low-value assets. In calculating the present value of lease payments, the Group uses internal interest rate, or incremental borrowing rate when internal interest rate is not obtainable. The Group uses fixed interest rate to calculate interest expense on lease liabilities, and recognises profit or loss (or assets if otherwise stipulated). Variable lease payments, not included in lease liabilities, are recognised as profit or loss (or assets if otherwise stipulated) when made.

After the commencement date, the carrying amount of lease liabilities is remeasured if there is a change in lease payments, estimated payable amounts of guarantee residual value, discount rate, or situations that influence the Group's decision whether to exercise purchase options, extension options, or termination options.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.15 Leases (Continued)

Evaluation of lease term (Continued)

Group as a lessee (Continued)

Changes in leases

Changes in lease are the changes in the lease scope, lease consideration, and lease duration. Lease changes include the addition or termination of the right to use one or more leased assets, and the extension or shortening of the lease term in the contract.

When the following conditions are met, the Group regards the change as a separate lease change in the process of accounting treatment.

- (i) The lease change expands the scope of the lease by adding the right to use one or more leased assets; and
- (ii) The increase in consideration is equivalent to the price of the additional part of the lease scope.

If the lease change is not regarded as a separate change, on the effective date of the lease change, the Group re-determines the lease term and calculates the present value of the lease payment to remeasure the lease liability. In the process of calculating the present value of lease payments after the change, the Group refers to the interest rate implicit in lease in the remaining lease period as the discount rate. If the leased interest rate is not available, the Group adopts incremental borrowing rate to calculate the present value of lease payment. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

Based on the above lease adjustment, the Group distinguishes the following situations for accounting treatment.

- (i) If the lease change leads to a short lease term or small lease scope, the Group reduces the book value of right-of-use assets to represent the partial or complete termination of lease. The relevant gain or loss of termination is included in current profits and losses; and
- (ii) In terms of other lease changes, the Group adjusts the book value of the right-of-use asset accordingly.

Short-term leases and leases of low-value assets

The Group recognises leases without purchase options that do not exceed 12 months as short-term leases; Leases are regarded as low-value asset leases if the cost of a single leased asset does not exceed RMB30,000. The Group does not recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. In each period of the lease term, the relevant asset costs or expenses are calculated in accordance with the straight-line method, and the contingent rent is included in the current profit and loss when it actually occurs.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.15 Leases (Continued)

Evaluation of lease term (Continued)

Group as a lessor

A lease that essentially transfers almost all the risks and returns associated with the ownership of the leased asset on the start date of the lease is a finance lease. All other leases are operating leases.

As a lessor of finance leases

Finance lease receivables, the net investment of lease is recorded as the book value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease receivables at the start of the lease period discounted at interest rate implicit in lease.

The Group calculates and recognises interest income for each period of the lease term at a fixed periodic interest rate. The variable lease payments obtained by the Group, which are not included in the measurement of the net lease investment, are recorded in the current profit and loss when they actually occur.

When a finance lease is changed, and the following conditions are simultaneously met, the Group regard the change as a separate lease change:

- (i) The change expands the scope of lease by adding the right to use one or more leased assets; and
- (ii) The change in consideration is equivalent to the separate price of the additional part of the lease scope.

The Group does the following accounting treatments for the changes in finance leases that have not been regarded as separate lease changes:

- (i) If the lease change takes effect on the start date of lease and the lease is classified as an operating lease, the Group regards it as a new lease investment since the effective date of change and the net lease investment before the effective date of the lease change is used as the book value of the leased asset; and
- (ii) If the change takes effect on the lease start date and the lease is classified as a finance lease, the Group conducts accounting treatment in accordance with the regulation of contract modification and renegotiation.

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3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.16 Perpetual bonds

At initial recognition, the Group classifies the perpetual bonds issued or their components as financial assets, financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial assets, financial liabilities and equity instruments.

Perpetual bonds issued that should be classified as equity instruments are recognised in equity based on the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the perpetual bonds are redeemed according to the contractual terms, the redemption price is charged to equity.

3.17 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably. Provisions are disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable and can be reliably estimated, it will then be recognised as a provision.

3.18 Dividends

Dividends are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders in general meetings. Proposed final dividends are disclosed in the notes to the consolidated financial statements. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Bank. Dividend for the year that is approved after the end of the reporting period is disclosed as an event after the reporting period.

3.19 Structured Entities

A structured entity is an entity that has been designed so that voting right is not a dominant factor in deciding who controls the entity. Unconsolidated structured entities refer to equity in other entities which have no significant impact on the Group, including but not limited to equity or debt instruments or any other involvements. The Group's unconsolidated structured entities mainly include off-balance sheet non-guaranteed wealth management products sponsored by the Group as disclosed in note 49 to the consolidated financial statements.

3.20 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has used its judgements and made assumptions of the effects of uncertain future events on the financial statements. The most significant use of judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are described below.

4.1 Classification of Financial Assets

Business model

The classification of financial assets at initial recognition depends on the Group's business model of financial asset management. When determining business model, the Group considers the way of enterprise performance evaluation and financial asset achievement reporting to the key management, the risk affecting financial asset performance and its management mode and the way of related business management payment, etc. When evaluating whether to take the contract cash flow as the target, the Group needs to analyse and determine the reason, time, frequency and value of the sale of financial asset before the maturity date.

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets. The Group needs to determine a) whether the contractual cash flow only consist of the payment of principal and interest based on outstanding principal; b) whether there is a significant difference between the cash flow after the modification of time value of money and the benchmark cash flow; c) for the financial assets with prepayment terms, whether the fair value of the prepayment term is very small.

4.2 Impairment Losses on Financial Assets

The Group measures the impairment losses on all financial assets in accordance with IFRS 9, including many estimates and judgements in the process, especially in determining the amount of impairment losses, estimating future contractual cash flows, the value of collateral and judging the significant increase in credit risk. The Group is affected by various factors in the measurement of impairment, which will result in different levels of impairment provision.

The Group's expected credit loss calculation is the result of model output, which contains many model assumptions and parameter inputs.

The accounting judgements and estimates used in the expected credit loss model include:

- Criteria for judging a significant increase in credit risk;
- Definition of credit impaired assets;
- Models and parameters for the measurement of ECLs;
- Forward-looking information; and
- Individual impairment assessment.

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

4.3 Fair Value of Derivatives and Other Financial Instruments

The Group establishes fair value of financial instruments with reference to a quoted market price in an active market or, if there is no active market, using valuation techniques. These valuation techniques include the use of recent arm's length transactions, observable prices for similar instruments, discounted cash flow analysis using risk-adjusted interest rates, and commonly used market pricing models. Whenever possible, these models use observable market inputs and data including, for example, interest rate yield curves, foreign currency rates and option volatilities. The results of using valuation techniques are calibrated against industry practice and observable current market transactions in the same or similar instruments.

The Group assesses assumptions and estimates used in valuation techniques including review of valuation model assumptions and characteristics, changes to model assumptions, the quality of market data, whether markets are active or inactive, other fair value adjustments not specifically captured by models and consistency of application of techniques between reporting periods as part of its normal review and approval processes. Valuation techniques are validated and periodically reviewed and, where appropriate, have been updated to reflect market conditions at the financial reporting date.

With respect to the PRC government obligations related to large-scale policy directed financing transactions, fair value is determined using the stated terms of the related instrument and with reference to terms determined by the PRC government in similar transactions engaged in or directed by the PRC government. In this regard, there are no other relevant market prices or yields reflecting arm's length transactions of a comparable size and tenor.

4.4 Income Tax

Determining income tax provisions requires the Group to estimate the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. This requires significant estimation on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available for the deferred income tax assets to be recovered.

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

4.5 Judgement of the Control Level to Investees

Management determines whether the Group controls related investment funds, non-guaranteed wealth management products, asset-backed securities, specific asset management plans and investment trust plans according to note 2.1.

The Group manages or invests several investment funds, non-guaranteed wealth management products, asset-backed securities, specific asset management plans and trust fund plans. When determining whether to control structural entities of these types, the Group mainly estimates the whole economic benefit it has in these structural entities (including revenues by holding directly and expected fees) or the range of power of decision-making in the entities. The Group determines whether to consolidate the structured entities into the financial statements according to whether the Group is an agent or a main responsible party and whether the economic interest of the Group in the entities is significant.

4.6 Impairment of Non-Financial Assets

Non-financial assets are periodically reviewed for impairment and where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to disposal and value in use.

4.7 Fair Value of Unlisted Equity Investments

The unlisted equity investments have been valued based on the discounted expected future cash flow of other financial instruments with similar terms and risk characteristics. The valuation requires the Group to make estimates about future cash flow, credit risk, fluctuation, and discount rate.

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5. NET INTEREST INCOME

	Year ended 31 December	
	2025	2024
Interest income on:		
Loans and advances to customers	16,364,268	16,816,262
Including: – Corporate loans and advances	9,013,751	9,111,893
– Personal loans	6,968,835	7,276,376
– Discounted bills	381,682	427,993
Reverse repurchase agreements	100,036	245,017
Financial assets at fair value through other comprehensive income	1,904,366	2,009,339
Financial assets at amortised cost	7,201,875	7,776,402
Due from the central bank	642,998	684,345
Due from banks and other financial institutions	849,986	1,010,456
Finance lease receivables	1,534,604	1,730,881
Subtotal	28,598,133	30,272,702
Interest expense on:		
Due to customers	(15,911,885)	(17,809,218)
Repurchase agreements	(411,833)	(284,670)
Due to banks and other financial institutions	(610,133)	(565,643)
Debt securities issued	(927,189)	(609,325)
Due to the central bank	(120,470)	(91,464)
Borrowings from banks and other financial institutions	(769,678)	(1,058,900)
Lease liabilities	(7,853)	(16,539)
Subtotal	(18,759,041)	(20,435,759)
Net interest income	9,839,092	9,836,943
Including: interest income on impaired loans	588,085	569,601

	Year ended 31 December	
	2025	2024
Interest income from:		
Listed debt instruments	7,215,947	5,167,086
Unlisted debt instruments	21,382,186	25,105,616
Subtotal	28,598,133	30,272,702

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6. NET FEE AND COMMISSION INCOME

	Year ended 31 December	
	2025	2024
Fee and commission income:		
Advisory and consulting fees	79,475	64,860
Agency services fees	241,804	203,218
Including: wealth management products	157,094	146,297
Bank card fees	166,483	201,689
Settlement and clearing fees	118,673	91,258
Others	26,892	9,216
Subtotal	633,327	570,241
Fee and commission expense:		
Settlement and clearing fees	(35,914)	(23,467)
Agency fees	(7,028)	(11,260)
Bank card fees	(24,358)	(34,417)
Others	(125,503)	(133,597)
Subtotal	(192,803)	(202,741)
Net fee and commission income	440,524	367,500

7. NET TRADING INCOME

	Year ended 31 December	
	2025	2024
Financial assets at fair value through profit or loss	308,306	2,424,698

The above amounts mainly include gains and losses arising from the purchase and sale of, interest income and changes in the fair value of financial assets at fair value through profit or loss.

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8. NET GAINS ON FINANCIAL INVESTMENTS

	Year ended 31 December	
	2025	2024
Gains on disposal of financial assets at amortised cost, net	3,378,213	1,069,217
Gains on disposal of financial assets at fair value through other comprehensive income, net	496,078	435,048
Dividends from equity investments at fair value through other comprehensive income	13,770	17,512
Total	3,888,061	1,521,777

9. OTHER OPERATING INCOME, NET

	Year ended 31 December	
	2025	2024
Gains/(losses) on disposal of property and equipment	20,358	(21,766)
(Losses)/gains on foreign exchange, net	(32,532)	42,867
Leasing income	12,713	29,797
Government grants and subsidies	10,705	7,029
Losses on disposal of a subsidiary	(3,545)	–
Others	62,313	34,415
Total	70,012	92,342

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10. OPERATING EXPENSES

	Year ended 31 December	
	2025	2024
Staff costs:		
Salaries, bonuses and allowances	1,713,715	1,808,752
Social insurance	541,939	441,932
Housing fund	179,459	175,085
Staff benefits	84,934	98,231
Labour union expenditure and education costs	38,033	40,313
Early retirement benefits	11,052	13,217
Subtotal	2,569,132	2,577,530
General and administrative expenses	1,684,366	1,577,054
Tax and surcharges	278,657	274,547
Depreciation and amortisation	653,167	716,724
Leasing expense	99,283	120,356
Auditors' remuneration	4,850	4,850
Others	165,948	144,689
Total	5,455,403	5,415,750

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11. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of the directors' and supervisors' emoluments of the Group before tax are as follows:

Name	Position	Year ended 31 December 2025							
		Fees RMB'000 (1)	Salaries and allowances RMB'000 (2)	Discretionary bonuses RMB'000 (3)	Subtotal RMB'000 (4)=(1)+(2)+(3)	Employer's Contribution to social insurances, housing allowances and enterprise annuity RMB'000 (5)	Total emoluments before tax RMB'000 (6)=(4)+(5)	Of which: deferred payment RMB'000 (7)	Actual amount of remuneration paid (pre-tax) RMB'000 (8)=(6)-(7)
Deng Xinquan	Executive Director and Chairman of the Board	-	719	206	925	233	1,158	124	1,034
Yao Chunhe	Executive Director and President	-	719	206	925	231	1,156	124	1,032
Zhang Xianjun	Non-Executive Director	-	-	-	-	-	-	-	-
Liu Peiwei	Non-Executive Director	-	-	-	-	-	-	-	-
Cheng Shuai	Non-Executive Director	-	-	-	-	-	-	-	-
Jia Haining (i)	Non-Executive Director	-	-	-	-	-	-	-	-
Zhao Hongbo (ii)	Non-Executive Director	-	-	-	-	-	-	-	-
Chen Ming	Independent Non- Executive Director	312	-	-	312	-	312	-	312
Leung Sau Fan, Sylvia	Independent Non- Executive Director	364	-	-	364	-	364	-	364
Jin Qinglu	Independent Non- Executive Director	264	-	-	264	-	264	-	264
Hou Bojian (iii)	Independent Non- Executive Director	226	-	-	226	-	226	-	226
Zhao Baocai (iv)	Chairman of the Board of Supervisors and Employee Representative Supervisor	-	503	402	905	232	1,137	241	896
Wang Yuanfang (iv)	Employee Representative Supervisor	-	707	248	955	275	1,230	99	1,131
Jiang Yongmei (iv)	Employee Representative Supervisor	-	595	369	964	290	1,254	181	1,073
Li Zhaohua (iv)	External Supervisor	132	-	-	132	-	132	-	132
Sun Yi (iv)	External Supervisor	132	-	-	132	-	132	-	132
Jiang Minghui (iv)	External Supervisor	110	-	-	110	-	110	-	110
Chen Wei (iv)	Shareholder Representative Supervisor	15	-	-	15	-	15	-	15

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11. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

Note: Pursuant to the relevant PRC regulations, total compensation packages for certain directors and supervisors have not yet been finalised, the amount of the compensation not provided for is not expected to have any significant impact on the Group's 2025 consolidated financial statements, abovementioned compensation including a portion of the discretionary bonus payments are deferred.

- (i) On 17 January 2025, the Bank convened the first extraordinary general meeting of shareholders in 2025, at which Mr. Jia Haining was newly appointed as a Non-Executive Director of the Ninth Board of Directors of the Bank. The qualification of Mr. Jia Haining for appointment has been approved by the Heilongjiang Supervision Bureau of the NFRA, taking effect from 17 April 2025.
- (ii) With effect from 17 April 2025, Mr. Zhao Hongbo ceased to hold the position of Non-Executive Director of the Bank.
- (iii) On 29 August 2025, Mr. Hou Bojian resigned from his positions as an Independent Non-Executive Director of the Bank, a member of the Risk Management and Connected Transaction Control Committee of the Board of Directors, a member of the Nomination and Remuneration Assessment Committee, and a member of the Audit Committee.
- (iv) On 15 December 2025, the Bank obtained the "Approval of the Heilongjiang Supervision Bureau of the NFRA on Amending the Articles of Association of Harbin Bank Co., Ltd.". The Supervisory Board of the Bank and its special committees were abolished with effect from the date of approval of the Articles of Association, and Mr. Zhao Baocai, Ms. Jiang Yongmei, Mr. Wang Yuanfang, Mr. Chen Wei, Mr. Jiang Minghui, Mr. Li Zhaohua and Mr. Sun Yi ceased to hold the position of Supervisor of the Bank.

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11. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

Details of the directors' and supervisors' emoluments of the Group before tax are as follows: (Continued)

Name	Position	Year ended 31 December 2024							
		Fees RMB'000 (1)	Salaries and allowances RMB'000 (2)	Discretionary bonuses RMB'000 (3)	Subtotal RMB'000 (4)=(1)+(2)+(3)	Employer's Contribution to social insurances, housing allowances and enterprise annuity RMB'000 (5)	Total emoluments before tax RMB'000 (6)=(4)+(5)	Of which: deferred payment RMB'000 (7)	Actual amount of remuneration paid (pre-tax) RMB'000 (8)=(6)-(7)
Deng Xinquan	Executive Director and Chairman of the Board	-	719	825	1,544	116	1,660	495	1,165
Yao Chunhe	Executive Director and President	-	581	864	1,445	125	1,570	518	1,052
Zhao Hongbo	Non-Executive Director	-	-	-	-	-	-	-	-
Zhang Xianjun	Non-Executive Director	-	-	-	-	-	-	-	-
Yu Hong (i)	Non-Executive Director	-	-	-	-	-	-	-	-
Lang Shufeng (ii)	Non-Executive Director	-	-	-	-	-	-	-	-
Liu Peiwei (i)	Non-Executive Director	-	-	-	-	-	-	-	-
Cheng Shuai (i)	Non-Executive Director	-	-	-	-	-	-	-	-
Sun Yan (ii)	Independent Non- Executive Director	273	-	-	273	-	273	-	273
Zhang Zheng (ii)	Independent Non- Executive Director	240	-	-	240	-	240	-	240
Chen Ming (i)	Independent Non- Executive Director	17	-	-	17	-	17	-	17
Leung Sau Fan, Sylvia (i)	Independent Non- Executive Director	14	-	-	14	-	14	-	14
Hou Bojian	Independent Non- Executive Director	381	-	-	381	-	381	-	381
Jin Qinglu	Independent Non- Executive Director	264	-	-	264	-	264	-	264
Zhao Baocai (iii), (iv)	Chairman of the Board of Supervisors and Employee Representative Supervisors	-	503	896	1,399	126	1,525	538	987
Wang Yuanfang (iii)	Employee Representative Supervisors	-	707	458	1,165	198	1,363	183	1,180
Jiang Yongmei (iii)	Employee Representative Supervisors	-	707	653	1,360	197	1,557	258	1,299
Li Dong (iv)	External Supervisor	72	-	-	72	-	72	-	72
Li Zhaohua (iv)	External Supervisor	144	-	-	144	-	144	-	144
Sun Yi (iv)	External Supervisor	132	-	-	132	-	132	-	132
Jiang Minghui (iv)	External Supervisor	60	-	-	60	-	60	-	60
Chen Wei (iv)	Shareholder Representative Supervisor	60	-	-	60	-	60	-	60

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11. DIRECTORS' AND SUPERVISORS' EMOLUMENTS (Continued)

Details of the directors' and supervisors' emoluments of the Group before tax are as follows: (Continued)

Note: The table as above discloses the all remuneration before tax for the Directors and Supervisors of the Bank for the 2024 (excluding performance remuneration from previous years paid in 2024) and the social insurances welfare during their tenure with the Bank, including amounts already disclosed in the 2024 annual report.

