2025 Annual Report

Australia and New Zealand Bank (China) Company Limited

Contents

I. Company Profile & Milestones in 2025

Opened in October 2010, Australia and New Zealand Bank (China) Company Limited ("ANZ China" or the "Bank") is a wholly owned subsidiary by Australia and New Zealand Banking Group Company Limited ("ANZ Group"). ANZ Group has near 40 years' presence in China and now is the only Australian bank locally incorporated in China. As one of the largest Australian investors, ANZ China is well positioned to support customers' increasing financial needs and growing business opportunities across the region. Currently ANZ Group's network covers 29 markets globally.

In November 2025, Standard & Poor's credit rating agency maintained its AAA corporate credit rating for the Bank, with a 'stable' rating for Outlook.

As of end of 2025, ANZ China has branches in Beijing and Shanghai.

Key Milestones of ANZ China in 2025:

- March 2025: Successfully hosted the Head Office and Shanghai Branch Relocation Celebration and Client Event, inviting multiple corporate clients to exchange views and discuss key economic topics.
- May–September 2025: As the Platinum Partner of the Australia Pavilion at the 2025 China International Fair for Trade in Services (CIFTIS), actively participated in a series of events, hosted client seminars, and signed memoranda of understanding to promote China–Australia business exchanges and advance bilateral cooperation opportunities.
- July 2025: Simon Ireland, Managing Director of International Business and Chairman of ANZ China, attended the 8th Australia–China CEO Roundtable, engaging in discussions with Chinese Premier Li Qiang, Australian Prime Minister Anthony Albanese, and representatives from the business communities of both countries.
- September 2025: ANZ China formally appointed Lachlan Halstead as the new Country Head.
- October 2025: Leveraging the launch of the 2026 Australian Open in China, ANZ and Tennis Australia jointly hosted the event "ANZ × Australian Open: Game · Set · Outlook — 2026 Economic Forecast" at Shanghai Xintiandi, introducing China–Australia economic and trade cooperation opportunities to clients.

II. Basic Information of the Company

(as of 31 December 2025)

- **Legal Name:** Australia and New Zealand Bank (China) Company Limited
- **Legal Representative:** Simon John Ireland
- **Registered Address:** Unit 1501, 1502, 1503, 1504A and 1508, 15 Floor, 479 Lujiazui Ring Road, Shanghai, China.

  Post Code： 200120

  Telephone: +86 21 6169 6001

  Complaint Hotline： 4008218030/ 4006519920

  Website： www.anz.com.cn

- **Other Information**

  Date of Incorporation: 16 September 2010

  Registered with: Shanghai Administration for Market Regulation

  Centralized Social Credit Code: 91310000561913643B

  Registered Capital : RMB 6,225,000,000

  Shareholder : Australia and New Zealand Banking Group Limited

  Shareholding : 100%

  Type of Company : Limited Liability Company (Wholly Foreign-owned)

  Business Scope : To provide all kinds of foreign exchange services and Renminbi services to all types of customers within the following scope: taking deposits from the public; extending short-term, medium-term and long-term loans; issuance, redemption, and underwriting of government bonds; trading of treasury bonds, financial bonds and other foreign currency denominated securities (other than stocks); provision of letter of credit services and guarantees; domestic or international settlements; sales and purchase of foreign exchange and acting as an agent for selling and purchasing foreign exchange; insurance agency business; inter-bank lending; bank card business; safety box services; creditability investigations and consultancy services; such other businesses as approved by the banking regulatory authority of the State Council.(Business operation that involves administrative permit shall run with the permit).

  Auditor: KPMG Huazhen (Special General Partnership) Shanghai Branch

III. Summary of Financial Statements

As at 31 December 2025, ANZ China's total assets is RMB 32.54 billion which includes loans & advances amounting to RMB 6.44 billion, the Bank's total liabilities is RMB 24.94 billion which includes total deposit amounting to RMB 15.53 billion. In terms of financial performance in 2025, the Bank reported RMB600.82 million total operating income and RMB 118.51 million net profit after tax (NPAT). In 2025, the bank keeps all prudential ratios well within regulatory requirements, with its capital adequacy ratio at 30.27%, liquidity ratio at 91.83% and non-performing-loan ratio at zero.

As at 31 December 2025, ANZ China's capital is sufficient, capital adequacy ratio is 30.27%, tier 1 capital adequacy ratio and core tier 1 capital adequacy ratio is both 29.81%, leverage ratio is 19.90%, all above regulatory requirement. The tier 1 capital and total on balance Sheet & off balance sheet assets applied in leverage ratio is RMB 7.60 billion and RMB 35.03 billion respectively.

In 2025, our bank repatriated a total of RMB 176,751,992.00 cash profits to ANZ Group.

	Y2025 RMB million	Y2024 RMB million	YoY %
Business Performance			
Total Operating Incomes	600.82	792.31	-24%
Total Operating Expense	456.99	542.18	-16%
Operating Profit	143.83	250.13	-42%
Net Profit after Tax	118.51	197.87	-40%
Balance Sheet			
Loans & Advances	6,439.80	7,430.78	-13%
Total Assets	32,539.01	36,304.83	-10%
Total Deposits	15,533.44	16,321.44	-5%
Total Owners' Equity	7,597.01	7,689.87	-1%
Tier 1 capital	7,597.01	7,689.87	-1%
Adjusted Total On Balance Sheet & Off Balance Sheet Assets*Note 1	35,033.15	34,925.11	0%
Main Ratio			
Cost Income Ratio*Note 2	79.42%	67.85%	
Capital Adequacy Ratio	30.27%	26.59%	
Leverage Ratio	19.90%	19.53%	
Provision Coverage Ratio*Note 3	Not applicable*Note 3	Not applicable*Note 3	
Loan/Provision Ratio*Note 4	1.50%	1.50%	
Return on Equity	1.55%	2.56%	
Return on average assets	0.34%	0.57%	

(The above data is sourced from the audited 2025 financial statements.)

* Note 1: Total On Balance Sheet & Off Balance Sheet Assets is quoted from 1104 offsite Regulatory Report G44 Leverage Ratio denominator related items

* Note 2: Cost Income Ratio = Business and administrative expenses / Operation Income X 100%

* Note 3: As of 31st Dec 2024 and 31st Dec 2025, non-performing loan balance were both zero.

* Note 4: For 2025, the minimum regulatory requirement for Provision Coverage Ratio and Loan/Provision Ratio is 120% and 1.5% respectively

IV. Risk Management

China Board is responsible for setting a target risk culture, overseeing the establishment by management of an operational structure and the necessary resources to facilitate effective risk management throughout ANZ China. The committees set under the Board assist the Board in supervising and monitoring the Bank's overall risk management, including:

- Board Level – Risk Management Committee ("BL-RMC");
- Connected Party Transaction Control Committee;
- Audit Committee; and
- Remuneration Committee

The Chief Risk Officer ("CRO") updates the BL-RMC on the material risks and risk mitigants. The Chairman of the BL-RMC provides regular updates on these risks to the Board.

The BL-RMC meeting is held at least 4 times a year and Management Level-RMC ("ML-RMC") meetings are held more frequently. The ML-RMC is responsible for reviewing credit risk, market risk, non-financial risk, compliance, reputation risk etc to identify potential risk areas and resolve emerging risk issues. ML-RMC will escalate the significant country level risk issues to BL-RMC for awareness, review and resolution.

The Supervisor of the Bank exercises the supervisory role not only on the Bank's financial performance, but also on the overall risk management of the Bank, and providing advice in appropriate circumstances.

ANZ China's Risk Department is led by the CRO and is responsible for the comprehensive risk management, taking the lead in performing routine management of overall risk.

ANZ China's risk management system (otherwise known as the Risk Management Framework ("RMF") aligns with its parent, Australia and New Zealand Banking Group Limited ("ANZ" or "ANZ Group"). The RMF is supported by ANZ' s underlying systems, structures, policies, procedures, processes and people.
ANZ China's RMF is documented in its:

- Risk Management Strategy ("RMS"); and
- Risk Management Appetite ("RAS").

ANZ China, for the purpose of this Annual Report, identifies material risks listed below as those which local regulations require to be captured or local regulations require a risk management strategy. The oversight of each key material risk will be monitored in one of ANZ China's management committees for key decision making or endorsement and general oversight.

A. Strategic Risk

Strategic risk arises when a bank's business strategy or strategic objectives are poorly designed or improperly executed. This can result from weak strategic decisions and implementation, inadequate resource allocation, or a failure to respond effectively to changes in the external environment.

When a bank's strategy give rise to other material risks, the risk management measures used to address those risks also play a key role in controlling strategic risk.

The Executive Committee identifies, discusses, and manages strategic risk through the strategic planning process, before presenting it to the Board for approval. Committee members are responsible for pinpointing and evaluating potential strategic risks to support key decision making, including strategy in target markets, customer, products, major system and process change, organizational structure change, etc.

Ongoing monitoring of strategic risk requires ANZ China to maintain a deep understanding of local market conditions. This includes tracking global and domestic economic trends, competitor dynamics, and ensuring the organization can respond quickly to rapid developments in emerging technologies.

B. Wholesale Credit Risk

Credit Risk is the risk of financial loss resulting from a counterparty failing to fulfil its credit obligations, or from a decrease in credit quality of a counterparty resulting in a loss in value.

The credit risk management includes the credit risk management for on-balance and off-balance sheet businesses, and the credit portfolio mainly consists of loan assets, other assets and contingencies.

As of the end of 2025, total loan assets were RMB6.53B, The loan assets of Corporate and Financial Institutional Banking business were RMB6.52B , which was 99.89% of the Bank's total loan assets and 0.11% Retail Mortgage Loan (RMB0.01B).

The overall quality of the Bank's wholesale credit assets was maintained at a good level in the year 2025.

Throughout 2025

- Outstanding balance of Non-performing Loan ("NPL") was zero.
- There were nil settlement and write-off occurred and nil new NPL.

ANZ China has completed the 2025 credit risk stress testing. The results indicate that, under all stress scenarios, the decline in the Bank's credit asset quality and the increase in provisions remain within manageable and acceptable levels.

ANZ China also performed country risk stress test in 2025. The impact on provisioning and capital adequacy is limited under all stress scenarios and all country risk exposure at the time of stress testing is booked at low-risk countries, and there is no need to make a contingency plan.

The Bank uses the global risk information system of ANZ Group to provide complete and timely information management reports to senior management, Risk and Operations departments.

Credit risk management policies/procedures of ANZ China outline the detailed credit application, approval, and monitoring process and defines roles and responsibilities to ensure that the Bank complies with 'Law of the People's Republic of China on Commercial Banks' , the ANZ Group policies/procedures, where appropriate, and the local regulatory requirements. According to the requirements outlined in the NFRA regulations for credit risk management, the Bank has developed and implemented the following internal credit risk management policies, procedures and processes:

- Wholesale Judgmental Credit Requirements
- Assets 5-Grade Procedure
- Implementation Measures for Working Capital Loan Management
- Implementation Measures for Fixed Asset Loans Management,
- Country Risk Management Procedure
- Credit Asset Transfer Business Guideline
- Implementation Measures for Property Loan Management
- Syndication Management Guideline
- Green Credit Guide
- Large-amount Risk Exposure Management Guideline
- Large-amount Risk Exposure Monitoring Procedure
- Joint Credit Procedure
- ANZ China Management Guideline for the Expected Credit Losses Method

The regulatory ratios required by the NFRA and the Core Principles for Effective Banking Supervision issued by the Basel Committee on Banking Supervision are well understood by the Bank, of which the importance to the risk management has been fully acknowledged. The Bank ensures that all regulatory ratios are complied with in the process of credit risk management.

Large-amount Risk Exposure

In order to better implement the requirements of the "Large-amount Risk Exposure Management Measures of Commercial Banks" announced by the regulator. In the area of management system, according to the regulation requirements from NFRA on large-amount risk exposure monitoring and our internal management and statistical requirements, the Bank has completed the annual review for the relevant internal thresholds for large-amount risk exposure management in ANZ China Risk Appetite Statement (RAS) which is presented at BL-RMC and ML-RMC. The Bank has constantly updated and improved the "ANZ China Large-amount Risk Exposure Management Guideline" and “Large-amount Risk Exposure Monitoring Procedure”:

As of 31 Dec 2025, all of the large-amount risk exposures were well within the caps required by NFRA and ANZ China internal thresholds.

Our large-amount risk exposure index as of 31 Dec 2025：

Metrics for Large-amount Risk Exposures	Regulatory Caps	ANZ Internal Threshold (RAS trigger)	Top 1 Customer/Customer Group %
Top onshore single corporate customer loan outstanding (% of China net Capital)	<10%	<9%	7.87%
Top onshore single corporate customer risk exposure (% of China Tier 1 net Capital)	<15%	<13.5%	10.05%
Top onshore corporate customer group risk exposure (% of China Tier 1 net Capital)	<20%	<18%	10.18%
Top single interbank customer/group customer risk exposure (% of China Tier 1 net Capital)	<25%	<22.5%	19.27%
16Onshore Exposure of ANZBGL (% of China Tier 1 Net Capital)	-	<80%	51.42%
Top onshore single unqualified Central Counter-Party clearing/non-clearing risk exposure (% of China Tier 1 net Capital)	<25%	<22.5%	N/A

Country Risk

The Bank’s Country Risk Management Procedure and Process is developed and adapted from ANZ Group’s Country Rating Manual and the related requirements of country risk management. The policy is also prepared pursuant to the “Administrative Measures for Country Risks of Banking Financial Institutions” as promulgated by NFRA. Country Risk as defined in the NFRA Measures is consistent with the above mentioned ANZ Group definition. According to the Measures, major types of country risks include transfer risk, sovereign risk, contagion risk, currency risk, macroeconomic risk, political risk, and indirect country risks.

ANZ China has incorporated the country risk management into its overall risk management system so as to set up a country risk management system commensurate with its strategy goal, country risk exposure size and complexity.

ANZ China Risk Department will monitor country risk exposure and provisioning on monthly basis.

ANZ China has conducted country risk classification according to "Administrative Measures for Country Risks of Banking Financial Institutions" mapping to China Country Risk Classification, and after consideration the risk transfer factors, to set aside country risk provisions for assets.

C. Capital Adequacy Risk

Capital Adequacy risk is the risk of loss arising from ANZ failing to maintain the level of capital required by prudential regulators and other key stakeholders (shareholders, debt investors, depositors, rating agencies etc.) to support ANZ's consolidated operations and risk appetite. Losses include those arising from diminished reputation, a reduction in investor/counter-party confidence, regulatory non-compliance (e.g. fines and banking license restrictions) and an inability for ANZ to continue to do business.

The Bank's capital management includes capital adequacy ratio management and leverage ratio management. The capital adequacy reflects the Bank's abilities of prudently operating and withstanding risks. The Bank's objective of capital adequacy management is to meet legal and regulatory requirements and to prudently determine the capital adequacy target according to the actual risks faced, with referencing the parent bank and the international advanced level peers' adequacy and own operating conditions. The objective of the Bank's capital management is to:

- Protect business continuity and the interests of the Bank's creditors and shareholder;
- Maintain adequate capital to avoid breaching the regulator's Capital Rules, including in a stressed environment;
- Align capital levels to the Board's risk appetite; and
- Establish a capital structure that provides an efficient and effective use of funds within the Bank while at all times meeting the former NFRA's regulatory requirements

The Bank manages its capital structure and restructuring in accordance with the economic environment and the risk characteristics of business activities. In order to maintain or adjust the capital structure, the Bank may adjust the profit distribution policy, issue Tier 1 capital instruments, qualified Tier 2 capital instruments, etc.

The Board and the Bank's Asset and Liability Committee ("ALCO") take full responsibility for the management of capital to ensure the bank's capital adequacy consistent with the provisions of the NFRA, and they are also responsible for determining the objectives of the management of capital adequacy, to review the risk tolerance, to make and monitor the implementation of capital planning, and to disclose the information of the Bank's capital adequacy.

The Bank's capital management information system and data management are based on the integration of the core systems, relying on the compliance and effectiveness of the relevant systems and data governance framework. Management of the Bank monitors the capital adequacy and the use of the regulatory capital in accordance with the method prescribed by the NFRA. The Bank submits the required information to the NFRA regularly and conducts an internal audit on Internal Capital Adequacy Assessment Process (" ICAAP") on annual basis.

The Bank has developed and implemented the following internal capital adequacy risk management policies, procedures and processes:

- ANZ China Capital Management Guideline
- ANZ China ICAAP Standard
- ANZ China ICAAP Procedure

D. Liquidity and Funding Risk

Liquidity and Funding Risk is the risk that ANZ China is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that ANZ China has insufficient capacity to fund increases in assets.

The Board undertakes ultimate oversight responsibility of the adequacy of liquidity and funding risk management. The BL-RMC will be informed of significant internal and external developments that may adversely impact the ability of the Bank to remain liquid. The BL-RMC provides guidance and recommendations to the Board of these significant risks. ML-RMC monitor the key liquidity risk appetite and related metrics against the agreed threshold on a regular basis and escalate material risk or issues to BL -RMC or Board as appropriate. The liquidity risk appetite of the Bank will be approved by the Board.

ANZ China's ALCO is responsible for monitoring the liquidity conditions. ALCO holds regular meetings to discuss major decisions on funding and reviews the Bank's asset & liability structure. ALCO is responsible for ensuring effective implementation and execution of liquidity management framework. At the regular meeting, senior management participates in the Bank's liquidity management evaluation, oversees movement and liquidity situation in the balance sheet and discusses relevant risk management.

With the support from Regional and Group Treasurer, China Treasurer works together with China Market Risk to support China ALCO for the timely understanding of the Bank's liquidity management. China Market Risk provides independent oversight on liquidity risk based on internal liquidity risk metrics set by ANZ Group. China Treasurer and China Market Risk (to provide a second line risk oversight) as a joint function for liquidity risk management. Group/Regional Market Risk together with Group/Regional Treasurer are responsible to provide the relevant guidance, review and functional technical support. ANZ China Markets is responsible for the development and execution of all liquidity and funding strategies for approval at China ALCO, managing and approving all significant external communications relating to China's funding and liquidity positions.

The major business which impacts the Bank's liquidity is traditional business such as customer deposit, interbank borrowing and lending, bond & investment products and customer loans.

Currently ANZ China uses the mode of centralized fund management, where funding needs of the branches and business operation units are arranged by Markets, to manage the funds of ANZ China effectively and control the liquidity risk at a low level.

The BL-RMC recognizes the liquidity risk present in the Bank's balance sheet and has determined the following approaches to assess risk:

- The ability of the Bank to meet all obligations as they fall due in the immediate term
- Ability of the Bank to meet liquidity 'survival horizons' under a range of stress scenarios to meet cash flow obligations over a short to medium term horizon.
- The Bank's susceptibility to funding and market liquidity risks due to the structural liquidity position of the Bank.
- Potential earnings implications associated with unexpected increases in funding costs.

The Bank applies cash flow forecasting models and scenario analysis to measure and monitor liquidity risk profile arising from the Bank's on and off balance sheet activities. The models estimate expected net cash flows arising over a specified time horizon, forecasting any funding and liquidity gaps that are required to be managed. The main management and control approaches are as follows:

- Regular update to guidelines and internal limits structure to meet requirement of risk monitoring;

- Sound internal reporting mechanism with corresponding departments, personnel and committees, such as ML-RMC-CMRC, BL-RMC, Asset and Liability Committee, CRO, Market Risk Function and Treasurer.
- Specific risk monitoring system to ensure timely and accurate measurement, monitoring and reporting about liquidity risk and management;
- Regular stress test based on the different scenario settings;
- Independent internal audit of liquidity risk management.

In 2025, the Bank's liquidity risk-related ratios and limits are in line with the current regulations and policies. As of 31 December 2025, the liquidity risk related ratios were as following, well above the regulatory and internal limits：

Liquidity Compliance Ratios	31 Dec 2025
Liquidity Ratio	91.8%
HQLA Adequacy Ratio	276.9%
Liquidity Matching Ratio	167.7%

Specifically speaking, the Bank's liquidity management mainly includes the following measures:

1) Liquidity Stress Testing

The Bank's cash flow model assumption setting of all the liquidity stress testing scenarios is based on the combination of external data and professional judgment and ANZ Group standard associated with China market actual liquidity status. Relevant parameters adjustment has been made to accommodate China market actual situation. The Bank perform "Bank Liquidity Coverage Ratio (LCR)" test on a daily basis to ensure that the Bank holds sufficient liquid assets to meet cash flow needs in the next 30 days in severe market liquidity stress situations. The reports are generated by the ANZ Group's Market Risk Reporting Department and results are reported to relevant senior management. Any breaches are escalated to ALCO and notified to BL-RMC. There were no breaches in 2025.

2) Liquidity Risk Metrics

The Bank's liquidity risk management framework covers both regulatory and monitoring ratios. Regulatory ratios below the management minimum threshold, the Bank will follow the procedure and report to the regulator timely. Material fluctuation, rapidly or continues taking on unidirectional changes on monitoring ratios, China ALCO need to analyse the cause and risk changes reflected from those ratios, and timely report to the regulator when necessary.

3) Liquidity Crisis Contingency Plan (LCCP)

To ensure effective collaboration among each department during a liquidity crisis, ALCO regularly reviews the Bank's LCCP and conduct annual rehearsal. The Bank maintains the LCCP defining an approach for analysing and responding to a liquidity threatening event. The framework includes:

- Establishment of crisis severity/stress levels;
- Clearly assigned crisis roles and responsibilities;
- Early warning signals indicative of an approaching crisis, and mechanisms to monitor and report these signals;
- Outlined action plans, and courses of action for altering asset and liability behaviour;
- Procedures for crisis management reporting, and making up cash flow shortfalls;

- Guidelines determining the priority of customer relationships in the event of liquidity problems; and
- Assigned responsibilities for internal and external communications.

Overall, the Bank's current liquidity management framework, policy and procedure can meet the needs of our current business development.

The Bank has developed and implemented the following internal liquidity and funding risk management policies, procedures and processes:

- ANZ China Liquidity Guideline
- ANZ China Liquidity Crisis Contingency Plan
- ANZ China Intraday Liquidity Management Handbook
- Liquidity Metrics Management Procedure
- Intra Day Liquidity Management Procedure

E. Market Risk

Market Risk stems from ANZ China's trading and balance sheet activities and is the risk to ANZ China's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations or from fluctuations in bond or commodity prices.

Market Risk is a risk management unit independent of the business that is responsible for measuring, monitoring and controlling the Bank's market risk. ANZ China Market Risk have implemented policies and procedures to ensure that ANZ China's market risk exposures are managed within the appetite and limit framework set by China Board. China Market Risk reports results of limits utilizations and stress testing to ML-RMC and ALCO on a regular basis and China BL-RMC on a quarterly basis.

The major products offered by ANZ China Markets are 1) FX and Rates, including Spot, Forward, FXS, RMB bond and Repo, IRS; 2) Shanghai Gold Exchange and Shanghai Futures Exchange trading; 3) FX Option Trading; 4) Credit Bond Trading; and 5) Bank's Asset and Liability Management. Based on different business purpose, Market Risk is managed on trading book and banking book separately.

Market Risk limit setting and excess reporting are key components of market risk management framework. With consideration of the Bank's business strategy and business development requirements, the Bank's Market Risk performs market risk limits review regularly.

China Market Risk applies Value at Risk (VaR) and stress test on trading and banking book, and additionally Earning at Risk (EaR) on banking book. Detail market risk sensitivity limits are also imposed at each desk level including interest rate risk (DV01), FX (NPV) and optionality risk and credit spread (CR01).

Stress test

- Trading Book: ANZ China Stress testing results reflect the potential loss impact from applying the largest market shocks occurring during recent history and incorporates both price movements and liquidity associated with these events. Data from 2008 is used (to encapsulate the GFC period) to capture severe historical price movements and liquidity shocks. Extraordinary stress test with China Hard Landing and CNY and HKD Free Float scenarios is also applied to the trading book.

