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POSTAL SAVINGS BANK OF CHINA CO., LTD.
中國郵政儲蓄銀行股份有限公司

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

(Stock Code: 1658)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

The Board of Directors (the "**Board**") of Postal Savings Bank of China Co., Ltd. (the "**Bank**") hereby announces the audited annual results of the Bank and its subsidiaries for the year ended December 31, 2025 and the proposed payment of cash dividends for 2025. The Audit Committee of the Board of the Bank has reviewed such audited annual results. This announcement complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of annual results. The Bank's Annual Report for 2025 will be published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Bank in due course, and will be sent to the H shareholders of the Bank according to their chosen means of receipt of corporate communications.

By order of the Board
Postal Savings Bank of China Co., Ltd.
Du Chunye
Joint Company Secretary

Beijing, the PRC
March 27, 2026

As at the date of this announcement, the Board of the Bank comprises Mr. Zheng Guoyu as Chairman of the Board and Non-executive Director; Mr. Lu Wei and Ms. Yao Hong as Executive Directors; Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Liu Ruigang, Ms. Chen Xue, Mr. Hu Yuting, Mr. Ding Xiangming, and Mr. Yu Mingxiong as Non-executive Directors; Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli, Mr. Tang Zhihong, Mr. Hong Xiaoyuan, Mr. Yang Yong, and Mr. Pu Yonghao as Independent Non-executive Directors.

* *Postal Savings Bank of China Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

Important Notice

The Board of Directors, Directors and the senior management of the Bank undertake that the information in this report is true, accurate and complete and contains no false records, misleading statements or material omissions, and they assume individual and joint legal liabilities for such information.

The 2025 annual report, highlights and results announcement were reviewed and approved at the meeting of the Board of Directors of the Bank held on March 27, 2026. The number of Directors who should attend the meeting is 17, among which 17 Directors attended the meeting in person. The attendance was in compliance with the requirements of the Company Law of the People's Republic of China and the Articles of Association.

In accordance with the Company Law of the People's Republic of China, the Administrative Measures for Provisioning of Financial Enterprises, the Articles of Association and relevant requirements, the final cash dividends for 2025 totaling approximately RMB11,445 million (before tax) will be distributed to all ordinary shareholders whose names appeared on the share register on the record date at RMB0.953 (before tax) per ten ordinary shares. Together with the interim cash dividends for 2025 already paid, the total cash dividends for the whole year of 2025 will be approximately RMB26,217 million (before tax) at RMB2.183 (before tax) per ten ordinary shares. The Bank did not convert its capital reserve to share capital in 2025. The aforesaid profit distribution scheme is subject to review and approval at the 2025 Annual General Meeting. For details of the Bank's profit during the reporting period, please refer to "Discussion and Analysis – Analysis of Financial Statements".

During the reporting period, there was no appropriation of the Bank's funds by its controlling shareholder or other related parties for non-operating purposes and no case in which the Bank provided material guarantees in violation of the prescribed decision-making procedures.

The financial report of the Bank for the year 2025, prepared in accordance with PRC GAAP and IFRSs, has been audited by KPMG Huazhen LLP and KPMG in accordance with domestic and international auditing standards respectively with unqualified auditor's reports issued.

The Board of Directors of Postal Savings Bank of China Co., Ltd.
March 27, 2026

Mr. Zheng Guoyu, Legal Representative of the Bank, Mr. Xu Xueming, Vice President in charge of finance of the Bank, and Ms. Deng Ping, General Manager of Finance and Accounting Department of the Bank, hereby declare and warrant the truthfulness, accuracy and completeness of the financial statements contained in this report.

This report contains forward-looking statements on the Bank's financial position, business performance and development. These statements are based on existing plans, estimates and forecasts and may involve future plans which do not constitute any substantive commitments to investors by the Bank. Hence, investors and persons concerned shall be fully aware of the risks and understand the difference among plans, estimates and commitments.

During the reporting period, the Bank was not aware of any material risk that would adversely affect its future development strategies and business targets. The Bank proactively took measures to effectively manage all kinds of risks. Please refer to "Discussion and Analysis – Risk Management" for details.

This report is prepared in both Chinese and English. In case of discrepancy between the two versions, the Chinese version shall prevail.

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Definitions

"Articles of Association"	The Articles of Association of Postal Savings Bank of China Co., Ltd., as amended, supplemented or otherwise modified from time to time
"Bank/PSBC/Postal Savings Bank of China"	Postal Savings Bank of China Co., Ltd., a joint stock limited liability company established in the PRC in accordance with PRC laws, including its predecessors, branches and sub-branches, directly-operated outlets and agency outlets (to the extent of agency outlets' operations, risk management and licenses in relation to agency banking businesses they conduct) and subsidiaries (where the context so requires)
"Capital Rules"	Rules on Capital Management of Commercial Banks and other related regulations
"central bank/PBOC"	People's Bank of China
"China Post Group"	China Post Group Corporation Limited, a wholly state-owned company restructured from the former China Post Group Corporation in accordance with the Company Law of the People's Republic of China, is the controlling shareholder of the Bank
"CSRC"	China Securities Regulatory Commission
"Group"	The Bank and its subsidiaries
"HKEX"	Hong Kong Exchanges and Clearing Limited
"Hong Kong Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRSs"	International Financial Reporting Standards and the related amendments and interpretations issued by the International Accounting Standards Board
"MOF"	Ministry of Finance of the PRC
"NFRA/former CBIRC/former CBRC"	National Financial Regulatory Administration or its predecessors, i.e. the former China Banking and Insurance Regulatory Commission, or the former China Banking Regulatory Commission (where the context so requires)
"PRC GAAP"	The Accounting Standards for Business Enterprises issued by the MOF on February 15, 2006, and other related regulations issued thereafter
"PSBC Consumer Finance"	PSBC Consumer Finance Co., Ltd.
"PSBC Investment"	PSBC Financial Asset Investment Co., Ltd.
"PSBC Wealth Management"	PSBC Wealth Management Co., Ltd.
"Sannong"	Agriculture, rural areas and farmers
"SFO"	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"SMEs"	Enterprises classified as micro, small and medium-sized enterprises under the Classification Standards of Small and Medium Enterprises
"SSE"	Shanghai Stock Exchange
"SSE Listing Rules"	Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as amended, supplemented or otherwise modified from time to time
"YOU+ BANK"	YOU+ BANK, a direct bank subsidiary set up by the Bank

The currency for the amounts included in this report, unless otherwise stated, is Renminbi ("RMB").

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Company Profile

The postal savings business in China can be traced back to its start in 1919 with a history of over one hundred years. In March 2007, based on the reform of the previous postal savings management system, Postal Savings Bank of China Limited was officially established. The Bank was transformed into a joint stock limited liability company in January 2012. It went public and was listed on the Hong Kong Stock Exchange in September 2016, and was listed on the SSE in December 2019.

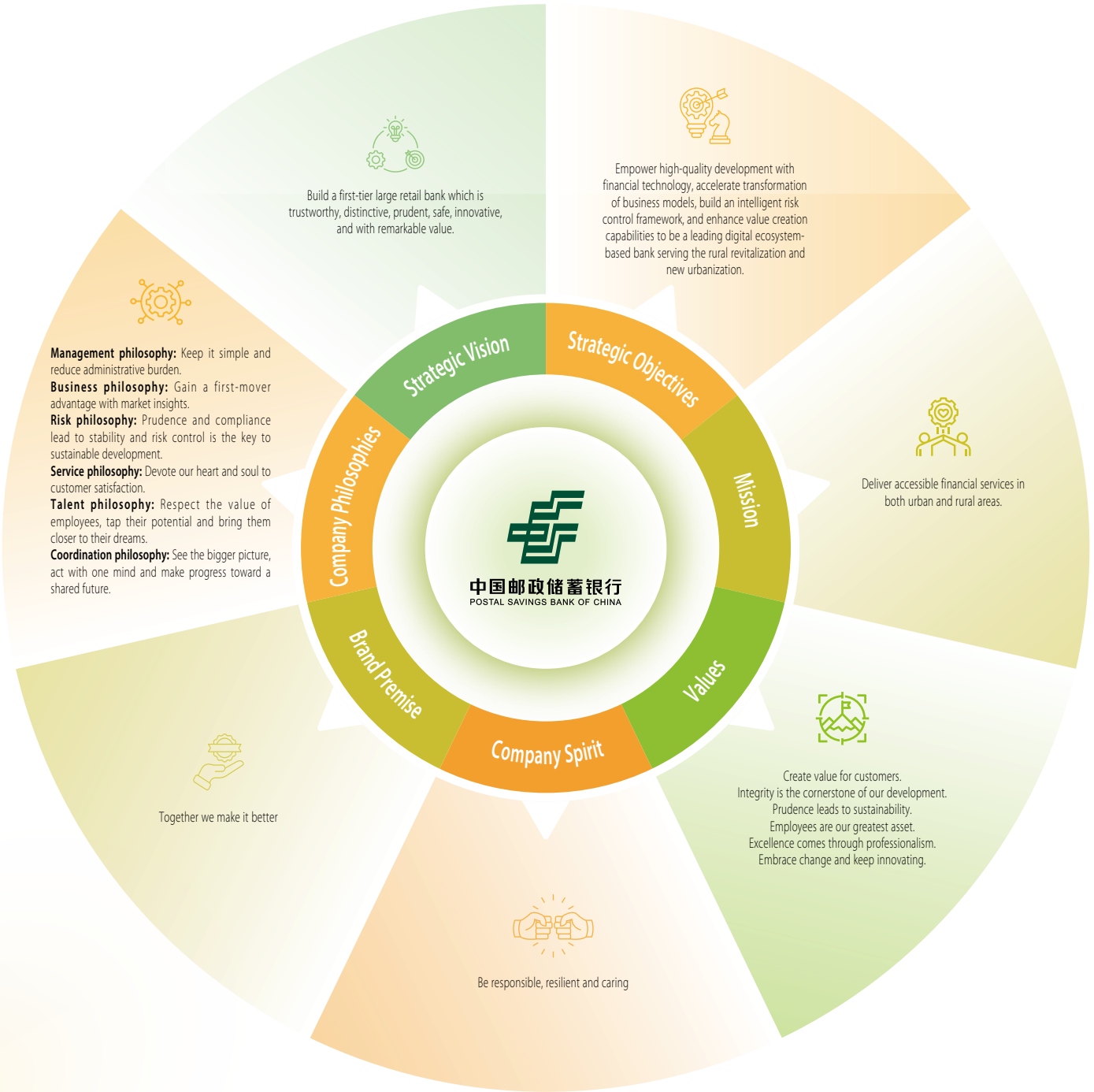
The Bank is a leading large-scale retail bank in China and remains committed to its positioning of serving Sannong customers, urban and rural residents, and SMEs. Relying on its unique model and resource endowment featuring directly-operated outlets and agency outlets, it keeps improving its financial service system where online and offline services interconnect for joint development, and is committed to providing comprehensive financial services to the most promising customers during China's economic transformation. As at the end of the reporting period, the Bank had approximately 40,000 outlets and served over 680 million personal customers, continuing to maintain excellent asset quality and an increasingly prominent market presence.

The Bank gains a profound understanding of the political and people-oriented nature of financial work, thoroughly implements national strategies, and continues to enhance the quality and efficiency in serving the real economy. It adheres to the customer-centric philosophy and attaches great importance to creating value for customers. The Bank has pressed ahead with the "five priorities" of technology finance, green finance, inclusive finance, pension finance and digital finance and accelerated the upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development. It strives to build a first-tier large retail bank that is more inclusive, balanced, stable, intelligent and dynamic, and create a new chapter of high-quality development.

Approximately 40,000 outlets

Over 680 million personal customers

Strategic Positioning and Corporate Culture



Write PSBC's Chapter of Contributing to the "Five Priorities" of the Financial Sector

Excel in technology finance — Building an emerging force in technology finance

- The balance of technology loans surpassed RMB950 billion.
- The Bank served over 100,000 technology enterprises.
- The proportion of loans to technology SMEs in total technology loans ranked in the forefront among major state-owned banks.

Specialize in green finance — Acting as a pioneer in green finance

- The Bank has established a total of 56 specialized green finance institutions.
- The balance of green loans exceeded RMB1 trillion.
- The growth rate of green loans outpaced the average growth rate of the Bank's various loans for several consecutive years.

Enhance inclusive finance — Building a main force in serving rural revitalization and a benchmark in delivering inclusive finance

- The balance of agriculture-related loans amounted to RMB2.51 trillion.
- The balance of inclusive loans to micro and small-sized enterprises (MSEs) amounted to RMB1.80 trillion.
- Both of their proportions to the total loans to customers ranked in the forefront among major state-owned banks.

Deliver caring pension finance — Building a heartwarming pension finance bank

- The number of financial social security cards in circulation exceeded 132 million.
- The Bank served over 308 million middle-aged and elderly customers.

Strengthen digital finance — Building a digital ecosystem-based bank

- The Bank has launched 475 IT projects, including the third-generation treasury system and the new core financial system.
- The number of monthly active users (MAU) of mobile banking exceeded 90 million.

Develop the "Four Core Competitiveness"

- Capability for synergistic development across multiple business models
- Distinctive capability in rural financial services
- Risk management capability for steady and sustained progress
- Technological innovation capability driving the growth and competitiveness of the Bank

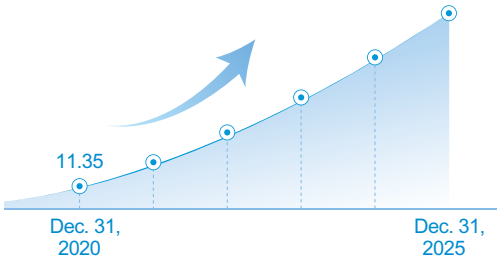
Leverage the "Four Core Advantages"

- Differentiated advantage in serving rural revitalization based on resource endowment
- Synergistic advantage based on the "asset-liability, corporate-retail, and credit" linkage of the Bank, as well as the "four-in-one" integrated flows of business, goods, funds and information of China Post Group
- Ecosystem advantage based on multiple business models and business segments
- FinTech advantage that is not only on a par with others but also demonstrates leadership in specific sectors

The Achievements During the 14th Five-Year Plan Period in Numbers

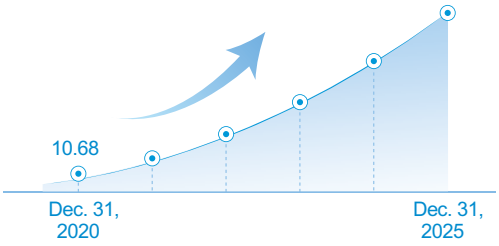
Total assets

RMB **18.68** trillion



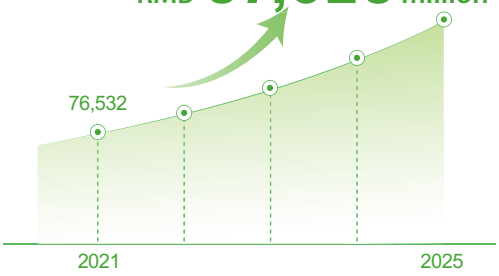
Total liabilities

RMB **17.52** trillion



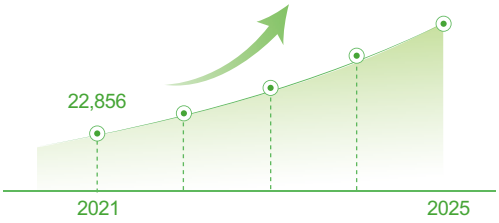
Net profits

RMB **87,623** million



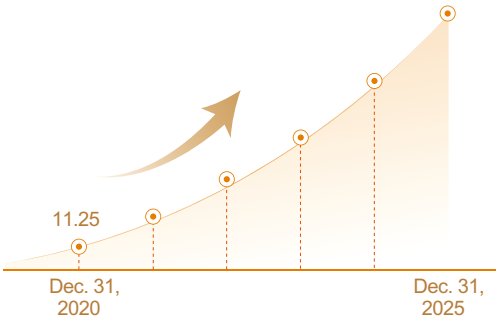
Dividends

RMB **26,217** million (proposed)



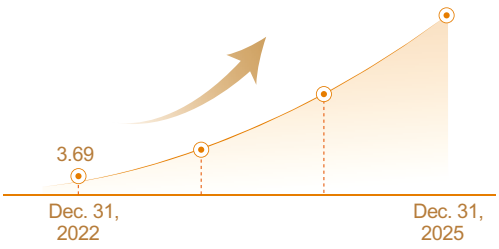
AUM (Assets Under Management) of personal customers

RMB **18.30** trillion



FPA (Finance Product Aggregate) of corporate clients

RMB **6.79** trillion



NPL Ratio 0.95%

ROA 0.49%

ROE 8.67%

NIM 1.66%

1 Data in this section is as of the end of the reporting period. Ranking by The Banker is from the data published in 2020 and 2025.

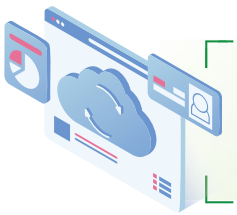
Achieving multiple-fold growth in customer base

Fujia customers
6,717.0 thousand

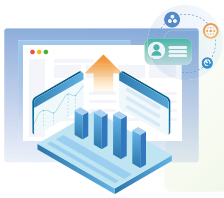
Dingfu customers
43.1 thousand

Corporate clients
1,978.2 thousand

Systematically advancing the development of the "Together We Thrive" interbank ecosystem platform

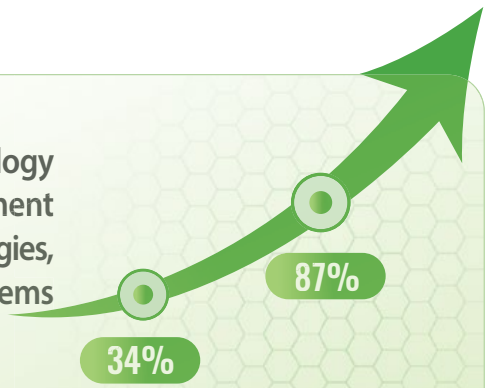


The number of registered institutions exceeded **2,500**



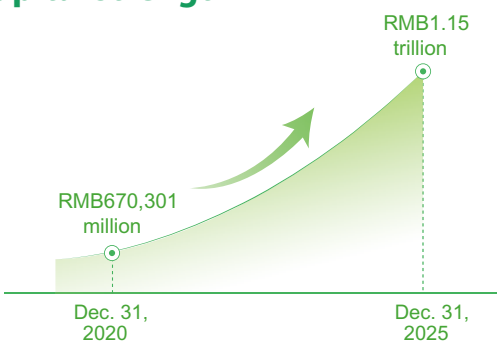
The cumulative trading volume exceeded RMB**9** trillion

The Bank fully implemented the "**SPEEDS**" technology strategy, and unswervingly pursued an IT development path featuring independently controllable core technologies, with the proportion of independently developed systems increasing from 34% to 87%.



Continuously consolidated capital strength

Net tier 1 capital increased from RMB**670,301** million to RMB **1.15** trillion.



Steadily improved market position

PSBC's ranking by The Banker jumped from **22**nd to **12**th place.

Colourful PSBC

Establishing Featured Financial Brand with Caring Services to Celebrate Ethnic Diversity

Ethnic minority culture is an integral part of Chinese culture. With featured sub-branches as a platform, the Bank fulfills its mission of "delivering accessible financial services in both urban and rural areas". In areas densely populated by ethnic minorities such as the Korean, Shui, and Naxi ethnic groups, the Bank has established a number of ethnic culture featured sub-branches, continuously enhanced the accessibility of financial services, and supported the inheritance and development of ethnic minority culture.

Lijiang Gucheng District Sub-Branch, Yunnan
Naxi Culture Featured Sub-Branch

Located in the heart of Lijiang City, the main settlement area for the Naxi people, Lijiang Gucheng District Sub-Branch is designed to serve as a "Naxi Culture Featured Sub-Branch". The sub-branch brought ethnic motifs into its environment and built an "Impressions of Lijiang"-themed wall to showcase local culture and specialty industries. It also set up bilingual service counters in both the Naxi and Chinese languages for the convenience of ethnic minority customers.

Focusing on industries with ethnic features, the sub-branch made precise efforts to support local development. As at the end of the reporting period, the sub-branch had 897 outstanding loans in cultural tourism, totaling RMB162 million, which were granted to help the growth of local minority merchants in cultural tourism. Additionally, the sub-branch had 249 outstanding loans in the traditional Chinese medicine sector, totaling RMB22,163.5 thousand, which were granted to empower the local ethnic medicinal herb industry and foster the minority economy through financial support.

Beijing Middle Road Sub-Branch, Lhasa, Xizang
Xizang Culture Featured Sub-Branch

Located just across the street from the Potala Palace, Beijing Middle Road Sub-Branch incorporated the Ashtamangala (Eight Auspicious Signs) into its outlet design, reflecting the unique charm of the snowy plateau. The outlet provided rest areas with a Xizang style and, in collaboration with a professional photography company, offered visitors and customers the opportunity to have photos taken in the traditional attire of Xizang people. These photos can be customized as bank card designs, demonstrating the "warmth of financial services on the plateau".

As there is a concentration of cultural tourism industries in the surrounding area, the sub-branch offered new urban resident loans designed for wholesale and retail businesses as well as hotels and restaurants. During the reporting period, over RMB20 million of new urban resident loans were recommended and issued. With Xizang culture as its brush and service as its ink, the sub-branch has written a compelling chapter on how finance improves people's well-being on the plateau, and become a vibrant showpiece for spreading Xizang culture.

Sandu County Sub-Branch, Qiannan Buyei and Miao Autonomous Prefecture, Guizhou
Shui Culture Featured Sub-Branch

The Sandu County Sub-Branch is located in China's only Shui Autonomous County, where the Shui ethnic group accounts for 67% of the population. Building on the characteristics of the local customer base, the sub-branch integrated ethnic culture into its financial services to create a Shui culture featured sub-branch. By establishing bilingual service counters in Shui and Chinese languages and forming Shui-language service teams to reach villages, the sub-branch enhanced communication convenience and improved the accessibility of financial services for Shui customers.

The sub-branch innovatively launched products such as "Xinjie Loan" and "Specialty Agricultural Product Cultivation and Breeding Loan" to precisely support specialty fields including the Shui people's horsetail embroidery intangible cultural heritage industry and ecological agriculture. These efforts have not only injected financial vitality into the inheritance and preservation of ethnic culture but also demonstrated the Bank's commitment to revitalizing ethnic minority regions through finance, achieving mutually reinforcing development between financial services and ethnic development. During the reporting period, the sub-branch served over 2,000 Shui-language-speaking customers, conducted eight bilingual financial education activities, and issued more than RMB30 million in loans to specialty industries.

Wulagai East Street Sub-Branch of the East Ujimqin Banner, Inner Mongolia

Mongolian Culture Featured Sub-Branch

East Ujimqin Banner is located in the northeastern part of Xilingol League, Inner Mongolia Autonomous Region, and is one of the major areas where Mongolian people reside in. The Wulagai East Street Sub-Branch integrated local nomadic culture and ethnic characteristics closely into its development to create a featured sub-branch with Mongolian characteristics.

The sub-branch incorporated Mongolian cultural elements into its outlet design, creating a rich ethnic ambiance. With the goal of "carrying forward the Mongolian horse spirit and empowering the development of animal husbandry", the sub-branch focused on the development needs of Mongolian herders, innovatively launched featured products such as "Border Resident Loan" and "Prosperous Livestock Loan", and offered online settlement services through the "Smart Bull Market", to support the development of the local livestock industry. During the reporting period, the sub-branch issued 1,466 herder loans, totaling RMB290 million. The sub-branch not only injected strong momentum into the modernization and industrial upgrading of local animal husbandry but also promoted economic development in ethnic minority regions through practical actions, vividly demonstrating the mission and value of finance in empowering the revitalization of ethnic regions.

Guangming Street Sub-Branch, Yanji, Jilin

Korean Ethnic Culture Featured Sub-Branch

Guangming Street Sub-branch is located in the core commercial circle of Yanji, the capital of the Yanbian Korean Autonomous Prefecture. Leveraging the location's proximity to a large Korean ethnic population, the PSBC Jilin Branch developed it into a Korean ethnic culture featured sub-branch. The sub-branch not only integrated ethnic cultural elements into its interior design but also offered Korean-Chinese bilingual services to its Korean ethnic customers. It was recognized as a model unit for cultural tourism finance by the PBOC Yanbian Branch and the Yanbian Bureau of Culture and Tourism.

Taking into account the large number of elderly customers in the surrounding area and the fact that some elderly customers are only familiar with Korean, the sub-branch set up a "Korean Language Service Counter for the Seniors" to provide priority handling for cash transactions and bilingual guidance for smart devices. It also conducted regular bilingual financial literacy campaigns to safeguard customers' property security. In the meantime, the sub-branch actively supported the development of Korean ethnic industries and tourism. As at the end of the reporting period, the sub-branch successfully referred customers to loans for specialty industries such as "Korean Products Wholesale", "Walleye Pollock", and "Yanbian Rice", with a total amount reaching approximately RMB9.6 million. Through its distinctive approach and targeted services, Guangming Street Sub-Branch not only demonstrated its commitment to supporting the development of ethnic areas with financial services, but also explored a new service path that enables mutually complementary development between finance and ethnic cultural tourism.

Zhuoshui Town Sub-Branch, Qianjiang District, Chongqing

Tujia Culture Featured Sub-Branch

Zhuoshui Ancient Town, located in the Wuling Mountain area of southeastern Chongqing, is a Tujia ethnic community with specialty agriculture and ethnic cultural tourism as core industries. PSBC Chongqing Branch fully utilized the region's ethnic cultural characteristics to upgrade the Zhuoshui Town Sub-Branch located beside traditional stilted houses in Qianjiang District into a Tujia culture featured sub-branch.

The sub-branch incorporated Tujia "Xilankapu" textile elements into its outlet design and provided smart services in the functional areas of outlets through virtual reality (VR) business halls, deeply integrating ethnic culture with modern financial services. It served not only as a financial service window but also as a carrier of cultural heritage and an engine for rural revitalization. As at the end of the reporting period, PSBC Chongqing Branch extended full-village credit to the nine administrative villages in Zhuoshui Town, disbursed approximately RMB400 million in franchise rights loans for tourist attractions, and provided acquiring and digital RMB collection services for 400 merchants in Zhuoshui Ancient Town, strongly supporting the development of local specialty ethnic industries.

Boosting Efficiency of the Entire Workforce

Hyper-personalized targeted services

Intelligent marketing

54 million +
Customers covered by wealth management marketing scenarios

600 thousand +
Users reached via proactive credit extension scenarios

AI-driven efficient decision-making

Intelligent loan review

98%
Image classification accuracy

92%
Information extraction accuracy

20 minutes
Report generation time reduced from hours

Holistic digital and intelligent support

Intelligent data assistant

Data agents technology
Data extraction, calculation, visualization and reporting significantly enhancing the efficiency of analysis and decision-making

3 minutes
Data extraction time reduced from days

Head Office + 36 branches
Full implementation of services

95%
Acceptance rate

Ushering in

Omni-Channel Reach

Offline

Process as response

Cloud counter services

90 types of high-frequency self-service transactions covered by cloud counter model

40% Improvement in manual operation efficiency

Remote

Outbound calling as perception

Intelligent outbound calling

Voice capability: human-like timbre and emotional expression

Interaction capability: first-word response time **≤500 ms**

Compliance capability: **100%** alignment with process trees

Online

Conversation as a service

Mobile banking 11.0

Understand you Interactive mode

Accompany you Scenario linkages

Protect you Security protection

User experience ranked **first** for the third consecutive year

the ∞PSBC Era

Corporate Information

Legal name in Chinese	中國郵政儲蓄銀行股份有限公司（“中國郵政儲蓄銀行”）
Legal name in English	POSTAL SAVINGS BANK OF CHINA CO., LTD. (“PSBC”)
Legal representative	Zheng Guoyu
President	Lu Wei
Authorized representatives	Yao Hong, Du Chunye
Secretary to the Board of Directors	Du Chunye Address: No. 3 Financial Street, Xicheng District, Beijing Telephone: 86-10-68858158 Fax: 86-10-68858165 E-mail: psbc.ir@psbcoa.com.cn
Registered address and place of business	No. 3 Financial Street, Xicheng District, Beijing
Principal place of business in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wan Chai, Hong Kong
Contacts for investors	Postal code: 100808 Telephone: 86-10-68858158 Fax: 86-10-68858165 E-mail: psbc.ir@psbcoa.com.cn Websites: www.psbcltd.cn, www.psbc.com
Hotline for customer services and complaints	86-95580
Information disclosure media	China Securities Journal (www.cs.com.cn), Shanghai Securities News (www.cnstock.com), Securities Times (www.stcn.com), Securities Daily (www.zqrb.cn)
Annual report available at	Office of the Board of Directors of the Bank No. 3 Financial Street, Xicheng District, Beijing
Unified social credit code	9111000071093465XC
A-share listing place, stock name, stock code and website for report publication	Stock exchange on which shares are listed: Shanghai Stock Exchange Stock name: 郵儲銀行 Stock code: 601658 Share registrar: China Securities Depository and Clearing Corporation Limited, Shanghai Branch 188 Yanggao South Road, Pudong New Area, Shanghai Website of Shanghai Stock Exchange for report publication: www.sse.com.cn

H-share listing place, stock name, stock code and website for report publication	Stock exchange on which shares are listed: The Stock Exchange of Hong Kong Limited Stock name: PSBC Stock code: 1658 Share registrar: Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong Website of HKEX for report publication: www.hkexnews.hk
Legal advisor as to laws of the Chinese mainland	JunHe LLP
Legal advisor as to laws of Hong Kong, the PRC	Clifford Chance LLP
Domestic auditor	KPMG Huazhen LLP Place of business: 8/F, Tower E2, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing, the PRC Signing accountants: He Qi, Ye Hongming
International auditor	KPMG Place of business: 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong, the PRC Signing accountant: Lee Lok Man
Sponsors for continuous supervision and guidance	China International Capital Corporation Limited Place of business: 27th and 28th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing Signing sponsor representatives: Wu Yao, Wang Xin Period of continuous supervision and guidance: June 19, 2025 to December 31, 2026 CITIC Securities Company Limited Place of business: 23/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing Signing sponsor representatives: Zhao Wencong, Hu Zhangtuo Period of continuous supervision and guidance: June 19, 2025 to December 31, 2026

* Postal Savings Bank of China Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.