- (i) The Proposal on the election of Directors of the Ninth Session of the Board was considered and approved at the 2024 first extraordinary general meeting of the Bank held on 12 July 2024, and Mr. Liu Peiwei and Mr. Cheng Shuai were appointed as Non-executive Directors of the Bank, and Mr. Chen Ming and Ms. Leung Sau Fan, Sylvia were appointed as Independent Non-executive Directors of the Bank. Mr. Yu Hong former Non-executive Directors of the Bank retired on expiry of their terms. The qualifications of appointed Directors, namely Mr. Liu Peiwei, Mr. Cheng Shuai, Mr. Chen Ming and Ms. Leung Sau Fan, Sylvia, are subject to the approval by the Heilongjiang Office of the NFRA, with effect from 12 December 2024.
- (ii) On 12 December 2024, Mr. Lang Shufeng resigned as the Non-executive Director of the Bank, and Mr. Sun Yan and Mr. Zhang Zheng resigned as the Independent Non-executive Directors of the Bank.
- (iii) On 2 July 2024, Mr. Zhao Baocai, Ms. Jiang Yongmei and Mr. Wang Yuanfang were elected as Employee Representative Supervisors of the Bank at the second meeting of the sixth session of the employee representative meeting.
- (iv) On 12 July 2024, Ms. Li Zhaohua and Mr. Sun Yi were re-elected as External Supervisors of the Ninth Session of the Board of Supervisors of the Bank, and Ms. Chen Wei was re-elected as a Shareholder Representative Supervisor of the Ninth Session of the Board of Supervisors of the Bank, and Mr. Jiang Minghui was appointed as an External Supervisor of the Ninth Session of the Board of Supervisors of the Bank at the 2024 first extraordinary general meeting of the Bank. Mr. Li Dong, the former External Supervisor of the Bank ceased to act on expiry of his term, and on the same date Mr. Zhao Baocai has been elected as the Chairman of the Board of Supervisors.

During the year ended 31 December 2025, Mr. Zhang Xianjun, Mr. Liu Peiwei, Mr. Cheng Shuai, Mr. Jia Haining and Mr. Zhao Hongbo, Non-executive Directors of the Bank, agreed to waive remuneration before tax of RMB151 thousand, RMB144 thousand, RMB168 thousand, RMB119 thousand and RMB42 thousand respectively; Ms. Chen Wei, Shareholder Representative Supervisor of the Bank, agreed to waive remuneration before tax of RMB40 thousand. (During the year ended 31 December 2024, Mr. Zhao Hongbo, Mr. Zhang Xianjun, Mr. Yu Hong, Mr. Lang Shufeng, Mr. Liu Peiwei and Mr. Cheng Shuai, Non-executive Directors of the Bank, agreed to waive remuneration before tax of RMB144 thousand, RMB168 thousand, RMB77 thousand, RMB136 thousand, RMB8 thousand and RMB9 thousand respectively; Mr. Zhang Zheng, Independent Non-executive Director of the Bank, agreed to waive remuneration before tax of RMB33 thousand.)

There was no amount paid during the year to the directors in connection with their retirement from employment or compensation for loss of office with the Bank, or inducement to join the Bank. There was no other arrangement under which a director or supervisor waived or agreed to waive any remuneration during the year.

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12. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, none of them are directors and supervisors whose emoluments are disclosed above. The emoluments of the five individuals whose emoluments were the highest in the Group for the years ended 31 December 2025 and 31 December 2024 were as follows:

	Year ended 31 December	
	2025	2024
Salaries and allowances	5,206	5,191
Discretionary bonuses	2,425	4,926
Employer's contribution to social insurances, housing allowances and enterprise annuity	1,811	945
Total emoluments before tax	9,442	11,062

The number of non-director and non-supervisor employees whose emoluments fell within the following bands is set out below.

	Number of employees Year ended 31 December	
	2025	2024
RMB1,000,001 to RMB2,000,000	4	2
RMB2,000,001 to RMB3,000,000	–	3
RMB3,000,001 to RMB4,000,000	1	–
RMB4,000,001 to RMB5,000,000	–	–
RMB5,000,001 to RMB6,000,000	–	–
Total	5	5

Pursuant to the relevant PRC regulations, total compensation packages for certain employees mentioned above in 2024 and 2025 have not yet been finalised, the amount of the compensation not provided for is not expected to have any significant impact on the Group's 2024 and 2025 consolidated financial statements.

During the year ended 31 December 2025, no emoluments were paid by the Bank to any of these non-director and non-supervisor individuals as an inducement to join or were payable to such persons upon joining the Bank or as compensation for loss of office (During the year ended 31 December 2024: Nil).

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13. CREDIT IMPAIRMENT LOSSES

	Year ended 31 December	
	2025	2024
Provision for/(reversal of) impairment losses on:		
Loans and advances to customers at amortised cost	4,827,092	6,437,155
Financial investments at amortised cost	2,964,800	959,366
Financial assets at fair value through other comprehensive income	46,934	(2,735)
Finance lease receivables	209,267	493,157
Other assets	452,780	186,155
Total	8,500,873	8,073,098

14. OTHER ASSETS IMPAIRMENT LOSSES

	Year ended 31 December	
	2025	2024
Impairment losses on repossessed assets	56,714	102,984

15. INCOME TAX CREDIT

(a) Income tax

	Year ended 31 December	
	2025	2024
Current income tax	557,870	601,624
Deferred income tax	(1,289,417)	(1,032,551)
Total	(731,547)	(430,927)

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15. INCOME TAX CREDIT (Continued)

(b) Reconciliation between income tax and accounting profit

The income tax of the Group's institutions has been provided at the statutory rate of 25% or 15%. A reconciliation of the income tax credit applicable to profit before tax at the PRC statutory income tax rate to income tax credit at the Group's effective income tax rate is as follows:

	Year ended 31 December	
	2025	2024
Profit before tax	533,005	651,428
Tax at the PRC statutory income tax rate	133,252	162,857
Effect of different tax rates for certain subsidiaries	(14,248)	(18,738)
Items not deductible for tax purposes	599,468	626,547
Non-taxable income (i)	(1,420,809)	(1,111,758)
Adjustment for income tax from prior years	92,884	36,319
Effect of unrecognised tax deductible losses	19,806	15,746
Others	(141,900)	(141,900)
Income tax credit at the Group's effective income tax rate	(731,547)	(430,927)

Notes:

- (i) The non-taxable income mainly represents interest income arising from the PRC government bonds and local government bonds and public fund dividends, which are exempted from income tax under Chinese tax regulations.

(c) Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules

As at 31 December 2025, the implementation of Pillar Two model rules has no significant impact on the Group's consolidated financial statements.

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16. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK

The consolidated profit attributable to equity holders of the Bank for the year ended 31 December 2025 includes a profit of RMB1,146 million (for the year ended 31 December 2024: RMB920 million) which has been dealt with in the financial statements of the Bank.

17. DIVIDENDS

The Bank proposed not to distribute any dividend for the years ended 31 December 2025 and 2024.

18. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following:

	Year ended 31 December	
	2025	2024
Net profit attributable to equity holders of the Bank	1,145,550	919,666
Less: Distribution of interests of perpetual bonds	(567,600)	(567,600)
Net profit attributable to ordinary shareholders of the Bank	577,950	352,066
Shares:		
Weighted average number of ordinary shares in issue (expressed in thousands) at the end of the year	10,995,600	10,995,600
Basic and diluted earnings per share (expressed in RMB per share)	0.05	0.03

The Group had no potentially dilutive ordinary shares for the year ended 31 December 2025 (for the year ended 31 December 2024: Nil).

Basic earnings per share for the years ended 31 December 2025 and 2024 were computed by dividing distributions on non-cumulative perpetual bonds declared for the period was deducted from the amounts attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the year. The Bank has declared an interest of RMB568 million on perpetual bonds during the year ended 31 December 2025 (during the year ended 31 December 2024: RMB568 million).

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19. CASH AND BALANCES WITH THE CENTRAL BANK

	As at 31 December	
	2025	2024
Cash	833,985	815,789
Mandatory reserves with the central bank (i)	36,264,851	38,460,364
Surplus reserves with the central bank (ii)	62,039,118	60,412,232
Fiscal deposits with the central bank	119,439	168,526
Subtotal	99,257,393	99,856,911
Accrued interest	17,832	16,977
Total	99,275,225	99,873,888

- (i) The Group is required to place mandatory reserve deposits with the PBOC. Mandatory reserve deposits with the central bank are not available for use in the Group's daily operations. As at 31 December 2025 and 31 December 2024, the mandatory deposit reserve ratios of the branches and subsidiaries of the Bank in respect of customer deposits denominated in RMB and foreign currencies were consistent with the requirements of the PBOC.
- (ii) Surplus reserves with the central bank mainly include funds for the purpose of cash settlement.

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20. DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Nostro accounts:		
Banks operating in Mainland China	12,053,965	12,364,448
Other financial institutions operating in Mainland China	39,744	37,726
Banks operating outside Mainland China	176,815	151,022
Subtotal	12,270,524	12,553,196
Accrued interest	27,918	37,509
Less: Allowance for impairment losses	(20,512)	(2,819)
Subtotal	12,277,930	12,587,886
Placements with banks and other financial institutions:		
Banks operating in Mainland China	363,259	570,000
Other financial institutions operating in Mainland China	8,500,000	18,650,000
Subtotal	8,863,259	19,220,000
Accrued interest	24,748	153,004
Less: Allowance for impairment losses	(27,363)	(16,691)
Subtotal	8,860,644	19,356,313
Total	21,138,574	31,944,199

As at 31 December 2025 and 31 December 2024, all the amounts due from banks and other financial institutions of the Group were in Stage 1, and measured the impairment losses based on expected credit loss (“ECL”) in the next 12 months.

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21. REVERSE REPURCHASE AGREEMENTS

	As at 31 December	
	2025	2024
Reverse repurchase agreements analysed by counterparty:		
Other financial institutions in Mainland China	–	150,000
Accrued interest	–	9
Less: Allowance for impairment losses	–	(15)
Total	–	149,994
Reverse repurchase agreements analysed by collateral:		
Bonds	–	150,000
Accrued interest	–	9
Less: Allowance for impairment losses	–	(15)
Total	–	149,994

As at 31 December 2025, no reverse repurchase agreements. As at 31 December 2024, reverse repurchase agreements were in stage 1, and measured the impairment losses based on ECLs in the next 12 months.

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22. LOANS AND ADVANCES TO CUSTOMERS

22.1 Analysis of loans and advances to customers by measurement category

	As at 31 December	
	2025	2024
Loans and advances measured at amortised cost:		
Corporate loans and advances	239,426,104	196,214,319
Personal loans	116,432,222	117,779,856
Subtotal	355,858,326	313,994,175
Loans and advances measured at fair value through other comprehensive income:		
Discounted bills and forfaiting	54,767,103	65,099,731
Total loans and advances to customers	410,625,429	379,093,906
Accrued interest	6,421,317	5,106,791
Less: Allowance for impairment losses	(22,785,013)	(21,792,567)
Loans and advances to customers, net	394,261,733	362,408,130

As at 31 December 2025, loans and advances to customers measured at fair value through other comprehensive income of the Group amounted to RMB54,767,103 thousand were in stage 1 and the corresponding accumulated allowance for impairment losses on the above-mentioned loans and advances to customers amounted to RMB9,870 thousand. As at 31 December 2024, loans and advances to customers measured at fair value through other comprehensive income of the Group amounted to RMB65,099,731 thousand were in stage 1 and the corresponding accumulated allowance for impairment losses on the above-mentioned loans and advances to customers amounted to RMB9,966 thousand.

22.2 Analysis of loans and advances to customers by industry, collateral type and analysis of overdue loans and advances to customers are presented in Note 53(a).

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22. LOANS AND ADVANCES TO CUSTOMERS (Continued)

22.3 Analysis of loans and advances to customers

	As at 31 December 2025			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL –impaired)	Total
Total loans and advances at amortised cost	291,461,286	26,725,967	37,671,073	355,858,326
Accrued interest	5,509,076	355,874	556,367	6,421,317
Allowance for impairment losses at amortised cost	(4,046,672)	(4,636,433)	(14,101,908)	(22,785,013)
Loans and advances to customers at amortised cost, net	292,923,690	22,445,408	24,125,532	339,494,630
	As at 31 December 2024			
	Stage 2 (Lifetime ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL –impaired)	Total
Total loans and advances at amortised cost	249,276,322	29,973,603	34,744,250	313,994,175
Accrued interest	4,357,491	668,012	81,288	5,106,791
Allowance for impairment losses at amortised cost	(3,713,686)	(3,683,364)	(14,395,517)	(21,792,567)
Loans and advances to customers at amortised cost, net	249,920,127	26,958,251	20,430,021	297,308,399

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22. LOANS AND ADVANCES TO CUSTOMERS (Continued)

22.4 Movements in allowance for impairment losses of loan and advances to customers at amortised cost during the year are as follows:

	For the year ended 31 December 2025			Total
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL –impaired)	
As at 1 January 2025	3,713,686	3,683,364	14,395,517	21,792,567
Charge for the year	1,292,945	784,757	2,749,390	4,827,092
Write-offs and transferred for the year	–	–	(3,754,239)	(3,754,239)
Stage conversion	(955,192)	176,056	779,136	–
Converted to Stage 1	104,076	(97,165)	(6,911)	–
Converted to Stage 2	(108,714)	1,150,923	(1,042,209)	–
Converted to Stage 3	(950,554)	(877,702)	1,828,256	–
Recovery of loans and advances previously written off	–	–	561,715	561,715
Transfer to assets of a disposal group classified as held for sale	(32)	(4,079)	(31,585)	(35,696)
Disposal of subsidiary	(4,543)	(3,665)	(9,924)	(18,132)
Exchange difference	(192)	–	(17)	(209)
Accrued interest on impaired loans	–	–	(588,085)	(588,085)
As at 31 December 2025	4,046,672	4,636,433	14,101,908	22,785,013

During the year ended 31 December 2025, the changes in the loan principal of loans and advances to customers that had a significant impact on the Group's impairment provisions were mainly due to the credit business in China, including the loan principal transferred from stage 1 to stage 2 and stage 3 was RMB7,400 million. The loan principal transferred from stage 2 to stage 3 was RMB5,776 million. The loan principal transferred from stage 2 to stage 1 was RMB1,934 million. The loan principal transferred from stage 3 to stage 1 and stage 2 was RMB4,475 million. The impairment provision caused by the transfer of stage 1 to stage 3, transfer of stage 3 to stage 1 and stage 2 are not material.

During the year ended 31 December 2025, the Group transferred loans and advances amount of RMB945 million to independent third parties and the transfer price was RMB501 million.

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22. LOANS AND ADVANCES TO CUSTOMERS (Continued)

22.4 Movements in allowance for impairment losses of loan and advances to customers at amortised cost during the year are as follows: (Continued)

	For the year ended 31 December 2024			Total
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL –impaired)	
As at 1 January 2024	3,103,354	3,325,025	11,848,119	18,276,498
Charge for the year	884,967	1,003,497	4,548,691	6,437,155
Write-offs and transferred for the year	–	–	(2,907,092)	(2,907,092)
Stage conversion	(274,635)	(645,158)	919,793	–
Converted to Stage 1	397,915	(372,082)	(25,833)	–
Converted to Stage 2	(171,905)	281,542	(109,637)	–
Converted to Stage 3	(500,645)	(554,618)	1,055,263	–
Recovery of loans and advances previously written off	–	–	555,802	555,802
Exchange difference	–	–	(195)	(195)
Accreted interest on impaired loans	–	–	(569,601)	(569,601)
As at 31 December 2024	3,713,686	3,683,364	14,395,517	21,792,567

During the year ended 31 December 2024, the changes in the loan principal of loans and advances to customers that had a significant impact on the Group's impairment provisions were mainly due to the credit business in China, including the loan principal transferred from stage 1 to stage 2 and stage 3 was RMB13,866 million. The loan principal transferred from stage 2 to stage 3 was RMB5,026 million. The loan principal transferred from stage 2 to stage 1 was RMB11,351 million. The loan principal transferred from stage 3 to stage 1 and stage 2 was RMB291 million. The impairment provision caused by the transfer of stage 1 to stage 3, transfer of stage 3 to stage 1 and stage 2 are not material.

During the year ended 31 December 2024, the Group transferred loans and advances amount of RMB1,233 million to independent third parties and the transfer price was RMB477 million.

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23. DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivative financial instruments related to interest rate, currency rate and price of precious metal, for trading and on behalf of customers.

The contractual/notional amounts of financial instruments provide a basis for comparison with fair value instruments recognised on the statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in interest rates, currency rates relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time. The contractual/notional amounts and fair values of derivative instruments held by the Group are set out in the following tables:

	As at 31 December					
	2025			2024		
	Contractual/ notional amount	Fair value		Contractual/ notional amount	Fair value	
Assets		Liabilities	Assets		Liabilities	
Option contract	38,863,004	271,028	(271,028)	105,601,786	375,304	(375,304)
Total	38,863,004	271,028	(271,028)	105,601,786	375,304	(375,304)

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24. FINANCIAL INVESTMENTS

(a) Financial assets at fair value through profit or loss

	As at 31 December	
	2025	2024
Corporate debt securities	98,671	504,116
Trust investments and asset management plans (i)	47,057,264	39,537,565
Subtotal	47,155,935	40,041,681
Equity instruments	241,736	242,035
Funds	34,238,144	41,360,944
Accrued interest	—	2,170
Total	81,635,815	81,646,830

As at 31 December 2025 and 2024, no debt securities measured at fair value through profit or loss were pledged.

- (i) The Group classified the trust investments and asset management plans that could not pass the SPPI testing as financial assets at fair value through profit or loss.

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24. FINANCIAL INVESTMENTS (Continued)

(b) Financial assets at fair value through other comprehensive income

	As at 31 December	
	2025	2024
Government debt securities	63,608,523	52,699,230
Policy bank debt securities	12,646,876	6,109,996
Financial institution debt securities	374,460	3,893,123
Corporate debt securities	1,513,037	3,331,196
Subtotal	78,142,896	66,033,545
Equity investments	4,476,022	4,640,352
Accrued interest	866,569	680,029
Net balance	83,485,487	71,353,926

As at 31 December 2025, all debt securities at fair value through other comprehensive income were in stage 1 and the corresponding accumulated allowance for impairment losses amounted to RMB72,107 thousand. As at 31 December 2024, all debt securities at fair value through other comprehensive income were in stage 1 and the corresponding accumulated allowance for impairment losses amounted to RMB25,077 thousand.

As at 31 December 2025, debt securities of RMB10,960,847 thousand, RMB8,116,951 thousand and RMB2,696,005 thousand at fair value through other comprehensive income of the Group were pledged in fixed time deposits, repurchase agreements and due to the central bank respectively. As at 31 December 2024, debt securities of RMB8,472,023 thousand, RMB10,551,838 thousand and RMB1,962,802 thousand at fair value through other comprehensive income of the Group were pledged in fixed time deposits, repurchase agreements and due to the central bank respectively.

The Group irrevocably designated parts of its equity investments and classified as financial assets at fair value through other comprehensive income.

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24. FINANCIAL INVESTMENTS (Continued)

(b) Financial assets at fair value through other comprehensive income (Continued)

Movements in allowance for impairment losses of debt securities of financial assets at fair value through other comprehensive income during year are summarised as follows:

	For the year ended 31 December 2025			Total
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL –impaired)	
As at 1 January 2025	25,077	–	–	25,077
Charge for the year	47,030	–	–	47,030
As at 31 December 2025	72,107	–	–	72,107

	For the year ended 31 December 2024			Total
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL –impaired)	
As at 1 January 2024	27,680	–	–	27,680
Reversal for the year	(2,603)	–	–	(2,603)
As at 31 December 2024	25,077	–	–	25,077

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24. FINANCIAL INVESTMENTS (Continued)

(c) Financial assets at amortised cost

	As at 31 December	
	2025	2024
Government debt securities	217,311,937	115,463,889
Policy bank debt securities	5,439,842	5,201,246
Financial institution debt securities	1,360,000	1,990,000
Corporate debt securities	30,059,025	39,862,821
Inter-bank certificates of deposits	326,060	7,903,800
Trust investments and asset management plans	42,118,780	56,184,703
Subtotal	296,615,644	226,606,459
Accrued interest	6,860,772	5,863,960
Allowance for impairment losses	(10,627,363)	(7,670,197)
Net balance	292,849,053	224,800,222

As at 31 December 2025, debt securities of RMB68,373,399 thousand, RMB28,012,330 thousand, RMB13,612,141 thousand and RMB329,775 thousand at amortised cost of the Group were pledged in fixed time deposits, repurchase agreements, due to central bank and debt securities lending and borrowing agreements respectively.