- Banking Book: 26 standard stress tests on interest rates. Using principal component analysis, each scenario is based upon differing combinations of shifts, bends and twists in the yield curve. In addition, Historical Stress Scenarios and Hypothetical and forward-Looking Stress Scenarios are included in

Interest Rate Risk in the Banking Book (IRRBB) stress tests. These tests are at a 99.97% confidence level and a 3-month holding period and are applied to the market value of the portfolio.

Market Risk Quantification Analysis (in '000 RMB) as of 31 December 2025:

in CNY '000		Y2025		
VaR and EaR Overall 99% confidence level	as of 31 Dec	Average	MAX	MIN
Trading Book VaR	6,086	11,817	42,188	3,940
(1) Local Markets	5,399	5,904	15,460	2,220
(2) Shanghai Gold Exchange	5,406	9,325	39,210	2,321
(3) FX Option	39	191	1,618	20
(4) Credit	0	0	0	0
Banking Book VaR 99% confidence level	5,407	6,717	8,719	4,310
Banking Book EaR	12,965	9,189	18,969	3,302

Stress Test (Overall Trading Book –IR, FX and Credit and Banking Book, in '000 CNY):

Stress Test	Stress Scenario	Outcome
Trading Book - IR	Yield Flatten	-119,207
Trading Book - FX	SpotDn VolUp	-11,900
Trading Book - Credit	-	no position
Banking Book	Parallel shock up	-127,264

Sensitivity Analysis over NII:

	Y2025	Y2024
Impact of 1% rate shock on the next 12 months' net interest income margin	6.5%	4.4%

The Bank has developed and implemented the following internal markets risk management policies, procedures and processes:

- Traded Market Risk China Guideline
- China IRRBB (Interest Rate Risk of Banking Book) and FTP Guideline
- China Market Risk Modelling Management Guideline

F. Non-Financial Risk

Non-Financial Risk ("NFR"), which is defined by ANZ Group, is the risk of loss and/or non-compliance (including failure to act in accordance with laws, regulations, industry standards and codes, and internal policies) resulting from inadequate or failed internal processes, people, system and/or data, or from external events. This includes Operational Risk and the risk of reputation loss but excludes Strategic Risk.

ANZ China adopts the ANZ Group NFR Framework, which is designed to holistically, consistently and effectively identify, assess, remediate, monitor and report NFR across the bank. Local regulatory requirements are fully incorporated into the ANZ China Operational Risk Management Policy to ensure ongoing alignment with regulatory requirements.

The NFR Framework has been introduced:

- the Non-Financial Risk Taxonomy, which has 'Risk Themes'. There are a total of 16 Risk Themes and 43 Level 2 Risk Statements. The 16 Risk Themes include: Conduct, Data, External Fraud, Financial Crime, Information Security (including Cyber), Internal Fraud, Legal, Model, Operational Resilience, People, Physical Security, Regulatory Risk, Statutory Reporting & Tax, Third Party, Transaction Processing & Execution and Technology.
- the Non-Financial Risk Operating Model, with 7 discrete Non-Financial Risk role types, with clearly articulated accountabilities and responsibilities across the 3 Lines of Defence, covering end-to-end Non-Financial Risk management lifecycle activities to ensure Non-Financial Risk is effectively managed within risk appetite.

ANZ China utilizes the ANZ Group's NFR Hub as its compliance and operational risk management system. This system:

- Comprehensively records the operational risk applicability and relevant control objectives assessment results, key controls with mapped risk control objectives, attestation for key control effectiveness and other risk management information.
- Is used for daily monitoring and management for those operational risks that are recorded in the NFR Hub.

During 2025, ANZ China continued to have a well-managed environment in respect of its operational risk, supported by enhanced governance and dynamic risk and control assessment across business lines. The overall risk profile review remains dynamic and is continuously refreshed to reflect material changes in the operating environment, significant change initiatives, and emerging risk developments.

Non-Financial Risk Loss events remained low. In 2025, the Bank recorded a total of 138 non-financial risk events. Of these, 45 were attributable to deficiencies in the execution of customer-facing or internal operational processes, 33 arose from errors or delays in regulatory reporting, and 12 were linked to technology system interruptions. Three of these events resulted in financial losses, amounting to RMB 11,066. The Bank has completed root cause analyses for all events, with targeted remediation actions actively tracked and progressing as planned. These measures are designed to strengthen the control environment, enhance process discipline, and reduce the likelihood of similar operational risk events recurring.

ML RMC-ORCC is held on a regular basis. The committee addresses the risks arising from internal and external factors, including regulation changes, Key Risk Indicators ("KRI") changes, events, control testing results, audit findings, as well as strategy and organizational changes. Material NFR matters would be escalated to BL-RMC, which is held on a quarterly basis.

Operational Risk Capital Allocation

ANZ China calculates and maintains appropriate operational risk capital according to local regulatory requirements.

ANZ China is currently adopting the Basic Indicator Approach to estimate Operational Risk Capital, by multiplying the average eligible revenue over the previous 3 years with a regulatory determined ratio of 15%.

In 2025, ANZ China has conducted the Operational Risk Stress Test under the scenarios of 'Business Disruption - ANZ Transactive - Global (TG) System Out of Service' and 'External Fraud caused by External Hacking'. The financial impact results of both tests were within the Operational Risk Capital.

G. Liability Quality Management

Liability Quality Management Mechanism

The Bank has a sound governance system for liability quality management, and the liability quality management strategies, policies and contingency plans are in line with the Bank's business strategy, risk appetite and overall business characteristics. Overall, the liability quality management framework is covered under liquidity risk management, including corresponding strategies, systems, procedures, limits, contingency plans, and roles and responsibilities. The Board is ultimately responsible for liability quality management; and the Bank's ALCO undertakes the management of liability quality. For relevant guidelines, procedures and management methods that overlap with liquidity risk, please refer to the section Liquidity and Funding Risk of this annual report.

In terms of the elements of liability quality management, the Bank focuses on the following six aspects in accordance with the Measures for the Management of Liability Quality of Commercial Banks:

- The stability of the liabilities;
- The variety of the liability structure;
- The reasonableness for the match of liabilities and assets;
- The capabilities of obtaining funds;
- The appropriateness of the funding cost;
- The authenticity of liability items.

ALCO is responsible for ensuring the effective implementation and execution of the liability quality management mechanism and is responsible for monitoring the Bank's liability quality management condition. ALCO holds regular meetings to discuss the status of liability quality management, review and analyze changes in relevant management metrics, and discuss relevant management status and risks. BL-RMC is held on a quarterly basis. The Chief Financial Officer provides regular update on liability quality management to the BL-RMC.

Liability Quality Management Status

As of 31 December 2025, the key metrics and limits related to liability management were in line with the Bank's current rules and policy requirements, and overall trended at the reasonable level.

V. Corporate Governance

A. Board Obligation, Composition and Performance

Directors are nominated by the shareholder. As of 31st December 2025, the Board of Directors of ANZ China composes of:

Chairman – Simon John Ireland. Simon joined ANZ Group in 2008 and was appointed Head of International Business in October 2021; before joining ANZ, Simon held various management positions at Lehman Brothers and JP Morgan; and has over 30 years of banking management experience .

Executive Director – Lachlan Stewart Halstead. Lachlan has been Country Head of ANZ China since September 2025; prior to this role, Lachlan has nearly 25 years of banking management experience in various management positions in ANZ Group.

Non-Executive Director – Choi Jin Yong. He joined ANZ Group in 2012 as Head of Debt Capital Markets, Global & Capital Markets Asia. In 2022, he was appointed as Global Head of Capital Markets, Institutional; he has over 20 years of banking experience. Choi stepped down from Non-executive Director role in November 2025.

Non-Executive Director – Annabel Jane Helen Squier. Annabel joined ANZ Group in 2010 and held various management roles in the Financial Institutions division, and was appointed Head of ANZ Financial Institutions North Asia in 2016.

Independent Director– Kuan Kok Wai. He has over 30 years of experience in finance area； and the 20+ years in the insurance industry has seen him in roles such as Board Chairman, Regional and Country CEO, CFO with leading multinational companies.

Independent Director – Tai Foong May. May has more than 20 years of working experience in the judicial field and has been living and working in Hong Kong, Beijing and Shanghai since 2010. Since 2017, she has served as the managing partner of Herbert Smith Freehills in China, and later become Asia Managing Partner in 2020. Currently she is Vice President of International Court of Arbitration starting 2024.

The following is a summary of the concurrent positions of all directors as of the end of 2025:

Chairman, Simon John Ireland	Managing Director of International Business, ANZ Group Chairman of the Board, ANZ Europe S.A
Executive Director, Lachlan Stewart Halstead	Chief Executive Officer, ANZ China
Non-executive Director, Annabel Jane Helen Squier	Head of ANZ Financial Institutions North Asia, ANZ Group
Independent Director, Kuan Kok Wai	Board Chairman - QBE Hong Kong & Shanghai Insurance Limited; QBE General Insurance (Hong Kong) Limited; QBE Mortgage Insurance (Asia) Limited (Location: Hong Kong)
Independent Director, Tai Foong May	Vice President, International Court of Arbitration

The Board of Directors is mainly responsible for major decisions such as business plans, and reports to the Shareholder and implements the Shareholder resolutions. The Board takes up the ultimate responsibility for the business performance and financial status. The Board has set up Connected Party Transaction Control Committee, Risk Management Committee, Audit Committee and Remuneration Committee. In addition to those authorities stipulated in the Company Law, the obligations of the Board include:

(1) reporting its work to and implement the resolution of the shareholder;

(2) formulating the Bank's development strategy and supervising implementation of the strategy;

(3) evaluating and improving corporate governance of the Bank on a regular basis;

(4) formulating the Bank's annual financial budgeting plan and final accounts proposal;

(5) formulating plans for increase or reduction of registered capital, issuance of bonds or other securities and listing of the Bank;

(6) developing plans for the Bank's significant acquisition, purchase of the Bank's shares, merger, division, dissolution or change of company form;

(7) formulating the Bank's profits distribution plans and losses remedy plans;

(8) deliberating on and approving the Bank's external investment, asset purchase, asset disposal and write off, asset mortgage, connected party transactions, data governance etc. pursuant to laws and regulations, regulatory provisions and the AOA;

(9) being responsible for information disclosure of the Bank, and bear the ultimate responsibilities for veracity, accuracy, integrity and timeliness of accounting and financial reports;

(10) establishing a mechanism for identification, examination and management of conflict of interests between the Bank and the Shareholder;

(11) proposing to the Shareholder on appointment or dismissal of the accounting firm which carries out regular statutory audit of the Bank's financial reports;

(12) formulating the Bank's capital planning, and bear the ultimate responsibilities for management of capital or solvency;

(13) formulating the Bank's risk tolerance, risk management and internal control policies, and bear the ultimate responsibilities for overall risk management;

(14) resolving on the business plans of the Bank and the material adjustments of the Bank's business nature, business structure, target customers or target business areas;

(15) resolving on the establishment of the branches and sub-branches of the Bank;

(16) safeguarding the legitimate rights and interests of financial consumers and other stakeholders;

(17) formulating the basic management system of the Bank;

(18) bearing management responsibilities for shareholder affairs;

(19) appointing or dismissing Senior Executives and decision on their remuneration, reward and punishment pursuant to regulatory provisions, and supervising the performance of duties of Senior Management;

(20) appointing or dismissing the responsible person of the internal audit department;

(21) resolving on the Bank employees' incentive plans and retirement welfare plans;

(22) formulating plans for amendment of the AOA and the board charter, and deliberating on and approving the charters for specialized committees under the Board of Directors; and

(23) such other authorities of the Board of Directors as provided by laws, regulations and the AOA or as granted by the Shareholder.

The Board has actively fulfilled its fiduciary duty and duty of care in 2025. In 2025, the Board and its specialised committees have fulfilled its respective duties under our governance structure in accordance with laws, regulations, regulatory requirements, Articles of Association and relevant charters. The Board held its regular meetings on 11 March, 10 June, 1 September and 24 November in 2025 to receive regular updates from senior management on business performance, human resources, key IT projects, key regulation update and implementation status, and to review and discuss the bank's development strategy, financial plan, internal authority matrix, and external auditor's engagement and audit fees, etc. The Board held an ad hoc meeting on 30 April to approve the nomination and appointment of a new Chief Operations Officer.

The Board of ANZ China has four specialized committees under its governance: the Audit Committee, the Risk Management Committee, the Connected Party Transaction Control Committee, and the Remuneration Committee, all of which provide professional advice to the Board. Each committee makes decisions and operates according to the Board's authorization and their respective charters. During the reporting period, the duties of each committee were clearly defined, and the committees reviewed and approved important matters and diligently and promptly reported to the Board in accordance with relevant laws, regulations, supervisory requirements, and the Articles of Association of ANZ China.

The Risk Management Committee is primarily responsible for supervising the senior management's control of risks such as credit risk, liquidity risk, market risk, operational risk, compliance risk, and reputational risk. The committee regularly evaluates the Bank's risk policies, management status, and risk tolerance, and provides recommendations for improving risk management and internal controls. In 2025, the Risk Management Committee under the Board held its regular meetings on March 11, June 10, September 1 and November 24, to receive liability management reports, market risk reports, non-financial risk reports and compliance risk reports; and timely review changes in credit delegation, excess limit approval discretion, the latest country risk provisions and exposures, and various stress test scenarios and results for the reporting period.

The Audit Committee is primarily responsible for reviewing the Bank's risk and compliance status, accounting policies, financial reporting procedures, and financial condition. It is also responsible for overseeing the annual audit, making recommendations regarding the appointment and replacement of external auditors, reviewing and endorsing the audited financial statements and recommend for Board approval. In 2025, the Audit Committee held four regular meetings on March 11, June 10, September 1 and November 24, to review the internal audit plan of the Bank, understand the internal audit findings for the reporting period and listen to relevant market trends; understand the external audit plan and approve the external audit fee. The Audit Committee held an ac hoc meeting on 27 March to endorse the draft Financial Statement.

The Connected Party Transaction Control Committee is primarily responsible for the management, review, and risk control of connected party transactions. In 2025, the Connected Party Transaction Control Committee held three regular meetings on March 11, September 1 and November 24, to review the updated list of connected natural persons and connected legal entities on a regular basis; and noted the general connected party transactions during the reporting period.

The Remuneration Committee is primarily responsible for reviewing and approving annual performance and remuneration outcomes as well as updates to ANZ China Remuneration Operating Guidelines; review the annual internal remuneration and performance evaluation audit findings, as well as any other remuneration related issues of the Bank. The committee held its annual meeting on November 12, 2025. The Committee approved the 2025 remuneration results of ANZ China.

B. Supervisor Obligation and Performance

ANZ China has one Supervisor, Mr. Timothy Bezencon, appointed by the Shareholder. Mr. Bezencon currently serves as Chief Risk Officer of ANZ Australia; has over 30 years of banking experience in client communications and credit risk. The Supervisor attends Board meetings and Risk Management Committee meetings, reviews Board pack, receives reports from senior management at board meeting, and participates in discussion from the perspective of Supervisor, examines the bank's financial status and supervise the performance of directors and senior management and report to the Shareholder accordingly. The Supervisor shall be responsible to the Shareholder, and, in accordance with the Company Law and other laws and regulations, regulatory provisions and the provisions of the AOA, faithfully perform the duties of supervising the Board of Directors and Senior Management , including the following duties and obligations:

(1) supervising and examining the business decision-making, financial status, risk management and internal control of the Bank and urge corrections;

(2) making comprehensive assessment of the performance of the duties of the Directors;

(3) monitoring and requiring the Directors or the Senior Executives to rectify the acts that are in violation of the PRC Law and the AOA; proposing the removal of Directors and Senior Executives who violate laws, regulations, the AOA, or shareholder decisions;

(4) preventing the acts of the Board of Directors or the Senior Executives that are detrimental to the interests of the Bank, the Shareholder and other connected parties, particularly the depositors; when the behaviour of Directors and Senior Executives damages the interests of the Bank, requiring the Directors and Senior Executives to make corrections;

(5) proposing to the Shareholder;

(6) proposing the convening of the interim meetings of the Board of Directors

(7) attending the meetings of the Board of Directors, and raising questions or suggestions about the matters to be resolved by the Board of Directors;

(8) actively participating in the trainings organized by the Bank and regulatory bodies, understanding the rights and obligations of Supervisor, being familiar with the relevant laws and regulations, and continuously possessing the professional knowledge and ability necessary to perform his/her duties;

(9) having the obligations of being loyal and diligent to the Bank, faithfully and prudently performing his/her duties, and guaranteeing having enough time and energy to perform his/her duties;

(10) taking legal proceedings against the Directors and the Senior Executives in accordance with the PRC Law; and

(11) such other authorities as delegated by the PRC Law, regulatory provisions, and the AOA.

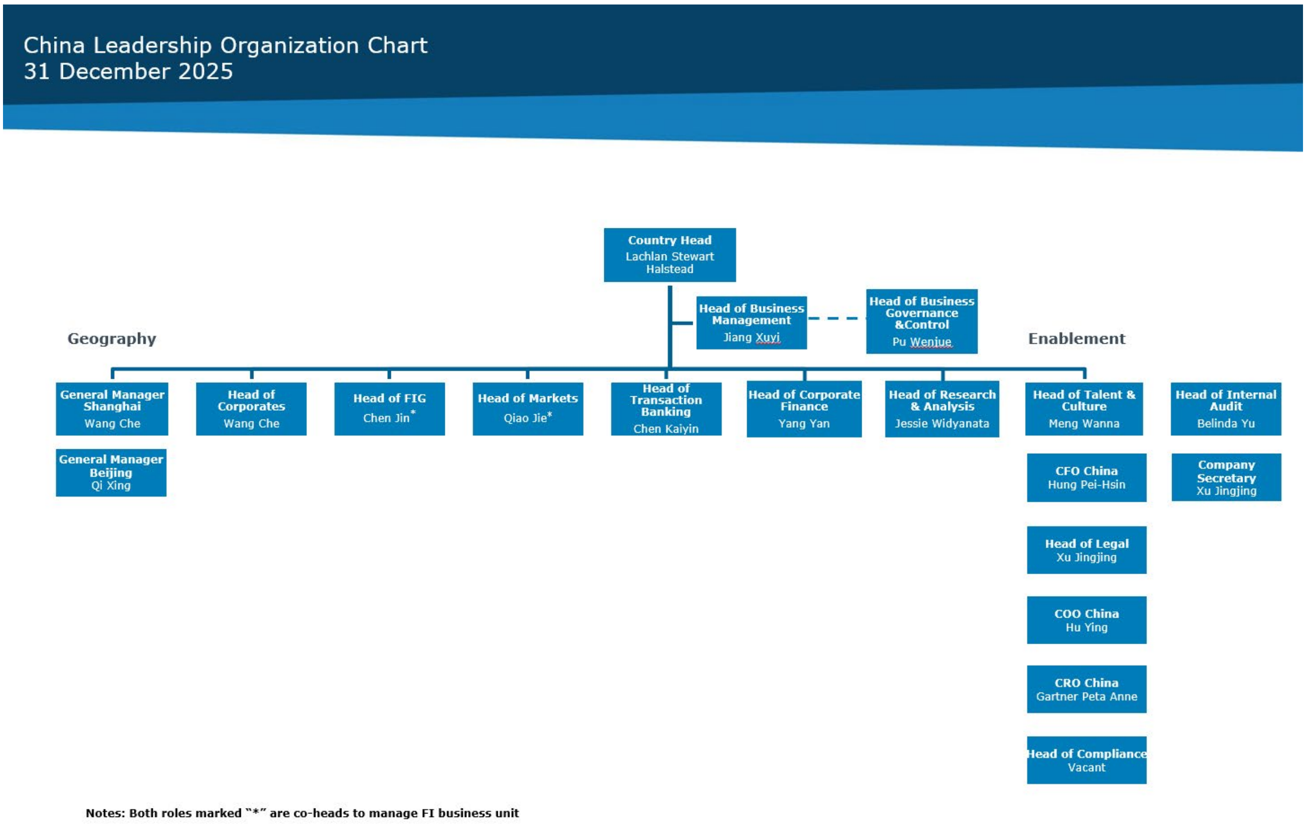
C. Independent Director

The Independent Directors owe duty of loyalty and duty of care to ANZ China and its Shareholder. The Independent Directors fulfil their duties independently in accordance with PRC laws and regulations and Articles of Association to protect the overall interest of ANZ China. Mr. Kuan Kok Wai and Ms. Tai Foong May actively participated in the discussion and decisions at the Board meetings, expressed his objective and independent opinions. Mr. Kuan Kok Wai is the chairperson of Connected Party Transaction Control Committee and Remuneration Committee; and he is also a member of Risk Management Committee and Audit Committee. Ms. Tai Foong May is the chairperson of Audit Committee; and she is also a member of the Connected Party Transaction Control Committee, Risk Management Committee and Remuneration Committee.

In 2025, both independent directors performed their duties diligently, responsibly with 100% attendance for all board regular meetings; expressed objective, and fair independent opinions on matters discussed by the board of directors, especially profit distribution, appointment of senior management and other matters that may involve conflicts of interest.

D. Senior Management

1) Senior Management Organization Chart – as of 31 December 2025



2) Obligations and Working Experience of Senior Management

Position	Obligations	Working Experience
Country Head Lachlan Stewart Halstead	Taking charge of the operation and management of the Bank and managing to implement the resolutions of the Shareholder and the Board of Directors; managing to implement the annual operation plan and investment plan of the Bank; formulating plans for the establishment of the internal administrative organizations of the Bank; formulating the basic management system of the Bank; formulating the specific internal rules and regulations of the Bank; deciding on the engagement or dismissal of management personnel other than those to be engaged or dismissed by the Board of Directors; and such other authorities as delegated by the	Mr. Lachlan Stewart Halstead has been Country Head of ANZ China since September 2025; prior to this role, Mr. Lachlan Stewart Halstead has nearly 25 years of banking management experience in various management positions in ANZ Group.