Rankings and Awards

Rankings

2025
Top 1000 World Banks

12th

(in terms of tier 1 capital at the end of the prior year)
The Banker

The World's Top 500 Most Valuable Brands in 2025

91st

Brand Finance

Awards and Honors

First Prize of FinTech Development Award
PBOC

Outstanding Research on the Development of China's Banking Sector
China Banking Association

Best Cases of Boards of Directors of Public Companies
Best Cases of Sustainable Development of Public Companies
China Association for Public Companies

Ranking First Among Peers in Personal Mobile Banking User Experience
Ranking First Among Peers in Corporate Online Banking Comprehensive Evaluation and User Experience
China Financial Certification Authority

Efficiency Pioneer Award
China UnionPay

Leading Bond Market Institution of the Year
Outstanding Bond Underwriting Institution
Outstanding Asset Custody Institution
China Central Depository & Clearing Co., Ltd.

Pioneer Cases of "Digital Intelligence Impact"
China International Fair for Trade in Services

Outstanding Financial Service Institution Award
Organizing Committee of China Securities Golden Bauhinia Awards

Top 10 Best Employers in China 2025
Beijing Wangpin Information Technology Co., Ltd., Institute of Social Science Survey of Peking University and National School of Development at Peking University

Cases of "Five Priorities" of the Financial Sector
Financial News

Best Listed Company for Investor Relations Management
Hong Kong Commercial Daily

Best SME Services Bank
Global Finance

ESG Brand Building Cases
Practice Cases of Financial Services Ecosystem
Practice Cases of Digital Transformation of Personal Banking Services
China Financial Media Company Limited

The Gamma Award for High-Quality Development Bank of the Year
Securities Times

Banking Wealth Management Brand Award of the Year
Shanghai Securities News

Excellent Competitive Pension Finance Bank Award
China Business Journal

The Most Respected Companies of the Year
The Economic Observer

Leading Commercial Bank of the Year
Leading Technology Finance Institution of the Year
21st Century Business Herald

Outstanding Corporate Banking Bank of the Year
National Business Daily

Outstanding ESG Financial Enterprise of the Year
The Paper

"Topology Award" of Inclusive Finance Institution of the Year
Cailian Press

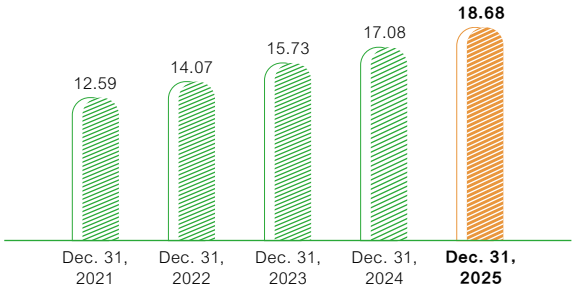
Financial Highlights

The financial data and indicators in this report have been prepared in accordance with the IFRSs. Unless otherwise specified, they are consolidated data of the Bank and its subsidiaries and denominated in Renminbi.

Total assets

(In RMB trillion)

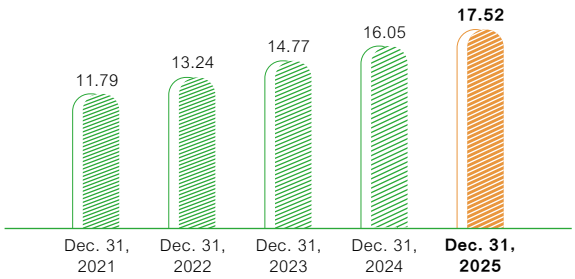
Increase from the prior year-end **9.35%**



Total liabilities

(In RMB trillion)

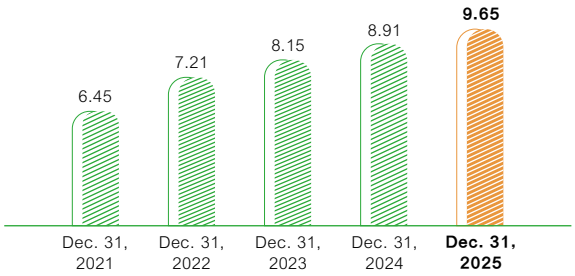
Increase from the prior year-end **9.13%**



Total loans to customers

(In RMB trillion)

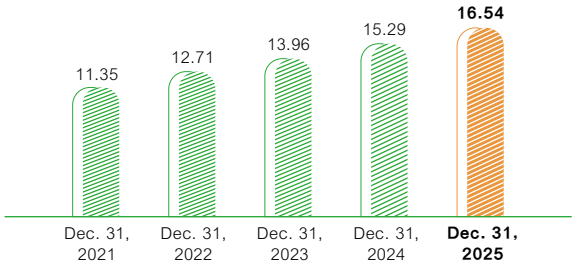
Increase from the prior year-end **8.25%**



Customer deposits

(In RMB trillion)

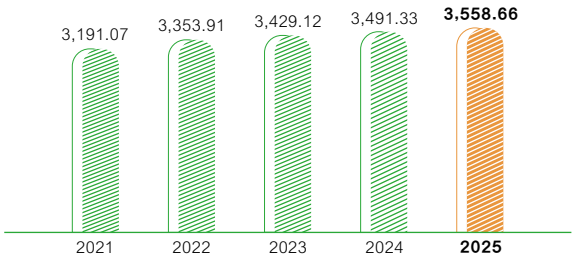
Increase from the prior year-end **8.20%**



Operating income

(In RMB100 million)

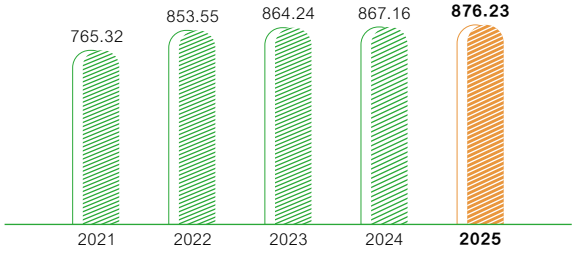
Year-on-year increase **1.93%**



Net profit

(In RMB100 million)

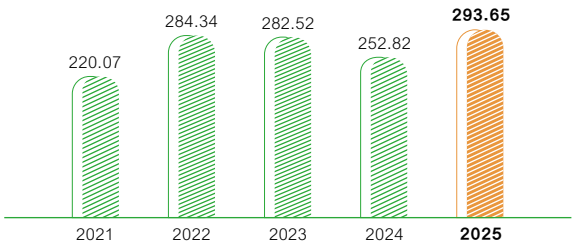
Year-on-year increase **1.05%**



Net fee and commission income

(In RMB100 million)

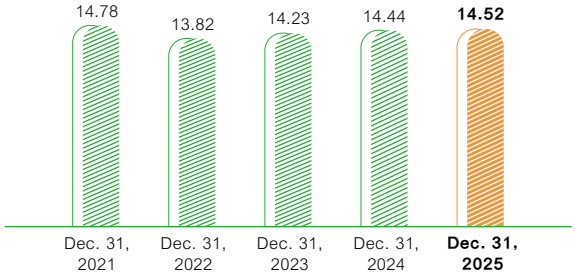
Year-on-year increase **16.15%**



Capital adequacy ratio

(%)

Increase from the prior year-end **0.08 percentage point**



Financial Highlights

Key Financial Data

In RMB million, unless otherwise stated

Item	2025	2024	2023	2022	2021
Operating results					
Operating income	355,866	349,133	342,912	335,391	319,107
Net interest income	281,620	286,123	281,803	273,593	269,382
Net fee and commission income	29,365	25,282	28,252	28,434	22,007
Operating expenses	224,715	226,096	225,142	208,680	190,995
Credit impairment losses	32,922	28,423	26,167	35,328	46,638
Profit before income tax	98,221	94,592	91,599	91,364	81,454
Net profit	87,623	86,716	86,424	85,355	76,532
Net profit attributable to equity holders of the Bank	87,404	86,479	86,270	85,224	76,170
Net cash flows generated from operating activities	412,059	397,276	263,337	474,914	109,557
Per share data (in RMB Yuan)					
Basic and diluted earnings per share[(1)]	0.73	0.81	0.83	0.85	0.78

Note (1): Calculated in accordance with the Accounting Standards for Business Enterprises No. 34 – Earnings per Share issued by the MOF and the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC. There are no potential diluted ordinary shares of the Bank, so the diluted earnings per share is the same as the basic earnings per share. The impact of other equity instruments is excluded in the calculation of relevant indicators.

In RMB million, unless otherwise stated

Item[1]	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Data as at the end of the reporting period					
Total assets	18,682,067	17,084,910	15,726,631	14,067,282	12,587,873
Total loans to customers[2]	9,648,316	8,913,202	8,148,893	7,210,433	6,454,099
Allowance for impairment losses on loans to customers[3]	207,442	229,058	233,648	232,723	216,900
Loans to customers, net	9,440,874	8,684,144	7,915,245	6,977,710	6,237,199
Financial investments[4]	6,358,153	6,004,127	5,387,588	4,958,899	4,348,620
Cash and deposits with central bank	1,319,171	1,314,703	1,337,501	1,263,951	1,189,458
Total liabilities	17,519,722	16,053,261	14,770,015	13,241,468	11,792,324
Customer deposits[2]	16,541,716	15,287,541	13,955,963	12,714,485	11,354,073
Equity attributable to equity holders of the Bank	1,160,146	1,029,669	954,873	824,225	794,091
Net capital[5]	1,384,271	1,244,111	1,165,404	1,003,987	945,992
Net Common Equity Tier 1 (CET1) capital[5]	1,003,478	824,191	780,106	679,887	635,024
Net additional tier 1 capital[5]	150,175	200,141	170,152	140,126	157,982
Net tier 2 capital[5]	230,618	219,779	215,146	183,974	152,986
Risk-weighted assets[5]	9,533,914	8,617,743	8,187,064	7,266,134	6,400,338
Per share data (in RMB Yuan)					
Net assets per share[6]	8.41	8.37	7.92	7.41	6.89

Note (1): In accordance with the relevant regulations under the Notice on Amending the Format of Financial Statements for Financial Enterprises in 2018 (Cai Kuai [2018] No. 36) issued by the MOF, from 2018 onward, the interest on corresponding assets and liabilities is included in the balance of carrying amounts of the financial instruments accordingly, and should no longer be accounted for as separate items of "interest receivable" or "interest payable". The balance of "interest receivable" or "interest payable" listed under "other assets" or "other liabilities" is only interest receivable or interest payable on relevant matured financial instruments but not received nor paid on the balance sheet date.

Note (2): For ease of reference, "loans to customers" refers to "loans and advances to customers" and "customer deposits" refers to "deposits from customers" in this report.

Note (3): Allowance for impairment losses on loans to customers measured at amortized cost.

Note (4): Consists of financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income-debt instruments, financial assets measured at fair value through other comprehensive income-equity instruments, and financial assets measured at amortized cost.

Note (5): Calculated in accordance with the Rules on Capital Management of Commercial Banks starting from 2024, while the comparison period data of previous years was calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional).

Note (6): Calculated by dividing equity attributable to ordinary shareholders of the Bank at the end of the period by the total number of ordinary shares at the end of the period.

Financial Highlights

Financial Indicators

Item	2025	2024	2023	2022	2021
Profitability (%)					
Return on average total assets[1]	0.49	0.53	0.58	0.64	0.64
Return on weighted average equity[2]	8.67	9.84	10.85	11.89	11.86
Net interest margin[3]	1.66	1.87	2.01	2.20	2.36
Net interest spread[4]	1.65	1.85	1.99	2.18	2.30
Net fee and commission income to operating income ratio	8.25	7.24	8.24	8.48	6.90
Cost-to-income ratio[5]	62.31	64.01	64.87	61.44	59.08

Note (1): Calculated by dividing net profit by the average of total assets at the beginning and at the end of the reporting period.
Note (2): Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC. The impact of other equity instruments is excluded in the calculation of relevant indicators.
Note (3): Calculated by dividing net interest income by the average balance of interest-earning assets.
Note (4): Calculated by the spread between average yield on interest-earning assets and average cost of interest-bearing liabilities.
Note (5): Calculated by dividing operating expenses (less taxes and surcharges) by operating income.

Item	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Asset quality (%)					
Non-performing loan ratio[1]	0.95	0.90	0.83	0.84	0.82
Allowance to NPLs ratio[2]	227.94	286.15	347.57	385.51	418.61
Allowance to loans ratio[3]	2.17	2.58	2.88	3.26	3.43
Capital adequacy ratio (%)[4]					
CET1 capital adequacy ratio[5]	10.53	9.56	9.53	9.36	9.92
Tier 1 capital adequacy ratio[6]	12.10	11.89	11.61	11.29	12.39
Capital adequacy ratio[7]	14.52	14.44	14.23	13.82	14.78
Risk-weighted assets to total assets ratio[8]	51.03	50.44	52.06	51.65	50.85
Total equity to total assets ratio	6.22	6.04	6.08	5.87	6.32

Note (1): Calculated by dividing the total NPLs by total loans to customers, and the total loans exclude the accrued interest.
Note (2): Calculated by dividing total allowance for impairment losses on loans to customers by total NPLs. Total allowance for impairment losses on loans to customers includes allowance for impairment losses on loans to customers measured at amortized cost and allowance for impairment losses on loans to customers measured at fair value through other comprehensive income.
Note (3): Calculated by dividing total allowance for impairment losses on loans to customers by total loans to customers. The total loans exclude the accrued interest.
Note (4): Calculated in accordance with the Rules on Capital Management of Commercial Banks starting from 2024, while the comparison period data of previous years was calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional).
Note (5): Calculated by dividing net CET1 capital by risk-weighted assets.
Note (6): Calculated by dividing net tier 1 capital by risk-weighted assets.
Note (7): Calculated by dividing net capital by risk-weighted assets.
Note (8): Calculated by dividing risk-weighted assets by total assets.

Other Major Indicators

Item		Regulatory criteria	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Liquidity ratio (%)[1]	RMB and foreign currency	≥25	104.46	94.13	83.39	73.87	72.86
Percentage of loans to the largest single borrower (%)[2]		≤10	2.03	7.98	13.34	16.50	18.72
Percentage of loans to the ten largest borrowers (%)			11.32	17.55	23.14	27.14	28.67
Loan migration ratio (%)	Normal		1.31	1.10	0.95	0.89	0.60
	Special mention		33.26	23.69	32.73	29.22	24.09
	Substandard		77.61	70.42	50.99	44.76	48.27
	Doubtful		66.70	70.79	72.59	53.41	56.81

Note (1): Calculated by dividing current assets by current liabilities.

Note (2): Percentage of loans to the largest single borrower = balance of loans to the largest borrower/net capital x 100%. The largest borrower refers to the borrower with the highest balance of loans at the end of the reporting period.

Financial Highlights

Credit Ratings

Rating Agency	2025	2024	2023	2022	2021
S&P Global Ratings	A (Stable)	A (Stable)	A (Stable)	A (Stable)	A (Stable)
Moody's Investors Service	A1 (Negative)	A1 (Negative)	A1 (Negative)	A1 (Stable)	A1 (Stable)
Fitch Ratings	A (Stable)	A+ (Negative)	A+ (Stable)	A+ (Stable)	A+ (Stable)
S&P Global (China) Ratings	AAAspc (Stable)	AAAspc (Stable)	AAAspc (Stable)	AAAspc (Stable)	AAAspc (Stable)
CCXI	AAA (Stable)	AAA (Stable)	AAA (Stable)	AAA (Stable)	AAA (Stable)

Quarterly Financial Data

In RMB million

	2025			
Item	Q1	Q2	Q3	Q4
Operating income	89,406	90,119	85,671	90,670
Net profit attributable to equity holders of the Bank	25,246	23,982	27,334	10,842
Net cash generated from operating activities	75,695	108,004	166,277	62,083

Zheng Guoyu
Chairman

Message from the Management

Message from the Chairman

The year 2025 marks the conclusion of the 14th Five-Year Plan period, holding great significance in the journey of Chinese modernization, and representing a crucial year for PSBC to press ahead and build momentum for a great leap forward. Consistently guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we have fully implemented the decisions and plans of the CPC Central Committee, focused our efforts on the main theme of "forestalling risks and strengthening regulation to promote high-quality development", and implemented the requirements of "focusing on core business, improving governance, and pursuing distinctive development paths". While fully serving the real economy and creating value for social development, we have achieved an increase in both operating income and profits, outpaced the market in deposit and loan growth rates, and kept asset quality stable and under control, bringing the extraordinary five-year plan period to a successful conclusion.

Over the past five years, China has deepened its financial system reform on all fronts and made new, significant headway in development. During this period, PSBC has taken high-quality development as its top priority, actively adapted to economic transformation, embraced industry changes, tackled risks and challenges, and improved corporate governance. Through these efforts, we have significantly improved our services for the real economy in both quality and efficiency, and achieved a notable growth in our comprehensive strength, presenting to the country, our customers and shareholders remarkable operating results featuring **impressive growth in both scale and quality, alongside orderly progress in breaking the old and establishing the new**, and demonstrating our sense of responsibility and resilience as a young major state-owned bank.

The "scale" has served as a more solid foundation. We have maintained the reasonable growth of scale in a stable and orderly manner, comprehensively consolidating the foundation for us to grow better and stronger. Both assets and liabilities reached new heights, exceeding RMB18 trillion and RMB17 trillion, respectively. Total loans increased by nearly 70% and total deposits expanded by nearly 60%. We stayed among major state-owned banks in terms of the scale of assets and liabilities, operating income, and customer base, and remained leading among major state-owned banks in terms of the CAGRs of income and profits.

The "quality" of development has been higher. We have adhered to our positioning as "a main force in serving the real economy" and "a ballast that ensures financial stability", and striven to improve the quality and efficiency of development. We have developed our distinctive strengths in the "five priorities" of the financial sector. The balance of inclusive loans to MSEs, the balance of loans to technology SMEs and the balance of loans to enterprises using specialized and sophisticated technologies to produce novel and unique products doubled; the proportion of agriculture-related loans to the total loans to customers remained in the forefront among major state-owned banks; green loans surpassed the RMB1 trillion threshold; and the number of financial social security cards in circulation exceeded 132 million. We have improved the risk management framework that covers "all aspects, whole process, all time and all areas", maintained excellent asset quality in the industry, and successively received leading credit ratings among domestic commercial banks from the three major international rating agencies. With consistently leading net interest margin, steadily increasing market value and continuous and stable dividend distribution, our value contribution has become even more prominent.

The efforts in "breaking the old" have been greater. We have pressed ahead with the reform in depth and striven to break through the bottlenecks restricting development. We secured a large-scale capital injection from the state for the first time, and have replenished CET1 capital by more than RMB200 billion on a cumulative basis over the past five years, which has significantly enhanced our capital strength. We have accelerated the reform of systems and mechanisms, building a "dumbbell-shaped" organization, completing the institutional reform of tier-2 branches, advancing the reform of tier-1 branches and tier-1 sub-branches, and implementing centralized operations. We have also deepened the integrated development with China Post Group and made proactive adjustment to agency fees.

The steps for "establishing the new" have been stronger. We have carried out systematic innovation and reshaping in many fields by benchmarking PSBC against modern banks. We have upgraded businesses in a systematic way, built an increasingly stronger "wealth management system", and established the new "1 plus N" operation and service framework[1] of corporate finance from scratch. The number of wealth management and private banking customers as well as the number of corporate clients have doubled, and our interbank ecosystem has earned high market acclaim. We have achieved leapfrog development in technology. We invest 3% of operating income in the field every year, and have won the first prize of the FinTech Development Award of the PBOC for three consecutive years, taking giant strides in digital and intelligent transformation. We have enhanced our capabilities in all aspects. We launched "Five Major Initiatives and Seven Major Reforms"[2], built "major capabilities in six aspects"[3], improved the innovation system, and implemented refined management. This has injected a robust internal momentum into the Bank's long-term sustainable development.

The extraordinary achievements we have made through persistent and dedicated efforts over the past five years are fundamentally owed to the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core, the all-around leap in China's economic and social development during the 14th Five-Year Plan period, the long-standing trust of regulators, shareholders, all sectors of society and our customers, as well as the indomitable spirit and concerted efforts of all cadres and employees across the Bank. On behalf of the Board of Directors, I hereby extend my sincere gratitude to all our shareholders, customers and all sectors of society, and pay high tribute to all our cadres and employees.

Time always flies. The 15th Five-Year Plan period is crucial for China to lay a solid foundation for and fully mobilize efforts toward the basic realization of socialist modernization. The period is also critical for PSBC to build itself into a first-tier large retail bank that is more inclusive, balanced, stable, intelligent and dynamic. We are keenly aware of the challenges posed by the low-interest-rate environment to the banking industry, yet we remain fully confident in the long-term positive prospects of China's economy. We will seize the period of strategic opportunity of the 15th Five-Year Plan period, closely follow the main theme of "forestalling risks and strengthening regulation to promote high-quality development", implement the requirements of "focusing on core business, improving governance, and pursuing distinctive development paths", advance the "five priorities" of the financial sector, and resolutely follow the path of financial development with Chinese characteristics. We will work vigorously to advance the upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development ("Six Upgrades"), and win the critical battles of optimizing the asset and liability structure, improving capital quality and efficiency, enhancing revenue quality, strengthening cost control, improving customer management, and enhancing risk control capabilities ("Six Critical Battles"). In doing so, we aim to transit from scale-driven growth to value-driven growth, establish a new model featuring internal capital balance, stability and sustainability, and achieve new development with sustainability in capital, performance and services.

——**Upholding distinctive development to consolidate differentiated advantages**. We will focus on our core business, and grow, improve and expand financial services for Sannong customers, urban and rural residents, and SMEs. By leveraging the integrated strengths of business, goods, funds and information flows within China Post Group, we will provide characteristic and comprehensive services to consolidate PSBC's unique strengths and brand. We will keep pace with the times, align closely with China's 15th Five-Year Plan, proactively adapt to the evolving needs for financial

1 The new "1 plus N" operation and service framework refers to the framework under which the Bank carries out reform and in-depth application of the operation mechanism and develops a marketing support service framework that integrates the front, middle and back offices by focusing on the six dimensions of customer, product, collaboration, service, risk and technology.

2 The "Five Major Initiatives and Seven Major Reforms" refers to the five major initiatives of serving strong counties and wealthy towns, urban business acceleration, outlet efficiency enhancement, corporate business improvement and comprehensive breakthroughs in mobile banking, as well as the seven major reforms of organizational structure, market service framework, digital and intelligent transformation, risk management framework, operation management framework, incentive mechanism and outlet operations.

3 The "major capabilities in six aspects" refer to capabilities in terms of core expertise, system support, coordination and integration, technological facilitation, institutional drive and innovation leadership.

Message from the Management

services amid economic transformation and upgrade, identify our strategic positioning in the nationwide endeavor to build a stronger country, and take responsibilities to make greater achievements.

——**Following the path of light development to foster a "second growth curve"**. We will remain committed to the transition toward a "light bank", and vigorously develop businesses featuring "light capital", "light assets" and "light liabilities". While consolidating the interest spread as the "first growth curve", we will vigorously expand non-interest income as the "second growth curve", so as to transform away from our dependence on the traditional model driven by deposits and loans, and build a light development path featuring capital savings, controllable risks and efficient returns.

——**Promoting integrated operations to upgrade the business model**. We will accelerate the transition from a provider of single products to one of integrated financial services, and from a financing intermediary to a service intermediary. We will create more integrated customer services, a broader business layout and more diversified sources of income, so as to achieve all-around upgrade of customer services and business operations.

——**Deepening ecosystem-based development to grow together with customers**. We will break through the limitations of one-way customer reach, and deeply integrate financial services into customers' production, operation and social networks. We will expand and deepen customer engagement across the whole value chain, embed services across all scenarios, and meet customers' needs throughout lifecycles, so as to foster a close relationship with our customers where we thrive together.

——**Implementing refined management to solidify the foundation of development**. Through sound and refined management, we will accelerate the establishment of a modern banking management framework that is intensive, efficient, professional, intelligent, service-oriented and innovation-driven. We will strengthen our professional workforce with strong political commitment, strong work ethics, and exceptional professional competence, strictly control risk costs and operating costs, and allocate human, financial, material and capital resources in a market-oriented manner, to achieve better resource allocation, lower operating costs and higher operational efficiency.

——**Accelerating digital and intelligent transformation to unlock the momentum of growth**. We will build an independent, controllable, secure and robust FinTech platform and a digital ecosystem-based bank featuring full-domain intelligence, openness and integration. We will fully apply digital and intelligent technologies represented by artificial intelligence, break the temporal and spatial constraints and information barriers, and reshape customer engagement, product and services, business scenarios, operational processes and risk control systems, so as to further improve user experience, operational efficiency and business values.

The year 2026 marks the beginning of the 15th Five-Year Plan period. We will fully advance the "Six Upgrades", win the "Six Critical Battles", focus on the four priorities of preventing risks, adjusting structure, promoting reform and strengthening governance, and rally strengths to drive the "Five Major Initiatives" and "Seven Major Reforms", so as to ensure a good start for the implementation of the new development model.

In this great era, PSBC will strive forward with firm resolve and full confidence. PSBC not only has a solid foundation, profound endowment and strong capabilities, but also has definite goals, clear paths and pragmatic initiatives. All this underpins the determination that empowers us to navigate the economic cycle and grow bigger and stronger. We will stay true to our original aspiration of serving the real economy, break new ground through reform, gather momentum through innovation, and bolster the foundation through sound risk control. We will reward the trust of shareholders and customers and the expectations of society with solid performance. In the grand journey of boosting China's strength in finance and serving Chinese modernization, we will forge ahead with determination and strive for new achievements.

Lu Wei
President

Message from the Management

Message from the President

The year 2025 marks a crucial year for the successful conclusion of the 14th Five-Year Plan, as well as an important year for making steady strides toward Chinese modernization and accelerating the cultivation of new quality productive forces. Amid the waves of the times, PSBC consistently remained true to its founding aspiration of "serving the people through financial services" and stayed committed to high-quality development. We fully implemented the guiding principles from the 20th National Congress of the CPC and plenary sessions of the CPC Central Committee, and diligently implemented the decisions and plans made by the Central Economic Work Conference. With the courage to push ahead with reform, the decisiveness to seize opportunities, and the resilience to forge ahead, we deeply cultivated our principal financial business, built up featured services, and made steady progress in serving national strategies, empowering the real economy and accompanying the growth of customers. We have accomplished all the targets and tasks for the 14th Five-Year Plan period and delivered a development performance defined by high speed, high quality, distinctiveness, and a human touch.

Over the past year, we adhered to the principle of pursuing progress while ensuring stability, continuously enhanced operational quality and efficiency, and made another great stride forward in our composite strength. Faced with the industry shifts driven by the reshaping of macroeconomic cycles and the arrival of a low-interest-rate era, we firmly supported the industry consensus on "anti-involution", and moved faster to reshape our operating logic and deepened transformation and upgrading, continuing to strengthen our resilience and value creation capabilities. Even more encouragingly, we secured a capital injection of RMB130 billion from the state last year, which solidified our capital foundation for serving the national economy and improving people's livelihoods, created further room for future strategic transformation, and injected new momentum into PSBC's high-quality development. The business performance for 2025 was outstanding, with stable progress across multiple indicators. Specifically, our operating income stood at RMB355,866 million, a year-on-year increase of 1.93%; profit before income tax was RMB98,221 million, a year-on-year increase of 3.84%, maintaining stable profitability; and net interest margin was 1.66%, continuing to maintain the optimal level among major state-owned banks and demonstrating robust operational resilience in a complex environment. The scale of assets and liabilities saw steady growth, with both total assets and total liabilities ranking 5th among major state-owned banks. We have concluded the 14th Five-Year Plan with solid business performance.

Over the past year, we focused on our primary responsibility and core business, fulfilled our responsibilities as a major state-owned bank and further advanced the "five priorities" of the financial sector. We consistently integrated our operations and development deeply into the nation's overall development. Leveraging PSBC's unique endowment and focusing on areas with weak financial supply, we made targeted and sustained efforts to continuously consolidate our differentiated competitive edge in serving the real economy. **In the area of technology finance**, we moved faster to develop a specialized service framework. We set up Level I Department of the Technology Finance Business in six tier-1 branches, including Beijing and Shanghai. Over 100 featured sub-branches and outlets for technology finance were set up in areas with a high concentration of technological innovation resources. We served over 100 thousand technology enterprises, with the balance of technology loans surpassing RMB950 billion. We successfully issued our inaugural RMB5 billion of sci-tech innovation bonds. All this has showcased PSBC's strong support for technological innovation. **In the area of green finance**, we facilitated the penetration of green financial services in lower-tier areas. We inaugurated 56 specialized green finance institutions, including carbon neutrality sub-branches and green sub-branches, and provided carbon

accounting services to over 20 thousand enterprises. Our MSCI ESG rating has been upgraded to AAA. We have contributed to China's carbon peaking and carbon neutrality goals through our financial services. **In the area of inclusive finance**, empowered by digital tools like the marketing map, we enhanced customer reach and service efficiency and provided companion-style financial services to customers. The balance of inclusive loans to MSEs reached RMB1.80 trillion, and the balance of agriculture-related loans reached RMB2.51 trillion, with both of their proportions to the total loans to customers ranking in the forefront among major state-owned banks, letting the light of inclusive finance shine upon more market entities. **In the area of pension finance**, we further improved our multi-dimensional pension finance framework featuring "three horizontals and three verticals", optimized pension wealth management, delivered caring pension finance services, and strengthened the financing for the elderly care industry, achieving a pension finance scale of over RMB3.5 trillion. We have built a trustworthy and heartwarming pension finance bank with our passion and commitment. **In the area of digital finance**, we deepened the integration of technology and business. We further explored the value of AI-powered applications and deployed over 260 scenarios powered by large language models (LLMs). The Bank's mobile banking ranked first in the industry in user experience for three consecutive years in the evaluations conducted by China Financial Certification Authority. Digitalization has empowered us to deliver better and more efficient financial services.