As at 31 December 2024, debt securities of RMB13,047,904 thousand, RMB11,638,293 thousand and RMB2,744,994 thousand at amortised cost of the Group were pledged in fixed time deposits, repurchase agreements and due to the central bank respectively.

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24. FINANCIAL INVESTMENTS (Continued)

(c) Financial assets at amortised cost (Continued)

Movements in allowance for impairment losses on financial assets at amortised cost during the year are summarised as follows:

	For the year ended 31 December 2025			Total
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL –impaired)	
As at 1 January 2025	591,201	78,521	7,000,475	7,670,197
Charge/(reversal) for the year	550,004	(56,510)	2,471,306	2,964,800
Write-offs	–	–	(7,963)	(7,963)
Stage conversion	–	(22,011)	22,011	–
Converted to Stage 1	–	–	–	–
Converted to Stage 2	–	–	–	–
Converted to Stage 3	–	(22,011)	22,011	–
Recovery of loans and advances previously written off	–	–	329	329
As at 31 December 2025	1,141,205	–	9,486,158	10,627,363

	For the year ended 31 December 2024			Total
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL –impaired)	
As at 1 January 2024	585,793	–	6,386,771	6,972,564
Charge/(reversal) for the year	(282,666)	24,607	1,217,425	959,366
Write-offs	–	–	(261,733)	(261,733)
Stage conversion	288,074	53,914	(341,988)	–
Converted to Stage 1	305,925	–	(305,925)	–
Converted to Stage 2	(1,352)	53,914	(52,562)	–
Converted to Stage 3	(16,499)	–	16,499	–
As at 31 December 2024	591,201	78,521	7,000,475	7,670,197

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25. FINANCE LEASE RECEIVABLES

	As at 31 December	
	2025	2024
Finance lease receivables	27,431,962	25,859,783
Less: Unearned finance lease income	(1,934,662)	(2,028,549)
Finance lease receivables, net	25,497,300	23,831,234
Accrued interest	175,789	189,808
Less: Allowance for impairment losses	(1,570,579)	(1,265,079)
Net balance	24,102,510	22,755,963

As at 31 December 2025, the Group divided finance lease receivables into stage 1, stage 2 and stage 3. The gross amounts were RMB24,074,852 thousand, RMB466,448 thousand, and RMB1,131,789 thousand respectively, and allowances for impairment losses were RMB512,277 thousand, RMB120,955 thousand and RMB937,347 thousand respectively.

As at 31 December 2024, the Group divided finance lease receivables into stage 1, stage 2 and stage 3. The gross amounts were RMB22,199,520 thousand, RMB1,263,762 thousand, and RMB557,760 thousand respectively, and allowances for impairment losses were RMB429,848 thousand, RMB389,229 thousand and RMB446,002 thousand respectively.

As at 31 December 2025, the fair value of collateral that the Group holds relating to finance lease receivables amounted to RMB24,955,454 thousand (As at 31 December 2024: RMB23,782,797 thousand). The collateral mainly consists of right to charge for tourist attractions, provision of other public services and other receivables.

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25. FINANCE LEASE RECEIVABLES (Continued)

Finance lease receivables, unearned finance lease income and minimum finance lease receivables analysed by remaining period are as follows:

	As at 31 December					
	2025			2024		
	Finance lease receivables	Unearned finance lease income	Finance lease receivables, net	Finance lease receivables	Unearned finance lease income	Finance lease receivables, net
Less than 1 year	20,186,811	(1,702,101)	18,484,710	11,907,496	(1,191,955)	10,715,541
1 year to 2 years	4,773,482	(166,310)	4,607,172	9,439,617	(649,768)	8,789,849
2 years to 3 years	1,985,367	(49,618)	1,935,749	3,421,017	(123,340)	3,297,677
3 years to 5 years	485,269	(16,619)	468,650	745,048	(54,891)	690,157
More than 5 years	1,033	(14)	1,019	346,605	(8,595)	338,010
	27,431,962	(1,934,662)	25,497,300	25,859,783	(2,028,549)	23,831,234

Movements in allowance for impairment losses of finance lease receivable during the year are summarised as follows:

	For the year ended 31 December 2025			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL -impaired)	Total
As at 1 January 2025	429,848	389,229	446,002	1,265,079
Charge/(reversal) for the year	82,110	(59,356)	186,513	209,267
Stage conversion	319	(208,919)	208,600	-
Converted to Stage 1	1,653	(1,161)	(492)	-
Converted to Stage 2	(618)	1,211	(593)	-
Converted to Stage 3	(716)	(208,969)	209,685	-
Write-offs and transferred	-	-	(27,388)	(27,388)
Recovery of finance lease receivables previously written off	-	-	123,621	123,621
As at 31 December 2025	512,277	120,954	937,348	1,570,579

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25. FINANCE LEASE RECEIVABLES (Continued)

	For the year ended 31 December 2024			Total
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL -impaired)	
As at 1 January 2024	262,656	431,605	312,646	1,006,907
Charge for the year	169,724	107,949	215,484	493,157
Stage conversion	(2,532)	(150,325)	152,857	-
Converted to Stage 1	1,077	(777)	(300)	-
Converted to Stage 2	(2,994)	3,039	(45)	-
Converted to Stage 3	(615)	(152,587)	153,202	-
Write-offs and transferred	-	-	(276,801)	(276,801)
Recovery of finance lease receivables previously written off	-	-	41,816	41,816
As at 31 December 2024	429,848	389,229	446,002	1,265,079

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26. PROPERTY AND EQUIPMENT

	Properties and buildings	Construction in progress	Leasehold improvements	Office equipment	Motor vehicles	Operating lease fixed assets	Total
Cost:							
At 1 January 2025	9,480,571	228,264	712,181	2,290,650	73,982	314,736	13,100,384
Additions	-	17,466	15,855	61,482	3,545	-	98,348
Transfer from/(to) construction in progress	-	(8,381)	-	8,381	-	-	-
Transfer to assets of a disposal group classified as held for sale (note 29)	-	-	-	(3,160)	(1,412)	-	(4,572)
Disposal of subsidiary	-	-	(553)	(3,988)	(533)	-	(5,074)
Disposals	-	(1,626)	-	(36,256)	(16,359)	(314,398)	(368,639)
At 31 December 2025	9,480,571	235,723	727,483	2,317,109	59,223	338	12,820,447
At 1 January 2024	9,279,526	221,797	696,096	2,441,224	67,725	314,398	13,020,766
Additions	197,425	18,882	16,085	78,156	7,625	338	318,511
Transfer from/(to) construction in progress	4,342	(9,138)	-	4,796	-	-	-
Disposals	(722)	(3,277)	-	(233,526)	(1,368)	-	(238,893)
At 31 December 2024	9,480,571	228,264	712,181	2,290,650	73,982	314,736	13,100,384

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26. PROPERTY AND EQUIPMENT (Continued)

	Properties and buildings	Construction in progress	Leasehold improvements	Office equipment	Motor vehicles	Operating lease fixed assets	Total
Accumulated depreciation:							
At 1 January 2025	2,341,980	-	669,596	1,988,456	63,626	128,476	5,192,134
Depreciation charge for the year	302,195	-	20,289	90,912	2,020	8,434	423,850
Transfer to assets of a disposal group classified as held for sale (note 29)	-	-	-	(2,919)	(1,341)	-	(4,260)
Disposal of subsidiary	-	-	(553)	(3,693)	(409)	-	(4,655)
Disposals	-	-	-	(28,189)	(15,153)	(136,590)	(179,932)
At 31 December 2025	2,644,175	-	689,332	2,044,567	48,743	320	5,427,137
At 1 January 2024	2,051,145	-	645,124	1,923,534	60,369	120,523	4,800,695
Depreciation charge for the year	291,188	-	24,472	95,969	4,434	7,953	424,016
Disposals	(353)	-	-	(31,047)	(1,177)	-	(32,577)
At 31 December 2024	2,341,980	-	669,596	1,988,456	63,626	128,476	5,192,134
Impairment loss:							
At 31 December 2024 and 1 January 2025	-	-	-	-	-	101,027	101,027
Provided for the year	-	-	-	-	-	(101,027)	(101,027)
At 31 December 2025	-	-	-	-	-	-	-
Net carrying amount:							
At 31 December 2025	6,836,396	235,723	38,151	272,542	10,480	18	7,393,310
At 31 December 2024	7,138,591	228,264	42,585	302,194	10,356	85,233	7,807,223

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26. PROPERTY AND EQUIPMENT (Continued)

The carrying value of the Group's properties and buildings is analysed based on the remaining terms of the land leases as follows:

	As at 31 December	
	2025	2024
Held in China:		
10 to 50 years	6,531,768	6,940,231
Less than 10 years	304,628	198,360
	6,836,396	7,138,591

As at 31 December 2025, the process of obtaining the titles for the Group's properties and buildings with an aggregate net carrying value of RMB2,678 million (As at 31 December 2024: RMB2,678 million) was still in progress. Management is of the view that the aforesaid matter would not affect the rights of the Group to these assets nor have any significant impact on the business operation of the Group.

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27. DEFERRED INCOME TAX ASSETS AND LIABILITIES

(a) Analysed by nature

	As at 31 December			
	2025		2024	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Deferred income tax assets:				
Allowance for impairment losses	32,428,308	8,107,076	27,420,140	6,795,985
Lease liabilities	363,936	90,984	289,564	71,578
Provisions	58,832	14,708	112,546	28,019
Salaries, bonuses, allowances and subsidies payable	203,840	50,960	217,140	52,930
Early retirement benefits	35,576	8,894	35,388	8,847
Deferred revenue	85,772	21,443	241,896	60,474
Others	230,736	57,684	1,318,808	317,113
Subtotal	33,407,000	8,351,749	29,635,482	7,334,946
Deferred income tax liabilities:				
Right-of-use assets	(380,252)	(95,063)	(298,888)	(73,823)
Changes in fair value of financial assets at fair value through profit or loss	(1,307,924)	(326,981)	(2,197,616)	(549,404)
Changes in fair value of financial assets at fair value through other comprehensive income	(44,812)	(11,203)	(1,935,948)	(483,987)
Changed in fair value of derivative financial instruments	–	–	(221,388)	(55,347)
Subtotal	(1,732,988)	(433,247)	(4,653,840)	(1,162,561)
Total	31,674,012	7,918,502	24,981,642	6,172,385

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27. DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

(b) Movements in deferred income tax

	At 1 January 2025	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in other comprehensive income	Disposal of subsidiary	At 31 December 2025
For the year ended 31 December 2025					
Deferred income tax assets/(liabilities):					
Allowance for impairment losses	6,795,985	1,315,321	-	(4,230)	8,107,076
Lease liabilities	71,578	19,406	-	-	90,984
Right-of-use assets	(73,823)	(21,240)	-	-	(95,063)
Provisions	28,019	(13,311)	-	-	14,708
Changes in fair value of financial assets at fair value through profit or loss	(549,404)	222,423	-	-	(326,981)
Changes in fair value of financial assets at fair value through other comprehensive income	(483,987)	-	472,784	-	(11,203)
Allowance for impairment losses on the financial assets at fair value through other comprehensive income	-	11,734	(11,734)	-	-
Changed in fair value of derivative financial instruments	(55,347)	55,347	-	-	-
Salaries, bonuses, allowances and subsidies payable	52,930	(1,970)	-	-	50,960
Early retirement benefits	8,847	47	-	-	8,894
Deferred revenue	60,474	(39,031)	-	-	21,443
Others	317,113	(259,309)	-	(120)	57,684
Deferred income tax, net	6,172,385	1,289,417	461,050	(4,350)	7,918,502

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27. DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

(b) Movements in deferred income tax (Continued)

	At 1 January 2024	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in other comprehensive income	At 31 December 2024
For the year ended 31 December 2024				
Deferred income tax assets/(liabilities):				
Allowance for impairment losses	6,016,345	779,640	-	6,795,985
Lease liabilities	80,732	(9,154)	-	71,578
Right-of-use assets	(85,649)	11,826	-	(73,823)
Provisions	24,900	3,119	-	28,019
Changes in fair value of financial assets at fair value through profit or loss	(545,648)	(3,756)	-	(549,404)
Changes in fair value of financial assets at fair value through other comprehensive income	(92,329)	-	(391,658)	(483,987)
Allowance for impairment losses on the financial assets at fair value through other comprehensive income	-	(683)	683	-
Changed in fair value of derivative financial instruments	-	(55,347)	-	(55,347)
Salaries, bonuses, allowances and subsidies payable	42,537	10,393	-	52,930
Early retirement benefits	8,198	649	-	8,847
Deferred revenue	36,524	23,950	-	60,474
Others	45,199	271,914	-	317,113
Deferred income tax, net	5,530,809	1,032,551	(390,975)	6,172,385

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28. OTHER ASSETS

	As at 31 December	
	2025	2024
Interest receivables (a)	55,587	390,218
Right-of-use assets (b)	271,799	301,641
Land use rights	728	318
Advance payments	183,195	292,905
Settlement and clearing accounts	2,691,881	1,048,673
Intangible assets (c)	348,130	379,901
Other receivables	680,330	752,977
Repossessed assets(d)	4,131,517	4,144,005
Others	62,089	281,522
Subtotal	8,425,256	7,592,160
Less: Allowance for impairment losses	(1,537,526)	(648,295)
Total	6,887,730	6,943,865

(a) Interest receivable

As at 31 December 2025, the carrying amounts of the Group's overdue interest receivables in stage 1 and 2 were RMB47,731 thousand and RMB7,856 thousand respectively. The allowance for impairment losses were RMB2,089 thousand and RMB3,453 thousand respectively. As at 31 December 2024, the carrying amounts of the Group's overdue interest receivables in stage 1 and 2 were RMB300,440 thousand and RMB89,778 thousand respectively. The allowance for impairment losses were RMB5,760 thousand and RMB9,524 thousand respectively.

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28. OTHER ASSETS (Continued)

(b) Right-of-use assets

	Properties and buildings	Motor vehicles and others	Total
Cost :			
At 1 January 2025	787,811	10,371	798,182
Additions	164,901	1,490	166,391
Decrease	(239,309)	(6,852)	(246,161)
Disposal of a subsidiary	(3,785)	–	(3,785)
At 31 December 2025	709,618	5,009	714,627
Accumulated depreciation :			
At 1 January 2025	487,420	9,121	496,541
Additions	124,198	1,131	125,329
Decrease	(170,672)	(5,543)	(176,215)
Disposal of a subsidiary	(2,827)	–	(2,827)
At 31 December 2025	438,119	4,709	442,828
Net carrying amount:			
At 31 December 2025	271,499	300	271,799
At 1 January 2025	300,391	1,250	301,641

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28. OTHER ASSETS (Continued)

(b) Right-of-use assets (Continued)

	Properties and buildings	Motor vehicles and others	Total
Cost :			
At 1 January 2024	801,629	16,621	818,250
Additions	83,583	966	84,549
Decrease	(97,401)	(7,216)	(104,617)
At 31 December 2024	787,811	10,371	798,182
Accumulated depreciation :			
At 1 January 2024	444,589	13,231	457,820
Additions	138,245	2,722	140,967
Decrease	(95,414)	(6,832)	(102,246)
At 31 December 2024	487,420	9,121	496,541
Net carrying amount:			
At 31 December 2024	300,391	1,250	301,641
At 1 January 2024	357,040	3,390	360,430

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28. OTHER ASSETS (Continued)

(c) Intangible assets

Intangible assets consist primarily of computer software, which is amortised within five years.

(d) Repossessed assets

	As at 31 December	
	2025	2024
Land use rights and buildings	4,101,607	4,114,095
Account receivables	29,910	29,910
Total	4,131,517	4,144,005

29. DISPOSAL GROUP HELD-FOR-SALE

	Book value	Fair value	Estimated disposal costs	Estimated disposal time
Disposal of a subsidiary Hainan Baoting Rongxing Village and Township Bank Co., Ltd. (a)	736	867	150	January 2026
– Assets of a disposal group classified as held for sale	121,070			
– Liabilities directly associated with the assets classified as held for sale	(120,334)			
Total	736	867		
Assets of a disposal group classified as held for sale	121,070			
Liabilities directly associated with the assets classified as held for sale	120,334			

- (a) On 22 September 2025, the Board resolved to transfer the Company's equity interests in Hainan Baoting Rongxing Village and Township Bank Co., Ltd. Hainan Baoting Rongxing Village and Township Bank Co., Ltd. engages in the taking public deposits, granting short-term, medium-term and long-term loans, handling domestic settlement, handling acceptance and discounting of bills, engaging in interbank lending, conducting bank card business, acting as an agent for the issuance, redemption and underwriting of government bonds, acting as an agent for collection and payment of funds and insurance business, and engaging in other businesses as approved by the banking regulatory authority. As at 31 December 2025, as the transaction had not been completed, the Group classified the assets and liabilities of Hainan Baoting Rongxing Village Bank Co., Ltd. as held for sale. The disposal of Hainan Baoting Rongxing Village Bank Co., Ltd. was completed in January 2026.

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29. DISPOSAL GROUP HELD-FOR-SALE (Continued)

The major classes of assets and liabilities of Hainan Baoting Rongxing Village and Township Bank Co., Ltd. classified as held for sale as at 31 December 2025 are as follows:

	As at 31 December 2025
Assets	
Cash and balances with the central bank	8,526
Due from banks and other financial institutions	71,827
Loans and advances to customers	39,174
Property and equipment (note 26)	312
Other assets	1,231
Assets of a disposal group classified as held for sale	121,070
Liabilities	
Due to customers	120,190
Other liabilities	144
Liabilities directly associated with the assets classified as held for sale	120,334

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30. DUE TO THE CENTRAL BANK

	As at 31 December	
	2025	2024
Small enterprises supporting re-lending	11,475,000	5,516,500
Agricultural supporting re-lending	9,500	23,770
Poverty alleviation re-lending	–	5,000
Carbon emission reduction support tool	14,640	–
Subtotal	11,499,140	5,545,270
Interest payable	13,352	2,967
Total	11,512,492	5,548,237

31. BORROWINGS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Unsecured borrowings	28,030,250	25,312,500
Pledged borrowings	1,061,279	811,120
Subtotal	29,091,529	26,123,620
Interest payable	214,288	218,926
Total	29,305,817	26,342,546

As at 31 December 2025, the pledged borrowings of RMB1,061 million were secured by the finance lease receivables of RMB2,093 million. As at 31 December 2024, the pledged borrowings of RMB811 million were secured by the finance lease receivables of RMB983 million.

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32. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2025	2024
Deposits:		
Banks operating in Mainland China	46,608,676	22,439,418
Banks operating outside Mainland China	1,252,448	688,739
Subtotal	47,861,124	23,128,157
Interest payable	204,999	178,100
Subtotal	48,066,123	23,306,257
Placements:		
Banks operating in Mainland China	520,000	110,000
Subtotal	520,000	110,000
Interest payable	4,685	607
Subtotal	524,685	110,607
Total	48,590,808	23,416,864

Interest due to banks and other financial institutions is calculated based on contractual interest rates.