	PRC Law and the AOA and as granted by the Board of Directors.	
Chief Risk Officer Gartner Peta Anne	Undertakes supervision responsibilities through engagement in formulating the risk management strategy, policies and processes, and daily management of various risk areas, including credit risk, market risk and non-financial risk; regularly report to the BL-RMC on the overall implementation of the risk management strategies and the overall status of risk management including key risk issues; ensure that regulators have a full understanding on our bank's risk management status and can timely provide guidance to the Bank.	Mrs. Gartner Peta Anne was appointed as Chief Risk Officer of ANZ China in Oct 2024. Prior to that, Mrs. Gartner Peta Anne held various positions in ANZ Group, PPB Advisory. She has over 20 years of banking and financial services experience.
Head of Internal Audit Belinda Yu	Responsible for proposing and obtaining an internal audit plan, implementing the approved internal audit plan, and supervising the work of the internal audit team; oversee audit follow up and remediation activity, data quality and timely and insightful reporting and MIS for portfolio, including the monthly reporting process	Ms. Belinda Yu joined ANZ China in 2023 and was approved to be Head of Internal Audit in November 2023. Before that, she held various positions in Citi Bank, the Bank of New York Mellon, Shanghai and PwC, etc,. She has over 20 years of banking and financial service experience. *(Note: Ms. Belinda departed from the role of Head of Internal Audit at ANZ China as of February 1, 2026.)*
Chief Operation Officer Hu Ying	Responsible for managing the Operation Department, including Operation, Business Management & change, Property; also responsible for oversight on the IT Strategic and BAU Operations including Tech Risk Governance uplift.	Ms. Hu Ying joined ANZ China in June 2025 and has held the position of Chief Operation Officer of ANZ China since August 2025. Before that, Ms. Hu Ying held various positions in Standard Charter Bank, ANZ Chengdu Service Center, HSBC Guangdong Global Service Center etc., She has over 20 years of banking experience.
Chief Financial Officer Hung Pei-Hsin	Assist the Country Head and business lines in the formulation and implementation of financial budgets, and be responsible for the formulation and supervision of accounting policies; lead financial team to provide professional and strategic financial support and advice for business development, while maintaining a robust management and control model to ensure the integrity and accuracy of financial information; Chair the Asset & Liability Management Committee to assist the Country Head in managing the balance sheet so that it can properly achieve business objectives and maintain capital resources	Ms. Hung Pei-Hsin joined the ANZ Bank Group Taiwan in 2010, and then transferred to ANZ China since January 2023 as Chief Financial Officer. Prior to ANZ, she held various positions in ABN AMRO, KPMG, etc,. She has over 20 years of banking and financial service experience.
Head of Compliance Li Jian	Provide compliance advice for the bank's overall business development strategy decisions; lead the compliance team to comprehensively coordinate the identification and management of compliance risks according to the bank's compliance management framework, and guide the compliance department to perform the duties of compliance consulting, advice and supervision according to the compliance risk	Mr. Li Jian was approved to take up the role of Head of Compliance of ANZ China in July 2024. Prior to ANZ, he held various positions in SAFE Zibo, ABN AMRO, BNP, PayPal, etc., He has near 30 years of banking and financial experience. *(Note: Mr. Li Jian left the position on December 11, 2025. The position of Head of Compliance is currently vacant, and Mrs. Gartner Peta Anne, the Chief Risk Officer, is temporarily assuming the related*

	management plan; lead the anti-money laundering work	*responsibilities of the Head of Compliance role.)*
Head of Legal and Company Secretary Xu Jingjing	Provide independent and commercially viable legal advice and legal services to business units and make effective use of legal resources both inside and outside the bank; advise senior management on corporate governance structure to ensure compliance with Chinese legal and regulatory environment, and commit to continuous improvement of corporate governance structure; responsible for the daily work of the Board.	Ms. Xu Jingjing joined ANZ Shanghai Branch in 2009 as a corporate lawyer. Since 2010, she has been appointed as Head of Legal of ANZ China and took management of Company Secretary office. She has also been the Company Secretary since 2019. Before that, Ms. Xu Jingjing worked as a legal counsel at Credit Suisse. She has more than 15 years of banking experience. *(Note: Ms. Xu Jingjing departed from the role of Company Secretary at ANZ China as of February 11, 2026.)*
Head of Corporates and Branch Manager of Shanghai Branch Wang Che	Manage Corporates Department, overseeing the sales of corporate banking products and services, including lending, transaction banking (trade finance and cash management), and financial markets (funding) services. Collaborate closely with the group's branches worldwide, leveraging our bank's strengths in specific industries and regions. Focus on large and medium-sized domestic enterprises based in China that have operations in Australia, New Zealand, and the Asia-Pacific region or intend to expand their business to these regions, also support multinational corporations operating in China that have business links with their parent companies, providing them with comprehensive financial services. Responsible for financial management, risk and compliance management, customer management, personnel management, and external relations management of the branch.	Mr. Wang Che joined the ANZ Group in 2008 as a management trainee, joined ANZ China in 2014 as Director of Syndicated Loans and from 2021 as Head of Corporate Finance, in 2023, he was appointed as Head of Local Corporate, since May 2025, he has assumed full responsibility for the Corporates Department of ANZ China, and in November 2025, he was approved to be the Branch Manager of Shanghai Branch. He has over 15 years of banking experience.
Head of Markets Qiao Jie	Responsible for managing Markets business, coordinating the sales and trading team to actively participate and provide liquidity in China financial markets and provide financial services across foreign exchange, interest rate and commodity products. Also be responsible for the development of the RMB markets infrastructure for China Markets, so as to ensure the smooth delivery of the banks' strategy.	Ms. Qiao Jie joined the ANZ Group in 2010 as Dealer of Markets and was appointed as Head of Markets of ANZ China in 2022. Before that, Ms. Qiao Jie held various positions in JP Morgan, Bank of Ningbo, etc., She has more than 15 years of banking experience.
Head of Transaction Banking Chen Kaiyin	Responsible for managing Transaction Banking Department, providing cash management, trade, and supply chain financing services to corporate and financial institution clients, helping them achieve effective liquidity, risk, and cash flow management.	Ms. Chen Kaiyin joined ANZ Group in 2003 as a management trainee. Since her internal transferred to ANZ China in 2010, she has taken several positions as Senior Consultant of Trade Finance, Director of Transaction Banking etc., and was appointed as Head of Transaction Banking effective from September 2024. Ms. Chen has more than 20 years of banking and financial services experience.
Head of Financial Institutions Group	Responsible for managing Financial Institutions Department, establishing long-term and sustainable business	Ms. Chen Jin joined ANZ China in 2011 as Director of FIG, and was appointed as Head of Financial Institutions Group in

Chen Jin	relationships with financial institutions. The cooperation partners include both banking and non-banking financial institutions, such as leasing companies, insurance firms, funds and asset management companies.	March 2024, and double hatted as Sub-branch Manager of Shanghai Free Trade Zone Sub-branch since April 2024. Before that, Ms. Chen held various positions in SMBC, HSBC, etc., She has more than 30 years of banking and financial services experience.
Head of Research and Analysis Jessie Widyanata	Directing the Research & Analysis Department, responsible for identifying and effectively managing risks inherent in the client's business model and industry; also responsible for identifying and managing risks inherent in the client's capital and management structure and performance results.	Ms. Jessie Widyanata joined the ANZ Group as a management trainee in 2011 and joined ANZ China in 2018 as R&A manager, Credit Manager and from 2022 onwards as Head of R&A. She has more than 10 years of banking experience. *(Note: Ms. Jessie Widyanata departed from the role Head of Research and Analysis at ANZ China as of January 18, 2026.)*
Head Corporate Finance Yang Yan	Responsible for managing Corporate Finance Department, providing tailored financing solutions to corporate clients, including syndication loan, project finance, export finance, structured asset financing, M&A loan, and sustainability finance products.	Ms. Yan Yang joined ANZ China in 2024 as the Head of Corporate Finance in March 2024. Before joining ANZ, Yan held various positions in JPMorgan, HSBC and McKinsey across China and US. She has more than 20 years of banking experience.
Head of Talent and Culture Meng Wanna	Establish human resource policies in line with business strategies, including: organizational structure design, talent recruitment and management, performance management evaluation, compensation and benefits, etc； Create a high-performance corporate culture.	Ms. Meng Wanna joined ANZ China in 2005, and has taken various positions during her period in ANZ including T&C Business Partner. She was appointed as Head of T&C of ANZ China in February 2023. Ms. Meng Wanna has 20 years of banking experience.
Business Manager Jiang Xuyi	Assist the Country Head in formulating and developing China business strategy, managing strategic projects, including but not limited to business transformation, information technology, and risk management; Coordinate and facilitate collaboration across business units to drive business growth; Supervise and provide guidance to the Business Governance & Control team.	Mr. Jiang Xuyi joined ANZ China in 2010, took the roles of Audit Manager, Operational Risk Assurance Manager, Director of Local Corporate etc., in ANZ China and ANZ Group. In May 2024, he was appointed as Business Manager of ANZ China. Prior to that, Mr. Jiang Xuyi held various positions in EY, KPMG. He has 20 years of banking and financial service experience.
Head of Business Governance & Control Pu Wenjue	Responsible for leading the Non-financial Risk Management and Control Testing teams to ensure safe and compliant business operations, strengthening risk awareness across the organization, optimizing risk control mechanisms, and minimizing non-financial risks.	Ms. Pu Wenjue joined in ANZ China in 2011, took the roles of Operation Project Manager, Operation Business Manager, Head of Customer Service, etc., and was appointed as Head of Business Governance & Control in May 2024. Before that, Ms. Pu held various positions in JiaHwa CPAs, Citi, etc. She has 20 years of banking and financial service experience.
Beijing Branch Manager and Senior Executive Director China Qi Xing	Identify opportunities with target companies and financial institutions, collaborating with Head of Corporates, Head of Multi National Corporates and Head of Financial Institutions Group. Support Financial Institutions Group and Corporates Relationship Managers in strategies and risk management. Maintain relationships with related regulators and governmental bodies.	Ms. Qi Xing joined ANZ Beijing Branch in 2008 as Head of FIG in China. Since 2010 to February 2024, she had been the Head of FIG of ANZ China. In 2018, she was appointed as Beijing Branch Deputy Manager and in 2023 was appointed as Beijing Branch Manager. She has also taken the role of Senior Executive Director China since March 2024. Before that, Ms. Qi Xing held various positions in Standard

Responsible for financial management, risk and compliance management, customer management, personnel management, and external relations management of the branch.	Chartered, China Merchants Bank, etc., She has more than 20 years of banking and financial services experience.

E. Overall Assessment of Corporate Governance

As a wholly-owned subsidiary of Australia and New Zealand Banking Group Limited, the Bank has a simple and clear equity structure and has established a corporate governance structure in line with its own characteristics. Shareholder, the board of directors, supervisor and senior management can all properly perform their respective responsibilities. Risk management and internal control mechanism operate well, can disclose information in accordance with regulatory requirements, pay attention to the interests of stakeholders, actively perform social responsibilities, implement macro policies and regulatory requirements, and leverage its advantages to serve national strategies and the real economy.

VI. Shareholder and Equity Information

In accordance with ‘Corporate Governance Guidelines for Banks and Insurance Institutions’ and Article 37 in ‘Provisional Measures on Administration of Equities of Commercial Banks’ issued by China Banking & Insurance Regulatory Commission, ANZ China discloses its equity information as below:

A. Shareholder, its controlling shareholder, actual controller, parties acting in concert and ultimate beneficiaries

ANZ China’s sole shareholder is Australia and New Zealand Banking Group Limited (“ANZBGL”). ANZBGL’s controlling shareholder is ANZ BH Pty Ltd and ANZBGL’s actual controller is ANZ Group Holdings Limited which is a listed company in Australia. There are no parties acting in concert or ultimate beneficiaries for ANZBGL. ANZ Group Holdings Limited wholly owns ANZBGL through ANZ BH Pty Ltd.

As of 31 December 2025, the list of non-individual connected parties of Australia and New Zealand Banking Group Limited, the shareholder of the Bank, is as follows:

1835 Funding Pty Limited
8 and 9 Chester Limited
A.C.N. 633 568 411 Pty Ltd (in liquidation)
ACN 008 647 185 Pty Ltd
ANZ (Thai) Public Company Limited (in Liquidation)
ANZ Bank (Kiribati) Limited
ANZ Bank (Samoa) Limited
ANZ Bank (Vanuatu) Limited
ANZ Bank (Vietnam) Limited
ANZ Bank New Zealand Limited
ANZ BH Pty Ltd
ANZ Capital No. 1 Pty Ltd
ANZ Capital Private Limited
ANZ Centre Pty Ltd
ANZ Commodity Trading Pty Ltd
ANZ Custodial Services New Zealand Limited
ANZ Europe, S.A.
ANZ Fiduciary Services Pty Ltd
ANZ Funds Pty. Ltd.
ANZ Global Services And Operations (Manila) Inc
ANZ Global Services and Operations Pty Limited
ANZ Group Services Pty Ltd
ANZ Holdings (New Zealand) Limited
ANZ ILP Pty Ltd
ANZ International Private Limited
ANZ Investment Services (New Zealand) Limited
ANZ Leasing (BWC Financing) Pty Ltd
ANZ Lenders Mortgage Insurance Pty. Limited
ANZ National Staff Superannuation Limited
ANZ NBH Pty Ltd
ANZ New Zealand (Int'l) Limited
ANZ New Zealand Investments Holdings Limited
ANZ New Zealand Investments Limited
ANZ Nominees Pty Ltd
ANZ Operations And Technology Private Limited
ANZ Pacific Operations Pte Ltd

ANZ Pensions (UK) Limited
ANZ Properties (Australia) Pty Ltd
ANZ Rewards No. 2 Pty Ltd
ANZ Securities (Holdings) Pty Ltd
ANZ Securities (Japan), Ltd.
ANZ Securities Limited
ANZ Securities, Inc.
ANZ Support Services India Private Limited
ANZ Wealth Australia Pty Ltd
ANZcover Insurance Private Ltd
ANZEST Pty Ltd
Arawata Assets Limited
Australia and New Zealand Bank (China) Company Limited
Australia and New Zealand Banking Group (PNG) Limited
Australia and New Zealand Banking Group Limited
Dot Data Limited
Endeavour Finance Limited
Esanda Finance Corporation Pty Ltd
Institutional Securitisation Services Limited
La Serigne Limited
Norfina Advances Corporation Pty Limited
Norfina Limited
OneAnswer Nominees Limited
OneTwo Finance Pty Ltd
Payments NZ Limited
PT Bank ANZ Indonesia
PT Bank Pan Indonesia, Tbk
SBGH Limited
Shout for Good Pty. Ltd.
SME Management Pty Limited
Votraint No. 1103 Pty Limited
Wheatbelt Natural Capital Pty Ltd
Whitehall Investments Ltd
Worldline Australia Pty Ltd
ANZ Group Holdings Limited

The scope of individual connected party of Australia and New Zealand Banking Group Limited, the shareholder of the Bank, includes its directors and senior management; as well as directors and senior management of its actual controlling party, ANZ Group Holdings Limited.

B. Connected party transactions with Shareholder and its connected parties during this reporting period

For the year 2025, the connected party transaction between the Bank and its shareholder and its connected parties please refer to Item 41 Related-party Relationships and Transactions of the appendix Financial Statement.

C. Shareholder Responsibilities

In addition to the authorities stipulated in the Company Law, the Shareholder of the Bank shall exercise the following authorities by passing a resolution of the Shareholder:

(1) to deliberate on and approve the board charter;

(2) to appoint or remove the Directors and Supervisor, and to approve the remuneration of the Directors and Supervisor;

(3) to resolve on appointment or dismissal of the certified public accountant firm which will carry/ (has carried) out regular statutory audit of the Bank's financial reports; ;

(4) to deliberate on and approve the Bank’s profit distribution and loss offsetting plans;

(5) to deliberate on and approve the increase or decrease of the registered capital of the Bank;

(6) to deliberate on and approve the issuance of bonds by the Bank;

(7) to deliberate on and approve matters such as merger, division, dissolution, liquidation or change of corporate form of the Bank;

(8) to amend the AOA; and

(9) other authorities that shall be decided by the Shareholder as stipulated in laws and regulations, regulatory provisions or the AOA

As the sole shareholder of the Bank, Australia and New Zealand Banking Group Limited has diligently fulfilled its shareholder responsibilities in accordance with relevant laws, regulations, and the Bank's articles of association. In the year 2025, the Bank’s shareholder approved ANZ China’s 2025 financial plan, the profit distribution plan for the year 2024, the renewal of directors and supervisors, and reviewed the report on the overall connected party transactions of ANZ China for the year 2024.

D. Director & Supervisor Nomination

In 2025, the shareholder nominated Lachlan Stewart Halstead as Executive Director of the Bank.

E. Equity Change & Equity Pledge

There is no equity change or equity pledge taken place in 2025.

VII. Remuneration

As per the Article 22 of Supervisory Guidelines on Sound Compensation in Commercial Banks and Administrative Measures for the Capital of Commercial Banks (for Trial Implementation), we hereby disclose the remuneration information as below:

A. The remuneration management framework and approval procedures, including the composition and limit of authority of the REM Committee

1) Setup of REM Committee： the REM Committee is established in April 2016, and report to the Board of ANZ China. REM Committee is comprised of 4 directors and the Chairman of the Committee is assumed by Independent Director Kuan Kok Wai. The REM Committee will meet at least once annually and more frequently if it deems necessary.
2) Duties and Responsibilities of REM Committee: Subject to any requirement to keep the China Board informed of its activities, the REM Committee has power to deal with all matters falling within the scope of its purpose and duties as set out in its Charter and all other matters that may be delegated by the China Board to the REM Committee from time to time, including:
    - Adopt the ANZBGL Performance and Remuneration Policy, and oversee its implementation (as it applies to China employees);
    - Review the China Addendum of the ANZBGL Performance and Remuneration Policy annually, and propose changes, if appropriate, to the ANZ Group HR Committee;
    - Review and approve updates to the ANZ China Remuneration Operating Guidelines;
    - Set and review the annual working plan of the China Remuneration Committee, including the review of the annual internal Remuneration and Performance Evaluation Audit findings for ANZ China to ensure compliance with the legal and regulatory requirements on remuneration;
    - Make recommendations on any other matters referred to the REM Committee by the Chair of the REM Committee or by the China Board;
    - Review the terms of the Charter on an annual basis, and where appropriate, recommend any changes to the China Board; and
    - Review and propose the scope of ANZ China Material Risk Takers (China MRTs) roles.

B. The total annual compensation, beneficiaries, and the composition and distribution of compensation

The total 2025 annual remuneration amount is CNY257.60million, inclusive of fixed and variable compensation (exclude benefits).

Remuneration structure: The ANZ remuneration structure includes fixed remuneration, variable remuneration and benefits, and the benefits include commercial insurance, housing fund etc.

C. The standards for remuneration and performance measurement and risk adjustments

Individual remuneration outcomes are discretionary and linked to both ANZ and individual performance outcomes for all employees. The performance appraisal system of our bank requires employees to set performance objective from three aspects: "How", "What" and "Growth". The setting of performance objectives can take into account the personal objectives of the employees and the common objectives of the department and team. The “How” includes, but is not limited to, our unified corporate values and staff’s code of conduct, so as to regulate the behaviour of employees; the “What” is mainly based on the four pillars : Customer, Financial Discipline & Operational Resilience, People & Culture, Risk. To set the staff’s performance objectives, the sum of the weights of all four pillars shall be 100%, of which no single financial measure should be the predominant component of Financial objectives, and the total weighting for all objectives in the

Financial pillar must not exceed 30% of WHAT objectives. The "Growth" requires employees to set at least one learning growth goal. Objectives of “Growth” are not included in the year-end assessment. Throughout the appraisal year, employees are encouraged to discuss the performance objectives and completion status with the line manager at any time. The performance objectives can also be adjusted according to the actual situation and the results of the discussion. In our bank's year-end appraisal, the line manager will assess and evaluate the performance of employees based on the objectives of "How" and "What". In the event of misconduct, violation of the code of conduct or non-compliance of employees, their rating will be negatively affected. The performance compensation of ANZ reflects sufficient risks and the incentive and constraint requirements for sustainable development of the bank.

D. The information about deferred remuneration payouts and non-cash compensation, including the information about malus or clawback for some reasons

Deferral and non-cash payment of variable remuneration: The amount of the deferred portion of variable remuneration is determined based on applicable laws and regulations, performance review results, risk factors, and other relevant considerations. The deferral arrangement is deferred as ANZ equity over 3 years. The determination and payment of overall performance-based remuneration will be approved by the Board of Directors. There was no malus/clawback of variable compensation occurred in the year 2025.

E. The information about compensation of the board of directors, supervisor, senior management, and those employees in posts having material impact on risks of the bank

Board members (as of 31 December 2025) - refer to Part VI ‘Corporate Governance’ Section 1 ‘Board Obligation, Composition and Performance’.

As of 31 December 2025, total fixed remuneration paid to the Independent Directors is CNY 750,000. Neither do the other directors or the supervisor receive any compensation from the Bank.

As of 31 December 2025, total income (exclude benefits) paid to senior management and those employees in posts having material impact on risks of the bank (the positions that existed during 2025 are as follows) is CNY 67.77 million, including paid performance incentive CNY 7.92 million and the paid deferred incentive CNY 7.57 million. Included the roles listed in below table:

Category	Position
Senior Management and the employees in posts having material impact on risks of the bank (the position list is subject to periodic review and adjustment based on circumstances)	Country Head
	Chief Risk Officer (CRO)
	Chief Financial Officer (CFO)
	Chief Operating Officer (COO)
	Head of Compliance
	Head of Internal Audit
	Company Secretary
	Head of Corporates
	Head of Multinational Corporates
	Head of Markets
	Head of Transaction Banking
	Head of FIG China

	Head of Research & Analysis
	Head of Corporate Finance
	Head of Legal
	Head of Talent & Culture
	Business Manager
	Head of Business Governance & Control
	Branch Manager Shanghai
	Deputy Branch Manager Shanghai
	Branch Manager Beijing and Senior Executive Director China
	Deputy Branch Manager Beijing
	Head of Compliance Beijing
	Branch Manager Chongqing *
	Branch Manager Chengdu *
	Branch Manager Qingdao *
	Compliance Manager Qingdao *

As at 31 December 2025, the positions marked '*' had been discontinued.

F. The preparation and filing of the annual compensation plan, and the information about the assessment of the accomplishment of the indicators on economy, risks and social responsibilities

It is essential that all employees are aware of the standards of ANZ Values, behaviour and risk/compliance that are expected of them. Failure to meet the required standards during the year will result in a negative impact to performance and remuneration outcomes. ANZ also review staff's compliance with external laws and regulations and internal process and regulator's feedback on regular basis and inform the senior management team in a timely manner. From bank level, we ensure close monitor and supervision on our position on regulatory index such as capital adequacy ratio and provision. For front-line positions that have major impact on the risk, risk related performance targets such as the credit quality of clients, adherence to internal risk preference, and ensuring no regulatory breach as 1st line of defence have all been incorporated and will have direct impact on employee's performance outcome.

G. The exceptions to the original compensation plan, including the affecting factors, and the composition, form, number and beneficiaries of the compensation changes

No exceptions to the original compensation plan occurred in 2025 financial year.

H. Remuneration Policy

The ANZ China Remuneration Operating Guideline is reviewed or updated (if need) on annual basis. In the Guideline, the Remuneration structure, fix remuneration, variable remuneration and its malus/clawback mechanism are introduced, and the Guideline is applicable to all staff of ANZ China.

VIII. Corporate Social Responsibility

The Board continued the promotion of ICARE (Integrity, Collaboration, Accountability, Respect, and Excellence) in 2025 as the Bank's key value and behavioural standards, taking great effort to achieve harmonious development for the business, the individual, the community and the environment.

In 2025, ANZ China employees committed 232 volunteer hours to community work and blood donations in total.

IX. Green Finance

According to the ANZ China Green Credit Guideline, ANZ China will support industries and projects focusing on energy conservation, emission reduction and environmental protection and in line with the State Government's Industry Development Guideline, with reference to environmental protection laws and regulations, industry policies, industry access policy and the credit guidance of ANZ China. Priority will be given to industries and customers involving environmental and ecosystem protection, environmental treatment, sewage and waste treatment and recycling, public services, and in particular energy-saving projects. Preferential consideration will be given to industries including advanced information technology, advanced manufacturing, biology, renewable energy (including renewable-energy automobile), and renewable material, subject to meeting ANZ's normal credit underwriting standards.

Our vision at ANZ is to finance a sustainable transition. Our Climate and Environment Strategy sets out our objective to be a trusted partner for our customers, supporting them to adapt and become more resilient to a changing environment and economy. In particular, we aim to be a leading bank in supporting an effective and orderly transition for our large business customers.

ANZ Group commenced a target on 1 April 2023 to fund and facilitate at least AUD100 billion by 30 September 2030 in social and environmental activities through customer transactions and direct investments by ANZ. This includes initiatives that aim to help lower carbon emissions, protect or restore nature, increase access to affordable housing and promote financial wellbeing.

Important information about the eligibility requirements for the target is set out in the Social and Environmental Sustainability Target Methodology available at:
https://www.anz.com.au/content/dam/anzcomau/about-us/anz-2024-social-and-environment-sustainability-target-methodology.pdf

As the global economy accelerates the transition to net zero, many customers are actively driving the decarbonisation, aligning financing needs with sustainability strategy and commitments, and demand for sustainable finance products and services continue to increase. In turn ANZ China continues to promote labelled sustainable finance solutions and resource allocation of sustainable finance business, and selectively supports the corporates and projects that align with our Climate and Environment Strategy. The sectors and fields that ANZ China focuses on include: the capital expenditure and working capital requirements of customers in the global renewable energy and clean transportation supply chain, support enterprises in financing transition to net zero with science based targets, support transition of corporates in hard-to-abate sectors, and support enterprises in certain industries (such as food, beverage and agriculture) to link financing with material sustainability issues of the industry.
ANZ China's green finance management is under the ultimate responsibility of the Board of Directors of ANZ China, under a well-defined top-down organization management system, with clearly defined board responsibilities and members, as well as BL-RMC and ML-RMC CMRC, senior management team and departments involved in green finance. The head of corporate finance (as appointed by senior management) takes lead in coordinating and promoting the development of green finance business.