Over the past year, we adhered to the leading role of value creation, deepened synergy across business segments and further tapped our potential while empowering the growth of customers. We consistently prioritized value creation, tapped the development potential of each business segment, and continuously cemented our strengths, addressed weaknesses, and forged new growth drivers. Focusing on customer needs, we also continuously promoted product innovation and service upgrades, demonstrating sustained and robust development momentum while navigating cyclical changes. **We maintained a steady and solid performance in retail finance**. Our AUM surpassed RMB18 trillion, an increase of 9.64% from the prior year-end. The number of wealth management and private banking customers and the scale of micro loans and consumer loans saw steady growth. The increase in housing loans remained the largest among major state-owned banks, and the growth rate of credit card quick-payment transaction volume ranked first among major state-owned banks. We have strengthened the strategic positioning of retail banking. **We achieved a significant leap forward in the volume of corporate finance**. The FPA reached RMB6.79 trillion, with its growth exceeding RMB1 trillion for the first time. Investment banking intermediary income and bond underwriting and distribution volumes grew substantially. The balance of M&A loans surpassed RMB50 billion. We gained increased recognition from corporate clients for the quality and efficiency of comprehensive services and capabilities of sustainable value creation, and the number of clients who choose our Bank as their primary bank maintained robust double-digit growth. **We continued to lead the way in the treasury and asset management business**. Both the bond trading volume and market-making volume saw a year-on-year increase of over 20%, and the offshore RMB bond scale ranked first in the market. Both the scale of pledged interbank deposits and the non-interest income from bill transactions ranked first in the market. We launched integrated business scenarios featuring "ten halls, three zones and two channels"[1] on the "Together We Thrive" interbank ecosystem platform, fostering a closer-knit interbank ecosystem with deeper collaboration. **Our subsidiaries grew rapidly and steadily**. Both the scale of loans extended by PSBC Consumer Finance and the scale of wealth management products of PSBC Wealth Management expanded significantly. The one-stop comprehensive financial service framework was continuously improved. The multi-license business synergy between the Bank and its subsidiaries has been further enhanced.

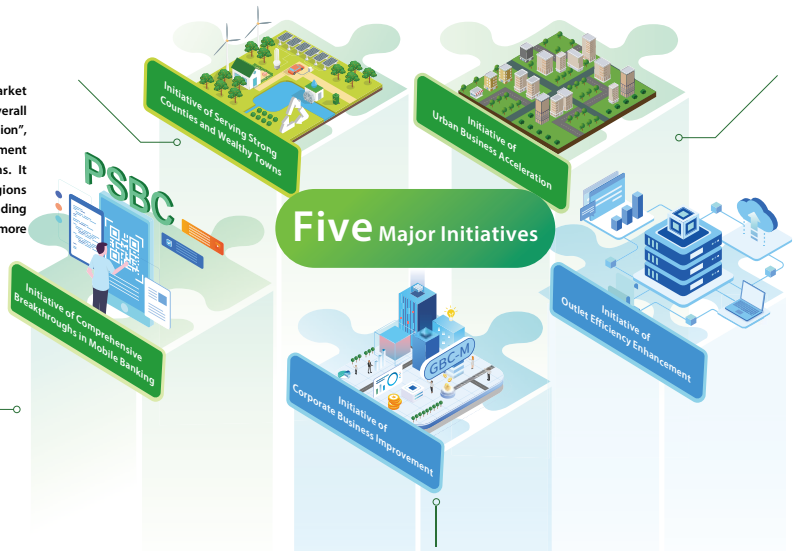
1 The "ten halls, three zones, and two channels" refer to the billing hall, treasury hall, fund hall, wealth management hall, asset management hall, bond hall, ABS (asset securitization) hall, custodian business hall, digital currency hall, green hall, data insight zone, investment research zone, member center, PC channel, and app channel.

Message from the Management

Over the past year, we adhered to the bottom-line thinking and fortified lines of defense against risks to ensure steady and sustainable high-quality development. Security is the prerequisite for development. We consistently maintained a prudent and sound risk appetite, continuously improved the comprehensive risk management framework, and empowered targeted risk control with digital and intelligent technologies. We stepped up efforts to promote the application of the "future-oriented" credit review technology, with which the Bank reviewed and approved total credit of over RMB6.31 trillion for 21.6 thousand customers, an increase of 73% and 31% respectively. Regional credit extension policies achieved full coverage, and 29.21% of the 34,807 clients on the whitelist were granted credit, effectively empowering business development. Our capabilities to identify and mitigate risks were continuously enhanced, solidifying the "security gate" for asset quality management. By the end of 2025, the Bank's non-performing loan ratio stood at 0.95%, maintaining a leading asset quality level among major state-owned banks.

Going forward, we will embark on a grand journey with momentum, and shoulder the mission and forge ahead. We are at the historic juncture where the 14th Five-Year Plan concludes and the 15th Five-Year Plan begins. Looking ahead to the new year, the global landscape is evolving at an accelerated pace, and a wave of industry transformation is surging. As opportunities and challenges intertwine, we shall move forward with hope and perseverance. **We will navigate changes with strategic resolve** and stay committed to the original purpose of finance and our founding mission. We will fully implement the major decisions and plans of the CPC Central Committee, closely follow and respond to the needs of the real economy, and strive for common development. **We will break new ground through reform and innovation.** We will further advance the "five priorities" of the financial sector, seize opportunities that arise in the cultivation of new quality productive forces, deepen reform and transformation, and amplify the empowering role of technology. We will firmly guard against risks, continuously optimize the asset and liability structure, and enhance the quality and efficiency of serving the real economy and our customer service capabilities. We will work actively to increase non-interest income and turn it into our "second growth curve". **We will deliver solid results through diligent and responsible actions.** We will make unremitting efforts to fulfill our financial responsibilities and development commitments. We will seize opportunities to ride the tides of the times, lead the way of transformation and development, and strive to write a new chapter in PSBC's high-quality development. Dear shareholders, customers, and friends from all sectors, we look forward to your consistent trust and support, and we will work wholeheartedly with you on the journey ahead to forge an even brighter future.

Five Major Initiatives



Initiative of Serving Strong Counties and Wealthy Towns

In line with the principle of "market orientation, differentiated strategies, overall planning, and step-by-step implementation", the Bank adopts differentiated development strategies tailored to local conditions. It promotes breakthroughs in key regions and drives the development of surrounding regions with greater resource input and more effective measures.

Initiative of Urban Business Acceleration

The Bank implements a strategy to prioritize the development of key urban branches, builds a business service framework and management support framework suitable for urban areas, accelerates to make a leap forward in market competitiveness, value creation, risk control, brand influence, and comprehensive service capabilities, drives the Bank-wide urban business to thrive and flourish, and develops a strategic pattern driven by both urban and rural areas.

Initiative of Comprehensive Breakthroughs in Mobile Banking

The Bank takes mobile banking as the core online channel, and is committed to developing mobile banking into the ecosystem platform of first choice that meets customers' financial and non-financial needs. Through technological empowerment, the Bank focuses on advancing customer attraction and acquisition, scenario integration, channel coordination, data consolidation and service interoperability, and provides customers with a minimalist experience and intelligent risk control, achieving comprehensive breakthroughs in mobile banking.

Initiative of Corporate Business Improvement

The Bank strengthens the GBC-M linkage, and pursues integrated business development along the capital chain, industrial chain and supply chain. By improving the strategic customer service framework, launching an intelligent assistant for account managers, establishing a cross-regional coordinated service mechanism, and carrying out a capital chain-based special campaign, the Bank continuously enhances customer service capabilities.

Initiative of Outlet Efficiency Enhancement

The Bank vigorously promotes the transformation of outlets into business-integrated, ecosystem-based and intelligent ones, establishes the category- and tier-based management mechanism for outlets, builds a "reaching out plus bringing in" ecosystem, and strengthens the empowerment of outlets via cloud counter, PSBC Assistant, and panoramic access system. At the same time, the Bank provides differentiated finance and human resource allocation support for outlets based on their varying business performances.

Seven Major Reforms

Reform of Outlet Operations

The Bank advances outlet operations reform and the initiative of outlet efficiency enhancement in an integrated manner, enhances the core capabilities of outlets by deepening reforms, improves the market competitiveness, value creation capabilities and customer service experience of outlets, and establishes model outlets.

Reform of Organizational Structure

The Bank explores and optimizes traditional management models and establishes an organizational structure compatible with market competition, efficient operations, and the first-tier modern banking governance framework.

Reform of Market Service Framework

The Bank upholds a market-oriented and customer-centric approach, focuses on key elements such as products, channels, marketing, and collaboration, keeps pace with market developments, identifies and meets customer needs, and provides comprehensive services for customers.

Reform of Incentive Mechanism

The Bank adheres to taking solid work as the key, strengthens positive incentives, stimulates the internal driving force of starting new endeavors, truly lightens the burden on grassroots-level institutions, and fully mobilizes development enthusiasm.

Reform of Digital and Intelligent Transformation

Focusing on "improving the quality of customer service and enhancing the efficiency of internal management", and driven by data resources and intelligent technology, the Bank promotes reform tasks in seven major areas: channel services, customer services, product services, risk management, operations management, internal management and financial technology, to build a digital and intelligent service ecosystem that supports high-quality growth.

Reform of Operation Management Framework

The Bank increases the application of new technologies, strengthens the construction of a centralized operation system, effectively releases operational personnel at all levels to reinforce the service and marketing team, continuously phases out inefficient equipment, achieves efficient resource allocation, and supports the Bank in lowering costs, increasing efficiency, and achieving high-quality development.

Reform of Risk Management Framework

The Bank fulfills the responsibility of comprehensive risk management, builds a digital and intelligent risk control platform, improves the risk and compliance management system with a focus on centralization, standardization, refinement and specialization, develops PSBC's distinctive competitive edge in risk management, and strives to ensure high-quality development with high-level security.

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Environment and Prospect

In 2025, the global economic growth lacked steam, with major economies experiencing diverging economic performance and inflation trends. Geopolitical conflicts occurred in multiple regions, and some economies adjusted tariff policies, dampening global trade and investment growth. Monetary policy divergence among major economies intensified volatility in international financial markets, impacting the global economy, capital flows, and asset prices.

China's economy maintained overall stability while achieving steady progress, with new achievements made in high-quality development, demonstrating strong resilience and vitality. Macroeconomic regulation was intensified, with a moderately accommodative monetary policy continuing to exert strength and being strengthened at the appropriate time. Countercyclical adjustments were reinforced, ensuring adequate liquidity and reasonable growth in financial aggregates. The overall social financing costs were guided to move downward, and the RMB exchange rate remained basically stable at an adaptive and balanced level. China's banking industry maintained sound performance, with steady growth in asset size and continuous structural optimization. Asset quality was generally stable, risk offsetting capacity remained adequate, and the ability to serve the real economy continued to improve.

Looking ahead to 2026, China will fully and faithfully apply the new development philosophy on all fronts, accelerate efforts to foster a new pattern of development, and focus on pursuing high-quality development. China will continue to adhere to the general principle of pursuing progress while maintaining stability, strive to stabilize employment, enterprises, markets and expectations, and strive to achieve effective qualitative improvement and reasonable quantitative growth of the economy. Macro policies will be further intensified, with a more proactive fiscal policy and an appropriately accommodative monetary policy. Countercyclical and cross-cyclical adjustments will be strengthened, and a variety of policy tools will be adopted in a flexible and efficient manner to adjust both the monetary aggregate and structure and promote steady economic growth and a reasonable price recovery. The banking industry will make solid efforts to advance the "five priorities" of the financial sector, strengthen financial support for key areas such as boosting domestic demand, making technological innovation, and supporting micro, small and medium-sized enterprises (MSMEs), and ensure that no systemic financial risks arise.

The year 2026 marks the beginning of the 15th Five-Year Plan. The Bank will firmly follow Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its fundamental guideline, and thoroughly implement the guiding principles of the 20th CPC National Congress, the plenary sessions of the 20th CPC Central Committee, the Central Financial Work Conference, and the Central Economic Work Conference. It will uphold the principles of seeking progress while maintaining stability and enhancing both the quality and efficiency, maintain an appropriate balance between growth and security, move faster to transform its development model, and strive to ensure a good start for the 15th Five-Year Plan.

Firstly, the Bank will resolutely implement the decisions and plans of the CPC Central Committee and fulfill the responsibility of a major state-owned bank. Based on its own characteristics, the Bank will ensure the development of the "five priorities" of the financial sector in a solid manner. It will develop distinctive advantages in inclusive finance, build a high-quality and efficient service framework for technology finance, further advance the multi-dimensional pension finance service framework featuring "three horizontals and three verticals", innovate green finance business models, and improve the adaptability of digital finance products and services. The Bank will serve the high-quality development of the economy and society, and fully support key areas such as the development of a modern industrial system, expansion of domestic demand, coordinated regional development, and high-standard opening up.

Secondly, the Bank will accelerate business transformation and create a new development model. It will comprehensively promote the upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development, so as to shift from scale-driven to value-driven growth. It will fight and prevail in the six critical battles regarding optimizing the asset and liability structure, improving the quality and efficiency of capital, enhancing the quality of income, strengthening cost control, improving customer management, and enhancing risk control capabilities, so as to achieve balanced, stable, and sustainable development. The Bank will boost non-interest income, create a "second growth curve", drive the improvement of the quality and efficiency of wealth management, move faster to make breakthroughs in cross-border finance and investment banking businesses, enhance the operational efficiency of treasury and asset management, and deepen the systematic operation of the credit card business.

Thirdly, the Bank will advance reform and innovation and solidify the foundation for development. It will deepen the collaboration with China Post Group along the upstream and downstream of the industrial chain, focus on the collaborative development of key customer groups and the development of ecosystem-based collaborative scenarios, and empower risk control, business monetization, collaborative marketing, and training support. The Bank will go all out to implement the "Five Major Initiatives" and the "Seven Major Reforms" to unleash the intrinsic momentum for development. It will strengthen refined management, deepen transformation toward centralized operation, advance institutional reform, and optimize resource allocation. The Bank will also accelerate digital and intelligent transformation, fully apply digital and intelligent technologies, reshape service models and operation processes, and improve user experience, business efficiency, and business value.

Fourthly, the Bank will effectively manage risks and firmly uphold the bottom line of business development. It will improve the risk management framework that covers "all aspects, whole process, all time and all areas", strengthen proactive and forward-looking prevention and control, and ensure early identification, early warning, early exposure, and early disposal of risks. The Bank will focus on key areas, strengthen the application of intelligent risk control to empower business, accurately identify risk sources, curb new risks, and resolve existing risks. It will coordinate and make good use of multiple disposal methods and enhance the value contribution of asset preservation. The Bank will strengthen internal control and compliance management, strictly prevent operational risks, and improve the effectiveness of AML efforts. The Bank will also strengthen consumer protection and build a strong line of defense for consumer protection.

Analysis of Financial Statements

During the reporting period, the Bank adhered to the principle of seeking progress while maintaining stability and promoting stability through progress. It actively advanced strategic upgrades, deepened reform and innovation, and strengthened internal growth drivers, thereby maintaining a healthy and steady development momentum.

Firstly, the Bank achieved steady growth in scale with a more balanced structure. It focused on serving the real economy and continuously optimized its asset and liability allocation. As at the end of the reporting period, its total assets reached RMB18.68 trillion, an increase of 9.35% from the prior year-end, of which total loans to customers amounted to RMB9.65 trillion, an increase of 8.25% from the prior year-end. Total liabilities reached RMB17.52 trillion, an increase of 9.13% from the prior year-end, of which customer deposits stood at RMB16.54 trillion, an increase of 8.20% from the prior year-end.

Secondly, the Bank maintained stable profitability with more diversified sources of income. It accelerated business transformation and actively expanded the sources of income. During the reporting period, the Bank achieved operating income of RMB355,866 million, an increase of 1.93% compared with the prior year. Specifically, net interest income was RMB281,620 million, a decrease of 1.57% compared with the prior year, yet the decline continued to narrow; net fee and commission income totaled RMB29,365 million, an increase of 16.15% compared with the prior year; and net other non-interest income reached RMB44,881 million, an increase of 18.96% compared with the prior year. Net profit amounted to RMB87,623 million, an increase of 1.05% compared with the prior year.

Thirdly, the Bank continuously recorded stable asset quality indicators, and strictly upheld the bottom line for asset quality control. The Bank continuously improved the risk management framework that covers "all aspects, whole process, all time and all areas", and strengthened risk control and mitigation efforts. As at the end of the reporting period, its non-performing loan ratio was 0.95%, and allowance to NPLs ratio was 227.94%.

Analysis of Income Statement

During the reporting period, the Bank recorded a net profit of RMB87,623 million, a year-on-year increase of RMB907 million or 1.05%.

Changes of Key Items in the Income Statement

In RMB million, except for percentages

Item	2025	2024	Increase/ (decrease)	Change (%)
Net interest income	281,620	286,123	(4,503)	(1.57)
Net fee and commission income	29,365	25,282	4,083	16.15
Net other non-interest income	44,881	37,728	7,153	18.96
Operating income	355,866	349,133	6,733	1.93
Less: Operating expenses	224,715	226,096	(1,381)	(0.61)
Credit impairment losses	32,922	28,423	4,499	15.83
Impairment losses on other assets	8	22	(14)	(63.64)
Profit before income tax	98,221	94,592	3,629	3.84
Less: Income tax expense	10,598	7,876	2,722	34.56
Net profit	87,623	86,716	907	1.05
Net profit attributable to equity holders of the Bank	87,404	86,479	925	1.07
Net profit attributable to non-controlling interests	219	237	(18)	(7.59)

Net Interest Income

The Bank comprehensively improved its capabilities in balancing allocation of assets and liabilities, and adhered to the coordinated development of volume and price, with the net interest income showing quarter-by-quarter improvements. During the reporting period, the net interest income was RMB281,620 million, a year-on-year decrease of RMB4,503 million or 1.57%, which narrowed by a further 0.50 percentage point as compared to the first three quarters. Specifically, scale expansion drove the net interest income up by RMB24,562 million, and interest rate changes led to a decrease of RMB29,065 million in the net interest income. The net interest margin and net interest spread were 1.66% and 1.65%, respectively.

Analysis of Financial Statements

Average Yield on Interest-Earning Assets and Average Cost of Interest-Bearing Liabilities

In RMB million, except for percentages

	2025			2024		
Item	Average balance	Interest income/ expense	Average yield/ cost (%)	Average balance	Interest income/ expense	Average yield/ cost (%)
Assets						
Total loans to customers	9,437,811	299,527	3.17	8,601,509	324,721	3.78
Investments[1]	5,146,660	139,718	2.71	4,635,762	141,737	3.06
Deposits with central bank[2]	1,236,946	20,069	1.62	1,246,735	20,252	1.62
Deposits and placements with banks and other financial institutions[3]	1,104,535	21,589	1.95	841,491	21,533	2.56
Total interest-earning assets	16,925,952	480,903	2.84	15,325,497	508,243	3.32
Allowance for impairment losses on assets	(251,657)	–	–	(262,034)	–	–
Non-interest-earning assets[4]	1,449,829	–	–	1,375,612	–	–
Total assets	18,124,124	–	–	16,439,075	–	–
Liabilities						
Customer deposits	15,924,490	183,582	1.15	14,640,531	210,217	1.44
Deposits and placements from banks and other financial institutions[5]	557,640	8,481	1.52	310,559	5,892	1.90
Debt securities issued[6]	269,168	6,774	2.52	175,904	5,471	3.11
Borrowings from central bank	26,233	446	1.70	30,652	540	1.76
Total interest-bearing liabilities	16,777,531	199,283	1.19	15,157,646	222,120	1.47
Non-interest-bearing liabilities[7]	229,351	–	–	246,097	–	–
Total liabilities	17,006,882	–	–	15,403,743	–	–
Net interest income	–	281,620	–	–	286,123	–
Net interest spread[8]	–	–	1.65	–	–	1.85
Net interest margin[9]	–	–	1.66	–	–	1.87

Note (1): Consists of interest-earning assets in financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost.
Note (2): Consists of statutory deposit reserves and surplus deposit reserves.
Note (3): Consists of deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial assets held under resale agreements.
Note (4): Consists of financial assets measured at fair value through profit or loss, cash, property and equipment, deferred tax assets, etc.
Note (5): Consists of deposits from banks and other financial institutions, placements from banks and other financial institutions, and financial assets sold under repurchase agreements.
Note (6): Consists of qualified tier 2 capital instruments issued, interbank certificates of deposit, etc.
Note (7): Consists of employee benefits payable, provisions, lease liabilities, etc.
Note (8): Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.
Note (9): Calculated by dividing net interest income by the average balance of total interest-earning assets.

Changes in Net Interest Income Due to Changes in Volume and Interest Rate

In RMB million

	2025 vs 2024		
	Increase/(decrease)		
Item	Volume[1]	Interest rate[2]	Total[3]
Assets			
Total loans to customers	26,542	(51,736)	(25,194)
Investments	13,870	(15,889)	(2,019)
Deposits with central bank	(159)	(24)	(183)
Deposits and placements with banks and other financial institutions	5,141	(5,085)	56
Total changes in interest income	45,394	(72,734)	(27,340)
Liabilities			
Customer deposits	14,802	(41,437)	(26,635)
Deposits and placements from banks and other financial institutions	3,758	(1,169)	2,589
Debt securities issued	2,347	(1,044)	1,303
Borrowings from central bank	(75)	(19)	(94)
Total changes in interest expense	20,832	(43,669)	(22,837)
Changes in net interest income	24,562	(29,065)	(4,503)

Note (1): Represents the difference between the average balance for the current period and the average balance for the previous period, multiplied by the average yield/cost for the current period.
Note (2): Represents the difference between the average yield/cost for the current period and the average yield/cost for the previous period, multiplied by the average balance for the previous period.
Note (3): Represents the difference between the interest income/expense for the current period and the interest income/expense for the previous period.

Analysis of Financial Statements

Interest Income

During the reporting period, the Bank realized interest income of RMB480,903 million, a decrease of RMB27,340 million, or 5.38% compared with the prior year, primarily due to the decline in the average yield on interest-earning assets caused by the ongoing impact of LPR cuts and the downward adjustment of existing mortgage rates. In response to the downward pressure on interest rates, the Bank adhered to risk-adjusted return on capital (RAROC) as a yardstick, and dynamically optimized its asset allocation. It implemented a balanced credit supply strategy and a flexible non-credit allocation strategy, facilitating the steady growth in the scale of interest-earning assets.

Interest Income from Loans to Customers

During the reporting period, interest income from loans to customers amounted to RMB299,527 million, a decrease of RMB25,194 million, or 7.76% compared with the prior year, primarily due to the decrease in interest income from loans to personal customers.

Among them, interest income from personal loans amounted to RMB168,408 million, a decrease of RMB28,472 million, or 14.46% compared with the prior year, primarily due to the decrease in the average yield on personal loans. Seizing opportunities arising from favorable policies, the Bank created innovative financial products and services, and gave more credit support to areas such as residential consumption and rural revitalization, contributing to the steady growth in the average balance of personal consumer loans and micro loans.

Interest income from corporate loans amounted to RMB125,801 million, an increase of RMB3,754 million, or 3.08% compared with the prior year. It was primarily because the Bank continued to deepen institutional and mechanism reforms, and comprehensively enhanced its integrated service capabilities for corporate customers. Furthermore, it followed national strategic orientations and intensified credit supply for key industries, policy-backed businesses and strategic regions, achieving rapid growth in the average balance of corporate loans.

Analysis of Average Yield on Loans to Customers by Business Line

In RMB million, except for percentages

	2025			2024		
Item	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Personal loans	4,819,896	168,408	3.49	4,649,786	196,880	4.23
Corporate loans	4,114,944	125,801	3.06	3,513,294	122,047	3.47
Discounted bills	502,971	5,318	1.06	438,429	5,794	1.32
Total loans to customers	9,437,811	299,527	3.17	8,601,509	324,721	3.78

Analysis of Average Yield on Loans to Customers by Maturity Structure

In RMB million, except for percentages

Item	2025			2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Short-term loans	3,167,799	97,454	3.08	2,870,373	103,664	3.61
Medium- and long-term loans	6,270,012	202,073	3.22	5,731,136	221,057	3.86
Total loans to customers	9,437,811	299,527	3.17	8,601,509	324,721	3.78

Interest Income from Investments

During the reporting period, the Bank's interest income from investments amounted to RMB139,718 million, a decrease of RMB2,019 million, or 1.42% compared with the prior year, primarily due to the decline in the average yield. The Bank adhered to the research-driven investment approach, reasonably arranged the pace and maturity of investments, increased allocation to government bonds with high RAROC, and achieved rapid growth in the average balance of investments, effectively offsetting the impact of interest rate decline.

Interest Income from Deposits with Central Bank

During the reporting period, the Bank's interest income from deposits with central bank amounted to RMB20,069 million, a decrease of RMB183 million, or 0.90% compared with the prior year.

Interest Income from Deposits and Placements with Banks and Other Financial Institutions

During the reporting period, the Bank's interest income from deposits and placements with banks and other financial institutions amounted to RMB21,589 million, an increase of RMB56 million, or 0.26% compared with the prior year, primarily because the Bank increased the scale of its bonds held under resale agreements and deposits with banks and other financial institutions.

Interest Expense

The Bank continuously strengthened proactive and forward-looking liability management to promote the optimization of liability structure and steady decline in liability costs. During the reporting period, the interest expense amounted to RMB199,283 million, a decrease of RMB22,837 million, or 10.28% compared with the prior year.

Interest Expense on Customer Deposits

During the reporting period, interest expense on customer deposits amounted to RMB183,582 million, a decrease of RMB26,635 million, or 12.67% compared with the prior year, primarily because the Bank adhered to the coordinated development between deposit volume and price, and actively expanded the scale of deposits absorbed from directly-operated outlets, while benefiting from a decline in the average interest payment rate of customer deposits driven by the downward adjustment of deposit interest rates. Specifically, the average interest payment rate of personal and corporate deposits decreased by 29 and 21 basis points, respectively.

Analysis of Financial Statements

Analysis of the Average Cost of Customer Deposits by Product Type

In RMB million, except for percentages

Item	2025			2024		
	Average balance	Interest expense	Average interest payment rate (%)	Average balance	Interest expense	Average interest payment rate (%)
Personal deposits						
Demand deposits	3,191,746	2,059	0.06	3,064,050	5,069	0.17
Time deposits	10,920,688	161,439	1.48	9,977,807	184,123	1.85
Subtotal	14,112,434	163,498	1.16	13,041,857	189,192	1.45
Corporate deposits						
Demand deposits	927,183	4,631	0.50	927,311	7,324	0.79
Time deposits	884,873	15,453	1.75	671,363	13,701	2.04
Subtotal	1,812,056	20,084	1.11	1,598,674	21,025	1.32
Total customer deposits	15,924,490	183,582	1.15	14,640,531	210,217	1.44

Interest Expense on Deposits and Placements from Banks and Other Financial Institutions

During the reporting period, the Bank's interest expense on deposits and placements from banks and other financial institutions amounted to RMB8,481 million, an increase of RMB2,589 million, or 43.94% compared with the prior year, primarily driven by an increase in the average balance of bonds sold under repurchase agreements and deposits from banks and other financial institutions as the Bank utilized proactive liability instruments in a flexible manner.

Interest Expense on Debt Securities Issued

During the reporting period, interest expense on debt securities issued amounted to RMB6,774 million, an increase of RMB1,303 million, or 23.82% compared with the prior year, primarily driven by an increase in the average balance of the interbank certificates of deposit issued as the Bank proactively optimized its liability structure.

Net Fee and Commission Income

During the reporting period, the Bank accelerated the capacity building of its intermediary business. While consolidating its traditional advantages in the retail banking business, the Bank actively developed the businesses of corporate banking segment and strengthened synergy within the treasury business segment, establishing a diversified and balanced intermediary income structure. As a result, net fee and commission income amounted to RMB29,365 million, an increase of RMB4,083 million, or 16.15% compared with the prior year.

Fee and commission income amounted to RMB43,424 million, an increase of RMB2,671 million or 6.55% compared with the prior year. Specifically, wealth management fee income amounted to RMB5,373 million, a year-on-year increase of RMB1,422 million or 35.99%, primarily due to the growth in the sales of wealth management products as the Bank actively seized market opportunities and enhanced the supply of diversified wealth management products to meet customers' needs for diversified asset allocation. Investment banking fee income amounted to RMB4,596 million, a year-on-year increase of RMB1,278 million or 38.52%. It was mainly because the Bank continuously enhanced the synergy between "commercial banking plus investment banking" businesses, accelerated the building of a financial service framework integrating investment banking and commercial banking businesses, and achieved a rapid growth in the income from syndicated loans and financial advisory business. Custody business fee income amounted to RMB1,423 million, a year-on-year increase of RMB168 million or 13.39%, primarily driven by the growth in the scale of custody business as the Bank deepened the coordinated development mechanism for the custody business and optimized the product mix. Other business fee income amounted to RMB3,170 million, a year-on-year increase of RMB710 million or 28.86%. It was mainly because the Bank provided customers with full-chain, all-scenario, and digital and intelligent integrated financial services with a focus on the financial needs of upstream and downstream enterprises, and realized rapid growth in the fee income from supply chain finance, notes, letters of guarantee, letters of credit and other businesses.

Fee and commission expense amounted to RMB14,059 million, a decrease of RMB1,412 million, or 9.13% compared with the prior year.

Components of Net Fee and Commission Income

In RMB million, except for percentages

Item	2025	2024	Increase/ (decrease)	Change (%)
Bank cards business	10,431	10,593	(162)	(1.53)
Settlement and clearing	9,991	9,947	44	0.44
Agency service business	8,440	9,229	(789)	(8.55)
Wealth management	5,373	3,951	1,422	35.99
Investment banking	4,596	3,318	1,278	38.52
Custody business	1,423	1,255	168	13.39
Others	3,170	2,460	710	28.86
Fee and commission income	43,424	40,753	2,671	6.55
Less: Fee and commission expense	14,059	15,471	(1,412)	(9.13)
Net fee and commission income	29,365	25,282	4,083	16.15

Analysis of Financial Statements

Net Other Non-Interest Income

During the reporting period, the Bank enhanced market analysis and deepened diversified trading strategies. The Bank's net other non-interest income amounted to RMB44,881 million, an increase of RMB7,153 million, or 18.96% compared with the prior year.

Specifically, net trading gains and net gains on investment securities totaled RMB25,335 million, a decrease of RMB8,409 million, or 24.92% compared with the prior year. It was mainly due to the decrease in valuation gains on products such as funds and bonds as a result of market interest rate fluctuations.

Net gains on derecognition of financial assets measured at amortized cost amounted to RMB19,569 million, an increase of RMB16,511 million, or 539.93% compared with the prior year. It was primarily due to the increase in the gains on the disposal of debt instruments as the Bank continuously tracked market trends and made timely adjustments to its investment portfolio structure; and an increase in the gains generated from the issuance of non-performing asset securitization products as the Bank continuously intensified the disposal of non-performing assets.

Net other operating gains amounted to -RMB52 million, a decrease of RMB953 million compared with the prior year, primarily due to the fluctuation of the exchange rate of the U.S. dollar against the RMB and the decrease in government subsidies.