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33. REPURCHASE AGREEMENTS

	As at 31 December	
	2025	2024
Repurchase agreements analysed by counterparty:		
Banks operating in Mainland China	54,059,446	23,614,150
Other financial institutions in Mainland China	–	11,086,310
Interest payable	83,311	20,786
Total	54,142,757	34,721,246
Repurchase agreements analysed by collateral:		
Bonds	36,799,500	34,700,460
Bills	17,259,946	–
Interest payable	83,311	20,786
Total	54,142,757	34,721,246

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34. DUE TO CUSTOMERS

	As at 31 December	
	2025	2024
Demand deposits:		
Corporate deposits	64,023,620	78,967,717
Personal deposits	45,258,007	43,993,483
Subtotal	109,281,627	122,961,200
Fixed time deposits:		
Corporate deposits	133,717,274	104,734,672
Personal deposits	466,244,789	455,983,518
Subtotal	599,962,063	560,718,190
Demand and fixed time deposits	709,243,690	683,679,390
Convertible negotiated deposit (i)	10,000,000	10,000,000
Interest payable	19,335,093	19,434,038
Total	738,578,783	713,113,428

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34. DUE TO CUSTOMERS (Continued)

(i) Convertible negotiated deposit

After obtaining the proceeds from issuance of local government special bonds, the Department of Finance of Heilongjiang Province has deposited the relevant funds in the form of negotiated deposit into the special convertible negotiated deposit account in the Bank. The deposit is included in the Bank's other tier-one capital and is converted to ordinary shares in stages to replenish the Bank's capital and be included in its core tier-one capital when the conversion conditions specified in the agreement are triggered. The maturity of the deposit shall be set in accordance with the maturity requirements in batches. Among them, RMB2.0 billion is for the six-year maturity, RMB2.0 billion is for the seven-year maturity, RMB2.0 billion is for the eight-year maturity, RMB2.0 billion is for the nine-year maturity and RMB2.0 billion is for the ten-year maturity. The interest is paid semi-annually on the convertible negotiated deposit, and the interest rate shall match with the corresponding local government special bonds issuance interest rate.

The conversion for convertible negotiated deposit may be fully or partially converted into the ordinary shares of the Bank if one of the following triggering events occurs: (i) The core tier-one capital adequacy ratio of the Bank drops to 5.125% or below; or (ii) As confirmed by the regulatory authorities, the core tier-one capital adequacy ratio of the Bank is not less than 5.125%, but non-viability trigger events occurred to the Bank. The non-viability trigger event is defined as the earlier of: (a) the NFRA having decided that without a conversion, the Bank would become non-viable; or (b) the relevant authorities having decided that injection of capital or equivalent support by a public sector is necessary, without which the Bank would become non-viable. Subject to the above triggering conditions, if the core tier-one capital adequacy ratio of the Bank is still lower than 5.125% as calculated after all the convertible amount is converted into the ordinary shares of the Bank in accordance with the agreement, the Bank shall at the same time take other measures to ensure that the core tier-one capital adequacy ratio reaches 5.125%, otherwise the Harbin Municipal Finance Bureau has the right to suspend the conversion. Subject to the above triggering conditions, if the designated share-holding entity does not satisfy the relevant requirements of the NFRA and the Harbin Municipal Government, or if the class and number of ordinary shares to be converted and the shareholding structure of the Bank after the conversion as calculated do not satisfy the relevant requirements of the Hong Kong Stock Exchange in respect of the minimum public float, no conversion shall be made until the conversion is in compliance with the relevant requirements of the NFRA, the Hong Kong Stock Exchange and the Harbin Municipal Government. In principle, only one conversion can be made during the term of the convertible negotiated deposit.

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35. DEBT SECURITIES ISSUED

	As at 31 December	
	2025	2024
Negotiable certificates of deposit issued (i)	54,930,505	39,530,198
Payable of asset-backed securities	899,717	411,811
Total	55,830,222	39,942,009

- (i) For the years ended 31 December 2025 and 2024, the Group issued at discount 291 and 300 interbank negotiable certificates of deposit with face value of RMB100 through the domestic interbank bond market respectively. As at 31 December 2025, 119 negotiable certificates of deposit issued by the Group, with annual interest rates between 1.63% and 2.10% and maturities between one month and one year, were undue, amounting to RMB54,930 million. As at 31 December 2024, 113 negotiable certificates of deposit issued by the Group, with annual interest rates between 1.74% and 2.70% and maturities between one month and one year, were undue, amounting to RMB39,530 million.

36. OTHER LIABILITIES

	As at 31 December	
	2025	2024
Lease guarantee fee	2,157,429	2,145,176
Settlement and clearing accounts	898,481	1,739,212
Salaries, bonuses, allowances and subsidies payable (a)	865,871	902,884
Lease liabilities	267,547	292,939
Accounts payable from agency services	153,184	127,104
Accrued expenses	406,604	397,315
Sundry tax payables	336,682	333,530
Deferred revenue (b)	43,147	73,006
Dividends payable	29,850	29,851
Provisions	59,034	110,163
Other payables	10,590,598	626,463
Total	15,808,427	6,777,643

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36. OTHER LIABILITIES (Continued)

(a) Salaries, bonuses, allowances and subsidies payable

	As at 31 December	
	2025	2024
Salaries, bonuses and allowances	735,388	833,075
Social insurance	65,664	9,549
Housing fund	12,952	2,097
Labour union expenditure and education costs	16,292	22,776
Early retirement benefits	35,575	35,387
Total	865,871	902,884

The Group has no forfeiture of pension scheme contributions (i.e. contributions processed by the employer on behalf of the employee who has exited the scheme prior to vesting of such contributions). As at 31 December 2025 and 31 December 2024, no forfeited contribution under the pension scheme of the Group is available for deduction of contribution payable in coming years.

(b) Deferred revenue

Deferred revenue consists mainly of deferred revenue from the provision of intermediary services. Deferred revenue will be recognised in the next few years in accordance with the corresponding amortisation expense that is charged to the statement of profit or loss.

	As at 31 December	
	2025	2024
Intermediary services	43,147	73,006

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37. SHARE CAPITAL

	As at 31 December			
	2025		2024	
	Number of shares (thousand)	Nominal value	Number of shares (thousand)	Nominal value
Issued and fully paid ordinary shares at par value RMB1 per share	10,995,600	10,995,600	10,995,600	10,995,600
At the beginning and end of the year	10,995,600	10,995,600	10,995,600	10,995,600

38. OTHER EQUITY INSTRUMENTS

	1 January 2025		Changes during the year		31 December 2025	
	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount
Issuance of perpetual bonds						
2022 Perpetual bonds with no maturity date (i)	7,000	699,717	–	–	7,000	699,717
2021 Perpetual bonds with no maturity date – Phase 1 (ii)	80,000	7,999,830	–	–	80,000	7,999,830
2021 Perpetual bonds with no maturity date – Phase 2 (iii)	30,000	2,999,460	–	–	30,000	2,999,460
Total	117,000	11,699,007	–	–	117,000	11,699,007

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38. OTHER EQUITY INSTRUMENTS (Continued)

	1 January 2024		Changes during the year		31 December 2024	
	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount	Number of shares (thousand)	Amount
Issuance of perpetual bonds						
2022 Perpetual bonds with no maturity date (i)	7,000	699,717	–	–	7,000	699,717
2021 Perpetual bonds with no maturity date – Phase 1 (ii)	80,000	7,999,830	–	–	80,000	7,999,830
2021 Perpetual bonds with no maturity date – Phase 2 (iii)	30,000	2,999,460	–	–	30,000	2,999,460
Total	117,000	11,699,007	–	–	117,000	11,699,007

- (i) On 26 December 2022, being approved by relevant regulatory authorities in China, the Group issued perpetual bonds in an amount of RMB700 million with no fixed maturity date which the coupon rate of the Bond for the first five years is 4.8% respectively and is subject to adjustment every five years. The perpetual bonds were successfully issued on 28 December 2022.
- (ii) On 25 June 2021, being approved by relevant regulatory authorities in China, the Group issued perpetual bonds in an amount of RMB8,000 million with no fixed maturity date which the coupon rate of the Bond for the first five years is 4.8% and is subject to adjustment every five years.
- (iii) On 12 November 2021, being approved by relevant regulatory authorities in China, the Group issued perpetual bonds in an amount of RMB3,000 million with no fixed maturity date which the coupon rate of the Bond for the first five years is 5.0% respectively and is subject to adjustment every five years. The perpetual bonds were successfully issued on 16 November 2021.

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38. OTHER EQUITY INSTRUMENTS (Continued)

These perpetual bonds will continue indefinitely until redeemed by the Bank in accordance with their terms. The Bank is entitled to redeem the perpetual bonds at fully or partially written down of par value on the fifth and each of the subsequent interest payment dates of the perpetual bonds if the Bank fulfilled the conditions in their terms. These perpetual bonds have no accumulated interest and the Bank can elect to defer or cancel payment of interest due pursuant to their terms, the aforesaid deferral or cancellation of interest shall not constitute a default by the Bank.

The perpetual bonds are classified as equity instruments as they do not include any contractual obligation:

- to deliver cash or another financial asset to another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

During the year ended 31 December 2025, RMB568 million interest payment was paid by the Group to the holders of perpetual bonds. During the year ended 31 December 2024, RMB568 million interest payment was paid by the Group to the holders of perpetual bonds.

39. CAPITAL RESERVES

	Share premium	Other Capital reserves	Total
At 1 January 2024, 31 December 2024 and 1 January 2025	7,420,764	236,520	7,657,284
Increase/(decrease) during the year	204,229	(270,043)	(65,814)
At 31 December 2025	7,624,993	(33,523)	7,591,470

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40. COMPONENTS OF OTHER COMPREHENSIVE INCOME

Other comprehensive income in the consolidated statement of financial position:

	Gains/(losses) on debt instruments at fair value through other comprehensive income	Gains/(losses) on equity instruments at fair value through other comprehensive income	Subtotal	Other comprehensive income attributable to non-controlling income	Total
At 1 January 2024	470,269	(164,947)	305,322	–	305,322
Other comprehensive income after tax	1,310,103	(104,491)	1,205,612	–	1,205,612
Other comprehensive income in the previous period and transferred to retained earnings in the current year	–	(32,688)	(32,688)	–	(32,688)
At 31 December 2024 and 1 January 2025	1,780,372	(302,126)	1,478,246	–	1,478,246
Other comprehensive income after tax	(1,300,384)	(82,769)	(1,383,153)	3	(1,383,150)
Other comprehensive income in the previous period and transferred to retained earnings in the current year	–	–	–	–	–
At 31 December 2025	479,988	(384,895)	95,093	3	95,096

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40. COMPONENTS OF OTHER COMPREHENSIVE INCOME (Continued)

Transactions of other comprehensive income in the consolidated statement of comprehensive income:

For the year ended 31 December 2025	Amount before tax	Income tax	Amount after tax holders of the Bank	Amount after tax attributable to non-controlling interests	Total
Items that will not be reclassified to profit or loss					
Changes in fair value of equity instruments designated at fair value through other comprehensive income	(110,358)	27,589	(82,769)	-	(82,769)
Items that may be reclassified to profit or loss in subsequent years					
Changes in fair value of debt instruments measured at fair value through other comprehensive income	(956,989)	239,247	(717,742)	3	(717,739)
Allowance for impairment losses on debt instruments at fair value through other comprehensive income	46,934	(11,734)	35,200	-	35,200
Other comprehensive income in the previous period and transferred to profit or loss in the current period	(823,790)	205,948	(617,842)	-	(617,842)
Total	(1,844,203)	461,050	(1,383,153)	3	(1,383,150)

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40. COMPONENTS OF OTHER COMPREHENSIVE INCOME (Continued)

Transactions of other comprehensive income in the consolidated statement of comprehensive income:
(Continued)

For the year ended 31 December 2024	Amount before tax	Income tax	Amount after tax holders of the Bank	Amount after tax attributable to non-controlling interests	Total
Items that will not be reclassified to profit or loss					
Changes in fair value of equity instruments designated at fair value through other comprehensive income	(150,216)	45,725	(104,491)	-	(104,491)
Items that may be reclassified to profit or loss in subsequent years					
Changes in fair value of debt instruments measured at fair value through other comprehensive income	1,905,233	(476,308)	1,428,925	-	1,428,925
Allowance for impairment losses on debt instruments at fair value through other comprehensive income	(2,735)	683	(2,052)	-	(2,052)
Other comprehensive income in the previous period and transferred to profit or loss in the current period	(155,695)	38,925	(116,770)	-	(116,770)
Total	1,596,587	(390,975)	1,205,612	-	1,205,612

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41. SURPLUS RESERVES

	Statutory surplus reserves	Discretionary surplus reserves	Total
At 1 January 2024	3,930,064	26,186	3,956,250
Appropriation during the year	61,290	–	61,290
At 31 December 2024 and 1 January 2025	3,991,354	26,186	4,017,540
Appropriation during the year	115,868	–	115,868
At 31 December 2025	4,107,222	26,186	4,133,408

Under the Company Law of the People's Republic of China, the Bank is required to appropriate 10% of its net profit to the statutory surplus reserve. The appropriation to the statutory surplus reserve may cease when the balance of such reserve has reached 50% of the share capital. Subject to the approval of the shareholders, the statutory surplus reserve can be used for replenishing the accumulated losses or increasing the Bank's share capital. The statutory surplus reserve amount used to increase the share capital is limited to a level where the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the share capital.

After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year to the discretionary surplus reserve upon approval by the shareholders in general meetings. Subject to the approval by the shareholders, the discretionary surplus reserve may be used to offset accumulated losses of the Bank, if any, and may be converted into capital.

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42. GENERAL AND REGULATORY RESERVES

	Year ended 31 December	
	2025	2024
Balance as at the beginning of the year	9,197,649	8,230,272
Increase during the year (i)	1,099,527	967,377
Balance as at the end of the year	10,297,176	9,197,649

(i) For the year ended 31 December 2025, the appropriation made by the Group in the amount of RMB1,099,527 thousand (For the year ended 31 December 2024: RMB967,377 thousand).

From 1 July 2012, according to the requirements of the Administrative Measures for the Provision of Reserves of Financial Enterprises (No. 20 [2012] of the Ministry of Finance (“MOF”)), the Group is required to maintain a general reserve within equity, through the appropriation of profit, which should not be less than 1.5% of the year-end balance of its risk assets.

43. UNDISTRIBUTED PROFITS

	Year ended 31 December	
	2025	2024
Balance as at the beginning of the year	18,116,609	18,760,522
Net profit for the year attributable to equity holders of the Bank	1,145,550	919,666
Net of: Appropriation to statutory surplus reserves	(115,868)	(61,290)
Appropriation to general and regulatory reserves	(1,099,527)	(967,377)
Distribution of interests of perpetual bonds	(567,600)	(567,600)
Transfer of losses on disposal of financial asset at fair value through other comprehensive income to retained earnings	–	32,688
Balance as at the end of the year	17,479,164	18,116,609

As approved by the equity holders of the Group at the 2024 Annual General Meeting held in May 2025, the Bank did not distribute any cash dividends for the year ended 31 December 2024.

As approved by the equity holders of the Group at the 2023 Annual General Meeting held in May 2024, the Bank did not distribute any cash dividends for the year ended 31 December 2023.

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44. CASH AND CASH EQUIVALENTS

On the consolidated statement of cash flows, cash and cash equivalents with an original maturity of less than three months are as follows:

	As at 31 December	
	2025	2024
Cash on hand (note 19)	833,985	815,789
Balances with the central bank (note 19)	62,039,118	60,412,232
Due from banks and other financial institutions	11,608,021	14,641,101
Reverse repurchase agreements	–	149,994
Total	74,481,124	76,019,116

45. DISPOSAL OF A SUBSIDIARY

(a) Information about the subsidiary being disposed of:

On 15 August 2025, Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd., a subsidiary of the Bank, received the “Approval of the Jiangsu Office of the NFRA on the Change in Equity Interest and Qualifications of Relevant Shareholder of Rudong Rongxing Village and Township Bank” (Su Jin Fu [2025] No. 277) (《江蘇金融監管局關於如東融興村鎮銀行變更股權及有關股東資格的批覆》(蘇金復[2025]277號)) issued by the Jiangsu Office of the NFRA, which approves the shareholder qualification of Jiangsu Changshu Rural Commercial Bank Co., Ltd. in Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd., and consents to the transfer of 80% equity interest in Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd. by the Bank to Jiangsu Changshu Rural Commercial Bank Co., Ltd. Upon completion of the equity transfer, Jiangsu Rudong Rongxing Village and Township Bank Co., Ltd. will cease to be consolidated within the Group.

During the year, the Bank disposed of a subsidiary for a total disposal consideration of RMB122,273 thousand.

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45. DISPOSAL OF A SUBSIDIARY (Continued)

(b) **The financial information of a subsidiary disposed of by the Group at the date of disposal is as follows:**

Total assets	531,806
Total liabilities	371,238
Non-controlling interests	34,750
Net assets disposed	125,818
Total consideration	122,273
Losses on disposal of a subsidiary (note 9)	(3,545)

(c) **An analysis of the cash flows in respect of the disposal of a subsidiary is as follows:**

Cash received from disposal of subsidiary in current year	122,273
Cash and cash equivalents of subsidiary disposed of	405,429
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(283,156)

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46. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital commitments

During the reporting period, the Group had capital commitments as follows:

	As at 31 December	
	2025	2024
Contracted, but not provided for	169,311	181,222
Approved, but not contracted	536	658
Total	169,847	181,880

(b) Credit commitments

At any given time, the Group has outstanding commitments to extend credit. These commitments are in the form of approved loans and undrawn credit card limits.

The Group provides letters of credit and financial guarantees to guarantee the performance of customers to third parties.

Bank acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers.

The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

The contractual amounts of credit commitments by category are set out below. The amounts disclosed in respect of credit commitments and the undrawn credit card limit are under the assumption that the amounts will be fully advanced. The amounts for bank acceptances, letters of credit and guarantees represent the maximum potential losses that would be recognised at the end of the reporting period had the counterparties failed to perform as contracted.

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46. COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

(b) Credit commitments (Continued)

	As at 31 December	
	2025	2024
Bank bill acceptances	7,906,367	7,332,781
Letters of guarantee issued	2,755,429	192,871
Letters of credit	2,072,925	1,377,163
Undrawn credit card limits	12,960,673	15,372,335
Total	25,695,394	24,275,150

Credit risk-weighted amount of financial guarantees and credit related commitments

	As at 31 December	
	2025	2024
Financial guarantees and credit related commitments	5,117,086	5,214,695

The credit risk-weighted amount of financial guarantees and credit related commitments refers to the amount as computed in accordance with the formula promulgated by the NFRA and depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100% for contingent liabilities and commitments.

(c) Legal proceedings

As at 31 December 2025, significant legal proceedings exceeding RMB10,000 thousand outstanding against the Group (for itself or as a third party) were Nil (As at 31 December 2024: RMB29,665 thousand). As at 31 December 2025, the Group expects that there will be no loss caused by these litigations and no provisions were made (As at 31 December 2024: Nil).

(d) Redemption commitments of government bonds

As an underwriting agent of the government, the Bank underwrites certain PRC government bonds and sells the bonds to the general public. The Group is obliged to redeem these bonds at the discretion of the holders at any time prior to maturity. The redemption price for the bonds is based on the nominal value of the bonds plus any interest accrued up to the redemption date. As at 31 December 2025, the Bank had no underwritten and sold bonds (As at 31 December 2024: RMB194 million) to the general public, and these government bonds have not yet matured nor been redeemed. Management expects that the amount of redemption of these government bonds through the Bank prior to maturity will not be material. The MOF will not provide funding for the early redemption of these government bonds on a back-to-back basis but is obliged to repay the principal and the respective interest upon maturity.