ANZ Corporate Finance in China leverages the bank's regional sustainable finance capability, which is a Corporate Finance capability. ANZ Corporate Finance team in the region has a strong product capability and includes members with sustainable finance expertise, who help our customers by encouraging them to identify climate and nature related risks and opportunities, and where appropriate by financing their transition plans and sustainability strategies. ANZ Group holds Operating Procedures which cover process guidelines for originating, executing, and portfolio management of ANZ Institutional Sustainable Finance labelled transactions globally (including China) and includes a requirement to assess each transaction's alignment to industry principles & standards e.g. Asia Pacific Loan Market Association (APLMA) and International Capital Markets Association (ICMA) principles & guidelines. ANZ China also holds in-country procedures to ensure compliance with local regulatory requirements specifically for green credit. Since Dec 2024, ANZ China has added the climate risk management requirements, and updated the environmental, social and governance risk monitoring requirements in the ANZ China Green Credit Guideline to align with the NFRA and Group monitoring requirements. In terms of product capability, ANZ China offers green loans and guarantees, social loans, sustainable loans and sustainability-linked loans and guarantees. Liquidity Cost Premium discount is offered to eligible sustainable lending transactions to promote green and sustainable loans.

ANZ China reports regularly the key risk and corporate credit events including environment and safety per regulatory requirements. In 2025, ANZ China issued two loans related to green credit in accordance with local regulation amounting to c. RMB 65m in total. ANZ China also helped facilitate completion of a USD 4.5 billion syndicated sustainability-linked loan facility for a Global Agri-tech company, a USD 200 million green loan facility to a Chinese leasing company, and a USD 70 million green guarantee facility to a Chinese renewable energy player.

X. Other Matters To Be Disclosed

A. Services for Small & Micro Enterprises

In 2025, the Bank continued to enhance its support for financial services to small and micro enterprises. During the year, eight new small and micro enterprise clients were approved for credit facilities. Total loan disbursements to small and micro enterprises amounted to RMB 23.88 billion (including both local and foreign currency), representing a year-on-year growth of 7.54%. As of year-end 2025, the Bank completed 113 deals with small and micro enterprise clients.

In terms of loan pricing, the Bank maintained a steady downward trend in lending rates for small and micro enterprises. The average interest rate for RMB loans decreased from 3.22% in 2024 to 2.72% in 2025.

B. Consumer Protection

The Bank's retail business was transferred to DBS China in July 2017. All branches and Shanghai Free Trade Zone Sub-branch of ANZ China only provide services to corporate customers since then. At present, the Bank only provides services with a limited scope of business for a small number of retained individual customers, such as domestic and foreign currency remittances for the purpose of the Bank's mortgage loan repayment or the purpose of accounts closing, etc. For retained individual customers, the Bank still provides services to them in accordance with the principles of consumer rights protection until they close their accounts with the Bank. In 2025, the Bank did not receive any complaints from individual customers.

In addition, the Bank continues to enhance its governance framework and systematically embed consumer rights protection considerations into its business decision-making and operational processes. Consumer rights protection requirements are incorporated into key areas including product approval, pricing formulation, customer complaint handling and personal data protection. Supported by cross-functional collaboration among the Business, Compliance and Legal departments, the Bank seeks to ensure ongoing compliance with applicable laws, regulations and internal policies.

C. Major Events of the Year

The Bank did not have any 'major events' as described in the "Commercial Bank Information Disclosure Measures" this year.

XI. Network and Contact

(as of 31 December 2025)

Network	Address	Telephone	Fax
ANZ China Headquarter	Unit 1501、1502、1503、1504A、1508, 15th Floor, Shanghai Tower 479 Lujiazui Ring Road, Pudong, Shanghai	+86 21 6169 6000	+86 21 6169 6199
Shanghai Branch	Unit 1507, 15th Floor, Shanghai Tower 479 Lujiazui Ring Road, Pudong, Shanghai	+86 21 6169 6000	+86 21 6169 6199
Shanghai Free Trade Zone Sub-branch	Unit 1504B, 15th Floor, Shanghai Tower 479 Lujiazui Ring Road, Pudong, Shanghai	+86 21 6169 6000	+86 21 6169 6199
Beijing Branch	Unit 1500, 1507, and 1508, Zhuozhu (Excel) Center, No. 6 Wudinghou Street, Xicheng District, Beijing	+86 10 6599 8188	+86 10 8588 8696

XII. Financial Statements

Our financial statements have been audited by KPMG and the details are attached in this report.

Australia and New Zealand Bank
(China) Company Limited

English translation of financial statements
for the year 1 January 2025 to 31 December 2025
If there is any conflict of meaning between the Chinese version
and its English translation, the Chinese version will prevail

AUDITORS' REPORT

毕马威华振沪审字第 2601004 号

The Board of Directors of Australia and New Zealand Bank (China) Company Limited:

Opinion

We have audited the accompanying financial statements of Australia and New Zealand Bank (China) Company Limited ("ANZ China") set out on pages 1 to 92 which comprise the balance sheet as at 31 December 2025, the income statement, the cash flow statement and the statement of changes in owner's equity for the year then ended, and notes to the financial statements.

In our opinion, the allowance for impairment losses of loans and advances to customers is recognised in all material respects in accordance with the preparation basis as stated in Note 2 to the financial statements, and the rest of ANZ China's financial statements are in all material respects in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China. On this basis, the financial statements present fairly, in all material respects, the financial position of ANZ China as at 31 December 2025, and the financial performance and the cash flows of ANZ China for the year then ended.

Basis for Opinion

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

毕马威华振沪审字第 2601004 号

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with and based on the Accounting Standards for Business Enterprises and the requirement for the allowance for impairment losses of loans and advances to customers as stated in Note 2 to the financial statements, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing ANZ China'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 management either intends to liquidate ANZ China or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ANZ China's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- 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 ANZ China's internal control.

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

Auditors’ Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

KPMG Huazhen LLP
Shanghai Branch

Certified Public Accountants
Registered in the People’s Republic of China

Shui Qing
(Signed on Chinese original)

Shanghai, China

Gao Rongzhen
(Signed on Chinese original)

Date: 14 APR 2026

Australia and New Zealand Bank (China) Company Limited
Balance Sheet as at 31 December 2025
(Expressed in RMB)

	Note	*2025*	*2024*
Assets:			
Deposits with central bank	5	1,220,658,281.90	1,525,634,383.00
Deposit with banks and other financial institutions	6	1,835,944,709.55	479,257,168.22
Precious metals		164,091,298.02	640,520,995.78
Placements with banks and other financial institutions	7	8,172,429,639.73	9,143,852,447.24
Derivative financial assets	8	2,145,553,957.94	6,247,937,591.99
Loans and advances to customers	9	6,439,798,517.69	7,430,776,242.99
Financial investment			
- Financial asset held for trading	10	1,743,551,755.12	770,078,429.55
- Other debt investments	11	7,010,514,241.95	7,331,463,417.92
Fixed assets	12	17,908,145.92	15,585,798.32
Right-of-use assets	13(1)	86,214,460.73	84,119,301.91
Other assets	14	3,702,341,625.69	2,635,604,775.66
Total assets		32,539,006,634.24	36,304,830,552.58

The notes on pages 10 to 92 form part of these financial statements.

Australia and New Zealand Bank (China) Company Limited
Balance Sheet as at 31 December 2025 (continued)
(Expressed in RMB)

	Note	*2025*	*2024*
Liabilities:			
Deposits from banks and other financial institutions	15	502,897,019.74	178,365,640.80
Placements from banks and other financial institutions	16	4,385,172,472.04	4,105,576,374.27
Financial liabilities held for trading	17	9,965,834.29	-
Derivative financial liabilities	8	2,103,537,631.49	6,174,278,376.38
Financial assets sold under repurchase agreements	18	2,159,902,368.03	1,008,025,146.53
Deposits from customers	19	15,533,442,400.32	16,321,435,288.17
Employee benefits payable	20	18,776,067.60	24,128,803.22
Taxes payable	21	25,276,704.62	32,198,795.50
Debt securities issued	22	-	398,788,146.20
Lease liabilities	13(2)	90,825,394.16	91,342,781.59
Provision	23	8,064,306.34	8,783,808.90
Deferred tax liabilities	24	14,546,028.95	33,693,857.46
Other liabilities	25	89,592,594.84	238,347,839.21
Total liabilities		24,941,998,822.42	28,614,964,858.23

The notes on pages 10 to 92 form part of these financial statements.

Australia and New Zealand Bank (China) Company Limited
Balance Sheet as at 31 December 2025 (continued)
(Expressed in RMB)

	Note	*2025*	*2024*
Owners' equity:			
Paid-in capital	26	6,225,000,000.00	6,225,000,000.00
Other comprehensive income	27	16,024,057.09	50,636,444.25
Surplus reserve	28	357,594,968.64	345,744,318.97
General reserve	29	298,690,022.35	298,690,022.35
Retained earnings		699,698,763.74	769,794,908.78
Total owners' equity		7,597,007,811.82	7,689,865,694.35
Total liabilities and owners' equity		32,539,006,634.24	36,304,830,552.58

These financial statements were approved by the Board of Directors of Australia and New Zealand Bank (China) Company Limited.

Lachlan Halstead Country Head	Jasmine Hung Chief Financial Officer	Australia and New Zealand Bank (China) Company Limited (Stamp)

Date:

The notes on pages 10 to 92 form part of these financial statements.

Australia and New Zealand Bank (China) Company Limited
Income Statement for the year ended 31 December 2025
(Expressed in RMB)

	Note	*2025*	*2024*
Operating income		600,820,336.47	792,314,304.59
Net interest income	31	341,533,284.48	457,208,780.82
Interest income		620,591,989.86	778,317,800.54
Interest expenses		(279,058,705.38)	(321,109,019.72)
Net fee and commission income / (expenses)	32	16,032,572.50	(6,569,540.84)
Fee and commission income		67,232,908.53	96,580,225.18
Fee and commission expenses		(51,200,336.03)	(103,149,766.02)
Investment (losses) / income	33	(362,743,989.14)	179,679,263.06
Other income	34	1,621,504.47	1,421,547.05
Losses from changes in fair value	35	(6,382,950.00)	(21,009,668.00)
Foreign exchange gains		611,053,646.89	181,486,312.94
(Losses) / gains from asset disposals		(293,732.73)	97,609.56
Operating expenses		(456,987,674.35)	(542,182,728.23)
Taxes and surcharges		(2,872,230.93)	(5,527,964.43)
General and administrative expenses	36	(477,183,203.74)	(537,584,694.57)
Reversal of credit impairment losses	37	23,651,671.34	4,874,508.31
Impairment loss		(583,911.02)	(3,944,577.54)
Operating profit		143,832,662.12	250,131,576.36

The notes on pages 10 to 92 form part of these financial statements.

Australia and New Zealand Bank (China) Company Limited
Income Statement for the year ended 31 December 2025 (continued)
(Expressed in RMB)

	Note	*2025*	*2024*
Operating profit (continued)		143,832,662.12	250,131,576.36
Add: Non-operating income		1,907,273.44	356.45
Less: Non-operating expenses		(41,304.22)	(2,060,728.81)
Profit before taxtion		145,698,631.34	248,071,204.00
Less: Income tax expenses	38	(27,192,134.71)	(50,200,781.78)
Net profit		118,506,496.63	197,870,422.22
Other comprehensive income, net of tax:	39		
Items that may be reclassified to profit or loss			
- Changes in fair value of other debt investments		(32,706,008.41)	53,152,661.59
- Credit losses of other debt investments		(1,906,378.75)	(1,583,617.93)
Total comprehensive income		83,894,109.47	249,439,465.88

The notes on pages 10 to 92 form part of these financial statements.

Australia and New Zealand Bank (China) Company Limited
Cash Flow Statement for the year ended 31 December 2025
(Expressed in RMB)

	Note	*2025*	*2024*
Cash flows from operating activities:			
Net decrease in deposits with the central bank, banks and other financial institutions		341,429,961.66	-
Net increase in placements from banks and other financial institutions and financial assets purchased under resale agreements		845,513,010.27	-
Net decrease in loans and advances to customers		998,790,316.77	-
Net increase in deposits from customers and other banks		-	4,058,679,881.65
Net decrease in financial assets held for trade at FVTPL		-	1,271,720,502.24
Net decrease in other debt investments		278,137,556.13	-
Proceeds from interest, fee and commission		728,637,696.72	902,426,498.00
Cash received relating to other operating activities		896,847,768.76	764,412,689.68
Sub-total of cash inflows		4,089,356,310.31	6,997,239,571.57
Net increase in deposits with the central bank, banks and other financial institutions		-	(52,274,823.25)
Net decrease in deposits from customers and other banks		(453,637,817.34)	-
Net increase in financial assets held for trade at FVTPL		(976,638,887.71)	-
Net increase in placements with banks and other financial institutions		(322,804,876.03)	(538,414,628.11)
Net increase in loans and advances to customers		-	(199,134,715.29)
Net increase in other debt investments		-	(428,909,548.65)
Net decrease in placements from banks and other financial institutions and financial assets purchased under resale agreements		-	(2,580,962,371.18)
Payment for interest, fee and commission payable		(332,247,954.62)	(364,139,148.81)
Payment to and for employees		(327,325,856.19)	(365,030,901.08)
Payment of various taxes		(10,093,838.51)	(145,509,705.43)
Payment for other operating activities		(777,313,666.93)	(476,852,681.93)
Sub-total of cash outflows		(3,200,062,897.33)	(5,151,228,523.73)
Net cash inflow from operating activities	40(1)	889,293,412.98	1,846,011,047.84

The notes on pages 10 to 92 form part of these financial statements.

Australia and New Zealand Bank (China) Company Limited
Cash Flow Statement for the year ended 31 December 2025 (continued)
(Expressed in RMB)

	Note	*2025*	*2024*
Cash flows from investing activities:			
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(18,671,039.66)	(8,843,213.77)
Payment for disposal of fixed assets and long-term assets		(293,732.73)	(339,613.17)
Sub-total of cash outflows		(18,964,772.39)	(9,182,826.94)
Net cash outflow from investing activities		(18,964,772.39)	(9,182,826.94)
Cash flows from financing activities:			
Proceeds from issuance of debt securities		1,495,835,000.00	2,525,457,581.86
Sub-total of cash inflows		1,495,835,000.00	2,525,457,581.86
Repayments of debt securities		(1,900,000,000.00)	(3,457,595,437.99)
Repayments of principal and interest of lease liabilities		(20,772,789.35)	(37,784,566.95)
Payment for profit distributions		(176,751,992.00)	(343,156,385.00)
Sub-total of cash outflows		(2,097,524,781.35)	(3,838,536,389.94)
Net cash outflow from financing activities		(601,689,781.35)	(1,313,078,808.08)
Effect of foreign exchange rate changes on cash and cash equivalents		(118,592,306.48)	(60,049,405.27)
Net decrease / (increase) in cash and cash equivalents	40(2)	181,625,483.49	463,700,007.55
Add: Cash and cash equivalents at the beginning of the year		7,094,846,308.33	6,631,146,300.78
Cash and cash equivalents at the end of the year	40(3)	7,276,471,791.82	7,094,846,308.33

The notes on pages 10 to 92 form part of these financial statements.

Australia and New Zealand Bank (China) Company Limited
Statement of Changes in Owners' equity for the year ended 31 December 2025
(Expressed in RMB)

	Note	*Paid-in capital*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total*
Balance at 1 January 2025		6,225,000,000.00	50,636,444.25	345,744,318.97	298,690,022.35	769,794,908.78	7,689,865,694.35
Changes in equity during the year							
1. Total comprehensive income		-	(34,612,387.16)	-	-	118,506,496.63	83,894,109.47
2. Appropriation of profits							
- Appropriation for surplus reserve	28,30	-	-	11,850,649.67	-	(11,850,649.67)	-
- Distributions to owners	30	-	-	-	-	(176,751,992.00)	(176,751,992.00)
Sub-total of 1 and 2		-	(34,612,387.16)	11,850,649.67	-	(70,096,145.04)	(92,857,882.53)
Balance at 31 December 2025		6,225,000,000.00	16,024,057.09	357,594,968.64	298,690,022.35	699,698,763.74	7,597,007,811.82

The notes on pages 10 to 92 form part of these financial statements.

Australia and New Zealand Bank (China) Company Limited
Statement of Changes in Owners' equity for the year ended 31 December 2024 (continued)
(Expressed in RMB)

	Note	*Paid-in capital*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Total*
Balance at 1 January 2024		6,225,000,000.00	(932,599.41)	325,957,276.75	298,690,022.35	934,867,913.78	7,783,582,613.47
Changes in equity during the year							
1. Total comprehensive income		-	51,569,043.66	-	-	197,870,422.22	249,439,465.88
2. Appropriation of profits							
- Appropriation for surplus reserve	28, 30	-	-	19,787,042.22	-	(19,787,042.22)	-
- Distributions to owners	30	-	-	-	-	(343,156,385.00)	(343,156,385.00)
Sub-total of 1 and 2		-	51,569,043.66	19,787,042.22	-	(165,073,005.00)	(93,716,919.12)
Balance at 31 December 2024		6,225,000,000.00	50,636,444.25	345,744,318.97	298,690,022.35	769,794,908.78	7,689,865,694.35

The notes on pages 10 to 92 form part of these financial statements.

1 General information

Australia and New Zealand Bank (China) Company Limited (“ANZ China” or “The Bank”) is a wholly foreign-owned corporate bank incorporated in Shanghai, the People’s Republic of China (“the PRC”), by Australia and New Zealand Banking Group Limited (“ANZ” or “the parent bank”).

The Bank obtained a Business Licence for Enterprise on 16 September 2010. As stated in the Bank’s Business Licence, the Bank has an undefined operating period. the Bank’s business scope includes foreign currency business and RMB business to kinds of clients approved by relevant authorities.

In 2025, the Bank closed its branches in Chengdu, Chongqing and Qingdao. As at 31 December 2025, the Bank has established 2 branches and 1 sub-branch in Shanghai, and Beijing.

2 Basis of preparation

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

The financial statements have been prepared in accordance with the requirements of “Accounting Standards for Business Enterprises - Basic Standard” issued by the Ministry of Finance (“the MOF”); in addition, allowance for impairment losses of loans and advances to customers, are determined on the basis of the requirements of China Accounting Standards (“CAS”), with reference to the relevant regulations of “*the Administrative Measures on Loan Loss Provision of Commercial Banks*” (Decree of the CBRC [2018] No. 7) issued by the former China Banking Regulatory Commission (“CBRC”) (i.e. the loan provision rate and the provision coverage was adjusted from 150% to 120%-150%, and in principal, from 2.5% to 1.5%-2.5% respectively). If the difference between the allowance for impairment losses of loans and advances to customers calculated based on the Decree of the CBRC [2018] No.7 and that based on CAS is higher than zero, the difference will be recognised as an additional allowance for impairment losses of loans and allowances for customers and form part of total allowances for impairment losses of loans and allowances for customers (see Note 3(2)(i)). These accounting policies are compliant with relevant regulations and reporting requirements of other authorities.

On above basis, the financial statements present truly and completely the financial position of the Bank as at 31 December 2025, and the financial performance and the cash flows of the Bank for the year then ended.

(1) Accounting year

The accounting year of the Bank is from 1 January to 31 December.

(2) Functional currency and presentation currency

The Bank's functional currency is RMB and these financial statements are presented in RMB. The functional currency is determined by the Bank on the basis of the currency in which major income and costs are denominated and settled.

3 Significant accounting policies and accounting estimates

(1) Translation of foreign currencies

When the Bank receives capital in foreign currencies from the investor, the capital is translated to RMB at the spot exchange rate at the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or rates that approximate the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the balance sheet date. The resulting exchange differences are recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to RMB using the exchange rate at the transaction date.

(2) Financial instruments

(a) Recognition and initial measurement of financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the Bank becomes a party to the contractual provisions of a financial instrument.

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss ("FVTPL"), any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs.

(b) Classification and subsequent measurement of financial assets

(i) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Bank manages its financial assets in order to generate cash flows. That is, the Bank's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Bank determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Bank's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Bank also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(ii) Subsequent measurement of financial assets

- Financial assets at FVTPL

  These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amortised cost

  These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost shall be recognised in profit or loss when the financial asset is derecognised, through the amortisation process or in order to recognise impairment gains or losses.

- Debt investments at FVOCI

  These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(c) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or other financial.

- Financial liabilities at FVTPL

  A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

  Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

- Other financial liabilities

  Financial liabilities measured at amortised cost are subsequently measured at amortised cost using the effective interest method, However, the transfer of financial assets does not meet the conditions for termination of recognition or continues to involve in the transfer of financial liabilities, financial guarantee contracts and loan commitments formed by the financial assets shall be excluded.

(d) Financial guarantee contracts and Loan commitments

- Financial guarantee contracts

  Financial guarantees contracts are contracts that requires the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

  Subsequent to initial recognition, deferred income related to financial guarantee is amortised in profit or loss in accordance with the accounting policies set out in Note 3(14). A financial guarantee liability is measured at the higher of the amount of the allowance for loss determined in accordance with impairment policies of financial instruments (see Note 3(2)(i)); and the amount initially recognised less the cumulative amount of income.

- Loan commitments

  Loan commitments are the commitments to extend credit under pre-defined terms and conditions.

  The Bank provides loan commitments that are assessed for impairment based on expected credit losses. The Bank does not commit to extend loans at any below-market interest rates, or to make cash payments, or issue other financial instruments as a net settlement of loan commitments.

  The provision for losses on loan commitments and financial guarantee contracts are stated in Provision by the Bank.

(e) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Bank currently has a legally enforceable right to set off the recognised amounts; and
- the Bank intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(f) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when one of the following conditions is met:

- the Bank's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Bank transfers substantially all of the risks and rewards of ownership of the financial asset;
- the financial asset has been transferred, although the Bank neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the financial asset derecognised.

The Bank derecognises a financial liability (or part of it) only when its contractual obligation (or the part of it) is extinguished.

(g) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into and are subsequently re-measured at fair value at the end of the reporting period. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

If a hybrid contract contains a host that is a financial asset accordance with the accounting standard, embedded derivatives will not separate from the host contract. Instead, the requirements of classification and measurement are applied to the entire hybrid contract. If a hybrid contract contains a host that is not a financial asset, the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement, then these embedded derivatives separate from the host contract and accounts for it as a stand-alone derivative. These embedded derivatives separated from the host contract are measured at fair value with
changes in fair value recognised in the income statement.

Gains and losses arising from changes in the fair value of derivative financial instruments are through profit or loss.

(h) Financial assets purchased under resale agreements and financial assets sold under repurchase agreements

The cash advanced or received is recognised as amounts purchased under resale or sold under repurchase agreements in the balance sheet. Underlying assets purchased under resale agreements are reported not as purchase of the assets. Underlying assets sold under repurchase agreement are retained in the balance sheet.

(i) Impairment of financial assets

The Bank performs impairment accounting and recognises losses for the following items based on ECL:

- financial assets measured at amortised cost;
- Debt investment at FVOCI;
- Financial guarantee contracts and credit commitment.

Financial assets measured at fair value, including debt investment at FVTPL, and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls using original effective interest rate (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive).

The maximum period considered when estimating ECL is the maximum contractual period (including extension options) over which the Bank is exposed to credit risk.

Lifetime ECL is the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL is the portion of ECL that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

The Bank measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments:

- If the financial instrument is determined to have low credit risk at the balance sheet date; The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may not necessarily reduce the ability of the borrower to fulfil its contractual cash flow obligations; or

- If the financial instrument's credit risk has not increased significantly after initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Bank compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Bank.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on an individual basis.

Normally, the Bank assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit-impaired financial assets

At each balance sheet date, the Bank assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Bank having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

According to relevant regulations of "the Notice on adjusting Administrative Measures on Loan Loss Provision of Commercial Banks" (Decree of the CBRC [2018] No.7), the loan provision rate and the provision coverage was adjusted from 150% to 120% - 150%, and in principal, from 2.5% to 1.5%-2.5% respectively. As at 31 December 2025, the total allowance for impairment losses of loans and advances to customers the Bank recognised was RMB97,963,034.23, of which, the additional allowance made is RMB75,892,304.81, with a loan loss provision rate of 1.5% (31 December 2024: amount of RMB112,893,360.51, of which, the additional allowance made is RMB74,340,638.97, with a loan loss provision rate of 1.5%). As at 31 December 2025, the Bank has met the regulatory requirements.