Components of Net Other Non-Interest Income

In RMB million, except for percentages

Item	2025	2024	Increase/ (decrease)	Change (%)
Net trading gains	3,038	4,185	(1,147)	(27.41)
Net gains on investment securities	22,297	29,559	(7,262)	(24.57)
Net gains on derecognition of financial assets measured at amortized cost	19,569	3,058	16,511	539.93
Share of results of associates	29	25	4	16.00
Net other operating gains	(52)	901	(953)	(105.77)
Total	44,881	37,728	7,153	18.96

Operating Expenses

During the reporting period, upholding the principle of controlling aggregate amounts and prioritizing efficiency, the Bank continuously strengthened the refined management of costs and expenses, advanced centralized operations and institutional reforms at a faster pace, and worked to enhance operational efficiency. Its operating expenses amounted to RMB224,715 million, a decrease of RMB1,381 million, or 0.61% compared with the prior year. Specifically, deposit agency fee and others amounted to RMB113,450 million, a decrease of RMB4,364 million, or 3.70% compared with the prior year, primarily due to the Bank's proactive adjustment to the deposit agency fee rates for agency Renminbi personal deposit-taking business. Staff costs, depreciation and amortization, and other expenses totaled RMB108,306 million, an increase of RMB2,640 million, or 2.50% compared with the prior year.

Major Components of Operating Expenses

In RMB million, except for percentages

Item	2025	2024	Increase/ (decrease)	Change (%)
Deposit agency fee and others	113,450	117,814	(4,364)	(3.70)
Staff costs	64,827	64,045	782	1.22
Depreciation and amortization	11,605	11,386	219	1.92
Taxes and surcharges	2,959	2,616	343	13.11
Other expenses	31,874	30,235	1,639	5.42
Total operating expenses	224,715	226,096	(1,381)	(0.61)

Credit Impairment Losses

During the reporting period, the Bank's credit impairment losses amounted to RMB32,922 million, an increase of RMB4,499 million, or 15.83% compared with the prior year, of which impairment losses on loans amounted to RMB32,434 million, an increase of RMB2,418 million, or 8.06% compared with the prior year. It was primarily because the Bank actively served the real economy and increased loan scale, and because it adhered to a prudent risk management policy and increased the provision for impairment.

Income Tax Expense

During the reporting period, the Bank's income tax expense amounted to RMB10,598 million, an increase of RMB2,722 million, or 34.56% compared with the prior year, mainly due to the increase in profit before income tax and the impact of increased non-deductible costs and expenses. The effective tax rate was 10.79%, which was lower than the statutory tax rate of 25%, mainly because the interest income from the Bank's holdings of Chinese government bonds and local government bonds was tax-exempt under tax regulations.

Segment Information

Operating Income by Operating Segment

In RMB million, except for percentages

	2025		2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Personal banking	232,869	65.44	245,666	70.36
Corporate banking	80,090	22.51	68,502	19.62
Treasury	42,520	11.95	34,421	9.86
Others	387	0.10	544	0.16
Total operating income	355,866	100.00	349,133	100.00

For further details of the business scope of each segment, please refer to "Notes to the Consolidated Financial Statements – 44.1 Operating segment".

Analysis of Financial Statements

Operating Income by Geographical Segment

In RMB million, except for percentages

	2025		2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	10,508	2.95	753	0.22
Yangtze River Delta	59,943	16.84	58,333	16.71
Pearl River Delta	46,773	13.14	46,112	13.21
Bohai Rim	53,588	15.06	53,923	15.44
Central China	93,836	26.38	96,650	27.67
Western China	70,283	19.75	70,859	20.30
Northeastern China	20,935	5.88	22,503	6.45
Total operating income	355,866	100.00	349,133	100.00

For further details of the business scope of each geographical segment, please refer to "Notes to the Consolidated Financial Statements – 44.2 Geographical segment".

Balance Sheet Analysis

Assets

The Bank thoroughly implemented the decisions and plans of the CPC Central Committee, and stayed true to the fundamental purpose of serving the real economy with financial services. It aimed to advance the high-quality development of finance, coordinated asset allocation in a sound way, and continued to offer more effective, balanced and sustainable services for the real economy. During the reporting period, the Bank adhered to long-termism, kept a balance among scale, price and risks, and deepened the application of RAROC in resource allocation, so as to further optimize its asset structure and enhance the value creation capabilities. It consolidated the foundation for development, enhanced the building of core capabilities, and properly integrated its own resource endowments with key areas of services to the real economy. It made solid and meticulous efforts to promote the development of the "five priorities" of the financial sector, and allocated more financial resources to major strategies, key areas, and weak links, striving to build a sound and balanced business structure. By strengthening the guidance of investment research and keeping a close eye on market changes, the Bank optimized the non-credit business allocation structure and enhanced the quality and efficiency of fund utilization.

As at the end of the reporting period, the Bank's total assets amounted to RMB18,682,067 million, an increase of RMB1,597,157 million, or 9.35% from the prior year-end, of which net loans to customers amounted to RMB9,440,874 million, an increase of RMB756,730 million, or 8.71% from the prior year-end; financial investments amounted to RMB6,358,153 million, an increase of RMB354,026 million, or 5.90% from the prior year-end; loan-to-deposit ratio was 58.33%, an increase of 0.03 percentage point from the prior year-end, indicating that the asset structure has been further optimized.

Key Items of Assets

In RMB million, except for percentages

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans to customers	9,648,316	–	8,913,202	–
Less: Allowance for impairment losses on loans[(1)]	207,442	–	229,058	–
Loans to customers, net	9,440,874	50.53	8,684,144	50.83
Financial investments	6,358,153	34.03	6,004,127	35.14
Cash and deposits with central bank	1,319,171	7.06	1,314,703	7.70
Deposits with banks and other financial institutions	391,408	2.10	262,476	1.54
Placements with banks and other financial institutions	413,827	2.22	348,017	2.04
Financial assets held under resale agreements	510,890	2.73	229,842	1.35
Other assets	247,744	1.33	241,601	1.40
Total assets	18,682,067	100.00	17,084,910	100.00

Note (1): Allowance for impairment losses on loans to customers measured at amortized cost.

Loans to Customers

As at the end of the reporting period, total loans to customers amounted to RMB9,648,316 million, an increase of RMB735,114 million, or 8.25% from the prior year-end.

Loans to Customers by Business Line

In RMB million, except for percentages

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Personal loans	4,844,585	50.21	4,771,583	53.53
Corporate loans	4,272,975	44.29	3,649,163	40.94
Discounted bills	530,756	5.50	492,456	5.53
Total loans to customers	9,648,316	100.00	8,913,202	100.00

Analysis of Financial Statements

Loans to Customers by Maturity

In RMB million, except for percentages

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Short-term loans	3,233,155	33.51	2,934,633	32.92
Medium- and long-term loans	6,415,161	66.49	5,978,569	67.08
Total loans to customers	9,648,316	100.00	8,913,202	100.00

Loans to Customers by Geographical Region

In RMB million, except for percentages

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	232,043	2.41	344,895	3.87
Yangtze River Delta	2,124,522	22.02	1,840,445	20.65
Pearl River Delta	1,209,552	12.54	1,114,851	12.51
Bohai Rim	1,546,375	16.03	1,422,923	15.96
Central China	2,318,268	24.02	2,168,479	24.32
Western China	1,753,028	18.17	1,579,873	17.73
Northeastern China	464,528	4.81	441,736	4.96
Total loans to customers	9,648,316	100.00	8,913,202	100.00

Personal Loans

As at the end of the reporting period, the Bank's total personal loans amounted to RMB4,844,585 million, an increase of RMB73,002 million, or 1.53% from the prior year-end.

Specifically, consumer loans amounted to RMB3,016,046 million, an increase of RMB20,047 million, or 0.67% from the prior year-end. It was primarily driven by an increase in the scale of other consumer loans as the Bank actively seized policy opportunities, focused on enhancing service capabilities, and continuously strengthened support for consumer credit to meet residents' multi-level and diversified consumption needs.

Personal micro loans amounted to RMB1,619,112 million, an increase of RMB81,749 million, or 5.32% from the prior year-end. It was primarily because the Bank firmly acted on the decisions and plans of the CPC Central Committee and the State Council regarding all-around rural revitalization, continued to boost credit extensions for rural revitalization, vigorously implemented the "Initiative of Serving Strong Counties and Wealthy Towns", and enhanced the quality and efficiency of micro loan services, which led to a steady growth in personal micro loans.

Personal Loans by Product Type

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Consumer loans	3,016,046	62.26	2,995,999	62.79
Residential mortgage loans	2,373,341	48.99	2,382,146	49.93
Other consumer loans	642,705	13.27	613,853	12.86
Personal micro loans[(1)]	1,619,112	33.42	1,537,363	32.22
Credit card overdrafts and others	209,427	4.32	238,221	4.99
Total personal loans	4,844,585	100.00	4,771,583	100.00

Note (1): Personal micro loans mainly include loans granted to personal businesses.

Corporate Loans

As at the end of the reporting period, the Bank's total corporate loans amounted to RMB4,272,975 million, an increase of RMB623,812 million, or 17.09% from the prior year-end. It was primarily because the Bank actively supported national strategies and plans and increased credit supply for key businesses to support the high-quality development of the real economy, and also because the Bank continued to strengthen integrated services for customers, deepened the development of the new "1 plus N" operation and service framework of corporate banking, and achieved relatively rapid growth in the scale of corporate loans.

As at the end of the reporting period, the top five industries to which the Bank granted corporate loans were transportation, storage and postal services; manufacturing; water conservancy, environmental and public facilities management; leasing and commercial services; and wholesale and retail. The balance of loans extended to the top five industries in aggregate accounted for 63.17% of total corporate loans, a decrease of 0.27 percentage point from the prior year-end.

Analysis of Financial Statements

Corporate Loans by Industry

In RMB million, except for percentages

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Transportation, storage and postal services	829,327	19.41	830,416	22.76
Manufacturing	662,912	15.51	577,205	15.82
Water conservancy, environmental and public facilities management	444,503	10.40	303,444	8.32
Leasing and commercial services	396,265	9.27	277,904	7.62
Wholesale and retail	366,656	8.58	290,923	7.97
Real estate	347,818	8.14	308,590	8.46
Financial services	336,744	7.88	294,995	8.08
Production and supply of electricity, heating, gas and water	310,850	7.28	287,913	7.89
Construction	234,635	5.49	228,512	6.26
Mining	106,991	2.50	86,856	2.38
Other industries[1]	236,274	5.54	162,405	4.44
Total corporate loans	4,272,975	100.00	3,649,163	100.00

Note (1): Other industries consist of the agriculture, forestry, animal husbandry and fishery; information transmission, computer services and the software industry, etc.

Discounted Bills

As at the end of the reporting period, the Bank's discounted bills amounted to RMB530,756 million, an increase of RMB38,300 million, or 7.78% from the prior year-end.

Financial Investments

During the reporting period, the Bank further implemented the transformation of its financial market business, adhered to the guidance of investment research, actively seized opportunities arising from market fluctuations, optimized the asset allocation structure, and maintained steady growth in the scale of financial investments. As at the end of the reporting period, the Bank's financial investments amounted to RMB6,358,153 million, an increase of RMB354,026 million, or 5.90% from the prior year-end.

In terms of products, the increase was primarily in the scale of debt securities, with the investment in debt securities reaching RMB5,072,347 million, an increase of RMB434,384 million, or 9.37% from the prior year-end.

In terms of measurement approach, the increase was primarily driven by growth in the financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income-debt instruments. Specifically, the financial assets measured at amortized cost amounted to RMB4,688,443 million, an increase of RMB381,930 million, or 8.87% from the prior year-end, mainly due to the increased investment in government bonds; and financial assets measured at fair value through other comprehensive income-debt instruments amounted to RMB704,440 million, an increase of RMB35,628 million, or 5.33% from the prior year-end, primarily driven by the increase in investments in bonds issued by financial institutions and interbank certificates of deposit.

Investments by Product

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Debt securities	5,072,347	79.78	4,637,963	77.25
Securities investment funds	525,778	8.27	658,786	10.97
Interbank certificates of deposit	378,365	5.95	419,760	6.99
Asset management plans	290,311	4.57	200,820	3.34
Trust investment plans	83,681	1.32	78,530	1.31
Others	7,671	0.11	8,268	0.14
Total financial investments	6,358,153	100.00	6,004,127	100.00

Financial Investments by Measurement Approach

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Financial assets measured at fair value through profit or loss	959,654	15.09	1,024,165	17.06
Financial assets measured at fair value through other comprehensive income-debt instruments	704,440	11.08	668,812	11.14
Financial assets measured at fair value through other comprehensive income-equity instruments	5,616	0.09	4,637	0.07
Financial assets measured at amortized cost	4,688,443	73.74	4,306,513	71.73
Total financial investments	6,358,153	100.00	6,004,127	100.00

Investment Structure by Type of Investment Instruments

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Debt instruments	6,351,721	99.90	5,998,356	99.90
Equity instruments	6,432	0.10	5,771	0.10
Total financial investments	6,358,153	100.00	6,004,127	100.00

Analysis of Financial Statements

Investments in Debt Securities

As at the end of the reporting period, the Bank's investments in debt securities amounted to RMB5,072,347 million, an increase of RMB434,384 million, or 9.37% from the prior year-end. It was mainly because the Bank precisely seized the interest rate window and increased investment in government bonds with high RAROC.

Investments in Debt Securities by Issuing Institution

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Government bonds	2,714,514	53.52	2,014,553	43.44
Bonds issued by financial institutions	2,177,070	42.92	2,396,235	51.66
Corporate bonds	180,763	3.56	227,175	4.90
Total investments in debt securities	5,072,347	100.00	4,637,963	100.00

Investments in Debt Securities by Remaining Maturity

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Overdue	–	–	10	0.00
Within 3 months	173,433	3.42	121,874	2.63
3-12 months	489,776	9.66	546,722	11.79
1-5 years	2,310,591	45.55	2,174,783	46.89
Over 5 years	2,098,547	41.37	1,794,574	38.69
Total investments in debt securities	5,072,347	100.00	4,637,963	100.00

Investments in Debt Securities by Currency

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
RMB	5,026,005	99.09	4,588,306	98.93
Foreign currencies	46,342	0.91	49,657	1.07
Total investments in debt securities	5,072,347	100.00	4,637,963	100.00

Financial Bonds

As at the end of the reporting period, the Bank held RMB2,177,070 million of bonds issued by financial institutions, of which bonds issued by policy banks amounted to RMB1,682,541 million, accounting for 77.28% of the total.

Top Ten Financial Bonds in Terms of Par Value

In RMB million, except for percentages

Debt securities	Par value	Annual interest rate (%)	Maturity date	Allowance for impairment losses[1]
2021 Policy Financial Bonds	39,145.00	3.41	2031/6/7	–
2017 Policy Financial Bonds	34,460.00	4.04	2027/4/10	–
2022 Policy Financial Bonds	33,890.00	2.61	2027/1/27	–
2021 Policy Financial Bonds	33,840.00	3.12	2031/9/13	–
2016 Policy Financial Bonds	33,700.00	3.05	2026/8/25	–
2019 Policy Financial Bonds	33,650.00	3.48	2029/1/8	–
2022 Policy Financial Bonds	31,320.00	2.91	2029/2/21	–
2021 Policy Financial Bonds	30,150.00	3.48	2028/2/4	–
2013 Policy Financial Bonds	28,000.00	3.09	2028/6/2	–
2016 Policy Financial Bonds	27,128.00	3.18	2026/4/5	–

Note (1): Excludes allowance for impairment losses for the stage 1 set aside in accordance with the new financial instrument standards.

Liabilities

The Bank earnestly implemented regulatory requirements, continuously improved the liability quality management framework, and regarded high-quality liabilities as the basis for steady operations and the cornerstone for serving the real economy. During the reporting period, the Bank continuously consolidated the scale and quality of customers and took general deposits as the main component of core liability businesses, achieving steady growth in the scale of deposits and maintaining a stable source of deposits. It adhered to the principle of balanced development between volume and price, strengthened the refined pricing management, and promoted the steady decline of the cost of liabilities. It proactively diversified funding channels, actively participated in market-oriented transactions, and enhanced the diversity of the liability structure. It made a sound and coordinated arrangement for the total amount, structure and pace of fund taking and utilization, and achieved an overall balance between liquidity and profitability. It adhered to compliance in business operations, carried out transactions, accounting and statistics of liabilities in a legally compliant way, and firmly guarded against risks. The quality of the Bank's liability business improved steadily, with the relevant indicators performing well.

As at the end of the reporting period, the Bank's total liabilities amounted to RMB17,519,722 million, an increase of RMB1,466,461 million, or 9.13% from the prior year-end. Specifically, customer deposits amounted to RMB16,541,716 million, an increase of RMB1,254,175 million, or 8.20% from the prior year-end; and deposits and placements from banks and other financial institutions as well as financial assets sold under repurchase agreements amounted to a total of RMB500,806 million, an increase of RMB123,384 million, or 32.69% from the prior year-end, mainly because the Bank optimized its liability structure and seized opportunities to expand the scale of interbank liabilities.

Analysis of Financial Statements

Key Items of Liabilities

In RMB million, except for percentages

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Customer deposits	16,541,716	94.42	15,287,541	95.23
Deposits from banks and other financial institutions	189,271	1.08	135,599	0.84
Placements from banks and other financial institutions	56,135	0.32	47,299	0.29
Financial assets sold under repurchase agreements	255,400	1.46	194,524	1.21
Debt securities issued	251,284	1.43	241,980	1.51
Borrowings from central bank	27,184	0.16	26,138	0.16
Other liabilities	198,732	1.13	120,180	0.76
Total liabilities	17,519,722	100.00	16,053,261	100.00

Customer Deposits

As at the end of the reporting period, the Bank's customer deposits amounted to RMB16,541,716 million, an increase of RMB1,254,175 million, or 8.20% from the prior year-end. The core liabilities maintained steady growth in scale.

In particular, personal deposits amounted to RMB14,691,826 million, an increase of RMB1,063,288 million, or 7.80% from the prior year-end. It was mainly driven by the steady growth of personal deposits as the Bank upheld "value deposits" as the core, continued to optimize the structure of deposits and vigorously developed low-cost self-operated personal deposits. Corporate deposits amounted to RMB1,846,756 million, an increase of RMB190,509 million, or 11.50% from the prior year-end. It was mainly because the Bank adhered to the customer-centric philosophy, further improved the new "1 plus N" operation and service framework of corporate finance, and accelerated the acquisition of corporate customers, resulting in the growth in corporate time deposits.

Customer Deposits by Product and Customer

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Personal deposits	14,691,826	88.82	13,628,538	89.15
Demand deposits	3,382,409	20.45	3,239,491	21.19
Time deposits	11,309,417	68.37	10,389,047	67.96
Corporate deposits	1,846,756	11.16	1,656,247	10.83
Demand deposits	877,203	5.30	904,244	5.91
Time deposits	969,553	5.86	752,003	4.92
Other deposits[1]	3,134	0.02	2,756	0.02
Customer deposits	16,541,716	100.00	15,287,541	100.00

Note (1): Other deposits consist of remittance payable, credit card deposits, outbound remittance, etc.

Customer Deposits by Geographical Region

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	2,635	0.02	2,692	0.02
Yangtze River Delta	2,739,297	16.56	2,478,451	16.21
Pearl River Delta	1,471,103	8.89	1,366,740	8.94
Bohai Rim	2,514,304	15.20	2,355,917	15.41
Central China	5,208,476	31.49	4,806,448	31.44
Western China	3,435,606	20.77	3,174,005	20.76
Northeastern China	1,170,295	7.07	1,103,288	7.22
Customer deposits	16,541,716	100.00	15,287,541	100.00

Customer Deposits by Remaining Maturity

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Repayable on demand	4,355,260	26.33	4,215,516	27.57
Within 3 months	4,785,238	28.93	4,448,012	29.10
3-12 months	5,686,679	34.38	5,324,083	34.83
1-5 years	1,714,539	10.36	1,299,930	8.50
Customer deposits	16,541,716	100.00	15,287,541	100.00

Analysis of Financial Statements

Equity

As at the end of the reporting period, the Bank's total equity amounted to RMB1,162,345 million, an increase of RMB130,696 million, or 12.67% from the prior year-end, primarily driven by the issuance of A shares of the Bank to the MOF, China Mobile Communications Group Co., Ltd. and China State Shipbuilding Corporation Limited during the reporting period.

Composition of Equity

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Item	Amount	Percentage (%)	Amount	Percentage (%)
Share capital	120,095	10.33	99,161	9.61
Other equity instruments – perpetual bonds	149,996	12.90	199,986	19.39
Capital reserve	271,697	23.37	162,681	15.77
Other comprehensive income	5,405	0.47	9,071	0.88
Surplus reserve	84,157	7.24	75,540	7.32
General reserve	243,454	20.95	219,887	21.31
Retained earnings	285,342	24.55	263,343	25.53
Equity attributable to equity holders of the Bank	1,160,146	99.81	1,029,669	99.81
Non-controlling interests	2,199	0.19	1,980	0.19
Total equity	1,162,345	100.00	1,031,649	100.00

Off-Balance Sheet Items

The Bank's off-balance sheet items primarily include derivative financial instruments, contingent liabilities and commitments.

Derivative financial instruments mainly include interest rate contracts, exchange rate contracts, etc. For details of notional amount and fair value of derivative financial instruments, please refer to "Notes to the Consolidated Financial Statements – 18 Derivative financial assets and liabilities".

Contingent liabilities and commitments mainly consist of lawsuits and claims, capital commitments, credit commitments, commitments on redemption of government bonds, etc. For details of contingent liabilities and commitments, please refer to "Notes to the Consolidated Financial Statements – 42 Contingent liabilities and commitments". Credit commitments consist of loan commitments, bank acceptances, guarantees and letters of guarantee, letters of credit and unused credit card commitments.

Components of Credit Commitments

In RMB million, except for percentages

Item	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Loan commitments	18,103	1.67	27,543	2.88
Bank acceptances	257,317	23.69	186,026	19.45
Guarantees and letters of guarantee	149,159	13.73	123,816	12.95
Letters of credit	175,982	16.20	127,969	13.38
Unused credit card commitments	485,823	44.71	490,968	51.34
Total credit commitments	1,086,384	100.00	956,322	100.00

Analysis of Cash Flow Statement

During the reporting period, net cash inflow generated from operating activities of the Bank was RMB412,059 million, an increase of RMB14,783 million compared with the prior year, mainly due to the increase in cash received from businesses such as debt securities sold under repurchase agreements compared with the prior year.

During the reporting period, net cash outflow used in investing activities of the Bank amounted to RMB175,934 million, a decrease of RMB304,465 million compared with the prior year, primarily due to the decrease in cash paid for investment in debt securities compared with the prior year.

During the reporting period, net cash inflow generated from financing activities of the Bank was RMB45,744 million, compared with a net cash outflow of RMB30,778 million in the prior year, mainly due to the increase in cash received from the issuance of A shares to specific subscribers.

Other Financial Information

Explanation of Changes in Accounting Policies

There were no significant changes in the accounting policies of the Bank during the reporting period.

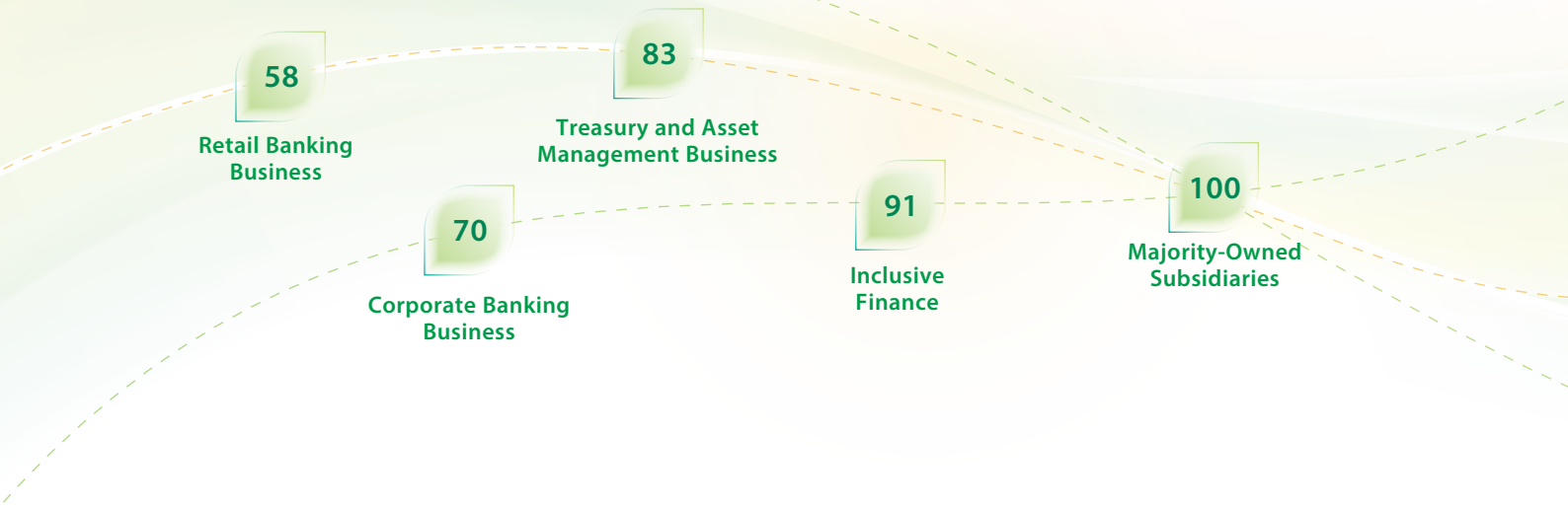
Explanation of Differences in Financial Statements Prepared Under Domestic and International Accounting Standards

There was no difference between the net profit attributable to equity holders of the Bank during the reporting period and the equity attributable to equity holders of the Bank at the end of the reporting period in the financial statements prepared by the Bank under PRC GAAP and the corresponding figures prepared by the Bank under IFRSs.

Information on Debt Securities

During the reporting period, the Bank did not issue any enterprise bonds, corporate bonds or debt financing instruments of non-financial enterprises that need to be disclosed in accordance with the Standards Concerning the Contents and Formats of Information Disclosure by Companies Publicly Offering Securities No. 2 – Contents and Formats of Annual Reports and the Management Measures for the Information Disclosure of Corporate Credit Bonds.

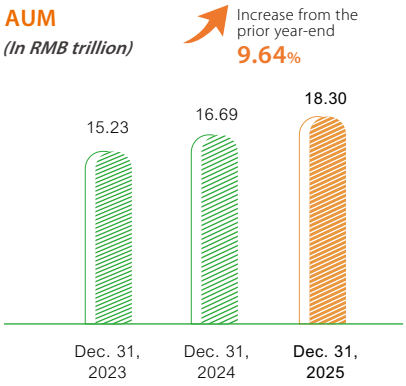
Business Overview

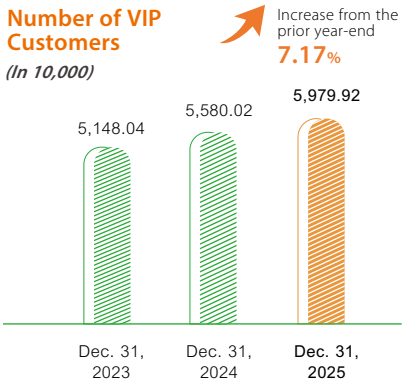


Retail Banking Business

The Bank served **681** million personal customers.

AUM of personal customers amounted to RMB **18.30** trillion, up by RMB **1.61** trillion from the prior year-end.





Since the beginning of the 14th Five-Year Plan period, the Bank has always prioritized high-quality development as its primary task and elevated its retail business to a new stage. **The Bank achieved a new leap forward in business management.** As at the end of the reporting period, the Bank served 681 million personal customers, and its AUM increased from RMB11.25 trillion to RMB18.30 trillion, with the increase in AUM surpassing the RMB7 trillion mark. The number of VIP customers[1] reached 59,799.2 thousand, an increase of over 23 million in five years. **The Bank made new progress in systematic development.** It continuously upgraded its wealth management business, deepened the tiered customer management framework, and initiated the private banking business development, making all-around efforts

1 Customers with assets of RMB100,000 and above in the Bank are VIP customers of the Bank. Among them, customers with assets between RMB500,000 (inclusive) and RMB6 million are Fujia customers and customers with assets of RMB6 million and above are Dingfu customers.

to enhance capabilities and promote growth. It improved the quality and efficiency of centralized management and innovated the new model for credit development featuring proactive credit extension to empower the development of retail credit business across the Bank. **The Bank fully fulfilled its responsibilities as a major bank.** It intensified efforts in rural revitalization, with agriculture-related loans growing by over RMB1 trillion. It provided personal pension customers with high-quality services, with the number of financial social security cards in circulation exceeding 132 million. **The Bank further improved its market position.** It won numerous awards in pension finance, wealth management, and the proactive credit extension project, gradually enhancing its brand influence.

In 2025, the Bank adhered to its strategic positioning as a first-tier large retail bank. Taking a customer-centric and market-oriented approach and focusing on value creation, the Bank continuously upgraded operational capabilities, deepened the refined management, and innovated institutional reforms. It promoted common prosperity through high-quality development and activated new growth momentum in retail business through differentiated competitive advantages, striving to become customers' "first choice for personal banking". As at the end of the reporting period, the Bank's personal deposits totaled RMB14.69 trillion, up by RMB1,063,288 million from the prior year-end; and personal loans amounted to RMB4.84 trillion, up by RMB73,002 million from the prior year-end.

The Bank upgraded the tiered and categorized customer service framework, continuously improved the quality and efficiency of financial services, and actively adapted to the multi-level service needs of customers. On the one hand, the Bank further advanced tiered customer services, created a convenient and efficient basic financial service network for mass-market customers, continuously improved full-process wealth management service capabilities, and provided professional support to help customers achieve steady asset appreciation. On the other hand, the Bank focused on the differentiated needs of special customer groups, provided integrated financial services for customers, further improved the multi-dimensional pension finance framework featuring "three horizontals and three verticals", innovated the consumer credit limit management mechanism, and reshaped the micro loan product framework, injecting new financial momentum into creating a better life for customers.

The Bank implemented national strategies and activated new growth drivers for consumption. It actively seized the opportunities presented by the country's policies to expand domestic demand, established a fiscal interest subsidy task force, formulated standardized and modular operation procedures for consumer credit, and bridged the last mile in policy implementation. The Bank focused on the development of core professional competencies, provided customers with diversified asset allocation financial services, and helped customers increase property income. The Bank also adapted to the service needs of customers in various scenarios, properly integrated efforts to enhance people's well-being with consumption promotion, increased promotion efforts for quick payment and credit card services, and focused on key scenarios such as cultural tourism, catering, and shopping, fully unleashing the potential of scenario-based consumption and comprehensively meeting the diversified financial needs of urban and rural residents.