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47. FIDUCIARY ACTIVITIES

	As at 31 December	
	2025	2024
Designated funds	1,889,721	2,208,747
Designated loans	1,889,721	2,208,747

The designated funds represent the funding that the trustors have instructed the Group to use to grant loans to third parties as designated by them. The credit risk remains with the trustors.

The designated loans represent the loans granted to specific borrowers designated by the trustors on their behalf according to the entrusted agreements signed by the Group and the trustors. The Group does not bear any risk.

48. TRANSFERS OF FINANCIAL ASSETS

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to special purpose entities. In some cases where these transferred financial assets qualify for derecognition, the transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

Repurchase agreements

Transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase. The counterparties are allowed to sell or repledge those securities in the absence of default by the Group, but have an obligation to return the securities at the maturity of the contract. If the securities increase or decrease in value, the Group may in certain circumstances require or be required to pay additional cash collateral. The Group has determined that the Group retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, the Group recognised a financial liability for cash received as collateral.

As at 31 December 2025 and 2024, none of the above-mentioned financial assets or financial liabilities which did not qualify for derecognition was transferred to third parties.

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48. TRANSFERS OF FINANCIAL ASSETS (Continued)

Securitisation of credit assets

The Group enters into securitisation of credit assets in the normal course of business by which it transfers credit assets to special purpose entities which in turn issue asset-backed securities to investors. The Group may acquire some subordinated tranches of securities and accordingly may retain part of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets. With respect to the credit assets that were securitised and qualified for derecognition, the Group derecognised the transferred credit assets in their entirety.

For the year ended 31 December 2025, the Group neither transferred nor retained substantially all the risks (mainly including the credit risk, early repayment risk and interest rate risk of the transferred assets) and rewards of the ownership and retained the control in these financial assets (For the year ended 31 December 2024: Nil).

As at 31 December 2025, the Group recognised the securitised credit assets with an original value of RMB1,200,000 thousand (As at 31 December 2024: RMB550,000 thousand) and recognised RMB899,717 thousand of payable of asset-backed securities as debt securities issued (As at 31 December 2024: RMB411,811 thousand).

49. INTERESTS IN STRUCTURED ENTITIES

The Group is principally involved with structured entities through financial investments, asset management and credit asset transfers. These structured entities generally finance the purchase of assets by issuing securities or by other means. The Group determines whether or not to consolidate these structured entities depending on the Group's controls on them.

Structured entities consolidated by the Group include certain securitisation products issued, managed and invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has right to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns. As at 31 December 2025, the consolidated structured entities amounted to RMB1,271,750 thousand (As at 31 December 2024: RMB567,312 thousand).

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49. INTERESTS IN STRUCTURED ENTITIES (Continued)

The interests held by the Group in the unconsolidated structured entities are set out below:

49.1 Structured entities managed by the Group

Wealth management products

When conducting the wealth management business, the Group has established various structured entities to provide customers with specialised investment opportunities within narrow and well-defined objectives. As at 31 December 2025, the balance of the unconsolidated wealth management products issued by the Group amounted to RMB32,566,944 thousand (As at 31 December 2024: RMB32,960,652 thousand). For the year ended 31 December 2025, fee and commission income from the wealth management business that amounted to RMB157,094 thousand (For the year ended 31 December 2024: RMB146,297 thousand).

For the purpose of asset-liability management, wealth management products may trigger short-term financing needs for the Group and other banks. However, the Group is not contractually obliged to provide financing. For the year ended 31 December 2025, the Group did not provide any financing to the unconsolidated wealth management products (For the year ended 31 December 2024: Nil).

49.2 Structured entities sponsored by other financial institutions

The Group has invested in some structured entities which are issued or managed by other institutions and are out of the consolidation scope, and the Group recognises its investment income. These structured entities include trust fund plans and asset management plans, funds, etc. These structured entities' nature and purpose are to earn management fees by managing the investors' assets, and the way of financing is to issue investment products to investors. For the years ended 31 December 2025 and 2024, the Group has not provided liquidity support for those kinds of structured entities.

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49. INTERESTS IN STRUCTURED ENTITIES (Continued)

49.2 Structured entities sponsored by other financial institutions (Continued)

As at 31 December 2025, the interests held by the Group in the structured entities sponsored by third party financial institutions through direct investments are set out below:

	As at 31 December 2025			
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total	Maximum exposure to loss
Trust investments and asset management plans	47,057,264	42,118,780	89,176,044	78,813,230
Funds	34,238,144	–	34,238,144	34,238,144
	As at 31 December 2024			
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total	Maximum exposure to loss
Trust investments and asset management plans	39,537,565	56,184,703	95,722,268	88,281,942
Funds	41,360,944	–	41,360,944	41,360,944

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50. ASSETS PLEDGED AS SECURITY

Financial assets of the Group including securities and finance lease receivables have been pledged as security for liabilities or contingent liabilities, and mainly arise from repurchase agreements, fixed deposits, due to the central bank and debt securities lending and borrowing agreements. As at 31 December 2025, the carrying value of the financial assets of the Group pledged as security amounted to approximately RMB132,101 million (As at 31 December 2024: approximately RMB48,418 million).

51. RELATED PARTY DISCLOSURES

(a) Significant related party disclosures

(i) Shareholders of the Bank with ownership of 5% or above

Name	Share percentage in the Bank As at 31 December	
	2025 %	2024 %
Harbin Economic Development and Investment Company Limited	29.63	29.63
Heilongjiang Financial Holdings Group Co., Ltd.	18.52	18.52
Fubon Life Insurance Company Limited	6.60	6.60

(ii) Subsidiaries of the Bank

Details of the subsidiaries of the Bank are set out in note 1.

(iii) Directors, Supervisors and senior management personnel of the Group and their close family members.

(iv) Entities controlled or jointly controlled by the Directors, Supervisors and senior management personnel of the Group and their close family members.

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51. RELATED PARTY DISCLOSURES (Continued)

(b) Related party transactions

1. Transactions between the Group and related parties

(i) Transactions between the Group and shareholders of the Group with ownership of 5% or above

	Year ended 31 December			
	2025		2024	
	Amount	Interest rate	Amount	Interest rate
Interest expense on due to customers				
Heilongjiang Financial Holdings Group Co., Ltd.	24,489	0.05-2.30%	38,184	0.20-2.30%
Harbin Economic Development and Investment Company Limited	8	0.05%	11	0.20%

(ii) Transactions between the Group and key management personnel or their close family members

	Year ended 31 December			
	2025		2024	
	Amount	Interest rate	Amount	Interest rate
Interest income	170	0.00-18.00%	216	0.00-5.39%
Interest expense	350	0.00-3.25%	464	0.00-4.18%

(iii) Transactions between the Bank and its subsidiaries

	Year ended 31 December			
	2025		2024	
	Amount	Interest rate	Amount	Interest rate
Interest income	266,705	1.82-2.31%	617,729	1.80-2.90%
Interest expense	88,193	0.00-2.30%	207,968	0.00-2.45%
Other operating income	18,973	N/A	1,570	N/A

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51. RELATED PARTY DISCLOSURES (Continued)

(b) Related party transactions (Continued)

1. Transactions between the Group and related parties (Continued)

(iv) Transactions between the Group and entities that are controlled or jointly controlled or significantly influenced by the Directors, Supervisors and senior management personnel of the Group or their close family members

	Year ended 31 December			
	2025		2024	
	Amount	Interest rate	Amount	Interest rate
Interest expense on due to customers				
Harbin Investment Group Corporation Limited	703	0.05-0.60%	–	–
Harbin Hatou Investment Co., Ltd.	45	0.45-0.60%	–	–
Heilongjiang Credit Corporation	55	0.60%	–	–

(v) Transactions with other related parties

	Year ended 31 December	
	2025	2024
Emoluments of key management personnel and their close family members	21,369	27,037

In the opinion of the management of the Group, the transactions above with related parties were conducted based on general business terms and conditions, general market prices for the pricing and according to the normal business procedures.

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51. RELATED PARTY DISCLOSURES (Continued)

(b) Related party transactions (Continued)

2. Balances with related parties

(i) Balances between the Group and shareholders of the Group with ownership of 5% or above

	As at 31 December			
	2025		2024	
	Balance	Interest rate	Balance	Interest rate
Due to customers				
Heilongjiang Financial Holdings Group Co., Ltd.	1,256,753	0.05-2.30%	1,050,754	0.20-2.30%
Harbin Economic Development and Investment Company Limited	20	0.05%	2,012	0.20%

(ii) Balances between the Group and key management personnel or their close family members

	As at 31 December			
	2025		2024	
	Balance	Interest rate	Balance	Interest rate
Loans and advances to customers	3,835	0.00-18.00%	4,693	0.00-5.39%
Due to customers	22,767	0.00-3.25%	23,910	0.00-4.18%

(iii) Balances between the Group and its subsidiaries

	As at 31 December			
	2025		2024	
	Balance	Interest rate	Balance	Interest rate
Due from banks and other financial institutions	11,690,000	1.82-2.31%	13,011,161	1.80-2.90%
Due to banks and other financial institutions	3,879,249	0.00-2.30%	7,804,743	0.00-2.45%
Due to customers	71,109	0.99%	65,130	0.99%
Other assets	86,131	N/A	58,779	N/A
Other liabilities	103,625	N/A	53,566	N/A

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52. SEGMENT INFORMATION

(a) Operating segments

For management purposes, the Group is organised into four different operating segments as follows according to products and services:

Corporate financial business

Corporate financial business covers the provision of financial products and services to corporate customers. The products and services include deposits, loans, settlement and clearing and other products and services relating to the trading business.

Retail financial business

Retail financial business covers the provision of financial products and services to retail customers. The products and services include deposits, bank cards and credit cards, personal loans and collateral loans, and personal wealth management services.

Interbank financial business

Interbank financial business covers money market placements, investments and repurchasing, foreign exchange transactions for the Group's own accounts or on behalf of customers.

Other business

This represents businesses other than the corporate financial business, retail financial business and interbank financial business, whose assets, liabilities, income and expenses are not directly attributable or cannot be allocated to a segment on a reasonable basis.

The transfer prices among segments are determined by the capital sources and due time which should match with the level of lending and deposit rates and interbank market rates announced by the People's Bank of China (the "PBOC"). Expenses are distributed among different segments according to their benefits.

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52. SEGMENT INFORMATION (Continued)

(a) Operating segments (Continued)

	Corporate financial business	Retail financial business	Interbank financial business	Other business	Total
Year ended 31 December 2025					
External net interest income/ (expense)	7,277,324	(4,647,339)	7,216,960	(7,853)	9,839,092
Internal net interest (expense)/ income	(1,813,864)	9,862,981	(8,049,117)	–	–
Net fee and commission income	108,753	106,307	225,464	–	440,524
Other income, net (i)	1,294	1,538	4,257,554	5,993	4,266,379
Operating income	5,573,507	5,323,487	3,650,861	(1,860)	14,545,995
Operating expenses	(1,012,730)	(3,966,521)	(445,558)	(30,594)	(5,455,403)
Credit impairment losses on:	–	–	–	–	–
Loans and advances to customers	(2,554,943)	(2,272,149)	–	–	(4,827,092)
Other credit impairment losses	(572,461)	(62,247)	(3,040,044)	971	(3,673,781)
Other assets impairment losses	(56,714)	–	–	–	(56,714)
Operating profit/(loss)	1,376,659	(977,430)	165,259	(31,483)	533,005
Profit/(loss) before tax	1,376,659	(977,430)	165,259	(31,483)	533,005
Income tax credit					731,547
Profit for the year					1,264,552
Other segment information:					
Depreciation and amortisation	106,128	538,967	8,072	–	653,167
Capital expenditure	17,529	174,145	2,256	332	194,262
As at 31 December 2025					
Segment assets	335,990,568	203,447,613	479,753,954	147,902	1,019,340,037
Segment liabilities	223,243,497	541,407,246	188,371,917	1,534,622	954,557,282
Other segment information:					
Credit commitments	12,734,722	12,960,672	–	–	25,695,394

(i) Includes net trading income/loss, net gain/loss on financial investments and other net operating income/loss.

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52. SEGMENT INFORMATION (Continued)

(a) Operating segments (Continued)

	Corporate financial business	Retail financial business	Interbank financial business	Other business	Total
<u>Year ended 31 December 2024</u>					
External net interest income/ (expense)	6,662,973	(5,240,703)	8,431,212	(16,539)	9,836,943
Internal net interest (expense)/ income	(1,444,443)	11,605,111	(10,160,668)	-	-
Net fee and commission income	94,535	79,285	193,680	-	367,500
Other income, net (i)	2,028	3,506	3,939,347	93,936	4,038,817
Operating income	5,315,093	6,447,199	2,403,571	77,397	14,243,260
Operating expenses	(949,026)	(3,890,632)	(558,988)	(17,104)	(5,415,750)
Credit impairment losses on:					
Loans and advances to customers	(3,832,045)	(2,605,110)	-	-	(6,437,155)
Other credit impairment losses	(181,747)	(487,442)	(953,294)	(13,460)	(1,635,943)
Other assets impairment loss	(102,984)	-	-	-	(102,984)
Operating profit/(loss)	249,291	(535,985)	891,289	46,833	651,428
Profit/(loss) before tax	249,291	(535,985)	891,289	46,833	651,428
Income tax credit					430,927
Profit for the year					1,082,355
Other segment information:					
Depreciation and amortisation	102,539	605,884	8,301	-	716,724
Capital expenditure	39,652	345,554	5,133	733	391,072
<u>As at 31 December 2024</u>					
Segment assets	305,545,441	198,474,725	410,698,916	1,512,847	916,231,929
Segment liabilities	203,682,546	520,526,078	124,892,335	1,534,622	850,635,581
Other segment information:					
Credit commitments	8,902,815	15,372,335	-	-	24,275,150

(i) Includes net trading income/loss, net gain/loss on financial investments and other net operating income/loss.

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52. SEGMENT INFORMATION (Continued)

(b) Geographical information

The Group operates principally in Mainland China.

The distribution of the geographical areas is as follows:

Heilongjiang region:	Including Head Office, Harbin, Shuangyashan, Jixi, Hegang, Suihua, Daqing, Qitaihe, Mudanjiang, Jiamusi, Qiqihar, Yichun, Nongken, Harbin Bank Financial Leasing Co., Ltd. and Harbin Bank Consumer Finance Co., Ltd. as well as village and township banks operating within Heilongjiang.
Other regions in Northeastern China:	Including Dalian, Shenyang, as well as village and township banks operating in Northeastern China excluding those in Heilongjiang.
Southwestern China:	Including Chengdu, Chongqing, as well as village and township banks operating in Southwestern China and mainly located in Sichuan and Chongqing.
Other regions:	Including Tianjin as well as village and township banks operating in regions other than those listed above.

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52. SEGMENT INFORMATION (Continued)

(b) Geographical information (Continued)

	Mainland China				Total
	Heilongjiang region	Other regions in Northeastern China	Southwestern China	Other regions	
<u>Year ended 31 December 2025</u>					
External net interest income/ (expense)	7,059,463	(66,366)	2,292,577	553,418	9,839,092
Internal net interest income/ (expense)	114,873	27,536	16,895	(159,304)	-
Net fee and commission income	335,281	29,071	59,551	16,621	440,524
Other income, net (i)	4,227,280	8,351	3,050	27,698	4,266,379
Operating income	11,736,897	(1,408)	2,372,073	438,433	14,545,995
Operating expenses	(4,084,334)	(450,965)	(464,297)	(455,807)	(5,455,403)
Impairment losses on:					
Loans and advances to customers	(1,922,834)	(1,131,180)	(718,250)	(1,054,828)	(4,827,092)
Other credit impairment losses	(3,674,091)	-	310	-	(3,673,781)
Other assets impairment losses	(56,714)	-	-	-	(56,714)
Operating profit/(loss)	1,998,924	(1,583,553)	1,189,836	(1,072,202)	533,005
Profit/(loss) before tax	1,998,924	(1,583,553)	1,189,836	(1,072,202)	533,005
Income tax credit					731,547
Profit for the year					1,264,552
Other segment information:					
Depreciation and amortisation	471,892	58,698	78,172	44,405	653,167
Capital expenditure	72,422	42,228	46,206	33,406	194,262
<u>As at 31 December 2025</u>					
Segment assets	781,007,689	65,189,594	128,401,079	44,741,675	1,019,340,037
Segment liabilities	743,896,560	63,149,373	104,109,678	43,401,671	954,557,282
Other segment information:					
Credit commitments	19,687,543	1,643,291	3,236,718	1,127,842	25,695,394

(i) Includes net trading income/loss, net gain/loss on financial investments and other net operating income/loss.

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52. SEGMENT INFORMATION (Continued)

(b) Geographical information (Continued)

	Mainland China				Total
	Heilongjiang region	Other regions in Northeastern China	Southwestern China	Other regions	
<u>Year ended 31 December 2024</u>					
External net interest income/ (expense)	6,603,905	(17,783)	2,407,318	843,503	9,836,943
Internal net interest income/(expense)	33,022	106,516	84,364	(223,902)	–
Net fee and commission income	304,136	11,778	34,016	17,570	367,500
Other income, net (i)	4,051,605	4,874	(245)	(17,417)	4,038,817
Operating income	10,992,668	105,385	2,525,453	619,754	14,243,260
Operating expenses	(4,133,254)	(332,229)	(488,126)	(462,141)	(5,415,750)
Impairment losses on:					
Loans and advances to customers	(3,439,220)	(653,653)	(746,109)	(1,598,173)	(6,437,155)
Other credit impairment losses	(1,636,195)	–	–	252	(1,635,943)
Other assets impairment losses	(102,614)	–	–	(370)	(102,984)
Operating profit/(loss)	1,681,385	(880,497)	1,291,218	(1,440,678)	651,428
Profit/(loss) before tax	1,681,385	(880,497)	1,291,218	(1,440,678)	651,428
Income tax credit					430,927
Profit for the year					1,082,355
Other segment information:					
Depreciation and amortisation	524,041	49,672	92,099	50,912	716,724
Capital expenditure	246,060	75,542	36,957	32,513	391,072
<u>As at 31 December 2024</u>					
Segment assets	722,960,802	49,761,783	91,955,660	51,553,684	916,231,929
Segment liabilities	674,189,286	50,184,483	75,950,341	50,311,471	850,635,581
Other segment information:					
Credit commitments	19,154,518	1,318,416	2,436,324	1,365,892	24,275,150

(i) Includes net trading income/loss, net gain/loss on financial investments and other net operating income/loss.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT

A description and an analysis of the major risks faced by the Group are as follows:

The Board has the ultimate responsibility for risk management and oversees the Group's risk management functions through the Risk Management Committee and the Audit Committee of the Board.

The President supervises the risk management strategies and reports directly to the Board. He chairs two management committees including the Risk Management Committee and the Asset and Liability Management Committee. These two committees formulate and make recommendations in respect of risk management strategies and policies through the President to the Risk Management Committee of the Board. The other senior management personnel assists the President to supervise and manage various risks.

The Group has also assigned departments to monitor financial risks within the Group, including the Risk Management Department to monitor market risk, credit risk and operational risk as well as the Asset and Liability Management department together with the Risk Management Department to monitor liquidity risk. The Risk Management Department is primarily responsible for coordinating and establishing a comprehensive risk management framework, preparing consolidated reports on credit risk, market risk, liquidity risk and operational risk and reporting directly to the other senior management personnel.

The Group maintains a dual-reporting line structure at the branch level for risk management purposes. Under this structure, the risk management departments of the branches report to both the corresponding risk management departments at the head office and management of the relevant branches.

(a) Credit risk

Credit risk is the risk of loss arising from a borrower's or counterparty's inability to meet its obligations. Credit risk can also arise from operational failures that result in an unauthorised or inappropriate guarantee, commitment or investment of funds. Credit risk affecting the group is primarily due to loans, debt instruments, guarantees, commitment as well as other risks both on and off the statement of financial position.