Presentation of allowance for ECL

ECL is remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Bank recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Bank determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, non-restricted deposits with central bank, deposits and placements with banks and other financial institutions, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value; and financial assets purchased under resale under repurchase agreement.

(4) Precious metals

Precious metals comprise gold and other precious metals. Precious metals that are acquired by the Bank principally for trading purpose are measured at fair value with changes in fair value recognised in profit or loss.

(5) Fixed assets and construction in progress

Fixed assets represent the tangible assets held by the Bank for operation and administrative purposes with useful lives over 1 year.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 3(9)). Construction in progress is stated in the balance sheet at cost less impairment losses (see Note 3(9)).

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use.

Construction in progress is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Bank, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful lives, unless the fixed asset is classified as held for sale. The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class of fixed assets	*Estimated useful life*	*Residual value rate*	*Depreciation rate*
Office furniture	10 years	0%	10.0%
Office equipment	8 years	0%	12.5%
Computers	3 ~ 5 years	0%	20.0% ~ 33.3%

Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

(6) Lease

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly in a contract or implicitly specified when available for use by customers and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;

- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;

- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a lessee

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note 3(9).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank’s incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Bank remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Bank will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(7) Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 3(9)).

For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised on the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale. The intangible assets of the Bank are software with 3 to 10 years estimated useful lives and no residual value.

(8) Long-term deferred expenses

Expenditures incurred with a beneficial period of over one year are recognised as long-term deferred expenses. Long-term deferred expenses are stated in the balance sheet at cost less accumulated amortisation and impairment losses.

Long-term deferred expenses are amortised over their beneficial periods.

(9) Impairment of other assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets and construction in progress
- right-of-use assets
- intangible assets
- long-term deferred expenses
- others

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Bank estimates the recoverable amounts of intangible assets not ready for use at least once a year irrespective of whether there is any indication of impairment.

An asset group is composed of assets directly related to cash generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value less costs to sell and the present value of expected future cash flows (see Note 3(9)).

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

If the result of the recoverable amount calculation indicates the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss and charged to profit or loss for the current period. A provision for impairment of the asset is recognised accordingly. For impairment losses related to an asset group or a set of asset groups, is reduced the carrying amount of the assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be lower than the greatest amount of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

(10) Fair value measurement

Unless otherwise specified, the Bank measures fair value as follows:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, the Bank takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date.

The Bank use valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

(11) Employee benefits

(a) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(b) Post-employment benefits - defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Bank participated in a defined contribution basic pension insurance and unemployment insurance plans in the social insurance system established and managed by government organisations. The Bank makes contributions to basic pension insurance and unemployment insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(c) Termination benefits

When the Bank terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Bank cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;

- When the Bank has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

(d) Other long-term employee benefits

The deferred remuneration for the employees of important management positions is recognised as a liability as the employee provides services, with a corresponding charge to profit or loss.

(12) Provisions

A provision is recognised for an obligation related to a contingency if the Bank has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision usually equals payable in the future, however when the payable amount will have a material difference with current value (the time value of money is material), payable should be determined with the current value of the future payable amount.

(13) Share-based payment

(a) Classification of share-based payments

The Bank operates cash-settled share-based compensation plans.

(b) Accounting treatment related to share-based payment plans

For share-based payments settled in cash, the Bank assumes a liability to deliver cash or other assets in exchange for employee services, which is calculated and determined based on the shares or other equity instruments. The fair value of the liability, calculated and determined based on the relevant equity instruments, is used to measure the price of services received. For share-based payment transactions where the vesting of rights is contingent on the completion of services within the waiting period or the achievement of specified performance conditions after the grant, the Bank will recognize the services obtained in the current period as costs or expenses and record them as liabilities on each balance sheet date within the waiting period, based on the best estimate of the vesting conditions. On each balance sheet date and settlement date prior to the settlement of the relevant liabilities, the fair value of the liabilities will be remeasured, and any changes will be recorded in profit or loss.

When the Bank receives services and has a settlement obligation, and the equity instruments granted to employees are those of the Bank's ultimate controlling party or its subsidiaries other than the Bank, the Bank treats this share-based payment plan as a cash-settled share-based payment.

(14) Revenue recognition

Revenue is the gross inflow of economic benefits arising in the course of the Bank's ordinary activities when those inflows result in increase in equity, other than increases relating to contributions from owners.

(a) Interest income

Interest income arising from the use by others of the entity's assets is recognised in profit or loss based on the duration and the effective interest rate. Interest income includes the amortisation of any discount or premium or differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

The effective interest method is a method of calculating the amortised cost of financial assets and liabilities and of allocating the interest income and interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Bank estimates cash flows considering all the contractual terms of the financial instrument (for example, prepayment and similar options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest on the impaired financial assets is recognised using the rate of interest used to discount future cash flows for the purpose of measuring the related impairment loss.

(b) Fee and commission income

The Bank collects fees and commissions by providing services to clients. Fee and commission income recognised by the Bank reflects the consideration expected to be received by the Group in providing services to its clients, and revenue is recognised when the compliance obligations in the contract are fulfilled.

(i) The Bank recognises revenue in accordance with the progress of the compliance during the period when one of the following conditions is met:

- The client simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs;
- The client is able to control the sub-services during the obligation compliance of the Bank;

- Services performed by the Bank during the obligation compliance are irreplaceable, and the Bank has the right to receive payments for the part of the performance that has been completed to date.

(ii) In other cases, the Bank recognises revenue when the customer obtains control of relevant services.

(15) Expense recognition

(a) Interest expense

Interest expense arising from financial liabilities is calculated based on the amortization cost of the financial liabilities and duration by using the effective interest rate and recognised in the corresponding period.

(b) Other expense

Other expense is recognised on an accrual basis.

(16) Government grants

Government grants are non-reciprocal transfers of monetary assets or non-monetary assets from the government to the Bank except for capital contributions from the government in the capital as an investor in the Bank.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Bank will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount that is received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at its fair value.

A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Bank for expenses or losses to be incurred in the future is recognised as deferred income and included in other income or non-operating income in the periods in which the expenses or losses are recognised. Otherwise, the grant is included in other income or non-operating income directly.

(17) Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset if the Bank has a legally enforceable right to settle the tax assets and liabilities on a net amount basis, and also intends either to settle the asset and liability on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or tax loss).

At the balance sheet date, the amount of deferred tax recognised is measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is realised or the liability is settled in accordance with tax laws.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and liabilities are offset, if all the following conditions are met:

- the taxable entity has a legally enforceable right to offset current tax assets and liabilities; and

- they related to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle the current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(18) Profit distributions

Distributions of profit proposed in the profit appropriation plan to be approved after the balance sheet date are not recognised as a liability at the balance sheet date but disclosed in the notes separately.

(19) Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Bank is under common control only from the State and that have no other related party relationships are not regarded as related parties.

(20) Fiduciary activities

The Bank acts as administrator, trustee or agent of clients' assets in a fiduciary business. The risks and returns of the asset are borne by the clients. Currently, the Bank's fiduciary activities mainly include entrusted loan business.

Entrusted lending is the business where the Bank enters into entrusted loan agreements with customers, whereby the customers provide funding (the "entrusted funds") to the Bank, and the Bank grants loans to third parties (the "entrusted loans") at the instruction of the customers. As the Bank does not assume the risks and rewards of the entrusted loans and the corresponding entrusted funds, entrusted loans and funds are recorded as off-balance sheet items at their principal amounts.

(21) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Bank's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are the same or similar in respect of the nature of products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

For segment reporting, inter-segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare the financial statements.

(22) Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In addition to the assumptions and risk factors related to the valuation of the fair value of financial instruments in Note 47, other uncertainty factors of the estimations are as follows:

(a) Measurement of ECL

Models and assumptions are used in calculating the expected credit losses for debt instruments measured at amortized cost and FVOCI and credit commitments and financial guarantees. These models and assumptions relate to future macroeconomic conditions and the borrowers' creditworthiness (e.g., the likelihood of default by customer and the corresponding losses).

(b) Deferred tax

When assessing whether there will be sufficient future taxable profits available against which the deductible temporary differences can be utilised, the Bank recognises deferred tax assets to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, using tax rates that would apply in the period when the asset would be utilised. In determining the amount of deferred tax assets, the Bank exercises judgements about the estimated timing and amount of taxable profits of the following periods, and of the tax rates applicable in the future according to the existing tax policies and other relevant regulations. Differences between such estimates and the actual timing and amount of future taxable profits and the actual applicable tax rates affect the amount of deferred tax assets that should be recognised.

4 Taxation

(1) The types of taxes applicable to the Bank's rendering of services include value added tax ("VAT"), city maintenance and construction tax, education surcharges and local education surcharges, etc.

Tax Name	*Tax basis and applicable rate*
VAT	Output VAT is 6%-13% of taxable revenue, based on tax laws. The basis for VAT payable is to deduct input VAT from the output VAT for the period
City maintenance and construction tax	7 % of VAT paid
Education surcharges	3% of VAT paid
Local education surcharges	2% of VAT paid

(2) Income tax

The statutory income tax rate of the Bank for the year is 25% (2024: 25%).

5 Deposits with central bank

	Note	*2025*	*2024*
Statutory deposit reserves	(1)	665,387,651.40	833,005,006.68
Surplus deposit reserves	(2)	530,924,974.24	487,353,951.94
Foreign exchange risk reserves	(3)	24,049,078.63	204,943,914.35
Sub-total		1,220,361,704.27	1,525,302,872.97
Add: Interest accrued		296,577.63	331,510.03
Total		1,220,658,281.90	1,525,634,383.00

(1) Statutory deposit reserves represent reserve deposits placed with the People's Bank of China ("PBOC") in accordance with the Regulation of the People's Republic of China on the Administration of Foreign Funded Banks ("the Administrative Regulation") and the Notice of the PBOC on the implementation of normal deposit reserve ratio for the deposits of overseas RMB business participation banks in domestic agency banks, which are not available for use in the Bank's daily business. As at the balance sheet date, the statutory deposit reserve ratios of the Bank were as follows:

	2025	*2024*
Deposit reserve ratio for RMB deposits	5.5%	6.0%
Deposit reserve ratio for foreign currency deposits	4.0%	4.0%

(2) The surplus deposit reserves placed with the PBOC are mainly for settlement purpose.

(3) As at the balance sheet date, the Foreign exchange risk reserve is 20%.

6 Deposits with banks and other financial institutions

(1) Analysed by counterparty

	Note	*2025*	*2024*
Domestic banks		148,222,305.34	245,374,421.73
Other domestic financial institutions		82,150,918.05	31,170,118.50
Overseas banks		1,605,571,486.16	202,712,627.99
Sub-total		1,835,944,709.55	479,257,168.22
Add: Accrued interest		-	-
Sub-total		1,835,944,709.55	479,257,168.22
Less: Allowance for impairment losses	(2)	-	-
Total		1,835,944,709.55	479,257,168.22

(2) Movement of allowance for impairment losses

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2025	-	-	-	-
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Charge during the year (Note 37)	-	-	-	-
31 December 2025	-	-	-	-

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2024	78,906.46	-	-	78,906.46
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Charge during the year (Note 37)	(78,906.46)	-	-	(78,906.46)
31 December 2024	-	-	-	-

7 Placements with banks and other financial institutions

(1) Analysed by counterparty

	Note	*2025*	*2024*
Domestic banks		751,151,992.17	539,419,988.15
Other domestic financial institutions		4,169,791,933.47	6,258,576,681.03
Overseas banks		3,228,450,115.86	2,292,990,452.64
Sub-total		8,149,394,041.50	9,090,987,121.82
Add: Accrued interest		30,515,802.61	65,560,224.19
Sub-total		8,179,909,844.11	9,156,547,346.01
Less: Allowance for impairment losses	(2)	(7,480,204.38)	(12,694,898.77)
Total		8,172,429,639.73	9,143,852,447.24

(2) Movement of allowance for impairment losses

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2025	12,694,898.77	-	-	12,694,898.77
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Reversal during the year (Note 37)	(5,214,694.39)	-	-	(5,214,694.39)
31 December 2025	7,480,204.38	-	-	7,480,204.38

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2024	15,506,773.39	-	-	15,506,773.39
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Reversal during the year (Note 37)	(2,811,874.62)	-	-	(2,811,874.62)
31 December 2024	12,694,898.77	-	-	12,694,898.77

8 Derivatives

	2025		
	Notional amount	*Fair value assets*	*Fair value liabilities*
Interest rate derivatives:			
Interest rate swaps	536,102,303,081.86	961,029,577.27	(932,976,500.45)
Currency derivatives:			
Foreign exchange swaps	297,227,123,841.40	1,035,825,386.65	(996,891,675.96)
Foreign exchange forwards	3,356,626,049.81	13,898,608.74	(31,922,699.27)
Foreign exchange options	47,998,314,388.79	30,551,564.78	(28,789,962.65)
	348,582,064,280.00	1,080,275,560.17	(1,057,604,337.88)
Precious metal derivatives:			
Precious metal swaps	8,061,983,311.73	101,715,245.00	(76,113,650.12)
Precious metal futures	2,901,279,000.00	-	(36,374,370.00)
Gold deferred	1,583,731,380.00	2,064,802.46	-
	12,546,993,691.73	103,780,047.46	(112,488,020.12)
Complicated derivatives	202,230,930.98	468,773.04	(468,773.04)
Total	897,433,591,984.57	2,145,553,957.94	(2,103,537,631.49)

	2024		
	Notional amount	*Fair value assets*	*Fair value liabilities*
Interest rate derivatives:			
Interest rate swaps	448,109,545,813.90	1,641,924,466.02	(1,647,012,422.41)
Currency derivatives:			
Foreign exchange swaps	530,706,793,510.78	4,473,602,472.65	(4,420,119,737.16)
Foreign exchange forwards	10,431,778,414.90	81,458,004.18	(74,639,982.58)
Foreign exchange options	4,528,454,839.11	6,078,575.94	(14,147,762.84)
	545,667,026,764.79	4,561,139,052.77	(4,508,907,482.58)
Precious metal derivatives:			
Precious metal swaps	5,324,003,911.89	25,344,809.61	(1,780,880.45)
Precious metal swaps	1,391,474,432.96	6,535,305.00	(5,853,265.00)
Precious metal forwards	1,218,613,117.13	10,873,252.83	(8,603,620.18)
	7,934,091,461.98	42,753,367.44	(16,237,765.63)
Complicated derivatives	306,752,881.95	2,120,705.76	(2,120,705.76)
Total	1,002,017,416,922.62	6,247,937,591.99	(6,174,278,376.38)

The notional amounts of the derivatives indicate the volume of transactions outstanding at the balance sheet date and do not represent the amounts at risk.

9 Loans and advances to customers

As of 31 December, all the loans and advances issued by the Bank were measured at amortised cost.

(1) Analysis by corporate and personal loans

	2025	*2024*
Corporate loans		
- Loans	6,508,676,061.16	7,500,130,438.85
- Discounted bills	4,263,035.29	5,325,058.83
Retail loans	6,958,508.36	13,232,423.90
Total	6,519,897,604.81	7,518,687,921.58
Add: Accrued interest	17,863,947.11	24,981,681.92
Sub-total	6,537,761,551.92	7,543,669,603.50
Less: Allowance for impairment losses	(97,963,034.23)	(112,893,360.51)
Including: Additional allowance	(75,892,304.81)	(74,340,638.97)
Total book value	6,439,798,517.69	7,430,776,242.99

(2) Analysis by industry sectors

	2025		*2024*	
	Book value	*Percentage (%)*	*Book value*	*Percentage (%)*
Financial industry	1,910,576,614.95	29.34%	1,771,642,526.79	23.60%
Manufacturing industry	1,731,499,882.52	26.59%	2,462,141,253.81	32.80%
Wholesale and retail trade	1,678,494,603.32	25.77%	1,990,290,074.11	26.52%
Real estate industry	623,624,518.56	9.58%	635,344,518.56	8.47%
Production and supply of electricity, heat, gas and water	295,135,656.89	4.53%	126,146,957.84	1.68%
Leasing and commercial services	249,180,737.72	3.83%	404,159,192.42	5.38%
Accommodation and catering	24,427,082.49	0.38%	20,514,398.19	0.27%
Transport, storage and postal industry	-	0.00%	95,216,575.96	1.27%
Sub-total	6,512,939,096.45	100.00%	7,505,455,497.68	100.00%
Personal loans	6,958,508.36		13,232,423.90	
Total	6,519,897,604.81		7,518,687,921.58	
Add: Interest accrued	17,863,947.11		24,981,681.92	
Sub-total	6,537,761,551.92		7,543,669,603.50	
Less: Allowance for impairment losses	(97,963,034.23)		(112,893,360.51)	
Including: additional allowance	(75,892,304.81)		(74,340,638.97)	
Total book value	6,439,798,517.69		7,430,776,242.99	

(3) Analysis by geographical sectors

	2025		2024	
	Book value	*Percentage (%)*	*Book value*	*Percentage (%)*
Eastern China	4,492,382,546.99	68.90%	4,755,424,867.56	63.24%
Northern China	1,149,312,667.88	17.63%	1,932,172,968.15	25.70%
South-western China	452,665,503.25	6.94%	345,906,895.82	4.60%
Southern China	342,935,611.56	5.26%	365,166,193.61	4.86%
North-eastern China	55,642,766.77	0.85%	54,784,572.54	0.73%
North-western China	20,000,000.00	0.31%	30,000,000.00	0.40%
Overseas and Hong Kong SAR, Macau SAR and Taiwan region	6,958,508.36	0.11%	13,232,423.90	0.18%
Central China	-	0.00%	22,000,000.00	0.29%
Total	6,519,897,604.81	100.00%	7,518,687,921.58	100.00%
Add: Accrued Interest	17,863,947.11		24,981,681.92	
Sub-total	6,537,761,551.92		7,543,669,603.50	
Less: Allowance for impairment losses	(97,963,034.23)		(112,893,360.51)	
Including: Additional allowance	(75,892,304.81)		(74,340,638.97)	
Total book value	6,439,798,517.69		7,430,776,242.99	

Eastern China includes Shandong, Jiangsu, Zhejiang, Shanghai, Anhui; Fujian, Northern China includes Beijing, Tianjin, Hebei, Inner Mongolia; North-western China includes Shaanxi, Ningxia; Xinjiang; Southern China includes Guangdong, Guangxi; South-western China includes Sichuan, Chongqing, Guizhou; Central China includes Hubei, Hunan, Henan, Jiangxi; North-eastern China includes Liaoning.

(4) Analysis by security type

	2025	*2024*
Unsecured loans	4,104,901,672.57	4,576,059,002.13
Guaranteed loans	2,199,149,869.68	2,435,726,918.16
Collateral loans	215,846,062.56	506,902,001.29
Including: Secured loans	191,583,026.92	201,576,942.46
Pledged loans	24,263,035.64	305,325,058.83
Total	6,519,897,604.81	7,518,687,921.58
Add: Accrued interest	17,863,947.11	24,981,681.92
Sub-total	6,537,761,551.92	7,543,669,603.50
Less: Allowance for impairment losses	(97,963,034.23)	(112,893,360.51)
Including: Additional allowance	(75,892,304.81)	(74,340,638.97)
Total book value	6,439,798,517.69	7,430,776,242.99

(5) As of 31 December 2025, nil loans and advances of the Bank are past due (31 December 2024: nil).

(6) Movement of allowance for impairment losses

	ECL Allowance			*Additional allowance for loan impairment losses*	*Total*
	Stage 1	*Stage 2*	*Stage 3*		
1 January 2025	32,395,483.17	6,157,238.37	-	74,340,638.97	112,893,360.51
Transfer:					
- to Stage 1	8,179.03	(8,179.03)	-	-	-
- to Stage 2	-	-	-	-	-
- to Stage 3	-	-	-	-	-
(Reversals) / charge during the year (Note 37)	(13,189,013.89)	(3,292,978.23)	-	1,551,665.84	(14,930,326.28)
31 December 2025	19,214,648.31	2,856,081.11	-	75,892,304.81	97,963,034.23

	ECL Allowance			*Additional allowance for loan impairment losses*	*Total*
	Stage 1	*Stage 2*	*Stage 3*		
1 January 2024	36,448,738.38	240,933.52	-	73,245,048.97	109,934,720.87
Transfer:					
- to Stage 1	4,474,703.27	(4,474,703.27)	-	-	-
- to Stage 2	(1,330,122.24)	1,330,122.24	-	-	-
- to Stage 3	-	-	-	-	-
(Reversals) / charge during the year (Note 37)	(7,197,836.24)	9,060,885.88	-	1,095,590.00	2,958,639.64
31 December 2024	32,395,483.17	6,157,238.37	-	74,340,638.97	112,893,360.51

(7) Analysis by impairment losses

As at 31 December 2025, nil loans and advances of the Bank are credit-impaired (31 December 2024: nil.).

10 Financial investment - Financial assets held for trading

	2025	*2024*
Financial asset held for trading		
- Investment in debt instruments	1,743,551,755.12	770,078,429.55

Bonds held for trading are issued by the following institutions and present at fair value:

	2025	*2024*
Domestic policy banks	1,743,551,755.12	770,078,429.55

As at the balance sheet date, most of these investment in debt instruments were pledged as security in respect of repurchase agreements (see Note 43), and the rest has no major restriction for cashing.

11 Financial investment - other debt investment

	2025	*2024*
Financial assets at fair value through other comprehensive income - Investment in debt instruments	6,920,469,261.60	7,242,214,828.94
Add: Accrued interest	90,044,980.35	89,248,588.98
Total	7,010,514,241.95	7,331,463,417.92

(1) Other debt investment is issued by the following institutions and present at fair value:

	2025	*2024*
Domestic policy banks	5,054,210,152.29	4,471,674,358.25
Ministry of Finance	1,545,258,953.99	2,171,265,426.60
Overseas Government	348,910,821.04	688,523,633.07
Other Financial Institutions	62,134,314.63	-
Total	7,010,514,241.95	7,331,463,417.92

As at 31 December 2025, part of these other debt investment were pledged as security in respect of repurchase agreements (see Note 43), and the rest has no major restriction for cashing.

(2) Impairment provisions for other debt investment are as follows:

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2025	7,407,792.10	-	-	7,407,792.10
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Reversal during the year (Note 37)	(2,541,838.33)	-	-	(2,541,838.33)
31 December 2025	4,865,953.77	-	-	4,865,953.77

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2024	9,519,282.68	-	-	9,519,282.68
Transfer:	-			
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Reversal during the year (Note 37)	(2,111,490.58)	-	-	(2,111,490.58)
31 December 2024	7,407,792.10	-	-	7,407,792.10

Impairment provisions for other debt investment (including accrued interest) are recognised in other comprehensive income (see Note 27).