The Bank strengthened the two engines of management and innovation to create a new model for high-quality development. It upgraded the service platform for mid-to-high-end customers, accelerated the development of urban wealth management and private banking centers, and enhanced the professional image and services of its channels. Focusing on building a scenario ecosystem, the Bank adopted the dual-engine approach of "bringing scenarios in and taking services out" to deeply embed its distinctive postal financial services into various scenarios, promoting the construction of a full-ecosystem financial service network. Furthermore, the Bank deepened the reform of centralized operations and achieved nationwide coverage of intelligent early warning for retail credit and centralized collection.

Retail Banking Business

Tiered Customer Services

The Bank remained true to the original aspiration of "providing financial services for the people", centered around the comprehensive financial needs of customers, deepened service awareness, and innovated service models. It strove to develop into a retail bank that is available anytime, anywhere and at the convenience of customers, and empower customers to live a better life.

Serving Mass-Market Customers with Convenient Experiences

To meet the comprehensive financial service needs of mass-market customers, the Bank built a retail finance ecosystem driven by the two-wheel model of "basic services plus featured scenarios", providing mass-market customers with a convenient, heartwarming, and intelligent financial service experience.

The Bank intensified efforts in traditional businesses and solidified the foundation for inclusive finance. Regarding personal deposits, fully leveraging its advantage of county-level distribution network, the Bank carried out initiatives such as the "PSBC Love Homebound Trip" campaign for migrant workers returning to their hometowns during the Spring Festival, provided settlement and transaction instruments during the summer and autumn grain-purchasing periods, increased efforts to promote the "MultiMarket Pay" solution, and expanded into new settlement markets. As a result, the Bank's personal deposits from counties and areas below the county level accounted for nearly 70% of its total personal deposits. The Bank innovated product design, provided exclusive products for key customer groups such as middle-aged and senior customers, social security customers, and payroll customers, addressed the differentiated needs of customers, and enhanced customer stickiness. It also expanded the sources of demand deposits, effectively leveraged the "ten new drivers" for demand deposits, and met customers' needs for "financial plus non-financial" services, to accelerate the development of demand deposits.

The Bank stayed closely aligned with people's concerns and delivered warm-hearted services. Regarding debit cards, the Bank continuously enriched the product portfolio and benefits, met the customization needs of key customer segments such as families and merchants, upgraded dedicated marketing campaigns and benefits for festivals and holidays, and enhanced the human touch of the services. During the reporting period, the spending via the Bank's debit cards totaled RMB7.90 trillion. **Regarding personal foreign currency business,** the Bank upgraded its cross-border payment service framework and provided personal customers with various international settlement services such as foreign currency savings and international remittances. It provided the Cross-Border Wealth Management Connect (Southbound) service to qualified mainland investors in the Greater Bay Area, established a cross-border finance section on the mobile banking app, and optimized the business processes for cross-border payment. During the reporting period, the Bank completed 139.0 thousand international settlement transactions, with a transaction volume of USD385 million.

The Bank focused on innovation-driven development to drive payment transformation. Regarding the electronic payments, the Bank took "brand building, experience upgrading, operational efficiency improvement, and win-win collaboration" as its main tasks and comprehensively enhanced its payment service capabilities. The Bank innovated in brand building. It focused on payment discount initiatives on mainstream platforms and in popular scenarios, and created the "PSBC Great Deals" payment brand. The Bank empowered business upgrading. It promoted refined control over quick payment limits and launched the "One-Click Limit Increase" function and a mechanism for "Real-Time Lifting of Single-Transaction Restrictions", comprehensively optimizing user experience. The Bank further advanced intelligent operations. It implemented targeted measures for customers of different tiers and categories based on the customer lifecycle journey and improved the efficiency of centralized operations. The Bank activated collaboration efficiency. Taking the "Smart Versatile Coupon Platform" as a core hub, the

Bank deepened the integration of "payment+" with multiple businesses and activated new momentum for collaborative cross-business growth. During the reporting period, the transaction volume of electronic payments reached RMB7.82 trillion.

Providing Professional Support to Accompany Wealth Customers

At the beginning of the reporting period, the Bank established the Wealth Management Department as a strategic move, systematically reshaped its business development model, focused on building core professional competencies, gained a deep insight into the asset allocation needs of customers in a low-interest-rate environment, helped customers preserve and increase the value of their assets, and drove the steady growth in the scale of wealth management business and continuous optimization of the business structure.

The Bank further advanced the new model for managing special customer segments and upgraded the service framework integrating finance and lifestyle services. Focusing on customer needs and scenarios, the Bank utilized digital and intelligent tools such as customer profiles to continuously explore the growth potential of each customer segment. For customers with education-related needs for their children, the Bank focused on core scenarios and needs such as children's education planning, launched a series of college entrance examination activities themed on "Empowering Growth for a Better Future", and provided customers with comprehensive solutions for education planning and asset allocation. For customers seeking high-quality elderly care, the Bank helped them build more adequate and stable pension reserves through pension planning, and provided supporting health management services such as "Health Stations" at outlets and exclusive medical benefits. As at the end of the reporting period, the number of Fujia customers reached 6,717.0 thousand, an increase of 15.73% from the prior year-end.

The Bank seized market opportunities and optimized its diversified product portfolio. The Bank kept abreast of capital market changes and customers' needs for diversified asset allocation, intensified efforts to implement the two-pronged strategy featuring "a broad spectrum of products plus carefully selected core products", and continuously iterated its product portfolio framework. **In terms of fund business,** the Bank launched the "Anxiang" and "Youxiang" product pools, whose performance exceeded the benchmark by 1.76 and 10.57 percentage points, respectively. It actively seized the opportunities in the equity market. During the reporting period, non-monetary fund sales reached RMB170,580 million, a year-on-year increase of 4.21%. Specifically, equity fund sales reached RMB43,442 million, a year-on-year increase of 265.62%. **In terms of insurance business,** the proportion of long-term regular premium products continued to increase. The Bank intensified the promotion of products such as participating insurance and annuity insurance, and fostered new growth drivers such as online insurance. During the reporting period, agency sales of long-term regular premium products reached RMB103,406 million, accounting for 58.26% of the total, a year-on-year increase of 4.78 percentage points. **In terms of wealth management and asset management business,** the Bank continued to consolidate its advantages in cash management products and products with low volatility and prudent strategies, and actively enriched the product matrix with equity strategies. During the reporting period, the Bank's agency sales of wealth management products increased by RMB234,583 million, with the outstanding scale increasing by 27.24% from the prior year-end. As at the end of the reporting period, the scale of outstanding asset management plans (including trust plans) reached RMB136,433 million, an increase of 28.93% from the prior year-end. **In terms of the precious metal business,** the Bank fostered the mindset of taking gold as an essential asset and strengthened the development of investment gold products. The Bank also launched the "PSBC Gold GO" online platform and launched a gold jewelry product zone to enhance product appeal to customers. During the reporting period, the transaction

volume of the gold accumulation plan reached RMB12,320 million, a year-on-year increase of 270.33%. The sales of PSBC Gold reached RMB2,327 million, a year-on-year increase of 70.80%.

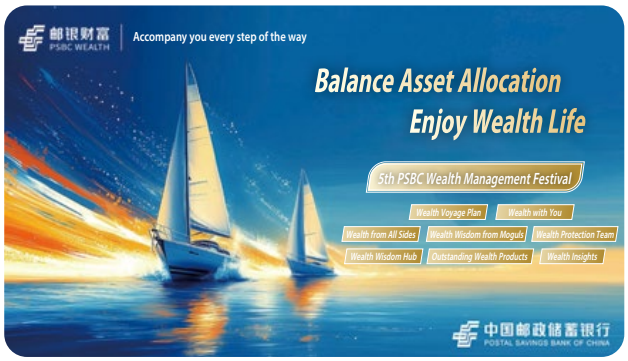
The Bank forged core capabilities in private banking and built a professional and comprehensive service framework. The Bank moved faster to promote the centralized operation model for private banking, established over 40 private banking centers directly operated and managed by the Head Office's team, and expanded the coverage of professional and standardized private banking services. Based on the comprehensive needs of customers regarding individuals, families, enterprises, and communities, the Bank enriched exclusive products and non-financial value-added services and provided customers with professional asset allocation and integrated service solutions. Focusing on entrepreneur customers, the Bank strengthened corporate and retail integrated services, conducted over 100 "Entrepreneur Support Tour" investor education events, and provided entrepreneurs with diverse asset inheritance solutions through customized family trusts, to help customers preserve family wealth through the generations. As at the end of the reporting period, the number of Dingfu customers reached 43.1 thousand, an increase of 26.14% from the prior year-end.

The Bank deepened investor education and brought wealth management services to every household. The Bank integrated online and offline multi-dimensional publicity channels and effectively increased the coverage and influence of its financial services. During the reporting period, the Bank hosted the 5th PSBC Wealth Management Festival, which attracted 135 million clicks. It partnered with Tencent to launch the parent-child financial literacy program "Wealth Voyage Plan" to convey the concepts of rational investment and long-term value. It collaborated with Tencent News to launch The Answer to Wealth III, a financial literacy documentary, which goes deep into asset allocation logic and investor psychology. The documentary recorded over 133 million views and helped the public establish a rational view of wealth. It launched the "Investment Return Center" module on mobile banking to display customer holdings and earnings from multiple dimensions and guide customers to shift from a single-product perspective to an asset allocation mindset. It also accelerated the upgrading of mid-to-high-end customer service platforms, established 711 wealth management centers, and improved the professional image of channels.

The Bank focused on talent development and built a professional wealth management team. It continuously improved the tiered and systematic wealth management talent training mechanism, leveraged the "Yunfan" (Cloud-High Sail) digital platform, and introduced tools such as an AI-powered simulator. The Bank adhered to promoting training and talent development through competitions. It hosted high-level competitions such as the 9th Top Ten Wealth Advisors and Outstanding Wealth Advisors Competition and the PSBC Wealth Fund Challenge, covering 50 thousand professionals and significantly enhancing their capabilities through competitions. During the reporting period, over 130 person-times of employees of the Bank achieved excellent results in prestigious industry competitions, and the professional capabilities and industry influence of its wealth management team were continuously enhanced. The Bank received such awards as the

Scan the QR code to watch
The Answer to Wealth III

> The Bank launches The Answer to Wealth III, a financial literacy documentary.



> The 5th PSBC Wealth Management Festival

> "Trustworthy Financial Institution – 2025 Wealth Management Bank Award and Annual Private Bank Award" by The Economic Observer

"2025 Banking Wealth Management Brand Award" by Shanghai Securities News, "2025 Gamma Award for Wealth Management Bank" by Securities Times, and "Trustworthy Financial Institution – 2025 Wealth Management Bank Award and Annual Private Bank Award" by The Economic Observer, gaining widespread market recognition for its professional brand.

Going forward, the Bank will continue to strengthen asset allocation and other core capabilities, strive to create value for customers, seize the opportunities in wealth management development, and promote continuous high-quality business development.

Deepening Institutional Reforms and Becoming Mass Affluent Customers' Primary Bank of Choice for Wealth Management Services

Column

The Bank actively promoted the transformation of wealth management business, focused on process-based business model reform, enhanced five professional capabilities, including customer acquisition and activation, guidance of investment research, product selection, team building, and content operations, and strove to become the mass affluent customers' primary bank of choice for wealth management services.

The Bank strengthened customer acquisition and activation capabilities. It focused on the management of key customer segments, deepened asset allocation, and tapped into the growth potential of customer value. It also promoted the centralized operation model for private banking and enhanced its capabilities to serve high-net-worth customers. **The Bank adhered to the guidance of investment research.** It enhanced market analysis capabilities, established an investment research expert pool, built the wealth investment decision-making meeting mechanism, formulated allocation plans for major asset categories, captured market opportunities, and developed product selection plans. It also improved the daily, weekly, and monthly investment research report framework to deliver professional insights. **The Bank developed superior product selection capabilities.** It improved the product platform covering all categories and strategies to meet customers' needs for diversified asset allocation. It also carefully selected advantageous products, built a key product pool, and won customers' trust through professional competence. **The Bank intensified team building.** It solidified the talent foundation, established a tiered talent development mechanism, empowered wealth advisors through digital tools, and enhanced the professional capabilities of its workforce. **The Bank improved its online operation capabilities.** It iterated the wealth management channel on mobile banking and optimized online asset allocation experience through functions such as information delivery and wealth planning.

The Bank reshaped its customer-centric, process-based work mechanism. It comprehensively developed a process-based operation model featuring the guidance of investment research, customer management, product selection, and team execution, ensured consistency between the Head Office and branches, met customers' diverse needs for asset allocation, wealth inheritance, etc., and promoted the transformation and development of the wealth management business.

Going forward, the Bank will continue to adhere to the customer-centric philosophy, deepen reform and innovation, improve professional capabilities to win customers' trust, and promote the high-quality development of wealth management business.

Retail Banking Business

Services for Special Customer Groups

Providing Personal Pension Customers with High-Quality Services

The Bank consistently fulfilled its missions and responsibilities as a major state-owned bank and deepened and improved its multi-dimensional pension finance framework featuring "three horizontals and three verticals". It safeguarded pension assets with dedication, warmed the hearts of senior clients with care, and stayed committed to cultivating the pension industry with a sense of responsibility, thereby embedding the image of a heartwarming pension finance bank in people's hearts.

The Bank expanded service coverage. It provided extensive services for urban and rural basic pension customers, continuously expanded the "One Card Fits All" scenarios of the financial social security card, and worked with China UnionPay to roll out the "Vibrant Life Card" product series. As at the end of the reporting period, the number of financial social security cards in circulation exceeded 132 million. **The Bank advanced strategy implementation.** It actively supported the comprehensive implementation of the personal pension scheme, extensively cultivated the retirement planning awareness among the pre-retirement customer group, deepened investor education around the five major themes of account opening, contributions, tax saving, asset allocation, and special functions, and optimized full lifecycle account management. As at the end of the reporting period, the number of personal pension accounts exceeded 12 million. **The Bank built an elderly care ecosystem.** It established a "finance plus elderly care" scenario platform, launched the "PSBC Double Ninth Festival" online campaign, built featured sub-branches for pension finance offline at different levels, and created a senior customer framework encompassing benefits, products, scenarios, and services. As at the end of the reporting period, the Bank served over 308 million middle-aged and elderly customers and operated over 500 featured sub-branches for pension finance. **The Bank deepened brand influence.** It launched the "U Enjoy Future" pension finance brand, worked with mainstream media outlets such as CCTV and The Paper to conduct a series of themed promotional campaigns, and hosted the 2nd PSBC Pension Finance Forum. The publicity campaigns attracted a participation by over ten million person-times, driving a steady rise in brand competitiveness and visibility. The Bank earned the "Excellent Competitive Pension Finance Bank Award" from China Business Journal.

Activating Agency Payment Customers by Resource Integration

The Bank strengthened GBC linkage[1], comprehensively upgraded the agency payment service framework, and promoted the high-quality development of agency payment business. **The Bank deepened resource integration.** Leveraging China Post Group's advantages of collaboration across multiple segments, the Bank established a three-level collaboration framework featuring synergy within the Group, across business segments, and within business lines. Through efficient reuse of advantageous resources, the Bank linked agency payment services, strengthened value co-creation, and solidified the foundation for long-term customer acquisition. **The Bank promoted B-end upgrading.** It launched the "Easy Salary" agency payroll platform, and introduced functions such as salary management and individual income tax empowerment to effectively enhance corporate service capabilities. **The Bank upgraded the C-end.** It launched a new "Mobile Salary" section on mobile banking, delivered one-stop butler services for payroll customers, and comprehensively upgraded the overall service experience of payroll customers. During the reporting period, the Bank's agency collection amounted to RMB603,362 million, and agency payment totaled RMB2,043,880 million, of which the agency collection of social security pension amounted to RMB44,546 million, and the agency payment of social security pension amounted to RMB1,046,361 million.

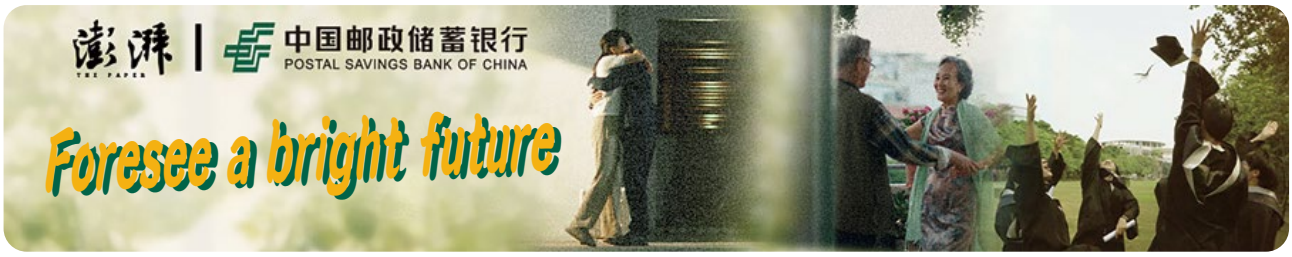
1 GBC linkage refers to creating a scenario-based ecosystem and closed-loop chain serving G-end (Government), B-end (Business), and C-end (Customer) through collaboration.

Serving Merchant Customers Through Ecosystem-Based Operations

The Bank focused on scenario-based and ecosystem-based operations and built a comprehensive merchant service framework. It intensified the marketing of GBC-M linkage[1], launched a special initiative for the consumer goods market, optimized the function of the product which grants higher credit limits for merchants with higher volume of acquiring business, and completed the batch development of over 300 market merchants. For mainstream consumption scenarios such as retail and catering, the Bank upgraded the integrated service of "acquiring plus credit plus SaaS (Software as a Service)", and the number of new SaaS merchants exceeded 30 thousand. For business district scenarios such as food streets, scenic spots, and markets, the Bank launched the "e-Huitong" joint-operated business district solution, actively supported consumption boost efforts in various places, and contributed to invigorating regional markets.

Activating Credit Card Customers Through Refined Operations

The Bank seized the opportunity presented by the country's series of policies to expand domestic demand and boost consumption, promoted the quality improvement and upgrading of credit card financial services, accelerated the systematic capacity building of credit card business, enhanced centralized operation capabilities, improved comprehensive financial services for retail customers, and achieved positive results in high-quality development. During the reporting period, spending via credit cards amounted to RMB923,598 million. As at the end of the reporting period, the number of credit cards in circulation reached 37,819.7 thousand. The non-performing ratio of credit cards was 1.45%, down by 0.03 percentage point from the prior year-end.



> The Bank launches the pension finance brand "U Enjoy Future".

1 GBC-M linkage refers to creating a scenario-based ecosystem and closed-loop chain serving G-end (Government), B-end (Business), C-end (Customer), and M-end (Merchant) through collaboration.

Retail Banking Business

The Bank focused on scenario building and strengthened support for consumer finance. It vigorously enhanced cooperation with online platforms, launched marketing campaigns on internet platforms such as Alipay, WeChat, Douyin and Ctrip to promote account binding, customer activation and consumption, expanded scenario coverage, and continuously improved its precision marketing capabilities. During the reporting period, the marketing campaigns attracted a participation of over 90 million person-times and drove consumption up by over RMB80.0 billion, and the growth rate of the Bank's quick payment consumption ranked among the top in the industry. The Bank also improved the offline consumption scenario-based ecosystem, drove scenario development in lower-tier markets through "micro business circles", stepped up financial support for consumer goods trade-in programs, and enhanced the quality of convenient and beneficial services for the public. The total payment amount via the Bank's credit cards in consumer goods trade-in programs exceeded RMB6.2 billion in the year. **The Bank improved customer quality and enriched the product portfolio.** The Bank built a high-quality customer acquisition framework that places equal emphasis on both cross-marketing among existing customers and expansion of new customers. Targeting key customer groups, it increased credit card penetration among existing customers, upgraded the customer activation framework, and systematically improved customer quality. The Bank continuously improved its credit card product portfolio and customer services, and rolled out a number of new products including the Dingsheng Platinum Credit Card, Dingchang Platinum Credit Card, Mastercard Global Green Card, the China Railway Network Co-Branded Platinum Card, the consumption benefit-themed card, etc. These products offered value-added services covering business travel, transportation, medical care, and health benefits and provided cardholders with a richer card use experience with more benefits. **The Bank enriched financial services and expanded brand influence.** It further optimized its credit card asset structure, enhanced the quality and efficiency of credit card installment services based on various consumption scenarios, strengthened the development of self-service channels for statement installments, promoted the sound development of "Joy Installment" and merchant installment services, and promoted the diversified expansion of scenario-based installment business to meet the diverse financial needs of consumers. The Bank also strengthened the development of the centralized operation framework and capacity building, further optimized service processes and channels, enhanced the empowerment of business with digital and intelligent technologies, and continuously improved financial service satisfaction.

Leveraging Financial Strength to Support Credit Customers

Providing Professional Services for the Convenience of Personal Consumers

The Bank actively followed the guidance of policies for expanding domestic demand, focused on core areas of promoting consumption and enhancing people's well-being, seized policy opportunities, and strengthened consumer credit support. During the reporting period, the Bank made every effort to meet people's demand for first homes and better housing, focused on vibrant regions and high-quality channels, and steadily advanced the personal housing loan business. The Bank also capitalized on the central government's fiscal interest subsidy policy window, and increased financial supply in consumption sectors to meet residents' multi-level and diversified consumption needs. As at the end of the reporting period, the balance of the Bank's personal consumer loans recorded RMB3.02 trillion, an increase of RMB20,047 million from the prior year-end.

The Bank seized policy opportunities and broadened diversified service channels. Closely following interest subsidy policies and focusing on consumption hotspots, the Bank launched themed activities such as "PSBC Warm Winter • Festival Discounts" and "You Enjoy Credit • New Year Benefits and Upgraded Gifts", offering instant discounts and preferential interest rates and helping stimulate residents' consumption potential. The Bank deepened scenario-based services. By leveraging the "PSBC-Sponsored Car Purchase Season for Rural Areas" campaign, the Bank strengthened cooperation with OEMs, rolled out exclusive car purchase discounts, trade-in benefits and financial subsidies, and contributed PSBC's strength to residents' convenient travel. The Bank worked to enhance services and expanded customer engagement with higher quality. It built a multi-channel engagement framework, and expanded models such as "intelligent outbound calls plus LLMs" and "remote customer manager T+0 response" to provide readily available and accessible service support. The Bank innovated the limit management mechanism. It promoted credit limit auto-renewal for existing customers to simplify disbursement processes and continuously enhance customer experience. The Bank strengthened technological empowerment and created a convenient and efficient experience. It optimized online processes, promoted remote processing of housing loan application, and achieved a penetration rate of over 80%, significantly improving business processing efficiency. The Bank innovated marketing tools. It promoted light customer engagement service "Scan-and-Go" to create a convenient online service experience. The Bank deepened the refined operations and moved faster to implement centralized management. Regarding consumer credit business, the Bank completed approval centralization across all branches and products and entered a new stage of centralized operations. During the reporting period, the average approval time for consumer credit across the Bank was shortened to less than three hours, a 60% reduction compared with the approval time before centralization; and the number of review and approval personnel decreased by 30% compared with that before centralization, significantly improving approval efficiency. The Bank also fully implemented the centralized collection model. It built an integrated collection framework featuring "intelligent plus manual and Head Office plus branches" collaboration, achieved closed-loop management of consumer credit across the entire process, and empowered steady business expansion.

> Mastercard Global Green Card – Gold Card

> China Railway Network Co-Branded Card

Retail Banking Business

Serving Personal Business Customers through Systematic Upgrading

Taking digital transformation, centralized operations and scenario-based services as main tasks, the Bank continuously upgraded its product framework, operation procedures, and service models, accelerated the transformation of the operation framework, launched an initiative to improve asset quality, and enhanced the quality and efficiency of micro loan services. As at the end of the reporting period, the balance of the Bank's personal micro loans amounted to RMB1.62 trillion, an increase of RMB81,749 million from the prior year-end.

In terms of business development, the Bank seized the opportunities presented by loan interest subsidies for business entities in the service sector and the development of industry segments, developed an industry action map, and stepped up services for key industries by strengthening support, seizing opportunities, and focusing on key areas. The Bank vigorously promoted the Henan service model involving "100 counties, 1,000 towns and 10,000 villages", built a government-bank cooperation platform, transformed fragmented services into batch services, and deepened its footprint in the rural market. The Bank increased efforts to introduce external data, optimized business investigation and approval processes, established a "general plus exclusive" solution management framework, supported branches to efficiently configure differentiated product elements, and enhanced customer service efficiency.

In terms of the operation framework, the Bank further advanced proactive credit extension to Sannong customers, enriched internal and external data sources, expanded the scope of direct operations by the headquarters, further optimized the online operation framework, and created convenient online products. The Bank reshaped the micro loan product framework, followed the principles of "unified credit extension logic, unified customer group classification, unified business processes, unified system bases, and unified risk control standards", and drove the transformation of the product framework and business processes. The Bank continuously promoted the centralized operation of micro loans. It centralized the review and approval of micro loan business of 20 branches at the Head Office, centralized the follow-ups of low-risk post-lending early warnings at the Head Office, and optimized the push notification rules for initial post-lending and high-risk early warnings, promoting cost reduction, quality improvement, and efficiency enhancement in business operations. The Bank further optimized the digital Sannong customer operation platform, developed mobile operation tools for customer managers, and effectively improved their productivity. **In terms of asset quality,** the Bank launched an initiative to improve the asset quality of micro loans, strictly controlled new customer onboarding, properly disposed of existing risks, strengthened the capacity building of the customer manager team, and made efforts to ensure sound risk profile of businesses with new limits and new disbursements.

Comprehensively Promoting Proactive Credit Extension to Create a Differentiated Growth Pole

Column

Proactive credit extension to personal customers is an innovative online credit business model developed by the Bank based on its strategic positioning and resource advantages, which is designed to achieve growth in credit scale and comprehensive customer management at low operating costs. After three years of development since the launch of proactive credit extension in September 2022, the program has achieved balanced and unified development in four aspects, namely rapid business growth, effective risk control, low operating costs, and excellent customer experience, becoming one of the Bank's differentiated growth poles.

Regarding rapid business growth, as at the end of the reporting period, the balance of personal proactive credit extension loans exceeded RMB350.0 billion, with a compound annual growth rate of 138% over the past three years. **Regarding effective risk control,** the NPL ratio of loans granted through proactive credit extension was kept within 1%, significantly lower than that of similar businesses. **Regarding low operating costs,** customers of proactive credit extension were mainly acquired through remote channels such as the mobile banking app, intelligent outbound calls, and SMS in a targeted manner, and the full life-cycle management such as customer onboarding and loan renewal was conducted by the headquarters via centralized and online operations, so the operating cost of proactive credit extension was significantly lower than that of other businesses. **Regarding excellent customer experience,** as the Bank proactively extended credit to customers, customers could quickly apply for loans through mobile banking and enjoy an instant loan approval experience.

In addition, the Bank further enhanced its core capabilities through proactive credit extension, primarily in five aspects, namely big data-driven list mining, multi-dimensional targeted marketing, minimalist product design, intelligent risk management and control, and integrated post-lending management. Specifically, the Bank leveraged big data technology to create customer profile tags from tens of thousands of dimensions and identified high-quality customers and potential credit needs. It developed multi-dimensional targeted marketing capabilities covering channels such as pop-ups, SMS, intelligent voice, and remote agents, introduced LLM tools to strengthen human-machine collaboration, and improved marketing conversion efficiency. By deeply integrating back-office data, the Bank simplified loan application procedures, enabled customers to obtain loans in as quick as three steps, namely, authorization, authentication, and submission, and provided "One-Click Renewal" service. Focusing on big data and AI, the Bank built an intelligent risk control framework encompassing the entire credit process, continuously introduced various external data to improve the customer risk dashboard, developed real-time offensive and defensive capabilities against telecommunications fraud and credit fraud, built an agile iteration mechanism for risk control models and strategies, and ensured the effectiveness of risk control measures on an ongoing basis. The Bank also strengthened post-lending AI early warnings, developed a full-chain integrated collection management model, and efficiently resolved and handled risks. These core capabilities not only supported the development of proactive credit extension but also empowered the development of retail credit business across the Bank.

Going forward, while firmly upholding the bottom line of risk control, the Bank will leverage new technologies such as AI LLMs to enhance its core capabilities, strengthen the penetration and conversion of various customer segments, improve the management of existing customers, and elevate proactive credit extension to a new level.

Corporate Banking Business

The number of corporate clients reached **1,978.2** thousand, with **316** thousand newly acquired clients in the whole year, and the aggregate number of corporate clients grew by **9.65**% over the prior year-end.

The Bank served over **100,000** technology enterprises, with the balance of technology loans surpassing RMB**950** billion, representing an increase of over **13**% over the prior year-end.

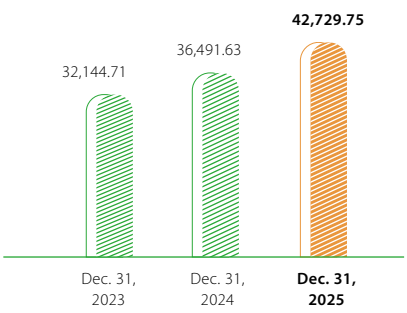
The Bank's FPA totaled RMB**6.79** trillion, up by RMB **1.23** trillion, or **22.08**% over the prior year-end.

The operating income of corporate banking business was RMB**80,090** million, representing an increase of **16.92**% year on year.

Corporate loans

(In RMB100 million)

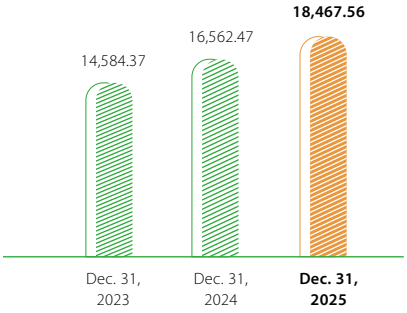
Increase from the prior year-end **17.09**%



Corporate deposits

(In RMB100 million)

Increase from the prior year-end **11.50**%



During the 14th Five-Year Plan period, the Bank resolutely implemented national strategic plans, focused on its main task of serving the real economy, and effectively strengthened financial support for key sectors and weak links. It proactively shored up weaknesses and filled gaps, and achieved an increase of over eight times in the intermediary business income of corporate banking business and the doubling of the number of corporate clients. The Bank further advanced system development and continued to improve its synergy effects. In 2022, the Bank piloted the new "1 plus N" framework[1]. In 2023, it fully rolled out the six-in-one integrated service model. In 2024, it built a "1 plus 3" framework through GBC (Government, Business and Customer) collaboration, corporate wealth management, and digital and intelligent transformation. In 2025, it drove the upgrading to a reform of six systems. These efforts strengthened the cultivation of clients who choose the Bank as their primary bank, optimized the Bank's business structure, significantly enhanced its comprehensive service capabilities, and enabled the Bank to achieve a leap in the scale of its corporate banking business.