The principal features of the Group's credit risk management function include:

- Centralised credit management procedures;
- Risk management rules and procedures that focus on risk control throughout the entire credit business process, including customer investigation and credit rating, granting of credit limits, loan evaluation, loan review and approval, granting of loan and post-disbursement loan monitoring;
- A stringent qualification system for the loan approval officers; and
- Information management systems designed to enable a real time risk monitoring.

To enhance the credit risk management practices, the Group also launches training programs periodically for credit officers at different levels.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

Risk concentration

Credit risk is often greater when counterparties are concentrated in one single industry, or geographic location or have comparable economic characteristics.

(i) *Credit risk measurement*

Measurement of ECLs

The ECL is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the difference between all receivable contractual cash flows according to the contract and all cash flows expected to be received by the Group discounted to present value at the original effective interest rate, i.e. the present value of all cash shortfalls.

According to the changes of credit risk of financial instruments since initial recognition, the Group calculates the ECL by three stages:

- Stage 1: The financial instruments without significant increases in credit risk after initial recognition are included in Stage 1 to calculate their impairment allowance at an amount equivalent to the ECL of the financial instrument for the next 12 months;
- Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition but have no objective evidence of impairment are included in Stage 2, with their impairment allowance measured at an amount equivalent to the ECL over the lifetime of the financial instruments; and
- Stage 3: Financial assets with objective evidence of impairment at the financial reporting date are included in Stage 3, with their impairment allowance measured at the amount equivalent to the ECL for the lifetime of the financial instruments.

For the previous accounting period, the impairment allowance has been measured at the amount equivalent to the ECL over the entire lifetime of the financial instrument. However, at the financial reporting date of the current period, if the financial instrument no longer belongs to the situation of there being a significant increase in credit risk since initial recognition, the Group will measure the impairment allowance of the financial instruments at the financial reporting date of the current period according to the ECL in the next 12 months.

For credit-impaired financial assets that have been purchased or owned, the Group only recognises the accumulated amount equivalent to the ECL for the lifetime as impairment allowance since the initial recognition at the financial reporting date. The Group recognises the amount of the change to the ECL for the lifetime as an impairment loss or gain in profit on each financial reporting date.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Credit risk measurement (Continued)

Measurement of ECLs (Continued)

The Group shall measure the ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- 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 condition.

When measuring the ECL, an entity need not necessarily identify every possible scenario. However, the Group shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of the occurrence of a credit loss is very low.

The Group conducts an assessment of ECLs according to forward-looking information and uses complex models and assumptions in its expected measurement of credit losses. These models and assumptions relate to the future macroeconomic conditions and borrower's creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group adopts judgement, assumptions and estimation techniques in order to measure ECLs according to the requirements of accounting standards such as:

- Criteria for judging a significant increase in credit risk;
- Definition of credit-impaired financial assets;
- Models and parameters for measuring ECLs;
- Forward-looking information; and
- Individual impairment assessment.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Credit risk measurement (Continued)

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each financial reporting date. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, external credit risk rating, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments at the financial reporting date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria

- At the reporting date, the rating or the Probability of Default (“PD”) of the financial instruments reaches a certain extent, compared with the one at initial recognition; and
- The debtors’ contractual payment (including principal and interest) are overdue more than 30 days.

Qualitative criteria

- The operating or financial condition of the debtor which is highly likely to lead to significant adverse effects;
- Be classified into the Special Mention category; and
- The list of pre-warning debtors.

Upper limit criteria

- Debtor contract payments (including principal and interest) are overdue for more than 30 days.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) *Credit risk measurement (Continued)*

Definition of credit-impaired financial asset

The method adopted by the Group to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives of the relevant financial instrument, and takes into account quantitative and qualitative criteria. When the Group assesses whether a credit impairment of a debtor occurs, the following main factors are considered:

- The issuer or the debtor encounters significant financial difficulty;
- The debtor is in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments overdue;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, has granted to the debtor a concession that the creditor would not otherwise consider; and
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- An active market for that financial asset disappears because of financial difficulties of the issuer or the debtor;
- The purchase or origination of a financial asset at a deep discount reflects the incurred credit losses; and
- Any principal, advances, interest and corporate bond investments held by debtors are overdue for more than 90 days.

The credit impairment of a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Credit risk measurement (Continued)

Parameters of ECL measurement

Depending on whether there is a significant increase in credit risk and whether there is an impairment of assets, the Group measures the impairment loss for different assets with ECLs of 12 months or the entire lifetime respectively. The key measuring parameters of ECLs include the PD, Loss Given Default (“LGD”) and Exposure at Default (“EAD”). Based on the current New Basel Capital Accord used in risk management and the requirements of IFRS 9, the Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collateral and repayments) and forward-looking information in order to establish the model of PD, LGD and EAD.

Relative definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group’s PD is adjusted based on the results of the Internal Rating-Based Approach under the New Basel Capital Accord, taking into account the forward-looking information and deducting the prudential adjustment to reflect the debtor’s point-in-time (PIT) PD under the current macroeconomic environment;
- LGD refers to the Group’s expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collateral, the LGD varies. LGD is expressed as a percentage loss per unit of exposure at the time of default and is calculated on a 12-month or lifetime basis; and
- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Credit risk measurement (Continued)

Forward-looking information

The assessment of a significant increase in credit risk and the calculation of ECLs both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECLs of various business types, such as Commodity Price Index, Industrial added value, Consumer Price Index, and Producer Price Index.

The impact of these economic indicators on the PD and the LGD varies according to different types of business. In this process, the Group mainly applies the experts' judgement. According to the result, the Group forecasts these economic indicators regularly and also determines the impact of these economic indicators on the PD and the LGD by conducting regression analysis.

When calculating the weighted average ECL provision, the Group determines the optimistic, neutral and pessimistic scenarios and their weightings through a combination of macro-statistical analysis and expert judgement.

As at 31 December 2025, the Group has taken into account different macro-economic scenarios, made forward-looking forecasts of macro-economic indicators. Of which, the key economic indicator used to estimate ECL is the cumulative year-on-year quarterly growth rate of China's total agricultural output which is 8.87% for 2026.

The Group has carried out sensitivity analysis of macro-economic indicators used in forward-looking measurement. As at 31 December 2025, when the key economic indicators in the neutral scenario moved up or down by 10%, the ECL did not change by more than 5% (As at 31 December 2024: did not change by more than 5%).

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Credit risk measurement (Continued)

Modification of contractual cash flows

The modification or re-negotiation of the contract between the Group and the counterparty does not result in the derecognition of the financial assets but resulted in a change in the contractual cash flows. Such contract modifications include loan extension, modification of the repayment schedule, and change of the settlement method. When the contract modification does not cause substantial changes and does not result in the derecognition of the original assets, the Group assesses the default risk of the modified assets on the reporting date and compares the default risk with the original contract terms under initial confirmation, also recalculates the book value of financial assets and includes the relevant gain or loss in the current profit or loss. The recalculated book value of the financial asset is determined based on the present value of the contractual cash flows that will be re-negotiated or modified based on the discounted to present value at the original effective interest rate.

Collateral

The amount and type of collateral required depend on the assessment of the credit risk of the counterparty. Guidelines are in place specifying the types of collateral and valuation parameters which can be accepted.

Reverse repurchase business is mainly collateralised by bills or investment securities. As part of the reverse repurchase agreements, the Group has received securities that it is allowed to sell or repledge in the absence of default by their owners.

Corporate loans are mainly collateralised by properties or other assets. As at 31 December 2025, the carrying value of corporate loans covered by collateral amounted to RMB77,856 million (As at 31 December 2024: RMB73,256 million).

Personal loans are mainly collateralised by residential properties. As at 31 December 2025, the carrying value of personal loans covered by collateral amounted to RMB31,898 million (As at 31 December 2024: RMB36,161 million).

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(i) Credit risk measurement (Continued)

Collateral (Continued)

The Group prefers more liquid collateral with a relatively stable market value and does not accept the collateral that is illiquid, with difficulties in registration or high fluctuations in market value. The value of collateral should be assessed and confirmed by the Group or valuation agents identified by the Group. The value of collateral should adequately cover the outstanding balance of loans. The loan-to-value ratio depends on types of collateral, usage condition, liquidity, price volatility and realisation cost. All collateral has to be registered in accordance with the relevant laws and regulations. The credit officers inspect the collateral and assess the changes in the value of collateral regularly.

Although collateral can be an important mitigation of credit risk, the Group grants loans based on the assessment of the borrowers' ability to meet obligations out of their cash flows, instead of the value of collateral. The necessity of collateral is dependent on the nature of the loan.

In the event of default, the Group might sell the collateral for repayment. The fair values of collateral of past due but not impaired loans and impaired loans are disclosed in note 53(a) (iv).

The credit business management department monitors the market value of collateral periodically and requests additional collateral in accordance with the underlying agreement when it is considered necessary.

It is the Group's policy to dispose of repossessed assets in an orderly manner. In general, the Group does not occupy repossessed assets for business use.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(ii) *Maximum exposure to credit risk without taking account of any collateral and other credit enhancements*

As at the end of the reporting period, the maximum credit risk exposure of the Group without taking account of any collateral and other credit enhancements is set out below:

	As at 31 December	
	2025	2024
Balances with the central bank	98,441,240	99,058,099
Due from banks and other financial institutions	21,138,574	31,944,199
Reverse repurchase agreements	–	149,994
Loans and advances to customers	394,261,733	362,408,130
Derivative financial assets	271,028	375,304
Financial investments		
– Financial assets at fair value through profit or loss	81,394,079	81,404,795
– Financial assets at fair value through other comprehensive income	79,009,465	66,713,574
– Financial assets at amortised cost	292,849,053	224,800,222
Finance lease receivables	24,102,510	22,755,963
Others	2,062,120	1,660,327
Subtotal	993,529,802	891,270,607
Credit commitments	25,673,633	24,258,966
Total maximum credit risk exposure	1,019,203,435	915,529,573

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(iii) Risk concentrations

By industry distribution

The credit risk exposures of the Group mainly comprise loans and advances to customers, finance lease receivables and investments in debt securities. Details of the composition of the Group's investments in debt securities are set out in note 53(a) (vi) to the consolidated financial statements. The composition of the Group's gross loans and advances to customers by industry is analysed as follows:

	As at 31 December	
	2025	2024
Corporate loans and advances		
Agriculture, forestry, animal husbandry and fishing	1,598,791	1,039,026
Mining	4,852,357	1,720,060
Manufacturing	20,130,721	11,972,546
Production and supply of electricity, gas and water	17,067,121	11,559,167
Construction	21,853,342	14,026,622
Wholesale and retail	49,334,723	36,931,246
Transportation, storage and postal services	5,244,765	3,045,151
Lodging and catering	2,983,168	3,258,177
Information transmission, software and information technology services	2,210,088	465,314
Finance	242,425	49,750
Real estate	28,149,457	28,920,677
Leasing and commercial services	90,249,724	80,945,198
Scientific research and technological services	1,509,374	1,131,639
Water, environment and public utility management	10,638,575	9,015,886
Resident services and other services	615,604	299,896
Education	163,614	114,400
Health and social affair	1,183,366	474,453
Culture, sports and entertainment	252,110	435,839
Subtotal	258,279,325	205,405,047
Discounted bills	35,913,882	55,909,003
Personal loans		
Personal business	20,398,690	22,813,177
Mortgages	10,598,745	11,419,075
Personal consumption	69,576,502	69,101,218
Loans to farmers	15,858,285	14,446,386
Subtotal	116,432,222	117,779,856
Total	410,625,429	379,093,906

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(iii) Risk concentrations (Continued)

By geographical distribution

The composition of the Group's gross loans and advances to customers by region:

	As at 31 December	
	2025	2024
Heilongjiang region	236,841,918	233,051,365
Other regions in Northeastern China	41,701,903	37,877,362
Southwestern China	87,090,612	68,211,124
Other regions	44,990,996	39,954,055
Total	410,625,429	379,093,906

By type of guarantees

The composition of the Group's gross loans and advances to customers by type of guarantee:

	As at 31 December	
	2025	2024
Unsecured loans	160,064,042	165,903,190
Guaranteed loans	140,807,035	101,390,267
Loans secured by mortgages	89,378,758	92,715,606
Pledged loans	20,375,594	19,084,843
Total	410,625,429	379,093,906

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(iv) Loans and advances to customers

The total credit risk exposure of loans and advances to customers is summarised as follows:

	As at 31 December	
	2025	2024
Corporate loans and advances		
Neither past due nor impaired	260,802,551	226,165,089
Past due but not impaired	13,258,924	15,933,243
Impaired	20,131,732	19,215,718
Subtotal	294,193,207	261,314,050
Personal loans		
Neither past due nor impaired	95,471,721	99,599,331
Past due but not impaired	3,421,160	2,651,993
Impaired	17,539,341	15,528,532
Subtotal	116,432,222	117,779,856
Total	410,625,429	379,093,906

Neither past due nor impaired

The loans and advances to customers of the Group that are neither past due nor impaired are classified as “Pass” or “Special mention” under the five-tier loan classification system maintained by the Group. The management of the Group considers that these loans are exposed to normal business risk and there was no identifiable objective evidence of impairment for these loans which may incur losses to the Group at the end of the reporting period.

	As at 31 December 2025		
	Pass	Special Mention	Total
Corporate loans and advances	258,832,020	1,970,531	260,802,551
Personal loans	94,337,171	1,134,550	95,471,721
Total	353,169,191	3,105,081	356,274,272

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(iv) Loans and advances to customers (Continued)

Neither past due nor impaired (Continued)

	As at 31 December 2024		
	Pass	Special Mention	Total
Corporate loans and advances	223,889,202	2,275,887	226,165,089
Personal loans	98,717,247	882,084	99,599,331
Total	322,606,449	3,157,971	325,764,420

Past due but not impaired

The following tables present the ageing analysis of each type of loans and advances to customers of the Group that are subject to credit risk which are past due but not impaired as at the end of the reporting period:

Overdue days	As at 31 December 2025			Total
	Within 1 month	1 to 3 months	Over 3 months	
Corporate loans and advances	783,372	12,475,552	–	13,258,924
Personal loans	2,227,430	1,193,730	–	3,421,160
Total	3,010,802	13,669,282	–	16,680,084

Overdue days	As at 31 December 2024			Total
	Within 1 month	1 to 3 months	Over 3 months	
Corporate loans and advances	3,235,168	12,698,075	–	15,933,243
Personal loans	1,445,055	1,206,938	–	2,651,993
Total	4,680,223	13,905,013	–	18,585,236

As at 31 December 2025, the fair values of collateral that the Group holds relating to corporate loans which are past due but not impaired amounted to RMB22,523,612 thousand (As at 31 December 2024: RMB25,458,352 thousand), and the fair value of collateral that the Group holds relating to personal loans which are past due but not impaired amounted to RMB1,895,213 thousand (As at 31 December 2024: RMB1,623,554 thousand).

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(iv) *Loans and advances to customers (Continued)*

Impaired

Impaired loans and advances are defined as those loans and advances which have objective evidence of impairment as a result of one or more events that occurred after initial recognition and that event has an impact on the estimated future cash flows of loans and advances that can be reliably estimated.

	As at 31 December	
	2025	2024
Corporate loans and advances	20,131,732	19,215,718
Personal loans	17,539,341	15,528,532
Total	37,671,073	34,744,250

As at 31 December 2025, the fair value of collateral that the Group holds relating to loans individually determined to be impaired amounted to RMB34,583,121 thousand (As at 31 December 2024: RMB33,749,262 thousand). The collateral mainly consists of land, buildings, equipment and others.

Loans and advances rescheduled

Loans and advances rescheduled represent the loans and advances whose original contract repayment terms have been modified as a result of the deterioration of borrowers' financial conditions or inability to repay the loans and advances according to contractual terms. Forms of loans and advances rescheduled include deferral of payments, borrowing for repayment, deduction of interest or part of the principal, modification of the repayment method, improvement of collateral, changing the type of guarantee, etc. As at 31 December 2025, the gross value of the loans and advances rescheduled held by the Group amounted to RMB22,116 million (As at 31 December 2024: RMB21,238 million).

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(v) Finance lease receivables

	As at 31 December	
	2025	2024
Finance lease receivables, net		
Neither past due nor impaired	24,501,282	23,398,425
Past due but not impaired	40,018	64,857
Impaired	1,131,789	557,760
Subtotal	25,673,089	24,021,042
Less: Allowance for impairment losses	(1,570,579)	(1,265,079)
Net balance	24,102,510	22,755,963

(vi) Financial assets

The following tables represent an analysis of the carrying value of financial assets by credit or issuer rating and credit risk characteristic:

Financial assets at fair value through other comprehensive income

	As at 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
AAA	42,093,120	–	–	42,093,120
AA- to AA+	1,900,967	–	–	1,900,967
A+ or below	–	–	–	–
Unrated	35,015,378	–	–	35,015,378
Total	79,009,465	–	–	79,009,465

	As at 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
AAA	29,222,448	–	–	29,222,448
AA- to AA+	1,880,905	–	–	1,880,905
A+ or below	–	–	–	–
Unrated	35,610,221	–	–	35,610,221
Total	66,713,574	–	–	66,713,574

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(vi) Financial assets (Continued)

Financial assets at amortised cost

	As at 31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
AAA	87,151,919	–	–	87,151,919
AA- to AA+	16,043,865	–	–	16,043,865
A+ or below	400,482	–	–	400,482
Unrated	178,800,098	–	21,080,052	199,880,150
Total	282,396,364	–	21,080,052	303,476,416
Less: Allowance for impairment losses	(1,141,205)	–	(9,486,158)	(10,627,363)
Net balance	281,255,159	–	11,593,894	292,849,053
	As at 31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
AAA	79,542,881	–	–	79,542,881
AA- to AA+	36,565,015	–	–	36,565,015
A+ or below	450,542	–	–	450,542
Unrated	95,158,552	205,400	20,548,029	115,911,981
Total	211,716,990	205,400	20,548,029	232,470,419
Less: Allowance for impairment losses	(591,201)	(78,521)	(7,000,475)	(7,670,197)
Net balance	211,125,789	126,879	13,547,554	224,800,222

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk is the risk that capital will not be sufficient or funds will not be raised at reasonable cost in a timely manner for the repayment of debts. This may arise from mismatches of amount or maturity between assets and liabilities.

The Group manages its liquidity risk through the Asset and Liability Management Department and aims at:

- optimising the structure of assets and liabilities;
- maintaining the stability of the deposit base;
- projecting cash flows and evaluating the level of current assets; and
- in terms of liquidity of the branches, maintaining an efficient internal fund transfer mechanism.