12 Fixed assets

	Office furniture	*Office equipment*	*Computers*	*Total*
Cost				
Balance at 1 January 2024	6,072,182.72	6,096,556.79	49,205,424.29	61,374,163.80
Additions	208,800.00	-	3,565,756.08	3,774,556.08
Decreases	(4,952,443.08)	(2,244,823.75)	(1,396,211.26)	(8,593,478.09)
Balance at 31 December 2024	1,328,539.64	3,851,733.04	51,374,969.11	56,555,241.79
Additions	2,411,290.15	258,913.32	7,981,972.43	10,652,175.90
Decreases	(632,411.69)	(3,261,971.30)	(10,601,226.05)	(14,495,609.04)
Balance at 31 December 2025	3,107,418.10	848,675.06	48,755,715.49	52,711,808.65
Less: Accumulated depreciation				
Balance at 1 January 2024	(5,668,478.20)	(5,463,325.94)	(27,818,834.19)	(38,950,638.33)
Charge for the year	(129,355.85)	(405,191.66)	(9,191,022.97)	(9,725,570.48)
Written-offs	4,887,945.60	2,086,318.05	1,064,690.70	8,038,954.35
Balance at 31 December 2024	(909,888.45)	(3,782,199.55)	(35,945,166.46)	(40,637,254.46)
Charge for the year	(305,931.27)	(43,339.03)	(7,694,804.11)	(8,044,074.41)
Written-offs	499,275.87	3,215,935.43	10,162,454.84	13,877,666.14
Balance at 31 December 2025	(716,543.85)	(609,603.15)	(33,477,515.73)	(34,803,662.73)
Less: Provision for impairment				
Balance at 1 January 2024	(2,692.56)	(15,218.28)	(56,708.16)	(74,619.00)
Charge for the year	(250,077.80)	(155,045.13)	(220,587.55)	(625,710.48)
Written-offs	123,446.31	156,059.72	88,634.44	368,140.47
Balance at 31 December 2024	(129,324.05)	(14,203.69)	(188,661.27)	(332,189.01)
Charge for the year	-	-	-	-
Written-offs	129,324.05	14,203.69	188,661.27	332,189.01
Balance at 31 December 2025	-	-	-	-
Net book value				
Balance at 31 December 2025	2,390,874.25	239,071.91	15,278,199.76	17,908,145.92
Balance at 31 December 2024	289,327.14	55,329.80	15,241,141.38	15,585,798.32

13 Lease

(1) Right-of-use assets

	Plant & buildings
Cost	
Balance at 1 January 2024	92,642,975.72
Additions during the year	97,427,406.02
Disposals during the year	(38,146,455.65)
Balance at 31 December 2024	151,923,926.09
Additions during the year	20,851,643.91
Disposals during the year	(20,880,771.23)
Balance at 31 December 2025	151,894,798.77
Less: Accumulated depreciation	
Balance at 1 January 2024	(71,584,895.61)
Charge for the year	(30,600,267.42)
Written off on disposals	38,146,455.65
Balance at 31 December 2024	(64,038,707.38)
Charge for the year	(18,172,304.07)
Written off on disposals	16,530,673.41
Balance at 31 December 2025	(65,680,338.04)
Less: Provision for impairment	
Balance at 1 January 2024	(516,132.00)
Charge for the year	(3,249,784.80)
Written off on disposals	-
Balance at 31 December 2024	(3,765,916.80)
Charge for the year	(583,911.02)
Written off on disposals	4,349,827.82
Balance at 31 December 2025	-
Carrying amounts	
Balance at 31 December 2025	86,214,460.73
Balance at 31 December 2024	84,119,301.91

(2) Lease liabilities

	2025	*2024*
Lease liabilities	90,825,394.16	91,342,781.59

Analysis of the Bank's lease liabilities by maturity date - undiscounted

	2025	*2024*
Within 1 year	21,104,709.76	18,501,331.50
1 - 2 years	19,595,588.86	13,216,939.94
2 - 3 years	14,102,295.58	11,707,819.04
More than 3 years	45,663,497.45	57,749,699.33
Total	100,466,091.65	101,175,789.81

14 Other assets

	Note	*2025*	*2024*
Gold lease-out receivable Designated as at FVTPL		1,787,508,289.73	1,570,909,685.68
Refundable Deposit		1,806,536,393.23	949,783,863.38
Bond not settled		51,895,016.44	-
Service fee receivables due from related parties		39,710,048.52	54,080,677.66
Leasehold improvements		8,127,455.33	3,731,838.60
Payment in advance		7,138,763.23	15,570,684.79
Tax prepayment		-	34,390,203.35
Tax deductible		-	112,780.79
Others		1,607,958.66	7,452,650.64
Sub-total		3,702,523,925.14	2,636,032,384.89
Less: Allowance for impairment losses	(1)	(182,299.45)	(427,609.23)
Total		3,702,341,625.69	2,635,604,775.66

(1) Movement of provision for impairment of other assets

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2025	427,609.23	-	-	427,609.23
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Reserve for the year (Note 37)	(245,309.78)	-	-	(245,309.78)
31 December 2025	182,299.45	-	-	182,299.45

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2024	123,480.58	-	-	123,480.58
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Charge for the year (Note 37)	304,128.65	-	-	304,128.65
31 December 2024	427,609.23	-	-	427,609.23

15 Deposits from banks and other financial institutions

	2025	*2024*
Domestic banks		-
Domestic non-bank financial institutions	493,140,494.93	148,869,740.07
Overseas banks	4,268,471.83	4,258,005.02
Overseas non-bank financial institutions	-	25,231,283.16
Sub-total	497,408,966.76	178,359,028.25
Add: Interest accrued	5,488,052.98	6,612.55
Total	502,897,019.74	178,365,640.80

16 Placements from banks and other financial institutions

	2025	*2024*
Measured at amortised cost		
Domestic banks	1,951,610,001.85	1,379,419,988.15
Overseas banks	-	878,427,000.03
Sub-total	1,951,610,001.85	2,257,846,988.18
Add: Interest accrued	842,621.31	1,738,227.06
Sub-total	1,952,452,623.16	2,259,585,215.24
Designated as at FVTPL (Gold Lease)		
Overseas banks	1,946,335,665.91	1,845,991,159.03
Domestic banks	486,384,182.97	-
Total	4,385,172,472.04	4,105,576,374.27

Financial liabilities designated as FVTPL are financial liabilities related to gold lease.

According to the relevant provisions of the *Interim Measures for the Administration of Gold Leasing Business* (Yinbanfa [2022] No. 88) issued by the General Office of the People's Bank of China in July 2022, the Bank has reclassed the gold leasing with financial institutions to Placements from banks and other financial institutions since 2023.

17 Financial liabilities held for trading

	2025	*2024*
Financial liabilities designated at fair value through profit or loss	9,637,278.29	-
Add: Change in Fair Value	328,556.00	-
Total	9,965,834.29	-

18 Financial assets sold under repurchase agreements

	2025	*2024*
Measured at amortised cost		
- Domestic commercial banks	475,000,000.00	380,000,000.00
Add: Interest accrued	62,137.81	14,783.56
Sub-total	475,062,137.81	380,014,783.56
Measured at FVTPL		
- Domestic commercial banks	1,684,840,230.22	628,010,362.97
Total	2,159,902,368.03	1,008,025,146.53

As at 31 December 2025, the collateral of the Bank’s financial assets sold under repurchase agreements are bonds issued by domestic policy banks, whose book value totals RMB2,321,390,384.21 (31 December 2024: RMB1,097,834,149.15).

19 Deposits from customers

	2025	*2024*
Current deposits		
- Corporate customers	5,752,523,964.13	5,273,814,994.07
- Individual customers	967,140.75	4,349,308.40
Sub-total	5,753,491,104.88	5,278,164,302.47
Term deposits (including call deposits)		
- Corporate customers	9,750,975,644.16	10,998,990,202.42
Sub-total	15,504,466,749.04	16,277,154,504.89
Add: Interest accrued	28,975,651.28	44,280,783.28
Total	15,533,442,400.32	16,321,435,288.17

20 Employee benefit payables

	Note	*2025*	*2024*
Employee benefits	(1)	13,359,009.04	13,888,951.03
Post-employment benefits - defined contribution plans	(2)	2,041,084.17	2,170,193.66
Termination benefits	(3)	3,375,974.39	8,069,658.53
Total		18,776,067.60	24,128,803.22

(1) Employee benefits

	2025			
	Balance at 1 January	*Accrued during the year*	*Paid during the year*	*Balance at 31 December*
Salaries, bonuses and allowances	12,905,205.08	257,596,581.57	(258,058,883.93)	12,442,902.72
Staff welfare	-	8,849,987.99	(8,849,987.99)	-
Social insurance	975,611.95	9,374,245.94	(9,433,751.57)	916,106.32
- Medical insurance	960,845.20	9,171,937.15	(9,232,935.27)	899,847.08
- Employment injury insurance	14,368.22	202,308.79	(200,417.77)	16,259.24
- Maternity insurance	398.53	-	(398.53)	-
Housing fund	8,134.00	11,367,226.00	(11,375,360.00)	-
Labour union fees, and staff education fee	-	5,227,196.72	(5,227,196.72)	-
Total	13,888,951.03	292,415,238.22	(292,945,180.21)	13,359,009.04

	2024			
	Balance at 1 January	*Accrued during the year*	*Paid during the year*	*Balance at 31 December*
Salaries, bonuses and allowances	12,613,478.71	277,650,276.55	(277,358,550.18)	12,905,205.08
Staff welfare	-	9,941,316.99	(9,941,316.99)	-
Social insurance	1,017,604.26	10,036,266.76	(10,078,259.07)	975,611.95
- Medical insurance	1,003,302.91	9,840,291.16	(9,882,748.87)	960,845.20
- Employment injury insurance	13,895.92	189,958.78	(189,486.48)	14,368.22
- Maternity insurance	405.43	6,016.82	(6,023.72)	398.53
Housing fund	-	12,422,370.00	(12,414,236.00)	8,134.00
Labour union fees, and staff education fee	-	5,383,059.27	(5,383,059.27)	-
Total	13,631,082.97	315,433,289.57	(315,175,421.51)	13,888,951.03

The amount of the deferred portion of the Bank's variable remuneration is determined on the basis of a series of factors, including laws and regulations, performance appraisal, employee potential, risk factors, etc., and is deferred for one, two and three years, respectively, and is paid out under the equity incentive plan. The above equity interests are shares issued by Australia and New Zealand Banking Group Limited. The Bank assumes the settlement obligation to settle the relevant shares to employees under this equity incentive plan. The total expense recognised by the Bank for cash-settled share-based payments in 2025 was RMB9,193,503.58 (2024: RMB13,152,416.11).

(2) Post-employment benefits - defined contribution plans

	2025			
	Balance at 1 January	*Accrued during the year*	*Paid during the year*	*Balance at 31 December*
Basic pensions	2,082,832.46	16,078,811.01	(16,201,858.88)	1,959,784.59
Unemployment insurance	87,361.20	506,941.14	(513,002.76)	81,299.58
Total	2,170,193.66	16,585,752.15	(16,714,861.64)	2,041,084.17

	2024			
	Balance at 1 January	*Accrued during the year*	*Paid during the year*	*Balance at 31 December*
Basic pensions	2,011,063.26	17,186,949.28	(17,115,180.08)	2,082,832.46
Unemployment insurance	84,261.49	552,365.62	(549,265.91)	87,361.20
Total	2,095,324.75	17,739,314.90	(17,664,445.99)	2,170,193.66

(3) Termination benefits

	2025			
	Balance at 1 January	*Accrued during the year*	*Paid during the year*	*Balance at 31 December*
Termination benefits	8,069,658.53	18,201,161.13	(22,894,845.27)	3,375,974.39

	2024			
	Balance at 1 January	*Accrued during the year*	*Paid during the year*	*Balance at 31 December*
Termination benefits	16,631,982.79	29,074,497.78	(37,636,822.04)	8,069,658.53

21 Taxes payable

	2025	*2024*
Withholding tax	12,878,973.43	13,865,785.03
Value-added tax	9,384,551.11	14,734,133.58
Taxes and surcharges	1,635,960.57	3,598,876.89
Corporate income tax	1,377,219.51	-
Total	25,276,704.62	32,198,795.50

22 Debt securities issued

	2025	2024
Negotiable certificates of deposit	-	398,788,146.20

In 2025, the Bank issued three tranches of RMB zero-coupon interbank certificates of deposit (CDs) in the interbank bond market at a discount, with a total amount of RMB 1.5 billion. As of December 31, 2025, the issued RMB interbank CDs all matured.

23 Provisions

As of 31 December 2025, all the Bank's provisions are off-balance sheet ECL, the changes are set out below:

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2025	8,783,808.90	-	-	8,783,808.90
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	-	-	-	-
- to Stage 3	-	-	-	-
Reversal during the year (Note 37)	(719,502.56)	-	-	(719,502.56)
31 December 2025	8,064,306.34	-	-	8,064,306.34

	Stage 1	*Stage 2*	*Stage 3*	*Total*
1 January 2024	11,918,813.84	-	-	11,918,813.84
Transfer:				
- to Stage 1	-	-	-	-
- to Stage 2	(25,513.45)	25,513.45	-	-
- to Stage 3	-	-	-	-
Reversal during the year (Note 37)	(3,109,491.49)	(25,513.45)	-	(3,135,004.94)
31 December 2024	8,783,808.90	-	-	8,783,808.90

24 Deferred tax liabilities

(1) Deferred-tax assets and liabilities

	31 December 2025		*31 December 2024*	
	Deductible and (taxable) temporary differences	*Deferred tax assets and (liabilities)*	*Deductible and (taxable) temporary differences*	*Deferred tax assets and (liabilities)*
Impairment losses	51,491,771.40	12,872,942.85	57,612,080.33	14,403,020.08
Accrued expenses	21,268,795.05	5,317,198.76	20,125,618.88	5,031,404.73
Employee benefits payable	18,776,067.60	4,694,016.90	24,128,803.22	6,032,200.81
Other	166,948,381.36	41,737,095.34	89,809,113.23	22,452,278.31
Before offsetting deffered tax assets	258,485,015.41	64,621,253.85	191,675,615.66	47,918,903.93
Changes in fair value	(159,088,993.56)	(39,772,248.39)	(238,565,826.84)	(59,641,456.71)
Other	(157,580,137.64)	(39,395,034.41)	(87,885,218.71)	(21,971,304.68)
Before offsetting deffered tax liabilities	(316,669,131.20)	(79,167,282.80)	(326,451,045.55)	(81,612,761.39)
Net	(58,184,115.79)	(14,546,028.95)	(134,775,429.89)	(33,693,857.46)

(2) Deferred tax movement

	2025	*2024*
Balance at the beginning of the year	(33,693,857.46)	9,024,084.14
Charge to profit or loss	7,610,366.14	(25,528,260.40)
Charge to other comprehensive income	11,537,462.37	(17,189,681.20)
Balance at the end of the year	(14,546,028.95)	(33,693,857.46)

25 Other liabilities

	2025	*2024*
Service fee payable to related parties	38,368,959.97	42,562,594.07
Accrued expenses	21,268,795.05	20,125,618.88
Items in process of clearing	14,607,756.71	61,369,205.88
Market to market deposits	-	79,262,673.93
Others	15,347,083.11	35,027,746.45
Total	89,592,594.84	238,347,839.21

26 Paid-in capital

Registered capital and paid-in capital

	2025		*2024*	
	Book value	*Percentage (%)*	*Book value*	*Percentage (%)*
ANZ	6,225,000,000.00	100%	6,225,000,000.00	100%

ANZ contributed the paid-in capital to the Bank in accordance with the Administrative Regulation and relevant regulations. Capital contributions in foreign currency were translated into RMB at the exchange rates prevailing at the dates of each contribution received as quoted by the People's Bank of China.

The above paid-in capital was verified by certified public accountants with the related capital verification reports issued.

27 Other comprehensive income

	Movements in fair value of other debt investment	*ECL allowance of other debt investment*	*Total*
As at 1 January 2024	(8,072,061.40)	7,139,461.99	(932,599.41)
Increase/(decrease) during the year	70,870,215.44	(2,111,490.58)	68,758,724.86
Less: Effects of deferred tax	(17,717,553.85)	527,872.65	(17,189,681.20)
As at 31 December 2024	45,080,600.19	5,555,844.06	50,636,444.25
Decrease during the year	(43,608,011.20)	(2,541,838.33)	(46,149,849.53)
Less: Effects of deferred tax	10,902,002.79	635,459.58	11,537,462.37
As at 31 December 2025	12,374,591.78	3,649,465.31	16,024,057.09

28 Surplus reserve

	Note	*Surplus reserve*
Balance at 31 December 2023		325,957,276.75
Profit appropriation	30	19,787,042.22
Balance at 31 December 2024		345,744,318.97
Profit appropriation	30	11,850,649.67
Balance at 31 December 2025		357,594,968.64

29 General reserve

	2025	*2024*
Balance at the end/beginning of the year	298,690,022.35	298,690,022.35

In accordance with the Administrative Measures on Provisions for Financial Institutions (Cai Jin [2012] No.20) issued by the MOF, Financial enterprises shall select the internal model approach or standard approach to carry out a quantitative analysis for risk status faced by risk assets in accordance with their own situation to determine the estimate for potential risks from 1 July 2012. General provision shall be accrued for the difference amount where the estimate for potential risks is higher than the provision for asset impairment. General provision may not be accrued where the estimate for potential risks is less than the provision for asset impairment.

30 Appropriation of profits

(1) Appropriation for surplus reserve

In 2025, the Bank appropriated an amount of RMB11,850,649.67 (2024: RMB19,787,042.22), representing 10% of profit after tax for the year to surplus reserve in accordance with relevant regulations and its articles.

(2) Distributions to owner

Pursuant to the approval at the general meeting of shareholders held on 10 June 2025, a distribution of profit in cash totalling RMB176,751,992.00 (2024: RMB343,156,385.00) to ANZ on 26 August 2025.

31 Net interest income

	2025	*2024*
Interest income:		
Deposits and placements with banks and other financial institutions	280,226,682.39	371,201,138.81
Loans and advances to customers	175,502,522.67	217,442,733.01
Other debt investment	148,261,405.72	157,739,910.67
Deposits with central bank	10,894,585.34	10,850,290.85
Investment in negotiable certificates of deposit	1,132,097.66	22,161.73
Financial assets purchased under resale agreements	579,723.84	59,455.92
Others	3,994,972.24	21,002,109.55
Sub-total	620,591,989.86	778,317,800.54
Interest expenses:		
Deposits from customers	(216,310,249.19)	(229,268,249.73)
Deposits and placements from banks and other financial institutions	(46,760,175.46)	(44,370,743.11)
Financial assets sold under repurchase agreements	(7,441,482.12)	(8,375,217.45)
Issuance of negotiable certificates of deposit	(5,376,853.80)	(37,150,418.14)
Lease liabilities	(3,169,944.81)	(1,944,391.29)
Sub-total	(279,058,705.38)	(321,109,019.72)
Net interest income	341,533,284.48	457,208,780.82

32 Net fee and commission income

	2025	*2024*
Fee and commission income:		
Business referral fees	37,453,290.63	38,400,768.88
Guarantee fees	11,858,084.79	13,296,281.30
Agency fees	11,709,061.16	19,125,367.15
Settlement and clearing fees	5,331,570.30	8,834,297.88
Others	880,901.65	16,923,509.97
Sub-total	67,232,908.53	96,580,225.18
Fee and commission expenses:		
Broker's commission	(49,335,926.81)	(41,109,395.72)
Others	(1,864,409.22)	(62,040,370.30)
Sub-total	(51,200,336.03)	(103,149,766.02)
Net fee and commission income	16,032,572.50	(6,569,540.84)

33 Investment (loss) / income

	2025	*2024*
Non foreign exchange derivatives	(392,916,601.57)	103,699,887.55
Financial assets held for trading	17,666,508.21	31,017,048.20
Other debt investments	2,912,979.35	42,066,529.98
Other assets		
- Gold leased-out receivable designated at FVTPL	18,684,771.61	24,441,947.00
Financial assets sold under repurchase agreements at FVTPL	(9,091,646.74)	(21,546,149.67)
Total	(362,743,989.14)	179,679,263.06

During 2025, the investment gain generated from foreign exchange derivative financial instruments, amounting to RMB 112,678,226.56 are included in the Bank's foreign exchange gain or loss (2024: RMB44,184,678.52 of investment loss).

34 Other income

	2025			*2024*		
	Amount	*Presentation item*	*Amount recognised in profit or loss for the current period*	*Amount*	*Presentation item*	*Amount recognised in profit or loss for the current period*
Government grants related to income:						
Refund of tax	1,611,861.29	Other income	1,611,861.29	1,421,547.05	Other income	1,421,547.05
Job Stability Subsidies	9,643.18	Other income	9,643.18	-	Other income	-
Total	1,621,504.47		1,621,504.47	1,421,547.05		1,421,547.05

35 Loss from changes in fair value

	2025	*2024*
Debt investments held for trading	3,165,562.14	1,258,017.80
Non foreign exchange derivatives	2,082,541.26	21,696,430.81
Precious metals	506,622.23	2,401,823.27
Gold lease	350,013.34	(4,570,726.12)
Financial assets sold under repurchase agreements at FVTPL	(56,360.60)	224,122.24
Other	334,571.63	-
Total	6,382,950.00	21,009,668.00

In 2025, the changes in fair value losses from foreign exchange derivative financial instruments amounting to RMB 29,485,872.14 are included in the foreign exchange gains and losses (2024: RMB109,038,931.69 of gains from changes in fair value).

36 Business and administrative expenses

	2025	*2024*
Staff cost		
- Salaries, bonuses and allowances	257,596,581.57	277,650,276.55
- Social insurance and housing funds	37,327,224.09	40,197,951.66
- Termination benefits	18,201,161.13	29,074,497.78
- Staff welfare and others	14,077,184.71	15,324,376.26
Sub-total	327,202,151.50	362,247,102.25
Telecommunication expenses	41,487,988.92	43,131,659.15
Parent bank's service fees	39,080,691.53	42,481,946.39
Depreciation and amortisation	27,675,529.80	40,804,181.94
Rental and property management expenses	3,834,225.21	6,804,228.86
Operation and Service Hubs' service fees	1,957,099.10	1,423,701.08
Others	35,945,517.68	40,691,874.90
Total	477,183,203.74	537,584,694.57

37 Reversal of credit impairment losses

	Note	*2025*	*2024*
Deposits with banks and other financial institutions	5	-	78,906.46
Placements with banks and other financial institutions	7	5,214,694.39	2,811,874.62
Loans and advances to customers	9	14,930,326.28	(2,958,639.64)
Other debt investments	11	2,541,838.33	2,111,490.58
Other assets	15	245,309.78	(304,128.65)
Financial guarantee and credit commitment	24	719,502.56	3,135,004.94
Total		23,651,671.34	4,874,508.31

38 Income tax expenses

(1) Income tax expenses

	2025	*2024*
Current year income tax	34,730,775.80	24,465,946.44
Changes in deferred tax assets	(7,610,366.14)	25,528,260.40
Tax filing differences	71,725.05	206,574.94
Total	27,192,134.71	50,200,781.78

(2) Reconciliation between income tax expense and accounting profit

	2025	*2024*
Profits before tax	145,698,631.34	248,071,204.00
Income tax at statutory tax rate 25%	36,424,657.84	62,017,801.00
Increase/(decrease) of tax effect:		
- Non-deductible expenses	2,424,238.68	2,218,396.41
- Non-taxable income	(11,709,130.14)	(14,241,990.41)
- Tax filing differences	71,725.05	206,574.94
- Other	(19,356.72)	(0.16)
Income tax expenses	27,192,134.71	50,200,781.78

39 Other comprehensive income, net of tax

	2025	*2024*
Items that may be reclassified to profit or loss:		
Changes in fair value of other debt investments	(43,608,011.21)	70,870,215.44
Less: deferred tax	10,902,002.80	(17,717,553.85)
Sub-total	(32,706,008.41)	53,152,661.59
Expected credit losses of other debt investments	(2,541,838.33)	(2,111,490.58)
Less: deferred tax	635,459.58	527,872.65
Sub-total	(1,906,378.75)	(1,583,617.93)
Total	(34,612,387.16)	51,569,043.66

40 Supplement to cash flow statement

(1) Reconciliation of net profit to cash flows from operating activities:

	2025	*2024*
Net profit	118,506,496.63	197,870,422.22
Add: Interest expense arising from debt securities issued	5,376,853.80	37,150,418.14
Interest expense arising from lease	3,169,944.81	1,944,391.29
Reversal of credit impairment loss	(23,651,671.34)	(4,874,508.31)
Depreciation of fixed assets	8,044,074.41	9,725,570.48
Depreciation of right-of-use assets	18,172,304.07	30,600,267.42
Amortisation of leasehold fixed asset improvements	1,459,151.32	478,344.04
Asset impairment losses	583,911.02	3,944,577.54
Losses / (gains) on disposal of assets	293,732.73	(97,609.56)
Losses from changes in fair value	6,382,950.00	21,009,668.00
(Increase) / decrease in deferred tax assets	(7,610,366.14)	25,528,260.40
Foreign exchange losses / (gains)	29,566,927.42	(111,440,754.96)
Decrease in operating receivables	975,169,274.83	593,781,224.36
(Decrease) / increase in operating payables	(246,170,170.58)	1,040,390,776.78
Net cash inflow from operating activities	889,293,412.98	1,846,011,047.84

(2) Changes in cash and cash equivalents:

	2025	*2024*
Cash and cash equivalents at the end of the year	7,276,471,791.82	7,094,846,308.33
Less: Cash and cash equivalents at the beginning of the year	(7,094,846,308.33)	(6,631,146,300.78)
Net decrease in cash and cash equivalents	181,625,483.49	463,700,007.55

(3) Cash and cash equivalents

	2025	*2024*
Deposits with central bank available on demand	530,924,974.24	487,353,951.94
Deposits with banks and other financial institutions	1,835,944,709.55	479,257,168.22
Placements with banks and other financial institutions	4,909,602,108.03	6,128,235,188.17
Total	7,276,471,791.82	7,094,846,308.33

41 Related-party relationships and transactions

(1) Information on parent bank of the Bank is listed as follows:

Name	*Registered address*	*Principle activities*	*Registered capital*	*Shareholding percentage*	*Portion of voting rights*
ANZ	Australia	Banking and financial services	AUD 27,053 million	100%	100%

(2) Transactions with key management personnel

(a) Balance of the transactions with key management personnel:

	2025	*2024*
Remuneration of key management personnel	63,020,390.79	65,161,502.26

(b) Transactions with other related parties

According to *the Administrative Measures on Related-party Transactions of Banking and Insurance Institutions* (CBIRC [2022] No.1), the Bank discloses credit transactions with related natural persons.