During the reporting period, for the corporate banking business, the Bank focused on client needs and market trends, consistently deepened institutional and structural reforms, implemented targeted measures on sustainable value creation, and promoted high-quality and rapid business growth. As at the end of the reporting period, the number of corporate clients reached 1,978.2 thousand, with 316 thousand newly acquired clients in the whole year, and the aggregate number of corporate clients grew by 9.65% over the prior year-end. The Bank established a framework of multi-tiered specialized institutions for technology finance and continuously strengthened financial support for sci-tech innovation. It served over 100,000 technology enterprises, with the balance of technology loans surpassing RMB950 billion, representing an increase of over 13% over the prior year-end. The Bank's FPA totaled RMB6.79 trillion, up by RMB1.23 trillion or 22.08% over the prior year-end. Corporate loans reached RMB4,272,975 million, an increase of RMB623,812 million or 17.09% over the prior year-end. Corporate deposits stood at RMB1,846,756 million, an increase of RMB190,509 million or 11.50% over the prior year-end. During the reporting period, the operating income of corporate banking business was RMB80,090 million, representing an increase of 16.92% year on year; and the intermediary business income of corporate banking was up by 32.34% year on year.

1 The new "1 plus N" operation and service framework refers to the framework under which the Bank carries out reform and in-depth application of the operation mechanism and develops a marketing support service framework that integrates the front, middle and back offices by focusing on the six dimensions of customer, product, collaboration, service, risk and technology.

Boosting the Efficiency of Serving the Real Economy

The Bank promoted coordinated regional development in a vigorous and orderly manner. The Bank worked to channel funds toward strategic regions, policy-oriented businesses and key industries, continuously served development strategies for national key regions, and contributed to the coordinated development of the Beijing-Tianjin-Hebei Region, the construction of Xiong'an New Area, the integration of the Yangtze River Delta, the ecological protection of the Yellow River Basin, the development of Guangdong-Hong Kong-Macao Greater Bay Area, and the building of the Hainan Free Trade Port. As at the end of the reporting period, the balance of the Bank's corporate loans to key regions grew by 19.82% over the prior year-end.

The Bank facilitated the establishment of a new real estate development model at a faster pace. The Bank fully implemented the country's real estate policy and built a financial service framework that is aligned with the new development pattern for real estate sector. It properly distinguished between the project risk and the risk of the operating entities, met the reasonable financing needs of real estate enterprises, increased support to meet the financing needs of real estate enterprises for revitalizing existing assets, promoted the building of "quality homes" in an orderly manner, and actively supported urban renewal projects. The Bank fulfilled its responsibility as a major state-owned bank, and contributed to the stable, sound and high-quality development of the real estate market.

The Bank continuously enhanced the quality and effectiveness of financial services for the manufacturing sector. Aligning itself with the strategic orientation on providing financial support for the new industrialization, the Bank consistently optimized internal resource allocation, refined its differentiated credit extension system, and increased the provision of financial resources to the manufacturing sector. Leveraging the "Hundred Branches, Thousand Sectors" Special Initiative[1], the Bank focused its efforts toward niche specialty industries. Focusing on three main tasks, including the transformation and upgrading of traditional industries, the cultivation and expansion of emerging industries, and the forward-looking planning for future industries, the Bank precisely empowered the high-end, intelligent, and green transformation of the manufacturing industry, providing robust financial support for building a modern industrial system. As at the end of the reporting period, the balance of the Bank's medium- and long-term loans to the manufacturing sector increased by 11.35% over the prior year-end.

The Bank supported all-around rural revitalization through financial services. With a close focus on key areas such as national food security and stable production and supply of key agricultural products, industrial development in rural areas, and rural development, the Bank continuously developed new financial products and service models. It strengthened financial support for the construction of high-standard farmland and key agricultural industry chains such as the grain industry chain, made active efforts to ensure financial investment in rural infrastructure construction, launched the "Initiative of Serving Strong Counties and Wealthy Towns" to promote high-quality development of the county economy, consistently consolidated achievements in poverty alleviation, and enhanced financial services for regions and populations lifted out of poverty. As at the end of the reporting period, the balance of the Bank's agriculture-related corporate loans grew by 20.65% over the prior year-end.

The Bank empowered low-carbon transition and advanced sustainable development. The Bank focused on the two strategic directions of green development and transformation and upgrading, balanced the two objectives of stable growth and value enhancement, and drove higher-quality development of green and low-carbon sectors. In terms of green finance, leveraging policy tools such as carbon emission reduction facility and FTP (funds transfer pricing) incentives, the Bank continued to increase credit supply to key areas such as clean energy, energy conservation, carbon reduction, and green manufacturing. In terms of transition finance, the Bank developed sustainability-linked loans into its flagship product and followed the transition finance guidance documents issued by the PBOC and regional authorities to steadily advance its business practices. A number of benchmark projects in carbon-intensive industries such as aviation, coking, and cement were implemented. As at the end of the reporting period, the balance of the Bank's wholesale green loans grew by 18.38% over the prior year-end.

1 The "Hundred Branches, Thousand Sectors" Special Initiative designates the "Hundred Branches" (over a hundred tier-2 branches) as the main driving force and the "Thousand Sectors" (over a thousand regional specialty industries) as the main focus areas. The initiative aims to carry out targeted marketing campaigns and pursue comprehensive development for specialty industries, with the manufacturing sector as a priority and other industries covered as well. Through deep engagement with these sectors, the initiative seeks to cultivate specialized branches, enhance credit extension and credit coverage for clients in specialty industries, increase the number of clients with the Bank acting as their primary bank, and improve industry research quality.

Corporate Banking Business

The Bank provided financial support for the high-quality development of the elderly care industry. The Bank promoted the implementation of the "5-2-3" integrated marketing framework[1] in a solid manner, innovated loan products for elderly care facilities, supported the expansion of the supply of elderly care services, expanded coverage into sub-sectors of the elderly care industry, and facilitated the implementation of key projects under various industrial operation models, e.g., acting as the lead bank for a syndicated loan to finance newly-built health care and wellness complexes; establishing a "one hub driving the nationwide business" cooperation model with leading insurance groups; supporting the construction of local vocational and technical schools for health care and wellness; and implementing integrated medical and elderly care projects. The Bank actively implemented the PBOC's relending policy for service consumption and elderly care. More financial supports were provided for key service consumption areas and the elderly care industry, and the Bank completed the application and secured the disbursement of the first two tranches of relending facilities. The Bank also promoted the fund supervision for elderly care institutions and achieved system connection with the national elderly care service information platform.

The Bank enriched its service ecosystem and continued to strengthen financial support for private enterprises. The Bank continuously deepened its specialized service capabilities, promoted the integrated development of services for the private economy with inclusive finance and technology finance, and strove to develop financial services for private enterprises as a key growth driver for the Bank's overall development. Among the Bank's clients of technology enterprise loans and inclusive MSE legal entity loans, private enterprises accounted for over 95%. The Bank actively built a service ecosystem for private enterprises, signed a strategic cooperation agreement with the All-China Federation of Industry and Commerce, co-hosted with the Federation an event themed "PSBC-Enterprise Collaboration for New Progress" that connected private enterprises with the Bank, launched the "Five Force Empowerment"[2] special initiative for private enterprises, and fostered multi-level collaboration with federations of industry and commerce at all levels. By taking advantage of structural monetary policy instruments, investment-loan linkage for private investment projects, and coordination mechanisms for MSE financing, the Bank continuously intensified ongoing outreach and engagement with relevant private enterprises, with a focus on key areas such as railways, nuclear power, urban infrastructure, low-altitude economy, commercial aerospace, and national major technological breakthroughs, ensuring precise match between credit supply and private investment demand. As at the end of the reporting period, the Bank's balance of loans to private enterprises reached RMB2.68 trillion, accounting for over 27% of total loans to customers, ranking in the forefront among major state-owned banks.

1 The "5-2-3" integrated marketing framework refers to "five key areas, two strategies, and three types of marketing and service models". The Bank focuses on five key areas, namely health care and wellness travel, integration of medical and elderly care services, institutional elderly care, smart health care and elderly care, and silver product manufacturing; strengthens its client group strategy and regional strategy; and innovatively promotes integrated marketing and service model serving the full-life cycle of projects, the marketing and service model for the whole industry chain, and the GBC (government, business, customer) linkage marketing and service model.

2 The "Five Forces" refer to the driving force for business development, guiding force for technological innovation, supporting force for digital and intelligent transformation, constructive force for modern governance, and expanding force for eco-cooperation.

Supplementary Case

Following the signing of a strategic cooperation agreement between PSBC Guangdong Branch and Guangdong Federation of Industry and Commerce, all tier-2 branches under its jurisdiction signed agreements with municipal-level federations of industry and commerce, while over 30 tier-1 sub-branches entered into agreements with county- and district-level federations. Together with federations of industry and commerce at various levels and their affiliated business associations, they have jointly organized more than 70 client activities, including joint visits, roadshows, salons, and training sessions, cumulatively engaging with over 3,700 enterprises. As at the end of the reporting period, the balance of loans to private enterprises granted by PSBC Guangdong Branch exceeded RMB200 billion, representing a growth of nearly 13% over the prior year-end.

> PSBC account managers visit enterprises using specialized and sophisticated technologies to produce novel and unique products to understand their R&D of automated intelligent control equipment.

The Bank innovated its technology finance services and built itself into an emerging force in technology finance. It strengthened top-level design and established a professional institutional framework, including the Technology Finance Committee and the Technology Finance Center at the Head Office, and formed a technology finance task force to promote relevant key initiatives, boosting innovation and breakthroughs across the Bank's technology finance business. In regions with a high concentration of technology enterprises, the Bank established over a hundred specialized technology finance institutions. It also set up Level I Department of Technology Finance Business in its Beijing, Shanghai, Jiangsu, Zhejiang, Anhui, and Shenzhen branches, leveraging specialized expertise for specialized sectors to enhance financial services for strategic emerging industries and future industries. **The Bank continuously upgraded its "U Prosper" product matrix** by innovating and refining exclusive credit products for early-stage technology enterprises and promoting technology M&A loans, major technology project loans, and "U Prosper Plan" products and services. It actively participated in the development of the "sci-tech board" of the bond market and successfully issued RMB5 billion of sci-tech innovation bonds. **The Bank addressed credit extension challenges and established a dedicated risk control framework.** The Bank widely adopted the "technology flow" evaluation framework, granting credit lines of over RMB100 billion to clients assessed under this model. It also advanced the development of the "Sci-Tech Innovation Cloud Map", a comprehensive panoramic evaluation platform for technology enterprises, empowering the entire client service process and cultivating employees with both the courage and expertise to extend credit. **The Bank strengthened internal and external coordination to further empower technological innovation.** It released the "Together We Win" comprehensive service plan, and leveraged its retail finance strengths and corporate service experience to realize dual empowerment of enterprises in terms of hard technology and talent soft power. The Bank worked with the SSE to organize a special event themed on "Visit the SSE, with PSBC by Your Side", which helped address financing challenges faced by technology enterprises. It also collaborated with high-quality venture capital institutions to provide investment-loan linkage services, delivering "commercial banking plus investment banking" services to empower clients.

Corporate Banking Business

Supplementary Case

Actively responding to the national strategic guidance, PSBC Tianjin Branch collaborated with the Tianjin Municipal Science and Technology Bureau, PICC P&C Tianjin Branch, and other organizations[1] to establish the "Joint Laboratory of Biomanufacturing and Technology Finance", accelerating the commercialization of sci-tech achievements. Based on the service network established through this cooperation platform, the Tianjin Branch promptly formed a specialized service team after learning that a biotech company was facing a funding gap. The branch addressed the company's financing needs with the specialized "Bank-Insurance Linkage" products, namely "R&D Loan" and "R&D Insurance", which were developed in collaboration with PICC P&C Tianjin Branch, and tailored for technology enterprises during their R&D phase. PICC P&C Tianjin Branch provided insurance services for the company's technology R&D, while the Bank proactively offered a customized credit service plan for the company and issued RMB13 million of "R&D Loan" to it after comprehensively considering factors such as the company's R&D investment, patent strength, growth potential, and policy support through the "future-oriented" evaluation model. Those efforts injected a "strong stimulus" into the company's biopharmaceutical R&D projects and helped the company accelerate the transformation of scientific research achievements into practical productivity.

Product and Service Innovation

Treasury and Asset Management and Channel Services

The Bank accelerated product innovation across the entire chain and drove the in-depth optimization and upgrading of the product portfolio. Striving for the goal of digital and intelligent empowerment, the Bank steadily upgraded its "5U Smart Finance"[2] product system. It integrated supply chain finance, bank acceptances, letters of credit, letters of guarantee and cross-border services in a practical and innovative manner, and deepened the iterative upgrading of the service system, working to provide clients with a digital and intelligent integrated financial solution covering the entire supply chain and all scenarios. The system fully covers core stages of operation, from bidding, storing, and procurement to inventory management, accounts receivable financing, and cross-border settlement, meeting diverse client needs in financing, settlement, transaction, guarantee, and risk mitigation. The Bank continuously delivered smarter and more precise customer services, and achieved an all-around upgrade of its service system.

The Bank revitalized its digital and intelligent product system and developed industry-chain-level services and logistics-tailored finance. The Bank introduced the innovative product "Asset Pool", better serving clients' integrated needs for "asset management plus financing services", and fostering a new business growth driver. By deepening its "industry plus scenario" approach, the Bank developed an industry-chain-level integrated solution, which focuses on eight key industries, including manufacturing, construction and logistics, and expands into distinctive regional industrial chains. It also upgraded its special initiatives for distinctive logistics finance and launched tailored solutions of shipping finance to fully support the development of national shipping hub and modern port logistics system. As at the end of the reporting period, the number of core enterprise[3] clients grew by 61.17% over the prior year-end, and the number of financing clients on the chain increased by 53.14% over the prior year-end.

1 Tianjin Municipal Science and Technology Bureau, PSBC Tianjin Branch, PICC Property and Casualty Company Limited Tianjin Branch (hereafter referred to as "PICC P&C Tianjin Branch"), School of Finance at Nankai University, Frontier Research Institute for Synthetic Biology at Tianjin University, and National Center of Technology Innovation for Synthetic Biology jointly established the "Joint Laboratory of Biomanufacturing and Technology Finance (Tianjin Base)".

2 "5U Smart Finance" refers to the digital and intelligent integrated service system encompassing U-Chain, U-L/C, U-L/G, U-Acceptance, and U-Remittance.

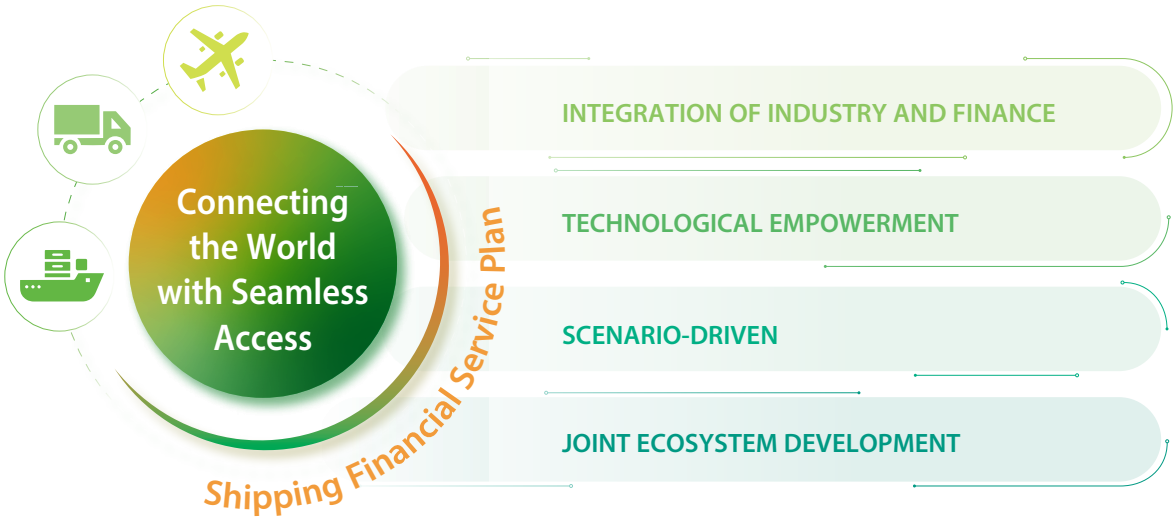
3 Core enterprises refer to those that hold a core position within a supply chain.

Building a Logistics Finance Ecosystem, Empowering Shipping Networks Through Finance Support

Column

The Bank fully implemented the CPC Central Committee's major strategic plan of building a strong maritime nation and a shipping power at a faster pace, focused on national strategic orientation and core demands of industrial chains, and established an integrated financial service framework spanning the entire "port-shipping-logistics-industry" chain through its special initiatives to boost logistics finance. Through various measures including innovating service models based on local conditions, forming specialized service teams, and designing tailored solutions, the Bank addressed financial needs in key scenarios such as port and shipping infrastructure construction, industrial clustering, and logistics operations. This enabled precise allocation of financial resources to critical nodes within the shipping ecosystem and demonstrated the Bank's commitment as a major state-owned bank to supporting the development of national shipping hub and modern port logistics system.

Closely following Tianjin's strategic focus on "building a northern international shipping hub, concentrating shipping resources, promoting high-quality integration of port, industry and urban development, and establishing a financial innovation operation demonstration zone", PSBC Tianjin Branch leveraged Tianjin's port advantages as a pivot to develop an all-encompassing maritime logistics finance service system and publicly released the Four-Domain Support, Seven-Measure Promotion: Postal Savings Bank of China's Shipping Financial Service Plan for Tianjin. These efforts drove growth in the Bank's shipping and logistics financing scale in Tianjin, facilitated breakthroughs in its service model innovation, and enabled significant improvements in its service quality and efficiency. By fully integrating into Tianjin's development of international shipping hub, the Bank advanced deeper integration of port, industry and urban development, and contributed sustained financial support to fostering a modern port industrial cluster and building a world-class shipping and logistics hub.



Corporate Banking Business

With precise integration and innovation, the Bank boosted the digital and intelligent upgrade of corporate settlement services. It intensified product innovation efforts, deepened ecosystem connectivity, and focused on two core strengths of "digital treasury management" and "digital integration of business and finance operations" to empower digital transformation of enterprises and accumulate new momentum in corporate settlement services. The Bank strengthened its efforts in developing a treasury service framework and upgraded cross-bank cash management capabilities and user experience to meet diverse corporate treasury management needs. It developed the comprehensive "**Easy Corporate Treasury (Treasury Cloud)**" service framework, offering a one-stop digital treasury management solution with rich products, flexible functions, and extensive scenario coverage. During the reporting period, the Bank served treasury management projects of over a hundred enterprises, helping clients improve the efficiency of financial resource allocation. The Bank also continuously improved its collection services. It provided clients with unified solutions for collection and settlement, intelligent reconciliation, and business-finance collaboration by leveraging an open payment system that integrates online and offline collection channels. As at the end of the reporting period, "**Easy Corporate Collection**" served 13.8 thousand entities, with cumulative transaction volume reaching RMB107.2 billion, meeting demands across multiple industry scenarios. To elevate payment service efficiency, the Bank upgraded the batch payment experience based on its new-generation core system for corporate banking business. Through the introduction of an intelligent transfer system, the automated and precise payment instruction matching capability was significantly enhanced, raising the success rate to 99%. The Bank also established a parameter- and configuration-based service system, which enabled rapid response to client needs and flexible customization, and reduced operational complexity and digital transformation costs. As at the end of the reporting period, "**Easy Corporate Payment**" had 241.4 thousand registered clients, with a cumulative transaction volume in the year totaling RMB119,137 million. In supporting SMEs' digital transformation, the Bank continuously improved its "Easy Corporate Operation" service capability by adding new scenarios such as bidding, procurement, and industrial park, launching dedicated services for STAR Market-listed companies, and fostering seamless collaboration with Meituan and other ecosystems to expand digital service boundaries. The Bank implemented a "One Sector per Quarter" operational strategy, and comprehensively improved the customer service experience with function introduction videos and operating instructions. As at the end of the reporting period, "**Easy Corporate Operation**" served 175.2 thousand clients, effectively enhancing their internal operation and management efficiency. The Bank developed a new bank-enterprise connectivity solution, systematically integrated traditional services with cloud resources, and removed cross-platform connection barriers to deliver more efficient and agile channel service solutions for clients. As at the end of the reporting period, "**Easy Corporate Link**" served 4,174 group clients, with an annual transaction volume reaching RMB12.63 trillion, establishing itself as a digital bridge for serving group clients. Furthermore, the Bank developed a new intelligent fund supervision model. Based on its "**Easy Corporate Funds Supervision**" platform, the Bank innovatively linked government, business, and customer (GBC) and built an intelligent funds supervision system that combines rule-based control, dynamic fund disbursement, and full-visibility information tracking. This effectively resolved the efficiency and trust challenges of traditional supervision models and helped clients reduce costs, enhance efficiency, and strengthen compliance management. During the reporting period, the platform was successfully deployed across 20 specific scenarios within four major categories, including engineering construction, support for people's basic needs, prepaid consumption and services, and corporate operation, with its coverage continuing to expand.

The Bank provided high-standard services to facilitate the effective implementation of fiscal policies. The Bank comprehensively enhanced fund collection and payment efficiency while strengthening security controls, and established an end-to-end, integrated agency fiscal service framework. It obtained the qualification for handling authorized zero-balance account payments by the central fiscal authority, and was rated "Excellent" across all three central government treasury centralized payment and collection agency services in the MOF evaluation. Leveraging big data technology, the Bank took the lead in launching a segregated account management function for government bonds within the integrated agency fiscal systems of multiple provinces. This enabled precise oversight of proceeds raised and ensured that local government bonds effectively supported major projects such as new consumption scenarios, government-guided investment funds for sci-tech industries, and new urbanization, as well as industrial transformation and upgrading, and the optimization of public services.

The Bank empowered smart government services with technology and helped support people's basic needs. The Bank always regarded supporting people's basic needs as a core mission of its financial services, and continuously enhanced its integrated service framework featuring "finance plus social security plus medical insurance plus education". It reinforced fund services and value-added management for social security and medical insurance programs and built a financial service ecosystem spanning the entire education chain. By developing a government service finance cloud product portfolio, the Bank accelerated the digital and intelligent transformation of government services. As at the end of the reporting period, its government service finance cloud platform launched a total of eight sub-platforms, introducing new scenarios, including "Smart Business Association", "Smart Religion", and "Smart Party Building" based on existing products such as "Medical Account Connection", "Agricultural Business Matchmaking", and "Smart Education", to respond to the evolving needs of digital government development and significantly improve service quality and efficiency.

Financing, Advisory and Investment Banking Services

Committed to the integration of commercial banking and investment banking, the Bank improved its operation system featuring synergy between "commercial banking plus investment banking" businesses. By actively leveraging three core functions of capital saving, asset revitalization, and resource integration, the Bank significantly strengthened the value creation capabilities of its investment banking business. During the reporting period, the Bank's intermediary business income of investment banking recorded RMB4,596 million, up by 38.52% year on year.

The Bank adhered to the principle of capital saving and built up momentum for the capital-light transformation. The Bank excelled in both quality and performance in bond financing business. During the reporting period, the Bank underwrote RMB153,128 million of debt financing instruments of non-financial enterprises under the National Association of Financial Market Institutional Investors (NAFMII). In line with national strategies, the Bank acted as an underwriter for the market's first batch of sci-tech innovation bonds and M&A-related notes. During the reporting period, it underwrote sci-tech innovation bonds and notes totaling RMB10,585 million, representing a year-on-year increase of 25.34%. **The Bank promoted low capital consumption by leading syndicated loans.** Upholding the development philosophy of "striving to act as lead bank, agent bank, and primary bank", the Bank proactively took on leading and distribution roles in syndicated loans, expanding its FPA scale while saving capital. As at the end of the reporting period, its balance of syndicated loans exceeded RMB900 billion, up by 16.42% over the prior year-end. **The Bank established a financial advisory service framework to fully enhance its**

Corporate Banking Business

financial advisory service capabilities. Focusing on four key areas of research advisory, matchmaking advisory, M&A advisory, and digital intelligence advisory, the Bank delivered online and offline integrated solutions that combine financing with advisory, in a bid to address client pain points in investment, financing, and operations. This approach continuously enriched the Bank's service scenarios for the real economy. During the reporting period, the Bank served more than 600 clients under advisory scenarios. **The Bank gave full play to the role of its matchmaking business in offering differentiated services.** The Bank developed an open ecosystem and an off-balance-sheet financing service system to meet clients' diversified financing needs. During the reporting period, its non-bank matchmaking volume surpassed RMB30 billion.

The Bank built an investment banking service framework for asset revitalization. On the one hand, it expanded innovative investment banking instruments, including asset securitization, multi-tiered Real Estate Investment Trusts (REITs), and Covered Bond (CB) to serve clients across various scenarios of revitalization of existing assets, achieving notable demonstration effects. The Bank also led major banks in the issuance volume of Credit Risk Mitigation Warrants (CRMW). On the other hand, the Bank established a comprehensive M&A finance service framework encompassing M&A loans, M&A advisory, M&A matchmaking, M&A funds, and M&A notes, strengthening support for asset revitalization, industrial restructuring, and new quality productive forces. During the reporting period, the Bank successfully executed multiple restructuring and M&A projects for technology enterprises. As at the end of the reporting period, its balance of M&A loans exceeded RMB50 billion, representing an increase of 32.20% from the prior year-end.

The Bank strengthened resource integration and co-built a new ecosystem of comprehensive services. It organized events such as the "Investment Banking Forum" and the "PSBC Quality Bonds" series activities to deepen client engagement and enhance brand building. By fully leveraging the synergies among capital and licenses within the Group, the Bank actively expanded diversified partnerships and built a network of peers, fostering a multi-channel, multi-scenario investment and financing ecosystem that connects funds and assets, and enhancing the market influence of its investment banking brand and its resource integration capabilities.

The Bank built a "Smart Investment Banking" digital and intelligent ecosystem. It fully integrated business, technology and data resources, established the U-Wing intelligent financial advisory service platform, the smart cockpit platform and the intelligent risk control platform, launched "You Xiaobao", the market's first AI trading bot for investment banking business, and unlocked new scenarios for intelligent applications, advancing the transition from "Smart Investment Banking 2.0" to "Smart Investment Banking 3.0".

> The Bank supports Hainan expressway development through syndicated loans.

Implementing Technology Finance Strategy to Foster Engines Driving New Quality Productive Forces

Column

Following the guiding principles of the Central Financial Work Conference, the Bank focused on the development requirements of technology finance, continuously improved its specialized and integrated financial service framework, provided targeted support for technological innovation and industrial upgrading, and strove to address the key links in the transformation of scientific and technological achievements, injecting financial momentum into high-quality development and the cultivation of new quality productive forces.

Seizing the opportunities presented by the "sci-tech board" in the bond market, the Bank concentrated its efforts on sci-tech innovation bonds. It underwrote the first batch of sci-tech innovation bonds in the market, serving issuers including financial institutions, private enterprises, and equity investment institutions. On the one hand, the Bank helped mature sci-tech enterprises expand their use of proceeds and financing channels, effectively stimulating the technological innovation vitality of private enterprises. On the other hand, it provided equity investment institutions with more convenient financing tools to make investment in the field of technological innovation, guiding market capital to flow more precisely into "hard technology" sectors.

Actively implementing national strategies, the Bank issued its inaugural sci-tech innovation bonds. On August 19, 2025, it successfully completed the book building and issuance of RMB5 billion of sci-tech innovation bonds in the National Interbank Bond Market. The issuance consisted of both fixed-rate and floating-rate tranches, both of which received wide recognition and strong investor subscription. This issuance marked the Bank's inaugural sci-tech innovation bond. Notably, Tranche II represented both the market's first three-year floating-rate sci-tech innovation bond and the first floating-rate sci-tech innovation bond issued via the ChinaBond blockchain-enabled book building and issuance system. The proceeds will be primarily directed toward technology R&D and industrialization projects that are aligned with national strategies, thereby continuously contributing to China's strength in science and technology.

The Bank proactively developed M&A loans for technology enterprises, supporting their integration efforts and advancing the development of new quality productive forces. Guided by the philosophy of innovation-driven development, the Bank focused on the core objective of strengthening and supplementing industrial chains for technology enterprises, leveraged M&A finance as a tool to empower resource integration and value enhancement of technology enterprises, and built a comprehensive financial service framework covering the entire lifecycle of technology enterprises. During the reporting period, the Bank successfully extended nearly RMB3.7 billion in M&A loans to technology enterprises, effectively supporting a number of high-quality technology enterprises in their M&A activities and providing important financial support for the development of new quality productive forces.

Corporate Banking Business

Business Framework Development

The Bank continuously enriched both the substance and scope of the new "1 plus N" framework while advancing the reform of its corporate banking market service framework. Focusing on products, channels, marketing, collaboration, and other key elements, the Bank promoted the development of six major systems, namely "1 plus N" synergy, three-dimensional marketing, scenario-based products, centralized operations, digital and intelligent risk control, and integrated organization, in order to strengthen resource support. The Bank improved its strategic client service system, and prioritized the inclusion of a new batch of group enterprises with strong growth potential and significant collaboration opportunities in emerging industries, in a bid to develop them into clients who choose the Bank as their primary bank. The Bank also deepened the application of the "1 plus N plus X" performance appraisal scheme, and consistently implemented an integrated appraisal approach. Furthermore, the Bank established a cross-regional linkage service mechanism, strengthened its capability to coordinate resources across regions with a customer-centric focus, and delivered seamless, smoothly connected customer service experiences.

The Bank accelerated the promotion and implementation of its corporate wealth management framework to support capital-light transformation and growth. It expanded the range of collaborative institutions for corporate wealth management businesses, including corporate wealth management products, corporate asset management plans, and corporate insurance, and further broadened and enriched its product matrix to extensively reach the interbank cooperation ecosystem. A closed loop of full-cycle professional services was established, covering pre-sales, sales, and after-sales stages based on clients' risk preferences and demand for value appreciation protection. The Bank made precise analysis of the distinct capital attributes and demand characteristics of different client groups, and leveraged the corporate wealth service system to provide intelligent wealth diagnosis and product recommendations, offering clients convenient, efficient and competitive wealth product portfolios and comprehensive services.