The Group expected the remaining maturity of their financial instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

(i) Analysis of the remaining maturity of the financial assets and financial liabilities is set out below:

31 December 2025	Overdue	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Unclassified	Total
Financial assets:									
Cash and balances with the central bank	-	62,890,935	-	-	-	-	-	36,384,290	99,275,225
Due from banks and other financial institutions and reverse repurchase agreements	-	9,710,960	1,117,819	779,242	9,530,553	-	-	-	21,138,574
Loans and advances to customers	42,679,173	-	7,224,911	25,071,086	149,590,947	103,503,718	66,191,898	-	394,261,733
Derivative financial assets	-	-	24,737	26,437	219,854	-	-	-	271,028
Financial investments	9,918,918	34,250,525	6,033,051	29,482,117	68,831,799	154,032,250	150,945,673	4,476,022	457,970,355
Finance lease receivables	115,822	-	213,659	407,699	2,932,708	20,312,749	119,873	-	24,102,510
Assets of a disposal group classified as held for sale	20,549	74,168	43	3,977	9,214	3,443	2,220	6,407	120,021
Other financial assets	17,721	43,267	50,850	36,886	215,938	1,130,187	567,271	-	2,062,120
Total financial assets	52,752,183	106,969,955	14,665,070	55,807,444	231,331,013	278,982,347	217,826,935	40,866,719	999,201,566
Financial liabilities:									
Due to the central bank	-	-	609,826	480,377	10,422,289	-	-	-	11,512,492
Borrowings from banks and other financial institutions	-	-	4,799,520	5,329,139	17,850,616	1,326,542	-	-	29,305,817
Due to banks and other financial institutions and repurchase agreements	-	10,727,124	45,795,034	13,693,673	32,517,734	-	-	-	102,733,565
Derivative financial liabilities	-	-	24,737	26,437	219,854	-	-	-	271,028
Due to customers	-	128,861,248	46,898,728	74,577,501	225,004,017	259,102,040	4,135,249	-	738,578,783
Debt securities issued	-	-	6,644,632	33,047,106	16,138,484	-	-	-	55,830,222
Liabilities directly associated with the assets classified as held for sale	-	9,039	4,322	12,070	32,241	62,518	-	-	120,190
Other financial liabilities	-	152,512	2,136,433	240,499	1,068,993	10,549,007	351,776	-	14,499,220
Total financial liabilities	-	139,749,923	106,913,232	127,406,802	303,254,228	271,040,107	4,487,025	-	952,851,317
Net position	52,752,183	(32,780,068)	(92,248,162)	(71,599,358)	(71,923,215)	7,942,240	213,339,910	40,866,719	46,350,249

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)**(b) Liquidity risk (Continued)****(i) Analysis of the remaining maturity of the financial assets and financial liabilities is set out below: (Continued)**

31 December 2024	Overdue	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Undated	Total
Financial assets:									
Cash and balances with the central bank	-	61,244,998	-	-	-	-	-	38,628,890	99,873,888
Due from banks and other financial institutions and reverse repurchase agreements	-	6,416,972	2,160,980	4,322,397	19,193,844	-	-	-	32,094,193
Loans and advances to customers	41,949,670	-	5,499,446	19,695,917	126,102,371	111,760,653	57,400,073	-	362,408,130
Derivative financial assets	-	-	74,790	67,921	232,593	-	-	-	375,304
Financial investments	24,832,860	42,385,061	2,267,652	2,416,654	43,416,521	139,687,267	117,821,602	4,973,361	377,800,978
Finance lease receivables	26,919	-	225,165	402,679	1,616,923	19,905,723	578,554	-	22,755,963
Other financial assets	374,935	21,133	41,211	35,553	375,410	667,282	144,803	-	1,660,327
Total financial assets	67,184,384	110,068,164	10,269,244	26,941,121	190,937,662	272,020,925	175,945,032	43,602,251	896,968,783
Financial liabilities:									
Due to the central bank	-	-	625,536	813,335	4,109,366	-	-	-	5,548,237
Borrowings from banks and other financial institutions	-	-	3,815,063	6,534,028	15,060,378	933,077	-	-	26,342,546
Due to banks and other financial institutions and repurchase agreements	-	3,690,953	31,714,890	7,038,793	10,255,450	-	5,438,024	-	58,138,110
Derivative financial liabilities	-	-	74,790	67,921	232,593	-	-	-	375,304
Due to customers	-	145,338,593	31,869,708	52,087,929	208,231,075	273,764,292	1,821,831	-	713,113,428
Debt securities issued	-	-	5,465,514	19,949,217	14,527,278	-	-	-	39,942,009
Other financial liabilities	-	845,889	462,616	292,393	1,689,868	1,983,132	84,159	-	5,358,057
Total financial liabilities	-	149,875,435	74,028,117	86,783,616	254,106,008	276,680,501	7,344,014	-	848,817,691
Net position	67,184,384	(39,807,271)	(63,758,873)	(59,842,495)	(63,168,346)	(4,659,576)	168,601,018	43,602,251	48,151,092

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

(ii) Maturity analysis of contractual undiscounted cash flows

The tables below summarise the maturity profile of the Group's financial instruments based on the contractual undiscounted cash flows. The balances of some items in the tables below are different from the balances on the statement of financial position as the tables incorporate all cash flows relating to both principal and interest. The Group's expected cash flows on these instruments may vary significantly from the following analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance although they have been classified as repayable on demand in the following tables.

	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Overdue/ Undated	Total
31 December 2025								
Non-derivative cash flows								
Financial assets:								
Cash and balances with the central bank	62,890,935	-	-	-	-	-	36,384,290	99,275,225
Due from banks and other financial institutions and reverse repurchase agreements	9,710,960	1,126,456	784,953	9,723,287	-	-	-	21,345,656
Loans and advances to customers	-	7,236,703	25,251,278	152,924,218	116,005,853	105,581,728	46,111,032	453,110,812
Financial investments	34,250,525	6,917,271	30,728,236	75,287,351	174,339,962	176,011,962	14,394,940	511,930,247
Finance lease receivables	-	230,809	440,424	3,168,111	21,943,214	129,495	125,119	26,037,172
Assets of a disposal group classified as held for sale	74,168	43	4,019	9,532	4,205	3,528	35,252	130,747
Other financial assets	43,267	50,850	36,886	215,938	1,130,187	567,271	17,721	2,062,120
Total financial assets	106,969,855	15,562,132	57,245,796	241,328,437	313,423,421	282,293,984	97,068,354	1,113,891,979

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

(ii) Maturity analysis of contractual undiscounted cash flows (Continued)

31 December 2025	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Overdue/ Undated	Total
Non-derivative cash flows (Continued)								
Financial liabilities:								
Due to the central bank	-	610,264	545,781	10,465,638	-	-	-	11,621,683
Borrowings from banks and other financial institutions	-	4,803,727	5,352,086	18,098,950	1,380,143	-	-	29,634,906
Due to banks and other financial institutions and repurchase agreements	10,727,124	45,816,783	13,811,964	33,076,653	-	-	-	103,432,524
Due to customers	128,865,159	46,948,048	74,870,884	227,866,579	272,073,962	4,652,533	-	755,277,165
Debt securities issued	-	6,650,000	33,150,000	16,259,717	-	-	-	56,059,717
Liabilities directly associated with the assets classified as held for sale	9,035	4,326	12,117	32,799	66,631	-	-	124,908
Other financial liabilities	152,512	2,136,558	104,584	1,068,999	10,703,736	357,331	-	14,523,720
Total financial liabilities	139,753,830	106,969,706	127,847,416	306,869,335	284,224,472	5,009,864	-	970,674,623
Net position	(32,783,975)	(91,407,574)	(70,601,620)	(65,540,898)	29,198,949	277,284,120	97,122,472	143,217,356
Derivative cash flows								
Derivative financial instruments settled on a gross basis	-	24,744	26,473	220,877	-	-	-	272,094
Total inflow	-	(24,744)	(26,473)	(220,877)	-	-	-	(272,094)
Total outflow								
Credit commitments	52,372	2,439,671	1,581,381	6,009,433	1,758,841	893,023	12,960,673	25,695,394

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

(ii) Maturity analysis of contractual undiscounted cash flows (Continued)

31 December 2024	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Overdue/ Undated	Total
Non-derivative cash flows								
Financial assets:								
Cash and balances with the central bank	61,244,998	-	-	-	-	-	38,628,890	99,873,888
Due from banks and other financial institutions and reverse repurchase agreements	6,416,972	2,163,825	4,346,071	19,606,555	-	-	-	32,533,423
Loans and advances to customers	-	5,509,804	19,856,578	129,083,281	126,078,423	93,675,219	44,452,296	418,655,601
Financial investments	42,385,061	2,487,472	3,202,562	48,097,086	159,889,344	138,962,555	24,624,924	419,649,004
Finance lease receivables	-	245,237	438,575	1,761,061	21,680,192	659,447	26,919	24,811,431
Other financial assets	21,133	41,211	35,553	375,410	667,282	144,803	374,935	1,660,327
Total financial assets	110,068,164	10,447,549	27,879,339	198,923,393	308,315,241	233,442,024	108,107,964	997,183,674

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

(ii) Maturity analysis of contractual undiscounted cash flows (Continued)

31 December 2024	Repayable on demand	Less than one month	One to three months	Three months to one year	One to five years	More than five years	Overdue/Undated	Total
Non-derivative cash flows (Continued)								
Financial liabilities:								
Due to the central bank	-	626,166	831,267	4,135,958	-	-	-	5,593,391
Borrowings from banks and other financial institutions	-	3,821,709	6,566,240	15,319,157	963,858	-	-	26,670,964
Due to banks and other financial institutions and repurchase agreements	3,696,097	31,766,340	7,678,519	10,258,286	-	5,452,135	-	58,851,377
Due to customers	145,338,593	31,932,142	52,299,681	211,807,311	290,713,247	1,904,701	-	733,995,675
Debt securities issued	-	5,470,000	20,020,000	14,701,811	-	-	-	40,191,811
Other financial liabilities	845,889	462,746	292,393	1,689,942	1,999,629	90,434	-	5,381,033
Total financial liabilities	149,880,579	74,079,103	87,688,100	257,912,465	293,676,734	7,447,270	-	870,684,251
Net position	(39,812,415)	(63,631,554)	(59,808,761)	(58,989,072)	14,638,507	225,994,754	108,107,964	126,499,423
Derivative cash flows								
Derivative financial instruments settled on a gross basis								
Total inflow	-	74,827	68,032	233,714	-	-	-	376,573
Total outflow	-	(74,827)	(68,032)	(233,714)	-	-	-	(376,573)
Credit commitments	50,853	1,119,545	3,554,112	4,033,760	144,545	-	15,372,335	24,275,150

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(c) Market risk

Market risk is the risk of loss, in respect of the Group's on-and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices and stock prices. Market risk arises from both the Group's trading and non-trading businesses.

The Group's market risk contains interest rate risk and currency risk.

The Group is primarily exposed to structural interest rate risk arising from commercial banking and position risk arising from treasury transactions.

The Group's currency risk mainly results from the risk arising from exchange rate fluctuations on its foreign exchange exposures. Foreign exchange exposures include the mismatch of foreign exchange assets and liabilities, and off-balance sheet foreign exchange positions arising from derivative transactions.

Sensitivity analysis, interest rate repricing gap analysis and foreign exchange risk concentration analysis are the major market risk management tools used by the Group. The Bank uses different management methods to control market risks, including trading book and banking book risks.

(i) Currency risk

The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD, Russian ruble ("RUB") and, to a lesser extent, other currencies. Transactions in foreign currencies mainly arise from the Group's treasury operations and foreign exchange dealings.

The exchange rate of RMB to USD is managed under a floating exchange rate system.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(i) Currency risk (Continued)

The tables below indicate a sensitivity analysis of exchange rate changes of the currencies in which the Group has significant exposure on its monetary assets and liabilities and its forecasted cash flows. The analysis shows the effect of a reasonably possible movement in the currency rates against RMB, with all other variables held constant, on profit before tax and equity. A negative amount in the table reflects a potential net reduction in profit before tax or equity, while a positive amount reflects a potential net increase. This effect, however, is based on the assumption that the Group's foreign exchange exposures as at the year end are kept unchanged and, therefore, has not incorporated actions that would be taken by the Group to mitigate the adverse impact of this foreign exchange risk.

The Group sets trading limits, stop-loss limits and exposure limits to foreign exchange transactions to manage foreign exchange risk and to keep currency risk within limits. Based on the guidelines provided by the Risk Management Committee, laws and regulations as well as evaluation of the current market, the Group sets its risk limits and minimises the possibility of mismatch through more reasonable allocation of foreign currency sources and deployment.

Currency	Effect on profit before tax		
	As at 31 December		
	Change in rate	2025	2024
USD	-1%	3,284	(21,138)
HKD	-1%	7	239
RUB	-1%	107	(216)

While the table above indicates the effect on profit before tax of 1% depreciation of USD, HKD and RUB, there will be an opposite effect with the same amount if the currencies appreciate by the same percentage.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(i) Currency risk (Continued)

A breakdown of the financial assets and financial liabilities analysed by currency is as follows:

31 December 2025	RMB (RMB equivalent)	USD (RMB equivalent)	HKD (RMB equivalent)	RUB (RMB equivalent)	Others (RMB equivalent)	Total (RMB equivalent)
Financial assets:						
Cash and balances with the central bank	99,266,268	223	1,349	4,961	2,424	99,275,225
Due from banks and other financial institutions and reverse repurchase agreements	19,659,475	1,050,904	12,654	17,912	397,629	21,138,574
Loans and advances to customers	394,260,689	1,044	-	-	-	394,261,733
Derivative financial assets	-	271,028	-	-	-	271,028
Financial investments	456,966,865	1,003,490	-	-	-	457,970,355
Finance lease receivables	24,102,510	-	-	-	-	24,102,510
Assets of a disposal group classified as held for sale	120,021	-	-	-	-	120,021
Other financial assets	2,049,464	-	-	12,656	-	2,062,120
Total financial assets	996,425,292	2,326,689	14,003	35,529	400,053	999,201,566
Financial liabilities:						
Due to the central bank	11,512,492	-	-	-	-	11,512,492
Borrowings from banks and other financial institutions	29,305,817	-	-	-	-	29,305,817
Due to banks and other financial institutions and repurchase agreements	102,728,251	1,284	-	4,030	-	102,733,565
Derivative financial liabilities	-	271,028	-	-	-	271,028
Due to customers	738,252,141	63,562	646	7,267	255,167	738,578,783
Debt securities issued	55,830,222	-	-	-	-	55,830,222
Liabilities directly associated with the assets classified as held for sale	120,190	-	-	-	-	120,190
Other financial liabilities	14,388,806	9	110,405	-	-	14,499,220
Total financial liabilities	952,137,919	335,883	111,051	11,297	255,167	952,851,317
Net position	44,287,373	1,990,806	(97,048)	24,232	144,886	46,350,249
Credit commitments	25,695,394	-	-	-	-	25,695,394

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(i) Currency risk (Continued)

A breakdown of the financial assets and financial liabilities analysed by currency is as follows: (Continued)

31 December 2024	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	RUB (RMB equivalent)	Others (RMB equivalent)	Total (RMB equivalent)
Financial assets:						
Cash and balances with the central bank	99,844,671	20,407	1,042	6,306	1,462	99,873,888
Due from banks and other financial institutions and reverse repurchase agreements	31,238,749	493,950	15,593	39,190	306,711	32,094,193
Loans and advances to customers	362,405,222	430	-	-	2,478	362,408,130
Derivative financial assets	-	375,304	-	-	-	375,304
Financial investments	376,035,270	1,765,708	-	-	-	377,800,978
Finance lease receivables	22,755,963	-	-	-	-	22,755,963
Other financial assets	1,660,253	-	-	74	-	1,660,327
Total financial assets	893,940,128	2,655,799	16,635	45,570	310,651	896,968,783
Financial liabilities:						
Due to the central bank	5,548,237	-	-	-	-	5,548,237
Borrowings from banks and other financial institutions	26,342,546	-	-	-	-	26,342,546
Due to banks and other financial institutions and repurchase agreements	58,133,772	1,314	-	3,024	-	58,138,110
Derivative financial liabilities	-	375,304	-	-	-	375,304
Due to customers	712,715,538	107,780	2,839	20,493	266,778	713,113,428
Debt securities issued	39,942,009	-	-	-	-	39,942,009
Other financial liabilities	5,320,097	228	37,732	-	-	5,358,057
Total financial liabilities	848,002,199	484,626	40,571	23,517	266,778	848,817,691
Net position	45,937,929	2,171,173	(23,936)	22,053	43,873	48,151,092
Credit commitments	24,275,150	-	-	-	-	24,275,150

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(ii) Interest rate risk

The Group's bank account interest rate risk mainly arises from the mismatches of the repricing dates between interest-generating assets and interest-bearing liabilities. The Group's interest-generating assets and interest-bearing liabilities are mainly denominated in RMB. The PBOC establishes interest rate policy for RMB which includes a cap for RMB deposit rates and a floor for RMB loan rates.

The Group manages its interest rate risk by:

- regularly monitoring the macroeconomic factors that may have an impact on the PBOC benchmark interest rates;
- optimising the differences in timing between contractual repricing (maturities) of interest-generating assets and interest-bearing liabilities; and
- managing the deviation of the pricing of interest-generating assets and interest-bearing liabilities from the PBOC benchmark interest rates.

A principal part of the Group's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). The Group aims to mitigate the impact of prospective interest rate movements which could reduce future net interest income, while balancing the cost of such hedging on the current revenue.

The sensitivity of the net interest income is the effect of the assumed changes in interest rates on the net interest income, arising from the financial assets and financial liabilities held at the year end that are subject to repricing within the coming year. The sensitivity of other comprehensive income is the effect of the assumed changes in interest rates on other comprehensive income, calculated by revaluing financial assets measured at fair value through other comprehensive income held at the year end.

Interest rate risk of the Group's trading book mainly exists in transactions, including those of bonds. For the management of interest rate risk, the Group uses explicit criteria for the classification of financial assets in the trading account, re-evaluates the market value of trading account assets daily, sets trading limits, stop-loss limits and risk limitation for the purpose of limit management, and monitors and controls the limits by frequency.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(ii) Interest rate risk (Continued)

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's net interest income and equity.