Related natural persons include the Bank's controlling shareholder or actual controller of the banking or insurance institution, the persons acting in concert therewith, ultimate beneficiaries, the natural persons who hold or control more than 5% of the equity of the banking or insurance institution, or who hold less than 5% of the equity but have significant influence on the operation, management of the banking or insurance institution, directors, supervisors, and senior executives of the head office and important branches of the banking or insurance institution, as well as personnel with the power to approve or make decisions on core businesses such as large amount credit extension, asset transfer and use of insurance funds.

For the year, the Bank did not have the above transactions with related natural persons (2024: nil).

(3) Transactions with related parties other than key management personnel

During the year, the Bank had no significant transactions with its related parties under Section 14 of the Administrative Measures for the Connected Transactions (2024: the Bank had no significant transactions with its related parties under Section 14 of the Administrative Measures for the Connected Transactions.).

(a) Major transactions with related parties during the year:

	2025	*2024*
Net interest income	65,819,309.28	45,543,649.37
Net fee and commission income	38,070,480.84	52,641,752.62
Parent bank's service fees	(39,080,691.53)	(42,481,946.39)
Operation and Service Hubs' service fees	(1,957,099.10)	(1,423,701.08)
Gains from changes in fair value of derivative financial instruments	242,024,245.00	(206,108,614.22)
Losses from changes in fair value of gold lease	634,694.72	(188,622.49)

In 2025, the sales margin obtained by the Bank from its related parties through internal derivative transactions was accounted in investment income amounting to RMB 3,072,500.58 (2024: RMB228,763.41).

Of the above transactions, the transactions with the related bodies of non-commercial bank and their corresponding percentage to general and administrative expenses are as follows:

	2025	*Percentage (%)*	*2024*	*Percentage (%)*
Hubs' service fees				
- Amounts of accepted services	1,957,099.10	0.41%	1,423,701.08	0.27%

Under the relevant service agreements, cost-plus pricing method is adopted in the above transactions with the related bodies of non-commercial bank.

(b) As at 31 December, the major balances with related parties are as follows:

	2025	*2024*
Assets		
Deposits with banks and other financial institutions	7,618,774.29	43,435,675.83
Placements with banks and other financial institutions	3,247,969,079.48	2,293,174,015.85
Derivative financial assets	124,867,189.18	144,728,679.62
Other assets	39,710,048.52	54,080,677.66
Total	3,420,165,091.47	2,535,419,048.96

	2025	*2024*
Liabilities		
Deposits from banks and other financial institutions	4,268,471.83	4,258,005.02
Placements from banks and other financial institutions	1,946,335,665.91	2,724,733,618.89
Financial liabilities held for trading	9,965,834.29	-
Derivative financial liabilities	86,614,193.28	348,499,928.72
Other liabilities	38,368,959.97	42,562,594.07
Total	2,085,553,125.28	3,120,054,146.70

The balance of the transactions with the related bodies of non-commercial bank and their corresponding percentage at 31 December are as follows:

	2025	*Percentage (%)*	*2024*	*Percentage (%)*
Other liabilities				
- Service fee payable	182,298.95	0.20%	163,133.55	0.07%

(c) As at 31 December, notional amount of the off-balance sheet derivatives with related parties is as follows:

	2025	*2024*
Interest rate swaps	13,125,476,918.13	9,710,975,349.39
Foreign exchange swaps	5,674,610,912.74	17,031,798,483.08
Foreign exchange forwards	660,336,278.03	3,921,082,108.99
Foreign exchange options	23,951,535,893.17	2,123,276,283.27
Precious metal swaps	2,158,019,424.61	2,169,362,511.89
Complicated derivatives	101,115,465.49	153,376,440.95
Precious metal forwards	-	1,218,613,117.13
Total	45,671,094,892.17	36,328,484,294.70

(d) As at 31 December, the credit commitments with related parties are as follows:

	2025	*2024*
Letters of guarantee issued	2,759,448,213.70	4,273,948,883.90
Letters of guarantee accepted	31,155,862.01	31,231,526.69

(e) Relationship with the related parties referred in Note 41(3)(a), (b), (c) and (d):

Name	*Relationship with the Bank*	*Primary business*	*Legal representative*	*Registered location*	*Registered capital*
Australia and New Zealand Banking Group Limited	Parent bank	Banking and financial services	Paul O'Sullivan	Australia	AUD 27,053 million
ANZ Support Services India Private Limited	Fellow subsidiary	Engaged in development of systems, software and IT enabled services, provide supports of related technologies	Prabhakar Varadarajan	India	INR 953 million
ANZ Global Services and Operations (Manila), Inc.	Fellow subsidiary	Engaged in systems and supports of related technologies	Steve Harris	The Philippines	PHP 1,421 million

42 Segment reporting

(1) Business segment

The Bank mainly engage in corporate banking, provides a range of financial products and services to corporations and financial institutions, including: corporate loans, trade finance, corporate deposits, payment and settlement services, security services, placements with banks and other financial institutions, customer-driven derivative financial instruments and customer-driven foreign exchange trading.

(2) Geographic information

The information sets out about the source of the Bank's gross revenue and non-current assets (excluding financial instruments, deferred tax assets) inside and outside of Mainland China. The geographical location of source of gross revenue (the total of interest income) is based on the counterparty's registered location. The geographical location of the specified non-current assets is based on the physical location of the asset.

The following table sets out information about total interest income based on the geographical location:

	2025	*2024*
In Mainland China	536,429,311.85	615,678,458.92
Outside Mainland China	84,177,845.01	162,639,341.62
Total	620,607,156.86	778,317,800.54

As at 31 December 2025, the Bank does not hold any non-current assets that are located outside of Mainland China (31 December 2024: nil).

(3) Major customers

Interest income from each individual customer of the Bank is below 10% of the Bank's total interest income in both 2025 and 2024.

43 Assets pledged as security

Following assets of the Bank are pledged as security in respect of repurchase agreements:

	Note	*2025*	*2024*
Debt investment at FVTPL	11	1,795,876,651.31	717,819,365.59
Debt investment at FVOCI	12	525,513,732.90	380,014,783.56
Total		2,321,390,384.21	1,097,834,149.15

44 Commitments and contingencies

(1) Credit commitments

The Bank has credit commitments at any time. These commitments include approved loans. The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties.

Acceptances are the Bank's commitments to honour the customer bills issued. The Bank expects most acceptances to be settled simultaneously when the customer settles payment.

The amounts reflected in the table for credit commitments represent the total amount when the loan is expended. The amounts reflected in the table for guarantees and letters of credit represent the maximum potential loss that would be recognised at the balance sheet date if counterparties failed to fulfil their contractual obligations.

	2025	*2024*
Irrevocable loan commitments		
- Original maturity within 1 year	274,278,084.16	178,793,193.16
- Original maturity over 1 year (inclusive)	-	75,481.44
	274,278,084.16	178,868,674.60
Letter of guarantees		
- Financing guarantees	368,677,418.86	409,101,972.55
- Non-financing guarantees	3,140,288,406.76	4,657,306,484.34
	3,508,965,825.62	5,066,408,456.89
Documentary letters of credit	22,863,430.20	18,158,710.04
Bank acceptance	124,738,246.50	102,109,527.17
Total	3,930,845,586.48	5,365,545,368.70
Impairment provision for financial guarantee contracts and credit commitments	(8,064,306.34)	(8,783,808.90)

The above credit businesses are the credit risks the Bank may undertake. The Bank periodically assesses and makes allowances for any probable losses if necessary. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash outflows.

(2) Credit risk weighted amounts of off-balance sheet assets

	2025	*2024*
Credit risk weighted amounts of off-balance sheet assets	2,064,133,094.30	2,821,601,427.49

The credit risk weighted amounts of off-balance sheet assets refer to the amounts as computed in accordance with the Administrative Measures on Capitals of Commercial Bank as set out by the NFRA and depends on the status of the counterparty and the maturity characteristics.

(3) Capital commitments

As at the balance sheet date, the Bank has no significant capital commitment.

45 Fiduciary activities

Entrusted loans and deposits

The Bank had the following entrusted loans and deposits as at balance sheet date:

	2025	*2024*
Entrusted loans and deposits	37,253,512,590.58	49,907,591,735.07

46 Risk management

Financial instruments are fundamental to the Bank's business, constituting one of the core elements of the operations. Accordingly, the risks associated with financial instruments are a significant component of the risks faced by the Bank. Financial instruments create, modify or reduce the credit, market (including trading or fair value risks and non-trading or interest and foreign currency related risks) and liquidity risks of the Bank's balance sheet. These risks and the policies and objectives for managing such risks are outlined below. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance.

Risk management function for the Bank covers credit risks, market risks, liquidity risks and operational risks and capital management.

(1) Credit risk

Credit risk is the risk of financial loss from counterparties being unable to fulfil their contractual obligations. The credit risks arise not only from traditional lending to customers, but also from inter-bank, treasury and international trade activities.

The credit risk objectives are set by the Bank's Board of Directors and are implemented and monitored within a tiered structure of delegated authority, designed to oversee multiple aspects of credit risk, including asset writing strategies, credit policies and controls, single customer exposures, portfolio monitoring and risk concentrations.

Most of the Bank's credit customers are multinational enterprises and their subsidiaries in China, large state-owned enterprises and private enterprises. All credit limits applications should be approved by authorized person of the business department, and then delivered to and approved by the Head Office's Credit Risk Management Department located in Shanghai. For trade related credits, the Bank only accepts bills negotiation under letter of credit and with no discrepancies. As such, the risks are more bank risks.

The Bank's daily credit risk functions are segregated into credit risk management, client relationship management and loan administration.

The Risk Department in Head Office is responsible for the credit risk management and credit limits applications approval of the Bank.

Client relationship management is carried out by front desk departments. Their responsibilities include planning and executing business development and marketing activities, maintaining relationship with both existing and new clients; and recommending or approving credit applications under the delegated authority based on client needs and the market environment.

The Loan Administration Department in Head Office located in Shanghai is responsible for loan disbursement provided all approval conditions have been satisfied. The Credit Risk Management Department is independent from the front desk departments, reporting directly to Chief Operation Officer of the Bank.

Every month, the head of Institution Business ("IB") Department and the head of GSG collect a consolidated Early Alert Review ("EAR") list for the accounts identified by the relationship managers in the month and update the early warning and high risk credit report, and hold the monthly early warning and high risk credit meeting, which is hosted by the front line business department and attended by the president of the China region, the Chief Risk Officer, Credit Risk Management Department and other relevant business personnel. The monthly consolidated Asia pacific EAR report will be sent to regional centralised co-ordinating department of ANZ. The centralised co-ordinating department will send the consolidated Asia pacific EAR report to General Manager Institutional Credit - APEA. Each month in the Bank's Management Risk Committee meeting, the EAR list and the mitigation measures taken or to be taken are reported to the committee. The outcomes of the meeting would be documented and the action items around the same would be followed up and presented in the meeting.

Risk reporting

Credit portfolios are actively monitored at each layer of the risk structure to ensure credit deterioration is quickly detected and mitigated through the implementation of remediation strategies. All businesses incurring credit risk undertake regular and comprehensive analysis of their credit portfolios. Issue identification and adherence to performance benchmarks are reported to risk and business executives through a series of reporting processes.

Collateral management

The credit principles specify to only lend what the counterparty has the capacity and ability to repay and the Bank sets limits on the acceptable level of credit risk. Acceptance of credit risk is firstly based on the counterparty's assessed capacity to meet contractual obligations (i.e. interest and principal repayments). Obtaining collateral is only used to mitigate credit risk.

Customer Manager re-evaluates the collateral in accordance with Credit Risk Management Department 's requirements, and forward Corporate Customer Credit Department/Credit Issuance Department of the Branch to review and archive the new security agreements, new certificate of collateral, new insurance agreements. Corporate Customer Credit Department assumes responsibility for taking physical control of security documents.

Concentration management of credit risk

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The strategy is to maintain well-diversified low risk credit portfolios focused on achieving the best risk-return balance. Credit risk portfolios are actively monitored and frequently reviewed to identify, assess and guard against unacceptable risk concentrations. Concentration analysis will typically include geography, industry, credit product and risk grade. Risk management also applies single customer counterparty limits ("SCCLs") to protect against unacceptably large exposures to single name risk. These limits are established based on a combination of factors including nature of counter party, probability of default and collateral provided.

The risk grade profile changes dynamically through new counterparty lending acquisitions and/or existing counterparty movements in either risk or volume. All counterparty risk grades are subject to frequent review at least annually.

The Bank uses a two-dimensional risk grading system, which measures both the customer's ability to repay (probability of default ("PD")) and the loss in the event of default ("LGD"). The Bank also uses financial and statistical tools to assist in the risk grading of customers. Customer risk grades are actively reviewed and monitored to ensure the risk grade accurately reflects the credit risk of the customer and the prevailing economic conditions. Similarly, the performance of risk grading tools used in the risk grading process is reviewed periodically by the Bank to ensure the tools remain statistically valid.

According to the Bank's credit policy, the risk grading criteria consist of the following two components:

(1) Customer Credit Rating ("CCR"); and

(2) Security Indicator ("SI") that measures the nature of security and level of security coverage held against individual credit or group credit facilities.

CCR ranges from 0 to 10, and each of grades from 1-8 consists of 3 sub-grades, such as 2+, 2= and 2-. 0+ represents the loans of the best organisations. 8-, 9 and 10 represent non-performing loans and loans with principal or interest overdue more than 90 days. 8-, 9 represents that the debtor is unable to repay the principal, interest or earnings in full, or the financial asset has suffered from credit impairment. 10 represents that the debtor is unable to repay the principal, interest or earnings in full, and the financial asset has suffered from significant credit impairment; or after all possible measures are taken, only a very small part of financial assets is recovered, or all of the financial assets are lost.

SI includes A to G, I, K and S, with A representing more than 130% tangible security coverage, B representing 100% to 130% tangible security coverage, and G representing zero tangible security coverage but that may have a parent company guarantee. I, K, and S represent intra-group guarantees, cash collateral and sovereign borrowings respectively.

To ensure that the bank's current risk classification mechanism for financial assets complies with the requirements of the *Measures for the Risk-based Classification of Financial Assets by Commercial Banks* (Decree [2023] No. 1 of the China Banking and Insurance Regulatory Commission and the People's Bank of China), the bank's financial asset risk classification shall be adjusted dynamically in real time. The business department shall review the classification of all financial assets within two months after each quarter and submit them to the risk department for review and confirmation. In cases where there is a significant change in the debtor's financial condition or factors affecting debt repayment, the risk classification shall be adjusted in a timely manner.

Measurement of ECLs

Risk Grouping

When calculating expected credit loss provisions on a portfolio basis, the bank groups exposures with similar risk characteristics. In conducting the risk grouping, the bank has taken into account product type and customer type, dividing the business into three risk groups: Bank and NBFI (including sovereign business), Mining, and other non-retail businesses (LGE/MME/SME ex-Mining). The bank reviews and adjusts the rationale for these risk groups on an annual basis. The Mining here refers to the parent bank's industry classification, which is primarily based on the International Standard Industrial Classification and covers various sectors from mining, mineral product manufacturing, metal product manufacturing to related wholesale trading. Currently, according to local regulatory reporting standards, there're no loans classified under the mining industry in the Bank

Risk Staging of Financial Instruments

Based on whether the credit risk of financial instruments has significantly increased or credit impairment has occurred since initial recognition, the Bank classifies each business into three risk stages and accrues expected credit losses. For the definitions of the three risk stages, the criteria for determining significant increase in credit risk, the definition of default, and the definition of financial assets with credit impairment, please refer to Note 3(2)(i).

Explanation of Parameters, Assumptions, and Estimation Techniques

Based on whether there is a significant increase in credit risk since initial recognition and whether credit impairment has occurred in financial instruments, the Bank measures the loss provisions for different financial instruments by the expected credit losses over 12 months or the entire duration. Expected credit losses are the discounted and weighted average results of the product of three key parameters: probability of default, loss given default, and exposure at default. The relevant definitions are as follows:

- Probability of Default (PD) refers to the likelihood of a borrower will default within the next 12 months or over the entire remaining duration. The Bank adjusts its PD based on the results of internal rating models, incorporating forward-looking information to reflect the impact of macroeconomic changes on future PD.

- Loss Given Default (LGD) represents the proportion of the loss amount resulting from the default of a debt obligation to the exposure at default. LGD varies according to factors such as business products and collateral.

- Exposure at Default (EAD) is the amount that should be repaid for a debt obligation in the event of a default.

The Bank monitors and reviews the assumptions related to the calculation of expected credit losses quarterly, including changes in default probabilities and loss given default across different maturities.

During the reporting period, there were no significant changes in estimation techniques or key assumptions.

Forward-looking information incorporated in expected credit losses

Both the assessment of whether the credit risk of financial instruments has significantly increased since initial recognition and the measurement of expected credit losses involve forward-looking information.

The Bank has present four economic scenarios: the base scenario, which represents the most likely macroeconomic conditions expected by the bank in the future, reflects the assumptions used by the Bank's management for strategic planning and budgeting, and represents the Bank's view of future macroeconomic conditions; the upside scenario and the downside scenario are determined with reference to average economic cycle conditions (i.e., they are not based on economic conditions at the balance sheet date), and are based on a combination of more optimistic (in the case of upside) and pessimistic (in the case of the downside) economic events and uncertainty over long term horizons. The severely downside scenario considers the potential negative impacts brought about by extremely unfavourable economic conditions that are unlikely to occur. It is currently set to reflect a macroeconomic situation that is expected to occur once every 27 years. The definition of the severely adverse scenario used by the bank is consistent with that employed in the group-wide stress test. The probability weight of each scenario is determined by the group management’s analysis and forecast of the underlying macroeconomic scenarios, in conjunction with the characteristics of each investment portfolio. In 2025, the weight distribution of each scenario when calculating expected credit losses for the Bank was as follows: the base scenario weighting accounted for 45%, the upside scenario weighting for 0%, the downside scenario weighting for 40%, and the severely downside scenario weighting for 15%.

Through historical data analysis, the Bank has identified key economic indicators that affect the credit risk and expected credit losses of various business types, such as the year-on-year growth rate of gross domestic product (GDP) and the growth rate of the consumer price index (CPI).

The Bank evaluates and forecasts these economic indicators at least annually, providing the best future estimates, and regularly monitors and assesses the results. In 2025, the Bank adjusted the forecast of forward-looking economic indicators using statistical analysis methods combined with expert judgment, considering the range of possible outcomes represented by each scenario, and determining the final macroeconomic scenarios and their weights. Similar to other economic forecasts, there is a high level of inherent uncertainty in the estimates of expected economic indicators and their likelihood of occurrence, and therefore the actual results may differ significantly from the forecasts. The Bank believes that these forecasts reflect the Bank's best estimates of possible outcomes. Weighted credit losses are calculated by multiplying the expected credit losses under each scenario by the corresponding scenario weights.

The impact of these economic indicators on default probabilities and loss given default varies across different business types. The Bank comprehensively considers internal and external data, expert predictions, and statistical analysis to determine the relationship between these economic indicators and default probabilities, loss given default, and exposure at default. Each year, the Bank reviews the key parameters and assumptions used in the calculation of expected credit losses based on external economic developments, changes in industry and regional risks, and makes necessary updates and adjustments. In the event of significant domestic or international occurrences or major adjustments to industry and regional policies, the Bank’s management will conduct overlay adjustments based on the impact of the relevant events and adjustments.

(a) Maximum exposure to credit risk

Without considering the collaterals or other credit enhancements corresponding assets, the maximum exposure to credit risk is represented by the carrying amount of financial assets minus provisions. Except for the financial guarantee contracts and credit commitments given by the Bank as set out in Note 44(1), the Bank does not provide any other contracts and commitments which would expose the Bank to credit risk.

(b) Financial instruments analysed by credit quality

As of 31 December, the risk levels for the Bank's financial instruments are set as below:

	31 December 2025							
	Book value				*ECL allowance*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financial assets at amortised cost								
Deposits with central bank	1,220,658,281.90	-	-	1,220,658,281.90	-	-	-	-
Deposits from banks and other financial institutions	1,835,944,709.55	-	-	1,835,944,709.55	-	-	-	-
Placements with banks and other financial institutions	8,179,909,844.11	-	-	8,179,909,844.11	7,480,204.38	-	-	7,480,204.38
Loans and advances to customers	6,530,794,741.21	6,966,810.71	-	6,537,761,551.92	19,214,648.31	2,856,081.11	-	22,070,729.42
Other financial assets	1,899,749,416.85	-	-	1,899,749,416.85	182,299.45	-	-	182,299.45
Total	19,667,056,993.62	6,966,810.71	-	19,674,023,804.33	26,877,152.14	2,856,081.11	-	29,733,233.25

	Book value				*ECL allowance*			
	Stage 1	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financial assets measured at FVOCI								
Other debt investment	7,010,514,241.95	-	-	7,010,514,241.95	4,865,953.77	-	-	4,865,953.77
Financial guarantee and credit commitment	3,930,845,586.48	-	-	3,930,845,586.48	8,064,306.34	-	-	8,064,306.34

	31 December 2024							
	Book value				ECL allowance			
	Stage 1	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financial assets at amortised cost								
Deposits with central bank	1,525,634,383.00	-	-	1,525,634,383.00	-	-	-	-
Deposits from banks and other financial institutions	479,257,168.22	-	-	479,257,168.22	-	-	-	-
Placements with banks and other financial institutions	9,156,547,346.01	-	-	9,156,547,346.01	12,694,898.77	-	-	12,694,898.77
Loans and advances to customers	6,859,558,355.17	684,111,248.33	-	7,543,669,603.50	32,395,483.17	6,157,238.37	-	38,552,721.54
Other financial assets	1,011,317,191.68	-	-	1,011,317,191.68	427,609.23	-	-	427,609.23
Total	19,032,314,444.08	684,111,248.33	-	19,716,425,692.41	45,517,991.17	6,157,238.37	-	51,675,229.54

	Book value				ECL allowance			
	Stage 1	*Stage 2*	*Stage 3*	*Total*	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financial assets measured at FVOCI								
Other debt investment	7,331,463,417.92	-	-	7,331,463,417.92	7,407,792.10	-	-	7,407,792.10
Financial guarantee and credit commitment	5,365,545,368.70	-	-	5,365,545,368.70	8,783,808.90	-	-	8,783,808.90

(c) Receivables from inter-banks analysed by credit rating

Receivables from inter-banks include deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial assets purchased under resale agreements. Credit quality of receivables from inter-banks (excluding interest accrued) mainly based on external ratings agency - Standard & Poor's analysed as follows:

	2025	*2024*
A to AAA	9,985,338,751.04	7,018,406,189.90
B to BBB	-	359,419,988.15
Unrated	-	2,192,418,111.99
Total	9,985,338,751.04	9,570,244,290.04

The above amounts (excluding interest accrued) are presented without deducting the allowance for impairment losses.