The Bank served the national strategic planning and enhanced the quality and effectiveness of GBC linkage. Guided by national strategies and closely aligned itself with the 15th Five-Year Plan, the Bank aimed to empower smart government services and help improve people's well-being. It focused on addressing the financial service needs in government services and people's livelihoods, and precisely met the reform and development requirements in key areas such as public finance, social security, healthcare, and education. By exploring a systematic approach encompassing "scenario building, platform support, client base expansion, capital channeling, and ecosystem development", the Bank created exemplary GBC linkage scenarios, further improved its business layout on all fronts, and created an integrated financial service chain spanning government affairs, industries, and people's livelihoods, injecting strong financial momentum into the real economy. Taking the tobacco industry as an example, the Bank gave play to its unique advantage derived from the collaboration between PSBC and China Post Group and between wholesale and retail businesses to establish a multi-dimensional comprehensive financial service framework covering the entire tobacco industry chain from planting and production to sales. This framework meets the multi-dimensional financial needs of provincial tobacco companies, tobacco farmers, and tobacco retail merchants, including payment and settlement, credit financing, and wealth management. Through professional and targeted financial services, the Bank provided solid support for the high-quality development, transformation, and upgrading of the tobacco industry.

The Bank carried out precise client management and continuously made innovations to cultivate and enhance its systematic advantages in client base expansion. The Bank continued to deepen its three-dimensional marketing

model for corporate clients, and established a full-lifecycle operation mechanism encompassing client acquisition, client activation, client retention, and value conversion, thereby empowering the growth of corporate clients and driving high-quality service delivery. Through its digital service front spanning five online operation platforms, namely corporate online banking, corporate mobile banking, "PSBC Corporate Assistant" applet, "corporate WeChat banking", and "Product Quick Access", along with remote banking, the Bank integrated online and offline services to build a digital service network characterized by "omnichannel coordination and all-scenario coverage". To enhance engagement with long-tail clients, the Bank launched targeted marketing campaigns, such as "New Corporate Client Rewards" and "Settlement Rewards", to boost transaction activity of corporate clients. The Bank strengthened data-driven marketing, connected data transmission pathways, and formed a closed-loop process of "external business data acquisition, outbound calling marketing by remote banking, and account managers' follow-up on leads", which improved the efficiency of new client acquisition. The Bank also actively promoted its three-dimensional marketing model to increase client reach and conversion rates and fully gave play to the positive effect of the model on developing regional clients.

The Bank integrated business development with digital intelligence, expanding the coverage and boosting the efficiency of digital and intelligent empowerment. The Bank launched the U-L/C 3.0, which is guided by a "technology plus scenario plus ecosystem" orientation to deepen technological empowerment. The U-L/C 3.0 made improvements of several functions, such as batch L/C issuance, one-click business initiation, and intelligent OCR-based invoice recognition, continuously improving the clients' operation experience. The Bank focused on scenario development, deeply embedded its services into the operational scenarios of industrial chains, and provided chain participants with diversified solutions, including letters of credit, bills, and letters of guarantee. The Bank strengthened joint ecosystem development. It utilized its proprietary treasury management system, U-Chain supply chain platform, and U-L/G digital and intelligent platform to build a self-developed industry ecosystem, and actively promoted interconnectivity between its systems and corporate clients' treasury management systems, striving to provide clients with more comprehensive, online, and intelligent integrated financial services. The Bank also advanced the application of domestic LLM technology and upgraded document-review scenarios. By utilizing multimodal large-model capabilities for image recognition and leveraging LLMs for information extraction and reasoning, the Bank optimized human-machine collaboration and steadily enhanced review efficiency in an innovative manner.

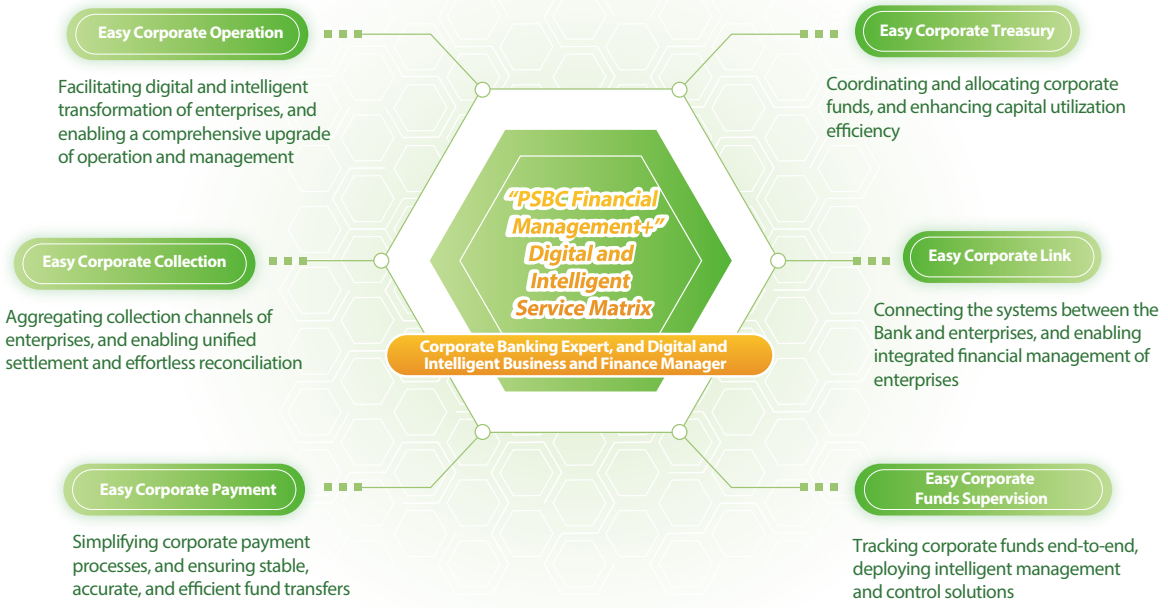
The Bank built a high-capability risk control platform to solidify its original digital and intelligent risk control capabilities. It developed the "OASIS", a proactive risk prevention and control platform, which innovatively incorporated new data dimensions, including satellite remote sensing, IoT, and Geographic Information Systems (GIS), in addition to traditional data from business registries, credit reporting, and transactions. The development of the platform promoted the synergistic interaction of multiple factors including human, machines, data, and intelligence and allowed them to play to their complementary strengths, and helped create a comprehensive, multi-dimensional, and forward-looking proactive risk prevention and control system for corporate banking business. The platform leveraged its capability of integrating multi-dimensional data resources to dynamically monitor critical aspects such as corporate operational status and project progress, intelligently identify and analyze risk signals, and provide objective, precise, and efficient support for decision-making in risk management, steadily advancing the transformation and upgrading of the Bank's risk control model from a "human-led approach supplemented by model strategies" to a "data-driven dynamic monitoring and intelligent decision-making-led approach", and consistently strengthening the Bank's core competitiveness in risk control in the digital and intelligent era.

Corporate Banking Business

Deep Integration of Scenario-Based Finance: Empowering Corporate Management Transformation and Upgrading with Digital and Intelligent Service Matrix

Column

In response to the evolving needs arising from corporate development and transformation, the Bank proactively moved beyond the singular role of "product supplier", took scenario-based financial services that are deeply integrated into the entire process of corporate operation as a key driver, and built and launched the digital and intelligent service matrix "PSBC Financial Management+", providing systematic solutions tailored to the digital transformation demands of enterprises, and helping them enhance their business and finance management and capital utilization efficiency.



"PSBC Financial Management+" achieved innovation and upgrade across five dimensions. First, "Service+", expanding from "funds management" to "comprehensive coverage". By addressing enterprises' digital transformation needs in production, operation, and management, the Bank provided integrated solutions encompassing coordinated management of funds, assets, and resources. Second, "System+", evolving from "a mere accumulation of tools" to "collaboration and interaction". The Bank focused on building a one-stop management hub for enterprises, allowing flexible selection of service modules. Third, "Experience+", shifting from "traditional operation" to "at-your-fingertips accessibility". Based on data interoperability and leveraging new technologies such as big data and AI, the Bank helped enhance corporate experience and achieve a value leap. Fourth, "Client Base+", extending from "exclusive to top-tier clients" to "equal access to digital intelligence". The Bank fully supported the digital transformation of enterprises in different industries and with different sizes. As at the end of the reporting period, "PSBC Financial Management+" served 206.8 thousand corporate clients. Fifth, "Lifecycle+", evolving from "phased services" to "end-to-end companionship". The Bank accompanied enterprises throughout their entire growth journey by offering customized and tailored services according to their different stages of development, from startup and growth to maturity.

Moving forward, the Bank will take "PSBC Financial Management+" as a vehicle to continuously expand the scope and depth of scenario-based financial services, faithfully implement the requirements for serving the real economy with financial services, and assist industrial chains in achieving digital transformation and high-quality development.

Treasury and Asset Management Business

The asset size of treasury business reached RMB **7.69** trillion, an increase of **12.15**% from the prior year-end.

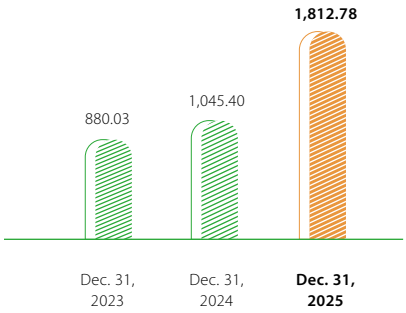
Assets under custody exceeded RMB **6** trillion, an increase of **11.12**% from the prior year-end, and the year-on-year increase in fee income outperformed the industry average by **8.95** percentage points.

The scale of wealth management products exceeded RMB **1.3** trillion, an increase of **28.81**% from the prior year-end.

Offshore RMB bond scale

Increase from the prior year-end **73.40**%

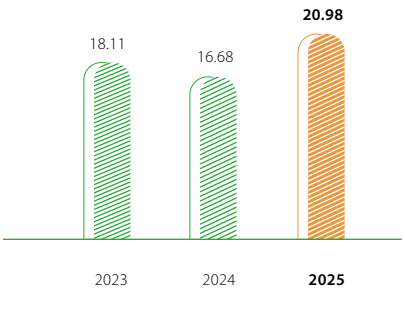
(In RMB100 million)



Non-interest income from the bill transactions

Year-on-year increase **25.78**%

(In RMB100 million)



During the 14th Five-Year Plan period, the Bank resolutely implemented the decisions and plans of the CPC Central Committee and adhered to long-termism. By enhancing capabilities, strengthening management and seeking innovation, it promoted the transformation and upgrading of treasury and asset management business, and vigorously served the high-quality development of the economy and society. The on-balance sheet assets of treasury and asset management business reached RMB7.69 trillion, an increase of over 70%; assets under custody exceeded RMB6 trillion, an increase of over 40%; and wealth management business exceeded RMB1.3 trillion, an increase of over 50%. In addition, the Bank's bond settlement volume in the interbank market of China Central Depository & Clearing Co., Ltd. exceeded RMB66 trillion, an increase of nearly 60%.

During the reporting period, based on its integrated business layout covering asset allocation, trading, management and sales, the Bank deepened all-around cooperation with interbank clients and strove to become a benchmark bank in interbank finance characterized by in-depth client cooperation, full-spectrum product offerings, strong innovation capabilities, extensive platform coverage, significant market influence and excellent profitability. **In terms of asset allocation,** the Bank adhered to the guidance of investment research, optimized the allocation of major asset classes, and solidified the "ballast" for portfolio returns. During the reporting period, the Bank continued to increase investment in government bonds, with the scale of new local government bonds increasing by 70.15% year on year. **In terms of asset trading,** the Bank advanced trading transformation, enriched trading products and strategies, and created a "booster" for profit growth. The bond trading volume grew by 21.10% year on year, and non-interest income from bills grew by 25.78% year on year. **In terms of asset management,** the Bank strengthened the dual-drive strategy, scaled up and strengthened custody and wealth management businesses, and developed the "main engine" for the transition toward capital-light operations. As at the end of

Treasury and Asset Management Business

the reporting period, the custody scale increased by 11.12% from the prior year-end, and the wealth management scale increased by 28.81% from the prior year-end. **In terms of asset sales,** the Bank moved faster to develop the interbank wealth management framework, integrated diversified businesses such as mutual funds, insurance asset management products, and wealth management products, and created the second curve for the growth of intermediary business income. Income from interbank agency sales increased by 88.82% year on year, demonstrating the continued realization of channel value.

Meanwhile, **the empowering effect of digital and intelligent transformation became more pronounced at a faster pace.** The "Together We Thrive" interbank ecosystem platform has formed an integrated business layout of "ten halls, three zones and two channels"[1], gradually becoming a comprehensive service portal for interbank clients. As at the end of the reporting period, over 2,500 institutions had registered on the platform, with a cumulative trading volume of over RMB9 trillion. The digital financial market system cluster achieved independent control of core technologies in key fields and industry-leading results in performance indicators. The third-generation core system for treasury business increased tenfold in peak load capacity, and its approval time for a single transaction was reduced to the millisecond level. The electronic trading system covered all FICC (fixed income, currency, and commodities) products and multiple channels and supported multi-strategy pricing, quantitative trading, and intelligent robot trading. The investment research decision-making system covered key areas, such as market research, investment decision-making, strategy management and risk analysis, achieving digital and intelligent coverage of the entire research lifecycle. The "Yinghai" banking big data system processed more than 600GB of data per day, continuously unlocking the value of data elements.

Financial Interbank Business

Interbank Investment and Financing Business

The Bank consistently adhered to the guidance of investment research. In light of the trend of market interest rates, the Bank actively met client needs and worked to enhance the quality and efficiency of interbank investment and financing business. As at the end of the reporting period, the scale of investment and financing business reached RMB1.97 trillion, of which pledged interbank deposits amounted to nearly RMB200 billion, representing a 136.84% increase compared to the prior year-end. During the reporting period, the Bank continuously enhanced its capabilities in the active management of fund investment and drove the coordinated development of businesses through investment in asset securitization. It earned the Investor and Special Contributor of the Year from the 11th China Securitization Forum.

Bill Business

To expand discounting business and strengthen trading business, the Bank continued to improve the quality and efficiency of its integrated operation of bill business. While upgrading its discounting products and services, the Bank leveraged the "Together We Thrive" interbank ecosystem platform, and innovatively launched the bill trading bot "You Xiaoying", enhancing trading profitability through digital and intelligent empowerment. During the reporting period, the volume of discounting transactions amounted to RMB1,199,754 million, a year-on-year increase of 14.29%; the Bank served 20,779 corporate clients, a year-on-year increase of 9.09%, with SME clients accounting for 96.71%; and the non-interest income from bill business reached RMB2,098 million, a year-on-year increase of 25.78%.

1 The "ten halls, three zones, and two channels" refer to the billing hall, treasury hall, fund hall, wealth management hall, asset management hall, bond hall, ABS (asset securitization) hall, custodian business hall, digital currency hall, green hall, data insight zone, investment research zone, member center, PC channel, and app channel.

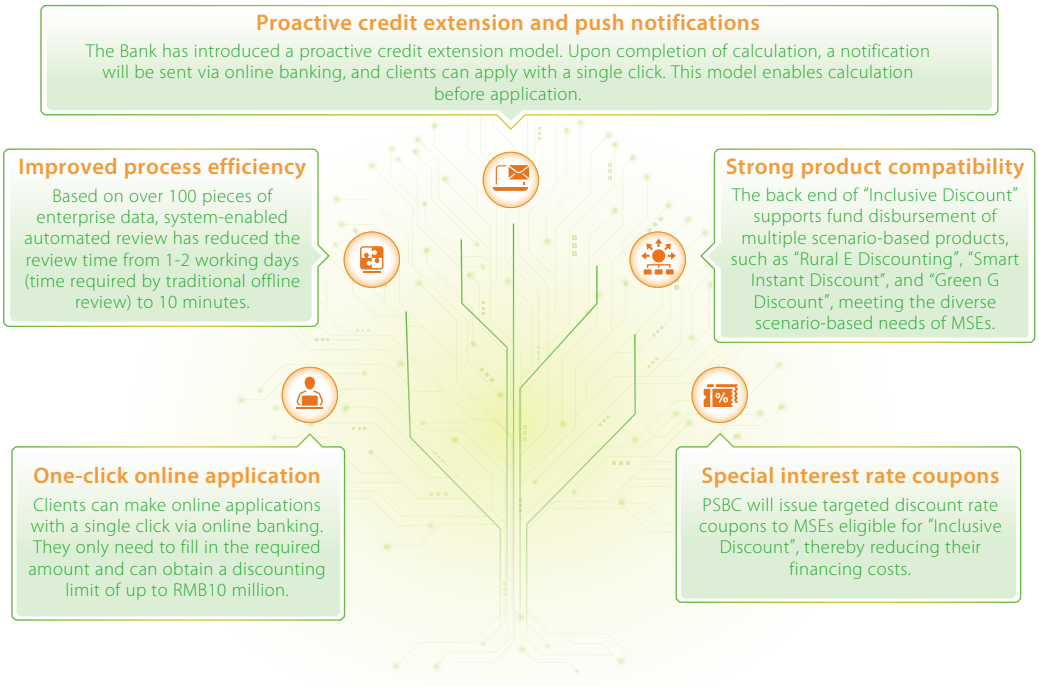
Column

Launching the First Proactive Credit Extension and Discounting Product to Inject New Financial Vitality into MSEs

To continuously support the development of MSEs, the Bank launched "Inclusive Discount", a dedicated discounting product for MSEs. By introducing a proactive credit extension mechanism, the Bank provided one-stop, self-service exclusive bill financing services for MSEs tailored to their financing characteristics, namely small transaction amounts and high transaction frequency. In October 2025, the Bank successfully held the "Bill Connects Hundreds of Businesses, PSBC Benefits Thousands of Industries" Summit and "Inclusive Discount" product launch event in Linyi City, Shandong Province. The product won widespread acclaim from participating enterprises. As at the end of the reporting period, the Bank successfully approved low-risk limits for over 9,000 MSEs through "Inclusive Discount".

"Inclusive Discount" boasts three core advantages. First, it features efficiency and convenience. Through an online, intelligent risk control LLM, it has reduced the review time of discounting limit application for MSEs from T+2 to T+0. Second, it features diversification and integration. By integrating with online discounting products such as "Smart Instant Discount", "PSBC E Discounting", and "Sci-Tech Discounting", it can quickly match different products to different discounting needs of MSEs across various industries and with varying financing preferences, thereby delivering personalized and tailored services. Third, it features proactive services. It automatically identifies potential customer needs and matches them with financial services, injecting strong momentum into enterprise development.

Going forward, the Bank will further optimize and iterate the algorithm model of "Inclusive Discount", continuously upgrade its bill products and services, provide more efficient and convenient financing services for MSEs in various sectors, and contribute to the high-quality development of the real economy.



Treasury and Asset Management Business

Innovating the Interbank Financing Model and Creating a New Interbank Finance Ecosystem

Column

The Bank has launched a pledged interbank deposit product for banking clients. The product uses high-grade bonds as collateral and leverages the specialized collateral management system of the China Central Depository & Clearing Co., Ltd. (CCDC) for fully automated end-to-end management, providing counterparties with funding services with a term of less than one year. As at the end of the reporting period, the scale of the Bank's pledged interbank deposits amounted to nearly RMB200 billion, becoming an important vehicle for the Bank to deepen interbank cooperation and achieve mutually beneficial and win-win cooperation. The product won the "Market Innovation Award" in the interbank local currency market and the "Social Responsibility Institution Award for Collateral Business" from the CCDC. It was also widely reported by mainstream media outlets such as Securities Daily.

Leveraging an online and standardized innovative operational model, the pledged interbank deposit offers an "efficient and low-cost" short-to-medium-term funding solution for interbank clients. The product has four major features. First, it helps clients effectively revitalize existing assets. Instead of transferring bond ownership, clients only need to pledge eligible bonds for obtaining financial support from the Bank at a lower cost. Second, supplemented by low-risk credit lines, it helps clients obtain additional stable and sufficient financing. Third, it precisely meets clients' needs in terms of financing terms, covering all liquidity needs within one year. Fourth, the business process is efficient and convenient, and fully online and automated, with the entire process, from application to disbursement, completed as quickly as on the same day, timely meeting clients' liquidity needs.

Going forward, the Bank will continuously enhance the quality and promote the development of pledged interbank deposits, provide service solutions featuring more ample limits, more precise pricing, and more efficient delivery to accurately meet the financing needs of clients in the interbank ecosystem, further deepen cooperation with interbank clients, and jointly build a new interbank finance ecosystem characterized by openness, sharing, complementary advantages, and win-win cooperation.

Depository Business

The Bank consistently provided customers with diversified depository and settlement services in securities, futures, gold, and insurance asset management. As at the end of the reporting period, the Bank carried out in-depth cooperation with 20 trading and settlement financial institutions and 179 securities and futures financial institutions. During the reporting period, depository transactions amounted to RMB4.88 trillion.

Asset Agency Sales Business

The Bank leveraged the advantage of its interbank ecosystem, focused on new drivers of value creation through "asset allocation plus asset trading plus asset management plus asset sales", gradually improved the interbank wealth management framework relying on mutual funds, insurance asset management products and wealth management products, and explored a collaborative development model integrating investment, sales and custody businesses. As at the end of the reporting period, the cumulative trading volume of interbank assets under agency sales exceeded RMB800 billion.

Financial Market Business

Based on the country's overall development, the Bank actively implemented the "five priorities" of the financial sector, deepened the transformation of its financial market business empowered by technology, comprehensively improved the refined risk management, proactively adapted to changes in the market environment, identified opportunities in challenges, and sought development through prudent operations.

Trading Business

In terms of the money market, the Bank fulfilled its role as a primary dealer for open market operations of the PBOC and actively facilitated the transmission of monetary policy. During the reporting period, the Bank's trading volume of PBOC monetary policy tools increased by 82.23% year on year. The Bank flexibly adjusted currencies, product varieties, and maturity structures, and conducted bilateral transactions while ensuring the Bank's overall liquidity security. During the reporting period, the money market trading volume increased by 66.00% year on year. The Bank successfully launched offshore RMB interbank lending business and foreign currency repurchase business for bonds held in custody by the Shanghai Clearing House, issued foreign currency interbank certificates of deposits, and continuously expanded channels for cross-border money market operations.

In terms of trading and market-making, the Bank adhered to the guidance of investment research and a strategy-driven approach, and continuously enhanced digital and intelligent trading capabilities by leveraging its electronic trading system. It flexibly utilized diversified instrument combinations and quantitative models to effectively manage market risk and turn market fluctuations into sustainable trading profits. Through stable liquidity supply, capability of accurate pricing, and efficient electronic trading, the Bank enhanced its influence in bond market-making and market-making for standard bond forwards. During the reporting period, the Bank's bond market-making volume exceeded RMB1.5 trillion, a year-on-year increase of 27.39%, with credit bond market-making volume achieving leapfrog growth. In addition, the Bank promoted business innovation and actively developed its over-the-counter bond business. It stepped up product innovation and developed and launched multiple bond basket products, including a credit bond basket covering four major themes, namely inclusive finance and Sannong finance, clean energy, logistics and transportation, and technological innovation.

In terms of the trading of precious metals, the Bank continuously expanded business areas, became a standing director institution of the China Gold Association, and obtained the qualification as a pilot market maker in the interbank gold price inquiry market. The Bank continuously enriched its product matrix integrating spot precious metals and precious metal derivatives, launched its first precious metals price inquiry business on the international board, worked to develop integrated, professional, and systematic comprehensive services, accurately responded to customers' diversified asset allocation and risk management needs, and achieved rapid business development. As at the end of the reporting period, the balance of precious metals assets increased by 225.42% compared with the prior year-end. During the reporting period, the income increased by 163.34% year on year.

Treasury and Asset Management Business

Leading Industry Investment Research Innovation and Building a New Engine for Digital and Intelligent Investment Research

Column

To promote the digital transformation of financial market business and strengthen investment research support, the Bank officially launched the investment research and decision-making system, marking a solid step forward in "smart investment research". The system made extensive use of big data analysis and AI technologies, covered key areas such as market research, investment decision-making, strategy management and risk analysis, achieved digital and intelligent coverage of the entire research lifecycle, and injected new vitality into high-quality development.

Building a new smart investment research system covering six core scenarios

The investment research and decision-making system covers six core application scenarios. Specifically, the "Market Observation" provides panoramic analysis of five major topics, namely market dynamics, funds, policies, fundamentals, and institutional behaviors; the "Index Analysis" supports strategy simulation and time-series research; the "Credit Bond Research" leverages to a great extent the internal and external data of issuers and bonds, intelligently generates a panoramic risk profile, and supports dynamic trial pricing calculations and real-time market anomaly warnings for credit bonds; the "Risk Research" develops a three-dimensional risk monitoring system encompassing credit, market, and liquidity and conducts full-process transaction analysis based on dimensions such as accounts, products, traders, and counterparties; the "Strategy Management" supports the creation of strategy trees and execution tracking; and the "Research Library" pools internal and external research results and supports intelligent preparation of investment research reports.

Deepening intelligent application and achieving capability enhancement across entire process

Firstly, the system aggregates multi-dimensional investment research data to create a unified data foundation. The system integrates multi-dimensional data resources such as macroeconomic indicators, issuer credit ratings, asset market trends, and transaction data, providing comprehensive support for investment research and analysis. Secondly, it develops an integrated investment research platform to achieve full-cycle closed-loop management. The system supports full-process management encompassing market research, strategy deduction, execution tracking, and result output, helping to achieve the goal of "investment research and strategy-driven approach". Thirdly, it innovates intelligent interaction experience to improve research and decision-making efficiency. Based on LLM technology, the system has developed an "AI assistant for investment research" that supports intelligent Q&As regarding issuers, bonds, and knowledge bases and assists researchers in quickly gaining insights into market dynamics and risk changes.

The investment research and decision-making system has set a new paradigm for data management and application in the financial sector. It is highly recognized within the industry and was selected as one of the "Top 100 Data Management Excellent Cases in 2025" by the China Federation of Electronics and Information Industry. In the future, the Bank will focus on the three areas of intelligent assistance, precise decision-making, and efficient collaboration, continuously optimize system functions, advance AI-powered application, build a new digital and intelligent investment research ecosystem, and provide solid technological support for serving national strategies, empowering the real economy, and enhancing the service capabilities of the financial market.

Bond Investments

The Bank closely followed the guidance of major national strategies and served the high-quality development of the real economy. It kept up with market trends, accurately grasped interest rate windows, and continuously increased the allocation to government bonds with high RAROC. As at the end of the reporting period, the investment scale of government bonds increased by 34.75% compared to the prior year-end, building a bond asset base with stable returns and high quality. The Bank earnestly fulfilled its obligations as a Class A government bond underwriter, strengthened the coordination mechanism between the Head Office and branches, and hit new record highs in the underwriting and distribution scale of government bonds. During the reporting period, the Bank underwrote RMB708,290 million of government bonds, a year-on-year increase of 60.53%. The Bank actively utilized technology to empower investment research and decision-making, continuously optimized credit bond allocation strategies, and improved the accuracy and efficiency of interest rate forecasting, credit assessment, risk management, and portfolio management. It stepped up the allocation to high-quality corporate bonds in key areas such as technological innovation, rural revitalization and coordinated regional development, and maintained its investment in green bonds to contribute to the carbon peaking and carbon neutrality goals. The Bank has been recognized as an "Excellent Institutional Investor of ChinaBond Green Bond Index" for seven consecutive years. The Bank also supported RMB internationalization and the building of Hong Kong into an offshore RMB hub. It ranked first among the best offshore RMB bond investment institutions in the banking category, awarded by The Asset.

Adhering to a "research-first" philosophy, the Bank established a research-driven investment framework that prioritizes risk control and pursues long-termism. Through in-depth market analysis and precise strategy execution, it continuously optimized its portfolio structure and maintained reasonable growth in the size of its bond investment portfolio. As at the end of the reporting period, the Bank's bond investment scale amounted to RMB5,072,347 million, an increase of RMB434,384 million or 9.37% compared with the prior year-end.

Custody Business

The Bank comprehensively promoted the implementation of the "Bank-wide custody" business strategy and adhered to coordinated development, innovation and breakthroughs. As at the end of the reporting period, the scale of the Bank's assets under custody exceeded RMB6 trillion, an increase of 11.12% from the prior year-end.

The Bank closely followed market trends and continuously achieved breakthroughs in key businesses. As at the end of the reporting period, the scale of insurance funds under custody exceeded RMB1.5 trillion, an increase of 30.87% from the prior year-end; fee income from trust custody exceeded RMB100 million for the first time, ranking first

Treasury and Asset Management Business

among major state-owned banks in terms of growth rate; the scale of the newly launched asset securitization custody business reached RMB155,441 million; and the market share of auto finance ABS custody reached 43.85%, ranking first in the market. The Bank fully supported the "five priorities" of the financial sector, actively served the real economy, and launched asset securitization products amounting to RMB33,858 million in fields such as green carbon neutrality, high-end manufacturing, technological innovation, and old revolutionary base areas, fulfilling its responsibilities as a major bank through concrete actions.

The Bank adhered to the customer-centric philosophy, enhanced custody operations and service capabilities, and accelerated the digital and intelligent transformation of custody business. It optimized the centralized custody operation framework, enhanced the capacity of custody operations, and increased per capita operational efficiency by 12.15% compared to the prior year-end. The Bank has been recognized as an "Outstanding Asset Custody Institution" by China Central Depository & Clearing Co., Ltd. for three consecutive years and has been awarded the "Excellent Settlement Member" by Shanghai Clearing House for two consecutive years, gaining increasing recognition within the industry.

For the development of the Bank's wealth management business, please refer to "Business Overview – Majority-Owned Subsidiaries – PSBC Wealth Management".