Change in basis points	Effect on net interest income		Effect on other comprehensive income	
	31 December		31 December	
	2025	2024	2025	2024
+100 basis points	(1,989,668)	(1,270,963)	(3,352,564)	(2,266,602)
- 100 basis points	1,989,668	1,270,963	3,783,330	2,493,809

The interest rate sensitivities set out in the tables above are for illustration only and are based on simplified scenarios. The figures represent the effect of the proforma movements in net interest income and other comprehensive income based on the projected yield curve scenarios and the Group's current interest rate risk profile. This effect, however, does not incorporate actions that would be taken by management to mitigate the impact of interest rate risk. The projections above also assume that interest rates of all maturities fluctuate by the same amount and, therefore, do not reflect the potential impact on net interest income and other comprehensive income in the case where some rates change while others remain unchanged.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(c) Market risk (Continued)

(ii) Interest rate risk (Continued)

The tables below summarise the contractual repricing or maturity dates, whichever are earlier, of the Group's financial assets and financial liabilities:

31 December 2025	Less than three months	Three months to one year	One to five years	More than five years	Non-interest- bearing	Total
Financial assets:						
Cash and balances with the central bank	98,423,408	-	-	-	851,817	99,275,225
Due from banks and other financial institutions and reverse repurchase agreements	11,581,164	9,504,164	-	-	53,246	21,138,574
Loans and advances to customers	32,234,182	149,354,507	103,389,719	66,055,719	43,227,606	394,261,733
Derivative financial assets	-	-	-	-	271,028	271,028
Financial investments	34,515,610	67,646,930	148,770,609	150,664,401	56,372,805	457,970,355
Finance lease receivables	617,742	2,914,993	20,170,642	119,797	279,336	24,102,510
Assets of a disposal group classified as held for sale	84,301	9,142	3,344	2,192	21,042	120,021
Other financial assets	-	-	-	-	2,062,120	2,062,120
Total financial assets	177,456,407	229,429,736	272,334,314	216,842,109	103,139,000	999,201,566
Financial liabilities:						
Due to the central bank	1,083,020	10,413,620	-	-	15,852	11,512,492
Borrowings from banks and other financial institutions	10,047,487	17,727,973	1,316,070	-	214,287	29,305,817
Due to banks and other financial institutions and repurchase agreements	70,046,580	32,394,000	-	-	292,985	102,733,565
Derivative financial liabilities	-	-	-	-	271,028	271,028
Due to customers	241,686,334	220,469,066	253,055,080	4,033,210	19,335,093	738,578,783
Debt securities issued	39,691,738	16,138,484	-	-	-	55,830,222
Liabilities directly associated with the assets classified as held for sale	19,289	32,241	62,518	-	6,142	120,190
Other financial liabilities	2,152,642	19,228	232,759	55,462	12,039,129	14,499,220
Total financial liabilities	364,727,090	297,194,612	254,666,427	4,088,672	32,174,516	952,851,317
Total interest sensitivity gap	(187,270,683)	(67,764,876)	17,667,887	212,753,437	N/A	N/A

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(c) Market risk (Continued) (ii) Interest rate risk (Continued)

The tables below summarise the contractual repricing or maturity dates, whichever are earlier, of the Group's financial assets and financial liabilities: (Continued)

31 December 2024	Less than three months	Three months to one year	One to five years	More than five years	Non-interest- bearing	Total
Financial assets:						
Cash and balances with the central bank	99,041,121	-	-	-	832,767	99,873,888
Due from banks and other financial institutions and reverse repurchase agreements	12,873,704	19,182,704	-	-	37,785	32,094,193
Loans and advances to customers	25,172,853	125,960,828	111,751,801	57,400,073	42,122,575	362,408,130
Derivative financial assets	-	-	-	-	375,304	375,304
Financial investments	4,591,711	44,024,537	143,834,771	118,368,794	66,981,165	377,800,978
Finance lease receivables	621,600	1,608,648	19,749,563	571,703	204,449	22,755,963
Other financial assets	-	-	-	-	1,660,327	1,660,327
Total financial assets	142,300,989	190,776,717	275,336,135	176,340,570	112,214,372	896,968,783
Financial liabilities:						
Due to the central bank	1,438,100	4,107,170	-	-	2,967	5,548,237
Borrowings from banks and other financial institutions	10,256,270	14,948,344	919,006	-	218,926	26,342,546
Due to banks and other financial institutions and repurchase agreements	42,359,523	10,194,240	-	5,339,855	244,492	58,138,110
Derivative financial liabilities	-	-	-	-	375,304	375,304
Due to customers	216,352,732	210,875,015	264,629,756	1,821,831	19,434,094	713,113,428
Debt securities issued	25,414,731	14,527,278	-	-	-	39,942,009
Other financial liabilities	252,281	252,944	1,858,766	83,680	2,910,386	5,358,057
Total financial liabilities	296,073,637	254,904,991	267,407,528	7,245,366	23,186,169	848,817,691
Total interest sensitivity gap	(153,772,648)	(64,128,274)	7,928,607	169,095,204	N/A	N/A

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(d) Capital management

The Group's objectives on capital management are:

- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to support the Group's stability and growth;
- to allocate capital using an efficient and risk-based approach to optimise the risk adjusted return to the shareholders; and
- to maintain an adequate capital base to support the development of its business.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust its profit distribution policy, issue or redeem own shares, issue long-term subordinated bonds, etc.

Capital adequacy and the use of regulatory capital are monitored regularly by the Group's management based on regulations issued by the NFRA. The required information is filed with the NFRA by the Group and the Bank semi-annually and quarterly.

The capital adequacy ratios and related components of the Group are computed in accordance with the statutory financial statements of the Group prepared under PRC GAAP. During the year, the Group has fully complied with all the externally imposed capital requirements. The requirements pursuant to these regulations may have significant differences comparing to those applicable in Hong Kong and other countries.

Based on the "Capital Rules for Commercial Banks" (NFRA Order No. 4 promulgated on 1 November 2023 and implemented since 1 January 2024). The regulatory requirements request a commercial bank to maintain its core tier 1 capital adequacy ratio above 7.5%, the tier 1 capital adequacy ratio above 8.5% and the capital adequacy ratio above 10.5%. The Group has begun to calculate the capital adequacy ratio based on the "Capital Rules for Commercial Banks" since 1 January 2024 and will continue to promote the content of this disclosure.

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53. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)

(d) Capital management (Continued)

	As at 31 December	
	2025	2024
Core capital		
Qualified part of share capital	10,995,600	10,995,600
Qualified part of capital reserves	7,591,470	7,657,284
Surplus reserves and general reserves	14,430,584	13,215,189
Undistributed profits	17,479,164	18,116,609
Qualified part of non-controlling interests	1,202,385	1,158,841
Other comprehensive income	95,093	1,478,246
Core tier 1 capital deductible items:		
Fully deductible items	(3,118,867)	(1,324,387)
Net core tier 1 capital	48,675,429	51,297,382
Net other tier 1 capital	21,858,182	21,853,344
Net tier 1 capital	70,533,611	73,150,726
Net tier 2 capital	7,106,269	7,324,059
Net capital	77,639,880	80,474,785
Total risk-weighted assets	574,321,975	591,204,889
Core tier 1 capital adequacy ratio	8.48%	8.68%
Tier 1 capital adequacy ratio	12.28%	12.37%
Capital adequacy ratio	13.52%	13.61%

54. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

The Group uses the following hierarchy for the determination and disclosure of the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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54. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

The following tables show the fair value hierarchy of financial instruments measured or disclosed at fair value:

31 December 2025	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value:</u>				
Derivative financial assets	–	271,028	–	271,028
Financial assets at fair value through profit or loss				
– Debt securities	–	–	98,671	98,671
– Funds	–	34,238,144	–	34,238,144
– Trust investments and asset management plans	–	40,023,836	7,033,428	47,057,264
– Equity instruments	12,381	–	229,355	241,736
Subtotal	12,381	74,261,980	7,361,454	81,635,815
Financial assets at fair value through other comprehensive income				
– Debt securities	–	78,142,896	–	78,142,896
– Equity instruments	773	50,987	4,424,262	4,476,022
Subtotal	773	78,193,883	4,424,262	82,618,918
Loan and advance measured at fair value through other comprehensive income				
– Discounted bills and forfaiting	–	54,767,103	–	54,767,103
Total	13,154	207,493,994	11,785,716	219,292,864
<u>Financial liabilities measured at fair value:</u>				
Derivative financial liabilities	–	271,028	–	271,028

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54. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

31 December 2024	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value :</u>				
Derivative financial assets	–	375,304	–	375,304
Financial assets at fair value through profit or loss				
– Debt securities	–	413,789	90,327	504,116
– Funds	–	41,360,944	–	41,360,944
– Trust investments and asset management plans	–	32,121,195	7,416,370	39,537,565
– Equity instruments	9,525	–	232,510	242,035
Subtotal	9,525	73,895,928	7,739,207	81,644,660
Financial assets at fair value through other comprehensive income				
– Debt securities	–	66,033,545	–	66,033,545
– Equity instruments	721	51,564	4,588,067	4,640,352
Subtotal	721	66,085,109	4,588,067	70,673,897
Loan and advance measured at fair value through other comprehensive income				
– Discounted bills and forfaiting	–	65,099,731	–	65,099,731
Total	10,246	205,456,072	12,327,274	217,793,592
<u>Financial liabilities measured at fair value:</u>				
Derivative financial liabilities	–	375,304	–	375,304

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54. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

During the year ended 31 December 2025, there is no significant transfer among each level (During the year ended 31 December 2024: Nil).

Subject to the existence of an active market, such as an authorised securities exchange, the market value is the best reflection of the fair value of financial instruments. As there is no available market value for certain of the financial assets and liabilities held and issued by the Group, the discounted cash flow method or other valuation methods are adopted to determine the fair values of these assets and liabilities.

The financial instruments classified as Level 2 by the Group are mainly debt investment, derivative financial instruments and discounted bills measured at fair value through other comprehensive income. For debt securities, the fair values of these bonds are determined based on the valuation results provided by China Central Depository Trust & Clearing Co., Ltd; For derivative financial instruments, the fair values are determined based on discounted cash flow and other valuation methods; For discounted bills, the fair values are determined based on discounted cash flow. The determination are based on a valuation technique for which all significant inputs are observable market data.

The financial instruments classified as Level 3 by the Group are mainly unlisted equity instruments and trust fund plans and asset management. The valuation methods used are mainly market method and discounted cash flow method, and the unobservable parameters involved are mainly net assets, discount rate, liquidity discount, etc.

All of the above-mentioned assumptions and methods provide a consistent basis for the calculation of the fair values of the Group's assets and liabilities. However, other financial institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be entirely comparable.

As at 31 December 2025 and 31 December 2024, the Group and the Bank had no assets or liabilities measured at fair value that were discontinued.

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54. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial assets and liabilities measured at fair value (Continued)

Reconciliation of movements in Level 3 financial instruments measured at fair value is as follows:

	2025	
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
As at 1 January 2025	7,739,207	4,588,067
Additions	1,379,557	–
Disposals/transfers	–	(53,974)
Losses through profit or loss	(1,757,310)	–
Losses through other comprehensive income	–	(109,831)
As at 31 December 2025	7,361,454	4,424,262

	2024	
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
As at 1 January 2024	11,345,647	5,115,785
Additions	–	360,560
Disposals/transfers	(4,715,794)	(1,053,266)
Profit through profit or loss	1,109,354	–
Profit through other comprehensive income	–	164,988
As at 31 December 2024	7,739,207	4,588,067

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54. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(b) Financial assets and liabilities not measured at fair value

Financial assets and financial liabilities not measured at fair value in the balance sheet mainly include: Balances with the central bank, Due from banks and other financial institutions, Reverse repurchase agreements, Loans and advances to customers measured at amortised cost, Investment in debt securities measured at amortised cost, Due to the central bank, Borrowings from banks and other financial institutions, Repurchase agreements, Due to customers, Debt securities issued, etc.

For debt securities measured at amortised cost and debt securities issued not reflected or disclosed at fair value, the following table sets forth their book value and fair value:

	As at 31 December 2025		As at 31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost	285,988,281	292,730,234	218,936,262	229,883,075
Financial liabilities				
Debt securities issued	55,830,222	55,707,490	39,942,009	39,974,803

Other than the financial assets and financial liabilities disclosed in above table, other financial assets and financial liabilities that are not measured at fair value in the balance sheet, the valuation methods used is discounted cash flow method, the carrying amounts approximate the fair values.

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55. SUBSEQUENT EVENTS

As approved at the 8th meeting of the 9th session of Board of Directors held on 27 March 2026, the profit distribution plan of 2025 was as follows:

1. 10% of 2025 net profit amounting to RMB115,868 thousand is appropriated to the statutory surplus reserves;
2. Withdrawal of general and regulatory reserves of RMB250,111 thousand; and
3. The bank proposed not to distribute any dividend for the year ended 31 December 2025.

The above profit distribution plan will be processed after the approval by shareholders in annual general meeting.

Except for the above, there were no significant events after the reporting period.

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56. STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK

(a) Statement of financial position of the Bank

	As at 31 December	
	2025	2024
ASSETS		
Cash and balances with the central bank	98,057,934	97,318,507
Due from banks and other financial institutions	26,454,817	38,116,188
Reverse repurchase agreements	–	149,994
Loans and advances to customers	362,962,153	328,585,507
Derivative financial assets	271,028	375,304
Financial investments	457,826,945	377,795,478
– financial assets at fair value through profit or loss	81,623,815	81,641,330
– financial assets at fair value through other comprehensive income	83,354,077	71,353,926
– financial assets at amortised cost	292,849,053	224,800,222
Investments in subsidiaries	4,002,600	5,133,399
Property and equipment	7,100,019	7,358,262
Deferred income tax assets	7,078,579	5,366,988
Other assets	6,379,097	6,284,841
TOTAL ASSETS	970,133,172	866,484,468
LIABILITIES		
Due to the central bank	11,502,488	5,501,040
Borrowings from banks and other financial institutions	52,487,689	31,221,607
Derivative financial liabilities	271,028	375,304
Repurchase agreements	54,042,757	34,721,246
Due to customers	725,138,896	690,795,801
Income tax payable	259,754	206,682
Debt securities issued	54,930,505	39,530,198
Other liabilities	12,803,779	3,863,247
TOTAL LIABILITIES	911,436,896	806,215,125
EQUITY		
Share capital	10,995,600	10,995,600
Other equity instruments	11,699,007	11,699,007
Capital reserves	7,483,629	7,435,133
Other comprehensive income	95,083	1,478,246
Surplus reserves	4,133,408	4,017,540
General and regulatory reserves	9,503,307	8,343,801
Undistributed profits	14,786,242	16,300,016
TOTAL EQUITY	58,696,276	60,269,343
TOTAL EQUITY AND LIABILITIES	970,133,172	866,484,468

DENG Xinquan

Chairman

YAO Chunhe

President

YANG Dazhi

Assistant to the President
(in Charge of Finance)

DONG Kai

General Manager of
Finance and Accounting
Department

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56. STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (Continued)

(b) Statement of changes in equity of the Bank

	Other equity instruments							Total
	Share capital	Perpetual bonds	Capital reserves	Other comprehensive income	Surplus reserves	General and regulatory reserves	Undistributed profits	
Balance as at 1 January 2025	10,995,600	11,699,007	7,435,133	1,478,246	4,017,540	8,343,801	16,300,016	60,269,343
Movements during the year	-	-	48,496	(1,383,163)	115,868	1,159,506	(1,513,774)	(1,573,067)
Total comprehensive income	-	-	-	(1,383,163)	-	-	1,158,679	(224,484)
Profit distribution	-	-	-	-	115,868	1,053,817	(1,169,685)	-
1. Appropriation to surplus reserves	-	-	-	-	115,868	-	(115,868)	-
2. Appropriation to general and regulatory reserves	-	-	-	-	-	1,053,817	(1,053,817)	-
3. Distribution to shareholders	-	-	-	-	-	-	-	-
Distribution of interests of perpetual bonds	-	-	-	-	-	-	(567,600)	(567,600)
Transfer of losses on disposal of financial asset at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	-
Other	-	-	48,496	-	-	105,689	(935,168)	(780,983)
Balance as at 31 December 2025	10,995,600	11,699,007	7,483,629	95,083	4,133,408	9,503,307	14,786,242	58,696,276

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56. STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGES IN EQUITY OF THE BANK (Continued)

(b) Statement of changes in equity of the Bank (Continued)

	Other equity instruments							Total
	Share capital	Perpetual bonds	Capital reserves	Other comprehensive income	Surplus reserves	General and regulatory reserves	Undistributed profits	
Balance as at 1 January 2024	10,995,600	11,699,007	7,435,133	305,322	3,956,250	7,445,737	17,181,380	59,018,429
Movements during the year								
Total comprehensive income	-	-	-	1,172,924	61,290	898,064	(881,364)	1,250,914
Profit distribution	-	-	-	1,205,612	-	-	612,902	1,818,514
1. Appropriation to surplus reserves	-	-	-	-	61,290	898,064	(969,354)	-
2. Appropriation to general and regulatory reserves	-	-	-	-	61,290	-	(61,290)	-
3. Distribution to shareholders	-	-	-	-	-	898,064	(898,064)	-
Distribution of interests of perpetual bonds	-	-	-	-	-	-	-	-
Transfer of losses on disposal of financial asset at fair value through other comprehensive income to retained earnings	-	-	-	(32,688)	-	-	32,688	-
Other	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	10,995,600	11,699,007	7,435,133	1,478,246	4,017,540	8,343,801	16,300,016	60,269,343

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57. APPROVAL OF THE FINANCIAL STATEMENTS

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

Unaudited Supplementary Financial Information

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In accordance with the Hong Kong Listing Rules and the Banking (Disclosure) Rules, the Group discloses the unaudited supplementary financial information as follows:

(a) LIQUIDITY RATIO

	As at 31 December	
	2025	2024
RMB current assets to RMB current liabilities	137.75%	120.69%
Foreign currency current assets to foreign currency current liabilities	31.65%	175.82%

These liquidity ratios are calculated based on relevant regulations provided by the NFRA and Chinese accounting policies.

(b) CURRENCY CONCENTRATIONS

	USD	HKD	RUB	Others	Total
31 December 2025					
Spot assets	2,310,571	37,417	–	426,900	2,774,888
Spot liabilities	(1,502,414)	(37,448)	–	(426,740)	(1,966,602)
Forward purchases	2,496	–	–	–	2,496
Forward sales	–	–	–	(117,451)	(117,451)
Net long/(short) position	810,653	(31)	–	(117,291)	693,331
31 December 2024					
Spot assets	2,283,363	40,538	–	343,705	2,667,606
Spot liabilities	(1,567,058)	(40,571)	–	(343,672)	(1,951,301)
Forward purchases	–	–	–	–	–
Forward sales	–	–	–	–	–
Net long/(short) position	716,305	(33)	–	33	716,305

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(c) INTERNATIONAL CLAIMS

The Group discloses international claims according to Banking (Disclosure) Rules (L. N. 160 of 2014). International claims are risk exposures generated from the countries or geographical areas where the counterparties take the ultimate risk while considering the transfer of the risk, excluding local claims on local residents in local currency. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a counterparty whose head office is located in another country.

International claims are included in Due from banks and other financial institutions.

International claims have been disclosed by major country or geographical area. A country or geographical area is reported when the claims from the country or area constitute 10% or more of the aggregate amount of international claims, after taking into account risk transfers.

	Banks	Others	Total
31 December 2025			
Asia Pacific excluding Mainland China	21,400	–	21,400
– of which attributed to Hong Kong	8,051	–	8,051
Europe	77,288	–	77,288
North America	78,127	–	78,127
Total	176,815	–	176,815
31 December 2024			
Asia Pacific excluding Mainland China	50,959	–	50,959
– of which attributed to Hong Kong	44,899	–	44,899
Europe	12,699	–	12,699
North America	87,365	–	87,365
Total	151,023	–	151,023

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(d) LOANS AND ADVANCES TO CUSTOMERS

(i) Overdue loans and advances to customers :

Overdue days	31 December 2025				
	Within 90 days	91 days to 1 year	1 to 5 years	Over 5 years	Total
Unsecured loans	2,134,045	1,853,188	8,026,094	343,925	12,357,252
Guaranteed loans	5,360,302	706,646	4,704,772	1,733,608	12,505,328
Loans secured by mortgages	8,364,381	3,171,197	11,020,404	3,170,459	25,726,441
Pledged loans	374,178	18,366	1,314,649	28,971	1,736,164
Total	16,232,906	5,749,397	25,065,919	5,276,963	52,325,185

Overdue days	31 December 2024				
	Within 90 days	91 days to 1 year	1 to 5 years	Over 5 years	Total
Unsecured loans	1,199,678	1,363,820	6,169,298	2,062,825	10,795,621
Guaranteed loans	5,488,305	1,340,142	4,618,229	1,636,092	13,082,768
Loans secured by mortgages	10,769,930	1,772,765	11,192,449	2,069,306	25,804,450
Pledged loans	–	298,300	1,596,163	29,267	1,923,730
Total	17,457,913	4,775,027	23,576,139	5,797,490	51,606,569

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(d) LOANS AND ADVANCES TO CUSTOMERS (Continued)

(ii) Overdue loans and advances to customers by geographical location :

	As at 31 December	
	2025	2024
Heilongjiang region	21,039,206	19,935,456
Other regions in Northeastern China	9,843,377	10,260,717
Southwestern China	10,872,149	10,644,938
Other regions	10,570,453	10,765,458
Total	52,325,185	51,606,569

(e) OVERDUE AMOUNTS DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

As at 31 December 2025, there were no overdue amounts due from banks and other financial institutions in respect of principal or interest (As at 31 December 2024: Nil).

(f) OVERDUE PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

As at 31 December 2025, there were no overdue placements with banks and other financial institutions in respect of principal or interest (As at 31 December 2024: Nil).

(g) EXPOSURES TO MAINLAND CHINA NON-BANK ENTITIES

The Bank is a commercial bank incorporated in Mainland China with its banking business conducted in Mainland China. As at 31 December 2025, substantial amounts of the Bank's exposures arose from businesses with Mainland China entities or individuals.

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- II. Original Audit Report with Accounting Firms' Seals and Certified Public Accountants' Signatures and Seals
- III. Text of Annual Report Autographed by Directors of the Company
- IV. Articles of Association of the Company