(d) Debt instruments analysed by credit rating

As at the balance sheet date, according to the external rating agency - Standard & Poor's or Moody's, the credit quality of debt instruments has been assessed as follows:

	2025	*2024*
A to AAA	8,754,065,997.07	8,101,541,847.47

(2) Market risk

Market risk is the risk of decline in earnings due to adverse changes in interest rates, foreign exchange rates, equity prices, and commodity prices. Market risk arises when changes and volatilities in market rates and prices lead to a decline in the value of assets and liabilities, including financial derivatives. The main source of the Bank's market risk is the transactions driven by customers and self-operated business. The objective of the Bank's market risk policy and procedure is to control the potential loss within an acceptable range via independent identification, assessment and monitoring of the Bank's inherent market risk, thus the stability of earnings can be maintained.

The Bank has a detailed risk management and control framework to support the business development. The Board of Directors of the Bank has the ultimate responsibility for risk management. The Risk Management Committee / Risk Management Sub-Committee / Asset and Liability Committee ("ALCO"), which is under the Board, is responsible for the governance of overall risk management and control, including supervision of risk management strategies, policies and procedures. These strategies, policies and processes have a significant impact on the Bank's performance, reputation and capital protection. The Bank's market risk management department should monitor market risk on a daily basis and report to the Chief Risk Officer. The report should be submitted to the management of the Risk Management Committee / Risk Management Sub-Committee/ALCO for review on a timely basis. ALCO and the Risk Management Committee / Risk Management Sub-Committee are responsible for the monthly market risk management oversight.

To facilitate the management, measurement and reporting of market risk, the Bank has grouped market risk into two broad categories.

(a) Trading market risk

Trading activities are the activities mainly driven by trading (such as to meet the needs of customers) or by hedging transactions, usually for short-term but not long-term holding. The principal asset classes include foreign exchange, interest rate, and commodity markets. The trading market risk is the risk of loss from changes in the value of financial instruments due to movements in interest rates, foreign exchange rates and commodity prices.

(b) Non-trading market risk (bank account market risk)

All activities which are not included in the trading activities are non-trading activities. Non-traded interest rate risk is the risk that market interest rates are likely to move against the direction of the future net interest margin changes. Non-traded market risk management methods, including value-at-risk ("VaR"), the earnings at risk and sensitivity measurement.

Market risk measurement methods are mainly VaR. VaR is the value of financial assets within a specific period of time in the future the maximum possible loss at a certain confidence level. VaR is measured within the 99% confidence interval. The Bank's VaR model is based on the historical simulation method, with market interest and the price rates by 500 historical trading days. The trading market risk and non-trading market risk are calculated with a one-day holding period. Meanwhile, the Bank estimates the maximum loss of extreme market events through stress testing to complement the VaR model.

VaR analysis of trading and non-trading market risk of the Bank as at the balance sheet date is as follows: (expressed in RMB'000)

	2025			
	31 December	*Average value*	*Maximum value*	*Minimum value*
Trading market risk	6,086	11,817	42,188	3,940
Level of confidence: 99%				
Foreign currency risk and interest rate risk	5,399	5,904	15,460	2,220
Precious metals trading	5,406	9,325	39,210	2,321
Foreign exchange options trading	39	191	1,618	20
Credit and debt trading	-	-	-	-
Non-trading market risk Level of confidence: 99%				
Value of risk in banking book	5,407	6,717	8,719	4,310
Income from risk in banking book	12,965	9,189	18,969	3,302

	2024			
	31 December	*Average value*	*Maximum value*	*Minimum value*
Trading market risk	17,475	12,525	32,214	4,414
Level of confidence: 99%				
Foreign currency risk and interest rate risk	4,153	9,298	30,302	2,517
Precious metals trading	15,373	7,408	19,942	2,535
Foreign exchange options trading	245	380	2,754	35
Credit and debt trading	-	-	9	-
Non-trading market risk Level of confidence: 99%				
Value of risk in banking book	8,066	6,857	9,677	4,607
Income from risk in banking book	8,152	9,753	14,739	6,127

Note: BST MTM derivative portfolios are included in the overall IRRBB market risk reporting

(3) Liquidity risk

Liquidity risk is the risk that the Bank has insufficient capacity to fund increases in assets, or are unable to meet their payment obligations as they fall due, including repaying depositors or maturing wholesale debt. The timing mismatch of cash flows and the related liquidity risk is inherent in all banking operations, and may be affected by both internal and external events, including: credit or operational risks, bank-specific rumours, market disruptions and systemic shocks.

The liquidity risk and funding gap are overseen by the Parent Bank's Financial Market Department, the Bank's Risk Management Department, and ALCO. The following principles outline the Bank's approach to liquidity risk management, including:

- Ensuring that the liquidity management framework is compatible with local regulatory requirements;
- Calculation of liquidity ratio and market liquidity scenario analysis is performed to quantify the liquidity risk;
- Targeting a diversified funding base, avoiding undue concentrations by investor type, maturity, market source and currency;
- Holding a portfolio of high-quality liquid assets to protect against adverse funding conditions and to support day-to-day operations; and
- Establishing detailed contingency plans to cover different liquidity crisis events.

All assumptions for scenarios modelling are made based a combination of external data and professional judgement, according to ANZ Banking Group standards and actual market liquidity conditions in China, and adjusted according to the actual parameters of the Chinese market. The Bank perform "Bank LCR" test on a daily basis to ensure that the Bank held enough liquid assets to meet cash flow needs in the next 30 days in severe market liquidity stress situations. The reports are generated by the Head Office's Market Risk Reporting Department and results are reported to relevant senior management. Any breaches are escalated to the ALCO and the Risk Management Committee for review and resolution.

The Bank maintains the liquidity crisis contingency plans defining an approach for analysing and responding to a liquidity threatening event. The framework includes:

- Establishment of crisis severity/stress levels;
- Clearly assigned crisis roles and responsibilities;
- Early warning signals indicative of an approaching crisis, and mechanisms to monitor and report these signals;
- Outlined action plans, and courses of action for altering asset and liability behaviour;
- Procedures for crisis management reporting, and making up cash flow shortfalls;
- Guidelines determining the priority of customer relationships in the event of liquidity problems; and
- Assigned responsibilities for internal and external communications.

The following tables analyse the estimated undiscounted cash flows for the Bank's financial assets and liabilities by the remaining contractual maturity at the balance sheet date:

		2025							
	Note	*Overdue/ no contractual maturity*	*On demand*	*Due within 3 months*	*Due between 3 months to 1 year*	*Due between 1 year to 5 years*	*Due after 5 years*	*Total undiscounted cash flows*	*Carrying amount*
Assets									
Deposits with central bank		689,865,770.04	530,924,974.24	-	-	-	-	1,220,790,744.28	1,220,790,744.28
Deposits with banks and other financial institutions		-	1,835,944,709.55	-	-	-	-	1,835,944,709.55	1,835,944,709.55
Placements with banks and other financial institutions		-	-	5,617,262,920.16	2,562,646,923.95	-	-	8,179,909,844.11	8,172,429,639.73
Derivative financial assets	(a)	-	2,145,553,957.94	-	-	-	-	2,145,553,957.94	2,145,553,957.94
Loans and advances to customers	(b)	-	2,317.46	3,679,007,633.65	1,186,619,197.38	1,582,524,405.56	6,931,250.53	6,455,084,804.58	6,439,798,517.69
Financial investment									
- Financial asset held for trading	(a)	-	1,743,551,755.12	-	-	-	-	1,743,551,755.12	1,743,551,755.12
- Other debt investment		-	-	554,550,615.27	2,782,651,237.54	3,673,312,389.14	-	7,010,514,241.95	7,010,514,241.95
Other financial assets		1,806,536,393.23	-	1,595,323,831.32	283,935,182.60	-	-	3,685,795,407.15	3,685,795,407.15
Total		2,496,402,163.27	6,255,977,714.31	11,446,145,000.40	6,815,852,541.47	5,255,836,794.70	6,931,250.53	32,277,145,464.68	32,254,378,973.41
Liabilities									
Deposits from banks and other financial institutions		-	(502,897,019.74)	-	-	-	-	(502,897,019.74)	(502,897,019.74)
Placements from banks and other financial institutions		-	(1,946,335,665.91)	(1,952,452,623.16)	(486,384,182.97)	-	-	(4,385,172,472.04)	(4,385,172,472.04)
Derivative financial liabilities	(a)	-	(2,103,537,631.49)	-	-	-	-	(2,103,537,631.49)	(2,103,537,631.49)
Financial assets sold under repurchase agreements		-	-	(2,159,902,368.03)	-	-		(2,159,902,368.03)	(2,159,902,368.03)
Deposits from customers		-	(5,754,654,339.98)	(7,998,153,915.17)	(1,779,514,129.05)	(1,120,016.12)		(15,533,442,400.32)	(15,533,442,400.32)
Lease liability		-	-	(5,370,773.23)	(15,733,936.54)	(51,450,766.62)	(27,910,615.27)	(100,466,091.66)	(90,825,394.16)
Financial liabilities held for trading		-	(9,965,834.29)	-	-	-	-	(9,965,834.29)	(9,965,834.29)
Other financial liabilities		-	(28,444,670.70)	(510,854.95)	(38,186,661.02)	-	-	(67,142,186.67)	(67,142,186.67)
Total		-	(10,345,835,162.11)	(12,116,390,534.54)	(2,319,818,909.58)	(52,570,782.74)	(27,910,615.27)	(24,862,526,004.24)	(24,852,885,306.74)
Net position		2,496,402,163.27	(4,089,857,447.80)	(670,245,534.14)	4,496,033,631.89	5,203,266,011.96	(20,979,364.74)	7,414,619,460.44	7,401,361,204.29

	Note	2024 Overdue/ no contractual maturity	On demand	Due within 3 months	Due between 3 months to 1 year	Due between 1 year to 5 years	Due after 5 years	Total undiscounted cash flows	Carrying amount
Assets									
Deposits with central bank		1,037,948,921.03	487,685,461.97	-	-	-	-	1,525,634,383.00	1,525,634,383.00
Deposits with banks and other financial institutions		-	479,257,168.22	-	-	-	-	479,257,168.22	479,257,168.22
Placements with banks and other financial institutions		-	-	8,256,350,668.15	949,824,337.43	-	-	9,206,175,005.58	9,143,852,447.24
Derivative financial assets	(a)	-	6,247,937,591.99	-	-	-	-	6,247,937,591.99	6,247,937,591.99
Loans and advances to customers	(b)	-	312,817,300.55	4,040,065,723.99	1,141,601,481.86	1,937,049,754.19	13,160,843.09	7,444,695,103.68	7,430,776,242.99
Financial investment									
- Financial asset held for trading	(a)	-	770,078,429.55	-	-	-	-	770,078,429.55	770,078,429.55
- Other debt investment		-	-	92,601,106.19	1,517,245,260.57	5,966,270,767.59	-	7,576,117,134.35	7,331,463,417.92
Other financial assets		949,783,863.38	-	1,111,171,190.20	519,564,214.57	-	-	2,580,519,268.15	2,580,519,268.15
Total		1,987,732,784.41	8,297,775,952.28	13,500,188,688.53	4,128,235,294.43	7,903,320,521.78	13,160,843.09	35,830,414,084.52	35,509,518,949.06
Liabilities									
Deposits from banks and other financial institutions		-	(178,365,640.80)	-	-	-	-	(178,365,640.80)	(178,365,640.80)
Placements from banks and other financial institutions		-	-	(3,551,318,568.91)	(555,872,679.00)	-	-	(4,107,191,247.91)	(4,105,576,374.27)
Derivative financial liabilities	(a)	-	(6,174,278,376.38)	-	-	-	-	(6,174,278,376.38)	(6,174,278,376.38)
Financial assets sold under repurchase agreements		-	-	(1,008,091,772.22)	-	-	-	(1,008,091,772.22)	(1,008,025,146.53)
Deposits from customers		-	(9,334,365,281.85)	(2,666,610,850.97)	(4,352,894,027.96)	(2,095,955.36)	-	(16,355,966,116.14)	(16,321,435,288.17)
Debt securities issued		-	-	(400,000,000.00)	-	-	-	(400,000,000.00)	(398,788,146.20)
Lease liability		-	-	(7,321,021.51)	(11,180,309.99)	(47,164,341.98)	(35,510,116.33)	(101,175,789.81)	(91,342,781.59)
Other financial liabilities		(79,262,673.93)	(94,298,884.12)	(163,133.55)	(42,399,460.52)	-	-	(216,124,152.12)	(224,544,241.53)
Total		(79,262,673.93)	(15,781,308,183.15)	(7,633,505,347.16)	(4,962,346,477.47)	(49,260,297.34)	(35,510,116.33)	(28,541,193,095.38)	(28,502,355,995.47)
Net position		1,908,470,110.48	(7,483,532,230.87)	5,866,683,341.37	(834,111,183.04)	7,854,060,224.44	(22,349,273.24)	7,289,220,989.14	7,007,162,953.59

(a) The Bank recognised financial assets held for trading and derivative financial assets/liabilities measured at fair value as “payable on demand” to reflect the short-term nature of these trading activities.

(b) The overdue loans in the category of “overdue” of loans and advances to the customers are those of which all or part of principal or interest is overdue for more than a day.

(4) Non-Financial Risk

With reference to the Group's definition, non-financial risk refers to the risk of loss and/or non-compliance (including failure to comply with laws, regulations, industry standards and codes, and internal policies) resulting from inadequate or failed internal processes, personnel, systems and/or data, or from external events. This includes operational risk and reputational loss risk, but excludes strategic risk.

ANZ China adopts ANZ Group's non-financial risk framework to identify, assess, rectify, monitor, and report non-financial risks across the bank based on the principles of holism, consistency, and efficiency. Local regulatory requirements have been fully incorporated into the ANZ China Operational Risk Management Policy to ensure continuous compliance with regulatory requirements.

The non-financial risk management framework introduces:

- Non-Financial Risk Taxonomy, which includes "Risk Themes". There are 16 Risk Themes and 43 second-level risk statements. Risk Themes include Conduct Risk, Data Risk, External Fraud, Financial Crime, Information Security (including Cyber Security), Internal Fraud, Legal Risk, Model Risk, Operational Resilience, People Risk, Physical Security, Compliance Risk, Regulatory Reporting & Tax, Third Party Risk, Transactions & Execution, and Technology Risk
- Non-Financial Risk Operating Model, featuring seven distinct non-financial risk role types, with clearly defined responsibilities and accountabilities across the three lines of defense, covering all stages of the non-financial risk management lifecycle to ensure effective management of non-financial risks within the risk appetite

ANZ China has adopted the Group's Non-Financial Risk Hub (NFR Hub) as its core compliance and operational risk management system. This system aims to:

- Comprehensively document operational risk applicability, assessment results of related control objectives, key controls and their corresponding risk control objectives, confirmation of key control effectiveness, and other risk management information;
- Be used for the daily monitoring and management of operational risks recorded in the NFR Hub.

The Risk Management Committee – Operational Risk and Compliance Risk Committee meets regularly. The primary responsibilities of this committee are to address various risks arising from internal and external factors, including changes in regulatory requirements, changes in key risk indicators, risk events, control testing results, audit findings, and strategic and organizational adjustments. Significant non-financial risk matters are escalated to the Risk Management Committee under the Board of Directors, which meets quarterly.

(5) Capital Management

The Bank's capital management includes capital adequacy ratio management and leverage ratio management. The capital adequacy reflects the Bank's abilities of prudently operating and withstanding risks. The Bank's objective of capital adequacy management is to meet legal and regulatory requirements and to prudently determine the capital adequacy target according to the actual risks faced, with referencing the parent bank and the international advanced level peers' adequacy and own operating conditions. The objective of the Bank's capital management is to:

- Protect business continuity and the interests of the Bank's creditors and shareholder;
- Maintain adequate capital to avoid breaching the regulator's Capital Rules, including in a stressed environment;
- Align capital levels to the Board's risk appetite; and
- Establish a capital structure that provides an efficient and effective use of funds within the Bank while at all times meeting the former NFRA's regulatory requirements

The Bank manages its capital structure and restructuring in accordance with the economic environment and the risk characteristics of business activities. In order to maintain or adjust the capital structure, the Bank may adjust the profit distribution policy, issue Tier 1 capital instruments, qualified Tier 2 capital instruments, etc.

The Board and ALCO take full responsibility for the management of capital to ensure the bank's capital adequacy consistent with the provisions of the NFRA, and they are also responsible for determining the objectives of the management of capital adequacy, to review the risk tolerance, to make and monitor the implementation of capital planning, and to disclose the information of the Bank's capital adequacy.

Management of the Bank monitors the capital adequacy and the use of the regulatory capital in accordance with the method prescribed by the former CBRC. The Bank submits the required information to the NFRA regularly.

According to the Measures for the Capital Management of Commercial Banks issued by the NFRA on November 1, 2023, and effective from January 1, 2024, commercial banks are required to meet minimum capital requirements. Specifically, the Common Equity Tier 1 capital adequacy ratio must not be lower than 5%, the Tier 1 capital adequacy ratio must not be lower than 6%, and the total capital adequacy ratio must not be lower than 8%.

The on-balance-sheet risk weighted asset is calculated using different risk weights, which are determined by the risk of specific assets and trading counterparties, as well as market risks and other relevant risks, taking into consideration the impact of eligible collaterals and guarantees. The off-balance-sheet exposures are calculated in similar ways, and adjusted according to the nature of the contingent losses. The counterparty credit risk (“CCR”) risk-weighted assets for OTC derivatives transactions include the risk-weighted assets for counterparty default risks and the risk-weighted assets for the credit value adjustment (“CVA”). The risk-weighted assets for market risks are calculated using a standardised approach, while the risk-weighted assets for operational risks are calculated as per the basic indicator approach.

The Bank is in compliance with the regulatory capital requirements during the year.

As at 31 December, common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio calculated as per *the Administrative Measures on Capitals of Commercial Banks* issued by the NFRA and other relevant regulations are as follows, the figures for the previous period have not been retrospectively adjusted:

	2025 RMB 0'000	*2024* RMB 0'000
Common equity tier 1 capital		
Paid-in capital	622,500	622,500
Other comprehensive income	1,602	5,064
Surplus reserve	35,759	34,574
General reserve	29,869	29,869
Retained earnings	69,970	76,980
Common equity tier 1 capital	759,700	768,987
Common equity tier 1 capital deductions		
Intangible assets net of the relevant deferred tax liability	-	-
Net common equity tier 1 capital	759,700	768,987
Net tier 1 capital	759,700	768,987
Tier 2 capital		
Surplus allowance for impairment losses	11,856	14,221
Net total capital	771,556	783,208
Credit risk-weighted assets	2,117,233	2,608,781
Market risk-weighted assets	278,113	150,752
Operational risk-weighted assets	153,149	186,518
Total risk assets	2,548,495	2,946,051
Common equity tier 1 capital adequacy ratio	29.81%	26.10%
Tier 1 capital adequacy ratio	29.81%	26.10%
Capital adequacy ratio	30.27%	26.59%

47 Fair value

(1) Fair value measurement

(a) Fair value hierarchy

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Bank's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. In the reporting period, the Bank does not hold assets and liabilities which are measured at fair value on non-recurring basis.

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels of inputs are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly;

Level 3: inputs for the asset or liability that are not based on observable market data.

The following table presents the three levels of fair value for financial instruments:

	2025			
	Level 1	*Level 2*	*Level 3*	*Total*
Assets				
Derivative financial assets	-	2,145,553,957.94	-	2,145,553,957.94
Financial assets				
- financial assets held for trading	-	1,743,551,755.12	-	1,743,551,755.12
- other debt investments	-	7,010,514,241.95	-	7,010,514,241.95
Other assets				
Gold leased-out receivable designated at FVTPL	-	1,787,508,289.73	-	1,787,508,289.73
Total	-	12,687,128,244.74	-	12,687,128,244.74

	2025			
	Level 1	*Level 2*	*Level 3*	*Total*
Liabilities				
Derivative financial liabilities	-	(2,103,537,631.49)	-	(2,103,537,631.49)
Placements from banks and other financial institutions				
- Designated as at FVTPL (Gold Lease)	-	(2,432,719,848.88)	-	(2,432,719,848.88)
Financial assets sold under repurchase agreements				
- Measured at FVTPL	-	(1,684,840,230.22)	-	(1,684,840,230.22)
Financial assets held for trading	-	(9,965,834.29)	-	(9,965,834.29)
Total	-	(6,231,063,544.88)	-	(6,231,063,544.88)

	2024			
	Level 1	*Level 2*	*Level 3*	*Total*
Assets				
Derivative financial assets	-	6,247,937,591.99	-	6,247,937,591.99
Financial assets				
- financial assets held for trading	-	770,078,429.55	-	770,078,429.55
- other debt investments	-	7,331,463,417.92	-	7,331,463,417.92
Other assets				
Gold leased-out receivable designated at FVTPL	-	1,570,909,685.68	-	1,570,909,685.68
Total	-	15,920,389,125.14	-	15,920,389,125.14

	2024			
	Level 1	*Level 2*	*Level 3*	*Total*
Liabilities				
Derivative financial liabilities	-	(6,174,278,376.38)	-	(6,174,278,376.38)
Placements from banks and other financial institutions				
- Designated as at FVTPL (Gold Lease)	-	(1,845,991,159.03)	-	(1,845,991,159.03)
Financial assets sold under repurchase agreements				
- Measured at FVTPL	-	(628,010,362.97)	-	(628,010,362.97)
Total	-	(8,648,279,898.38)	-	(8,648,279,898.38)

During 2025, there were no transfers between Level 1 and Level 2, of the Bank’s above assets and liabilities which are measured at fair value on a recurring basis. The Bank recognises transfers between different levels at the end of the current reporting period during which such transfers are made (2024: nil).

For financial assets and liabilities that are traded in an active market, the Bank determines the fair value based on quoted market prices or counterparty's price. For all other financial instruments, the Bank determines the fair value by valuation model.

Valuation models include the net present value model, discounted cash flow model, referring to the market price quotations of similar tools, options valuation models, etc. Assumptions and input parameters used in the valuation model include risk-free rate, the benchmark interest rate, credit spread, the estimated discount rate, bond and stock prices, exchange rates, price index, expected volatility, correlations, etc. The purpose of using a valuation model is to get the fair price that can be received to sell an asset or need to pay to transfer a liability in an orderly transaction occurred in the measurement date.

The Bank uses valuation models widely used in the industry to determine the fair value of the general and relatively simple financial instruments, such as referencing only observable market prices or interest rate and currency swaps requiring less management judgments and estimations. Its valuation model parameters required can be generally obtained from debt or equity market, derivatives market, or simple OTC derivatives market such as interest rate swaps.

(b) Level 2 fair value

The valuation tools of Level 2 fair value include the following ways: reference quoted market price of similar instruments in active markets; reference quoted market price of similar instruments in inactive markets made; or using a valuation model, which input parameters are directly or indirectly observable market data.

During 2025, the Bank did not change the valuation techniques used in Level 2 fair value measurement (2024: nil).

(c) Level 3 fair value

During 2025, there are no instruments measured at Level 3 of the fair value hierarchy (2024: nil).

(2) Fair value of other financial instruments (items not measured by fair value at year end)

The other financial instruments of the Bank include deposits with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, loans and advances to customers, deposits from banks and other financial institutions, placements from banks and other financial institutions that measured at amortised cost, financial assets sold under repurchase agreements that measured at amortised cost, deposits from customers and debt securities issued. There is no significant difference between the book value and the fair value of the financial assets and financial liabilities.

48 Non-adjusting post balance sheet date events

The shareholders approved and distributed retained earnings of RMB 470 million to Australia and New Zealand Banking Group Limited as a special dividend in fiscal year 2026 on January 12, 2026. According to Article 8 of Accounting Standards for Business Enterprises NO.29 Events after balance sheet date, special dividends approved for distribution after the balance sheet date are not recognized as liability on the Balance Sheet date. The special dividend was remitted on February 25, 2026.