Supplementary Case

By optimizing key processes, innovating service models, and stepping up independent system R&D, the Bank promoted the centralized operation of custody business on all fronts and continuously improved customer service capabilities and technological support. Regarding the enhancement of core fundamental service capabilities, guided by the overall planning for centralized custody operation featuring "one main, one backup", the Bank completed the building of the multi-level information exchange mechanism, unified evaluation and monitoring mechanism, and clearing mutual backup mechanism, and promoted the optimization of 36 key processes across multiple scenarios, including fund clearing, valuation and accounting, investment supervision, information disclosure, and data collection. The Bank comprehensively utilized new technologies such as NLP (natural language processing), RPA (robotic process automation), and automation engines to achieve automatic data collection, automatic instruction review, and automatic valuation of simple products. As at the end of the reporting period, the operation capacity increased by 24.72% from the prior year-end, and per capita operational efficiency increased by 12.15% from the prior year-end. Regarding the enhancement of proactive customer service capabilities, the Bank developed a new customer service model featuring "proactive services plus service handling", provided differentiated and customized service solutions for strategic customers in key business areas, and promoted the implementation of businesses amounting to over RMB300 billion. The Bank also established the "Voice of the Customer" system and proactively collected over 120 service requests from customers, with over 70% of them implemented, significantly improving the efficiency of customer service request response. Regarding technological empowerment, the Bank continuously enhanced independent system R&D capability and independent control capability of businesses, steadily moving toward the goal of building "a first-class custody system".

Inclusive Finance

The balance of agriculture-related loans amounted to RMB**2.51** trillion, ranking in the forefront among major state-owned banks in terms of its proportion of total loans to customers.

The balance of inclusive loans to MSEs amounted to RMB **1.80** trillion, doubling in scale during the 14th Five-Year Plan period.

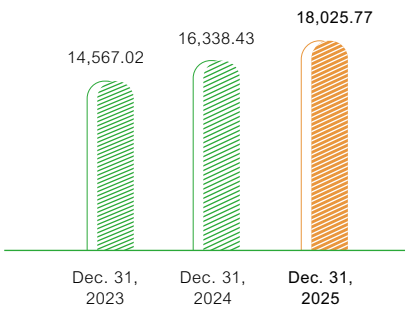
The Bank was honored with the Global Finance's "Best SME Services Bank" award.

The "Easy Corporate Operation" platform provided efficient, intelligent, and secure digital solutions for over **170** thousand SMEs across over **20** industries.

Inclusive loans to MSEs

(In RMB100 million)

Increase from the prior year-end **10.33%**



During the 14th Five-Year Plan period, the Bank fully leveraged its inclusive finance heritage and continuously optimized its top-level design to establish an inclusive financial service system characterized by collaboration between China Post Group and the Bank, linkage between wholesale and retail banking, unity of the Head Office and branches, and collaboration between the parent company and subsidiaries. Taking primary bank services as the main task, it developed a cross-segment, multi-tiered comprehensive financial service model to meet the diverse needs of customers. The Bank also deepened digital and intelligent transformation as well as shift toward centralized operations to foster new driving forces for digital inclusive finance. The Bank's inclusive loans to MSEs doubled in scale, agriculture-related loans grew by over RMB1 trillion, and the balance of the two loans as a percentage of the total loans to customers continued to rank in the forefront among major state-owned banks.

During the reporting period, leveraging inclusive finance as its cornerstone, the Bank continuously improved its multi-tiered, all-encompassing, differentiated, and sustainable inclusive financial service framework, and advanced the integrated development of the "five priorities" of the financial sector. The Bank focused on key areas of serving the real economy and supporting people's basic needs. It continuously deepened comprehensive customer services through measures such as improving institutional support, innovating service scenarios and models, and optimizing product and service supply. The Bank vigorously implemented the "Initiative of Serving Strong Counties and Wealthy Towns", accelerated digital and intelligent transformation as well as shift toward centralized operations, and continuously improved the accuracy and effectiveness of services for rural revitalization and MSEs. As at the end of the reporting period, the balance of the Bank's agriculture-related loans amounted to RMB2.51 trillion, and the balance of inclusive loans to MSEs amounted to RMB1.80 trillion. During the reporting period, the Bank was honored with the Global Finance's "Best SME Services Bank" award[1].

Rural Revitalization

The Bank resolutely implemented the decisions and plans of the CPC Central Committee and the State Council regarding all-around rural revitalization and remained committed to its positioning of serving Sannong customers, urban and rural residents, and SMEs. Anchored to the goal of becoming "a main force in serving rural revitalization", the Bank established a specialized agricultural service framework with the Leading Group for Rural Revitalization providing strategic guidance, the Rural Revitalization and Inclusive Finance Management Committee

1 On December 3, 2025, the 18th "Stars of China Award" Ceremony hosted by the Global Finance was held in Beijing. This annual selection involved outstanding financial institutions and other organizations on the Chinese mainland, aiming to recognize and honor exceptional industry leaders in China. The Bank won the "Best SME Services Bank" award, the only "Stars of China Award" in the field of inclusive finance.

exercising overall coordination, and the Sannong Finance Business Department serving as the primary execution body. The Bank formulated the Opinions of Postal Savings Bank of China on Further Deepening Rural Reform and Making Solid Efforts to Promote All-Around Rural Revitalization, focused on key areas and weak links in rural revitalization, accelerated the transformation of Sannong financial service models, enriched the supply of agriculture-related financial services, and worked to improve the coverage, quality and efficiency of Sannong financial services. As at the end of the reporting period, the balance of the Bank's agriculture-related loans stood at RMB2.51 trillion, an increase of RMB216,704 million from the prior year-end and accounting for more than 25% of the total loans to customers. The number of customers served with agriculture-related loans exceeded 5.1 million, and the weighted average interest rate of newly granted agriculture-related loans in 2025 was 3.63%.

Making Continuous Efforts in Two Areas and Effectively Increasing Credit Supply

First, the Bank continuously ensured stable production and sufficient supply of grain and other key agricultural products. The Bank actively planned credit services for spring farming preparations, implemented a special initiative for grain purchase, and provided grain purchase brokers and other customers with policies such as increased credit limits during peak seasons and preferential interest rates, striving to meet the seasonal and temporary large-sum funding needs of grain purchase entities. The Bank deepened cooperation with leading agricultural enterprises in fields such as domestic dairy industry, rice deep processing, and cold-chain food, and promoted the extension of financial services to the entire industrial chain of grain and other key agricultural products. The Bank implemented the national food security strategy, supported the development of high-standard farmland, formulated the development strategy for modern facility fishery business, promoted business development through the "construction plus operation" model, and actively supported agricultural infrastructure construction. As at the end of the reporting period, the balance of loans in key grain sectors amounted to RMB230,956 million, up by 24.81% from the prior year-end.

Second, the Bank continuously provided financial services to prevent any large-scale return to poverty. The Bank maintained the overall stability of financial assistance policies. Focusing on key counties receiving national assistance for rural revitalization and specialty industries in areas lifted out of poverty, the Bank intensified its credit support to meet the needs of these areas for industrial development and rural development. The Bank made solid efforts to conduct targeted assistance, issued the 2025 targeted assistance work plan, improved the assistance mechanism, and increased financial support and resource input in counties receiving targeted assistance. As at the end of the reporting period, the balance of the Bank's loans to areas lifted out of poverty (832 counties) amounted to RMB632,625 million, an increase of RMB67,989 million from the beginning of the year; and the balance of the Bank's loans to 160 key counties receiving national assistance for rural revitalization was RMB78,437 million, an increase of 16.63% from the beginning of the year.

> PSBC assists Datian County in Fujian Province in developing an eco-friendly, livable and beautiful rural landscape.

Efforts Made in Consolidating and Building on the Achievements in Poverty Alleviation and Facilitating Rural Revitalization

Item	
Balance of the Bank's loans to areas lifted out of poverty	RMB632,625 million
Growth rate of the Bank's loans to key counties receiving national assistance for rural revitalization	16.63%
Balance of loans for targeted financial assistance	RMB172,058 million
Number of people benefiting from loans for targeted financial assistance	516,758 people
Forms of assistance	Targeted assistance to industries, targeted assistance to projects, targeted assistance to individuals, etc.

Focusing on Four Key Aspects and Increasing Financial Supply in Key Areas

Firstly, the Bank focused on supporting the high-quality development of rural industries. The Bank created a "general plus exclusive" solution management model centering on over 1,000 industry customer groups nationwide, promoted the proper integration of flexible configuration and rigid control of loan elements, and improved product optimization efficiency and timelines of customer group access. The Bank innovatively launched MSE Cluster E Loan. In light of the business characteristics of agricultural industrial clusters, the Bank formulated a "one cluster, one policy" risk control strategy, and provided in-depth services for agricultural industrial clusters. The Bank launched business scenarios such as account-free Rural E Discount and proactive credit extension, achieved end-to-end online processing of discounting business, and shortened the overall credit extension time for rural MSEs to 10 minutes to provide customers with on-demand discounting services.

Secondly, the Bank focused on providing financial services for rural development. It formulated an annual development strategy for rural infrastructure construction business, focused on key entry points such as water supply in rural areas, rural living environment improvement, and agricultural product distribution, strengthened coordination across front, middle and back offices, and advanced the implementation of infrastructure construction business. The Bank created an "operation+" project support model, which unblocked financing channels for rural infrastructure construction by matching projects in areas such as comprehensive environmental management, rural living environment improvement, and the construction of new countryside with income-generating commercial activities such as cultural tourism, agricultural product processing and distribution, and resource development. The Bank also launched a special initiative to promote the coordinated development of commodity trading markets across the country and provided comprehensive services for commodity trading market managers and merchants.

Thirdly, the Bank focused on facilitating the improvement of rural governance. The Bank vigorously promoted mobile banking in counties and improved the quality of basic financial services in counties and townships. It established a comprehensive set of inclusive wealth management products with low thresholds to meet the needs of Sannong customers for diversified asset allocation. Centering on the grain purchase chain, the Bank promoted the development of e-CNY scenarios. Taking grain processing enterprises as the core node, it piloted the use of digital wallets for grain purchase transaction and settlement for upstream and downstream growers, offering them a convenient and secure payment experience. The Bank also vigorously promoted the "MultiMarket Pay" solution, providing services such as payment order management, batch payment, and customer management for agricultural product procurement and wholesale, and effectively enhancing the fund management efficiency of transaction entities.

Fourthly, the Bank strove to strengthen resource guarantee for serving rural revitalization. While maintaining policies such as earmarked credit plans, preferential credit policies, and appropriately increased risk tolerance, the Bank further refined its systems and mechanisms to strengthen financing support for agriculture-related entities. It optimized its guidelines on credit policies for rural revitalization, and leveraged a professional credit review team for rural revitalization to implement tailored policies for projects in key areas and set up fast track for review and approval. The Bank optimized the internal funds transfer pricing mechanism. It provided internal funds transfer pricing discounts for all agriculture-related loans, increased discounts for inclusive agriculture-related loans, and offered additional discounts for loans to entities in key counties receiving national assistance for rural revitalization, effectively promoting the issuance of agriculture-related loans.

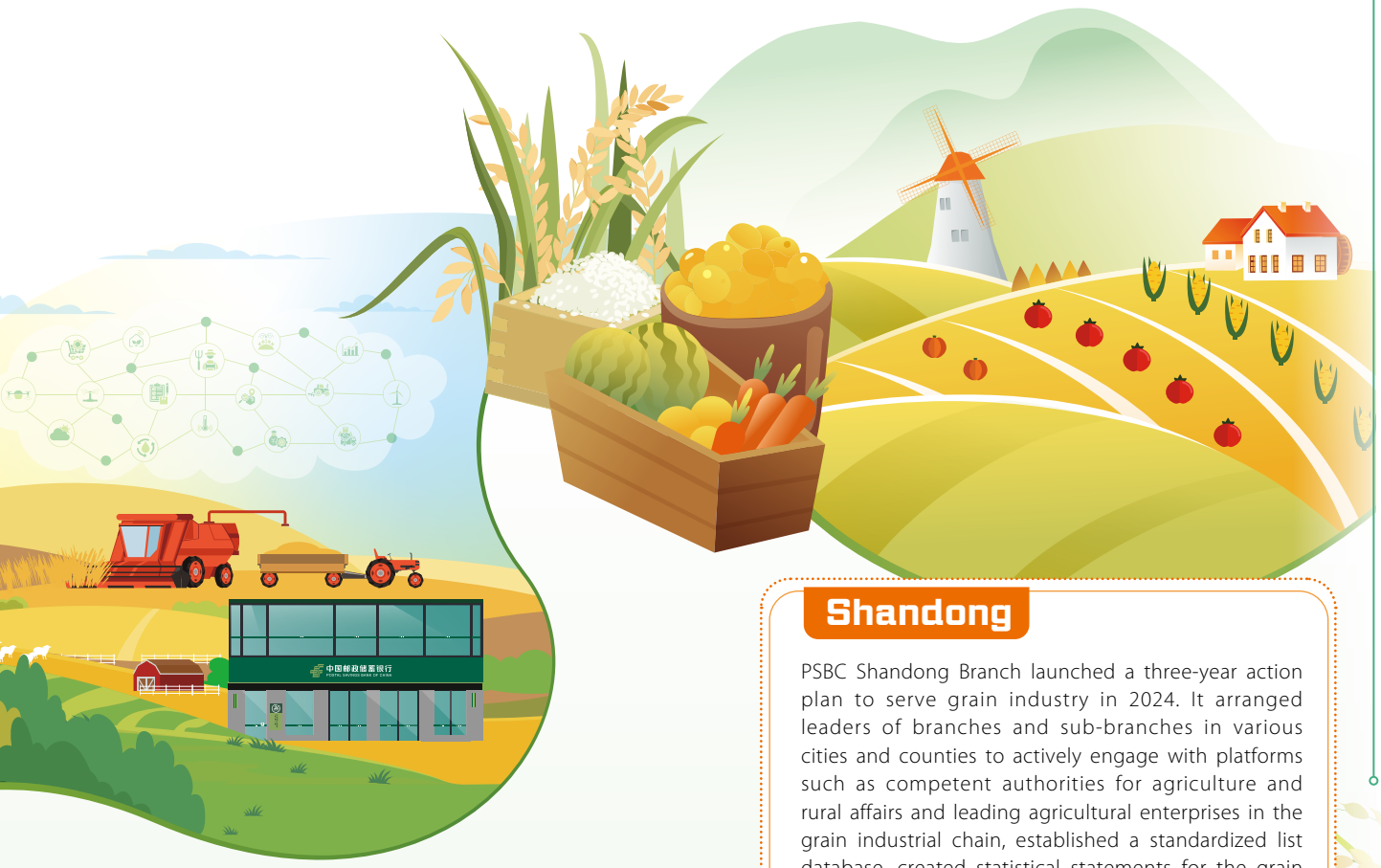
Fulfilling the Responsibility and Mission of a Major Bank and Setting a New Benchmark for Financial Services in Summer Grain Purchase

Summer harvest, planting, and management are crucial for a bumper harvest and agricultural stability throughout the year. In 2025, the Bank established a special working group for summer grain purchase, and implemented a special service initiative for summer grain purchase. It formulated a package of special policies targeting core production areas, and provided grain purchase brokers and other customers with policies such as higher credit limits during peak seasons and preferential interest rates, achieving an overall improvement in business scale, efficiency, and customer experience and contributing financial power to ensuring China's food supply. During the reporting period, the Bank issued over RMB36.0 billion of micro loans for summer grain purchase, a year-on-year increase of more than 28%; and the net increase was over RMB14.0 billion, a year-on-year increase of more than 27%.

Henan

PSBC Henan Branch acted on the guiding principles of early deployment, early publicity, and early credit extension, encouraged customer managers to provide on-site services, and precisely met the financial needs of grain purchase clients. In early April 2025, the branch launched its summer grain purchase service initiative, conducted market research, and formulated special service plans. Leaders at all levels of branches and sub-branches actively acted as chief service officers, engaged with platforms such as agricultural credit guarantee companies, food administrations, bureaus of agriculture and rural affairs, and Sinograin reserve warehouses, and understood and grasped the market information about summer grain purchase. Branches and sub-branches in cities and counties acted swiftly and provided targeted services, conducted grid-based visits in a tiered and category-based manner, set up the fast track for services, and made every effort to meet the short-term, frequent, and urgent financing needs of customers. During the reporting period, PSBC Henan Branch granted more than RMB17.0 billion in micro loans for summer grain purchase in total.

Column



Hubei

PSBC Hubei Branch kept serving Sannong customers at the top of its agenda and closely followed the pace of agricultural production in Hubei. It implemented corresponding credit support policies covering areas from ensuring food security to empowering the development of specialty industries, and from field support to whole-chain services. The branch also utilized mobile business development devices, WeChat banking, H5 links, etc. to extend services to lower-tier areas and channeled financial resources precisely into key sectors such as grain production, processing, storage, and sales. During the reporting period, PSBC Hubei Branch granted over RMB1.0 billion in micro loans for summer grain purchase in total.

Shandong

PSBC Shandong Branch launched a three-year action plan to serve grain industry in 2024. It arranged leaders of branches and sub-branches in various cities and counties to actively engage with platforms such as competent authorities for agriculture and rural affairs and leading agricultural enterprises in the grain industrial chain, established a standardized list database, created statistical statements for the grain industry, and strengthened process management and daily services. Taking into consideration the fund use characteristics of the grain industry, the branch optimized the elements of micro loan products and increased the credit loan limit for grain purchase clients to a maximum of RMB5 million. With a focus on the 46 major grain-producing counties within its jurisdiction, PSBC Shandong Branch continuously improved its customer service capabilities through the one-on-one follow-up assistance initiative. During the reporting period, PSBC Shandong Branch granted over RMB5.0 billion in micro loans for summer grain purchase in total.

Inclusive Finance

Adhering to Reform and Innovation and Improving the Quality and Efficiency of Agriculture-Related Financial Services

First, the Bank further advanced proactive credit extension to Sannong customers. The Bank upgraded the big data-based precision identification system, enriched internal and external data sources, optimized risk forecast models, and uncovered more proactive credit extension lists. It further refined the omni-channel, multi-dimensional customer engagement framework, optimized the online operation capabilities of the headquarters, and expanded the scope of direct operations by the headquarters. Through a closed-loop operation capability improvement mechanism, the Bank created online products with a convenient customer experience. For customers whose needs could not be met by internet loan limits, the Bank immediately directed them to offline outlets to provide them with more suitable credit services with higher limits. As at the end of the reporting period, the Bank's balance of loans under the Sannong proactive credit extension program was RMB233,094 million, an increase of RMB33,822 million from the prior year-end.

Second, the Bank innovatively promoted breakthroughs in key regions and scenarios. In line with the principle of "market orientation, differentiated strategies, overall planning, and step-by-step implementation", the Bank vigorously implemented the "Initiative of Serving Strong Counties and Wealthy Towns" and stepped up resource allocation and policy support to enhance market competitiveness and customer base expansion capabilities in key markets. It vigorously promoted the scenario-based service model, focused on specialized planting and breeding industries with competitive advantages across the nation, actively accessed external data, optimized product elements and business processes, and increased the supply of unsecured loans for farmers with a focus on groups such as the actual controllers of specialized farmers' cooperatives, family farm owners, and large-scale growers.

Third, the Bank strengthened coordination and collaboration and developed a comprehensive ecosystem for rural revitalization services. The Bank deepened collaboration with China Post Group. With a focus on economically robust and densely populated villages, it leveraged the ecosystem-based advantages of China Post Group in flows of goods and business in rural areas, advanced the "Postal Benefits for Farmers in 10,000 Villages" campaign, actively provided more rural customers with integrated services combining finance, express delivery, and e-commerce, and further solidified the rural customer base. The Bank deepened cooperation with the government. It made solid efforts to promote the Henan service model involving "100 counties, 1,000 towns and 10,000 villages", built a government-bank cooperation platform, connected service channels at the county, township, and village levels by issuing joint documents and holding joint meetings, and accurately served key rural customer groups in batches.

Initiative of Serving Strong Counties and Wealthy Towns

Establishing a working group

The Bank has established the Working Group for the "Initiative of Serving Strong Counties and Wealthy Towns", which is responsible for business development and policy support across the Bank.

Conducting list-based management

The Bank conducts list-based management for strong counties and wealthy towns at the Head Office level. From dimensions such as local economic conditions, market development potential, and operation capabilities of institutions, the Head Office and branches jointly selected **110 strong counties and over 200 wealthy towns**.

Implementing differentiated strategies

The Bank implements differentiated development strategies tailored to local conditions. It divides counties and towns into four categories, namely, the **agriculture-led category, industry-intensive category, key large-scale project-driven category, and industrial park-driven category**, and provides differentiated business guidance based on the categorization.

Developing a package of policies

The Bank has developed a package of preferential resource allocation policies to enhance its financial service capabilities for strong counties and wealthy towns and make a greater contribution to all-around rural revitalization.

MSE Finance

The Bank remained dedicated to serving MSEs, ensuring broad coverage, and adopting a professional service-led approach, making continuous efforts to build itself into a comprehensive service provider of inclusive finance. It deepened digital and intelligent transformation as well as shift toward centralized operations, constantly upgraded service scenarios, and accelerated product innovation and process reshaping. It also stayed committed to providing primary bank services, innovated customer service models, and continuously improved the full-process intelligent risk control framework, to advance the professional, systematic, and comprehensive development of MSE finance. As at the end of the reporting period, the Bank's balance of inclusive loans to MSEs reached RMB1.80 trillion, accounting for over 18% of total loans to customers, remaining in the forefront among major state-owned banks. The number of clients with outstanding loans was 2,135.7 thousand. The weighted average interest rate of the newly granted inclusive loans to MSEs in the year stood at 3.57%, a year-on-year decrease of 59 bps. The Bank thoroughly implemented the MSE financing coordination mechanism and continuously conducted the "Enterprise and Household Outreach" initiative, reaching nearly two million clients and granting RMB1.37 trillion in credit line to business entities on the recommended list in total.

Relying on "Scenario+" Services to Efficiently Reach Clients

The Bank innovatively built new engines for industrial finance, developed an industrial chain model without reliance on core enterprises, and provided chain-based services centering around people's well-being, high-end manufacturing, and strategic emerging industries. Through a differentiated risk control strategy integrating industry-specific models and general-purpose models, the Bank achieved extensive client reach and large-scale conversion. The Bank further innovated the "small scenario" industrial chain model. Targeting high-quality local enterprises and their upstream SME suppliers, it provided working capital loan services for suppliers through the independently developed online rights confirmation services. For characteristic industrial clusters of SMEs, the Bank created a new "policy plus industry plus finance" integrated service model. It utilized data related to taxation, invoices, patents, electricity and settlements to innovatively develop exclusive products such as "Cluster E Loan" and "Industry Loan" for key areas, including manufacturing, sectors using specialized and sophisticated technologies to produce novel and unique products, and green and low-carbon development, serving over 350 industrial cluster projects in total.

Supplementary Case

PSBC Hebei Branch thoroughly implemented the strategy of developing a province with a strong manufacturing sector, precisely empowering the real economy with financial resources. The branch promoted the advanced and sophisticated upgrading of the fastener industrial cluster in Yongnian District, the pipe fitting industrial cluster in Mengcun Hui Autonomous County and other traditional industrial clusters through "Industry Loan"; innovated "Sci-Tech Loan" to address the financing difficulties of asset-light technology enterprises and provide targeted support for high-tech enterprises; and utilized digital instruments such as "Speedy Loan" to enhance service efficiency and achieve fund disbursement within minutes. The branch also collaborated with government authorities to build an industrial ecosystem, and issued industry loans of over RMB33 billion throughout the year, effectively promoting the high-quality development of county-level specialty industries and enterprises using specialized and sophisticated technologies to produce novel and unique products, and injecting strong momentum into Hebei's economic transformation and upgrading.

Upgrading the "Credit+" Model to Build a Service Ecosystem

The Bank continuously advanced its primary bank customer service. While meeting customers' financing needs, the Bank leveraged the "PSBC Financial Management+" digital and intelligent service framework to provide customers with convenient and comprehensive services such as payment and settlement, agency collection and payment, and wealth management, accompanying customers

Inclusive Finance

throughout their journey. The Bank continuously upgraded its "Easy Corporate Operation" platform, a one-stop digital management platform for enterprises, enriched the scenario-based ecosystem, and empowered the digital and intelligent transformation of SMEs, serving over 170 thousand clients in total. The Bank focused on projects such as investment-loan linkage, technological retrofitting and equipment renewal refinancing, and industrial relocation, actively promoted fixed asset loans for SMEs, and facilitated the implementation of significant national strategies.

Supplementary Case

PSBC Chongqing Branch advanced the development of the Digital China Initiative and made solid efforts to advance the "five priorities" of the financial sector. Leveraging its financial technology advantages, the branch innovatively launched the "Smart Business Association" service to actively support the digital transformation of business associations. The Guangdong Zhanjiang Chamber of Commerce in Chongqing and the Xiantao Subdistrict Chamber of Commerce in Yubei District were among the first batch of contracted clients. This service integrates functions such as membership payment, account opening appointment, and financial product display, building a one-stop service ecosystem. It is an important practice in collaboratively serving private enterprises, activating the industrial chain ecosystem, and promoting inclusive finance and has injected new momentum into the real economy through a "finance plus scenario" model.

Accelerating the Transformation Toward Centralized Operations to Achieve Light Operations

The Bank innovatively developed a full-cycle and centralized operation mechanism for customers characterized by precise identification, in-depth service and intelligent operations. It achieved centralized customer service model development and strategy deployment, centralized online services of the operation team of the remote banking center, centralized customer management of branches and sub-branches, and centralized customer due diligence, and introduced the digital and intelligent tools, including digital customer operation platform and marketing maps, achieving closed-loop management across the entire service chain and continuously enhancing customer service efficiency. The Bank moved faster to reshape the credit business process, implemented centralized review, and developed intelligent review tools, standardized review rules and refined management mechanism, forming a centralized review and operation framework integrating technical and manual prevention. The Bank also continuously optimized the centralized post-lending operation model featuring "off-site monitoring by the Head Office plus on-site inspection by branches", further improving the effectiveness of post-lending inspection.

Stepping up Digital and Intelligent Empowerment to Enhance Risk Control Quality and Efficiency

The Bank continuously optimized the intelligent risk control framework integrating customer profiling, risk control models and automatic early warning, applied new technologies such as knowledge graphs and fusion models, strengthened data mining and application, continuously conducted re-examination analysis, summarized risk characteristic indicators, and further optimized pre-lending access rules, post-lending early warning rules and anti-fraud strategies to improve risk prevention and control capabilities. It strengthened the full-process management of risk early warning, continuously optimized and improved the post-lending monitoring system, closely monitored early warning generation, early warning effects, early warning task processing, etc., and effectively improved risk identification and control capabilities.

Building a Scenario-Based Financial Ecosystem to Empower the Digital Transformation of SMEs

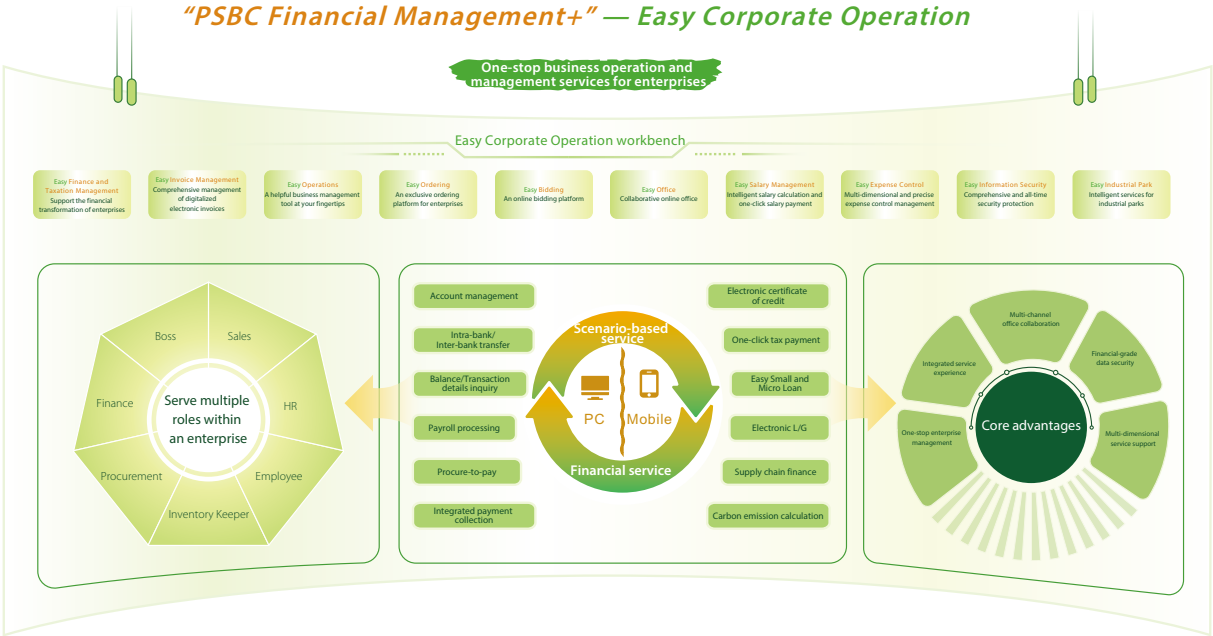
Column

In the wave of the digital economy, the digital transformation of SMEs has shifted from an option for development to a prerequisite for survival. The Bank remained true to the original aspiration of developing inclusive finance, deeply integrated financial technology resources with practical experience in serving the real economy, and continuously upgraded the "Easy Corporate Operation" one-stop digital management platform for enterprises to enhance its service capabilities and empower the transformation and upgrading of enterprises across the entire business chain. As at the end of the reporting period, the Bank had provided efficient, intelligent, and secure digital solutions for over 170 thousand SMEs in over 20 industries in total.

With a focus on growth-oriented SMEs, the "Easy Corporate Operation" platform provided customized solutions tailored to the specific operating characteristics of each industry. For wholesale and retail enterprises, the platform addressed pain points such as complex upstream procurement management, numerous downstream orders, and inefficient business-finance reconciliation. For processing and manufacturing enterprises, it provided comprehensive services including production process management, piece-rate wage calculation, business and finance integrated collaboration, and standardized management of procurement. For service enterprises, it focused on addressing practical challenges such as high volume of payment distribution, large invoicing requests, and difficulties in invoice management. For construction engineering enterprises, it created an integrated solution encompassing financial management, workforce coordination, decentralized attendance management, diversified payroll calculation, and independent tax declaration for multiple projects. For agricultural enterprises, it adapted to industry-specific accounting standards and offered services such as reverse invoicing and purchase, sales and inventory management, helping enterprises achieve a digital upgrade in finance and taxation processing. Through comprehensive innovation of traditional management models, the platform helped enterprises effectively reduce operating costs and improve decision-making efficiency.

In 2025, the Bank further enriched the scenario-based ecosystem of the "Easy Corporate Operation" platform to reach a wider range of inclusive finance customers. The Bank iteratively upgraded the platform to version 3.0, added two application scenarios, namely supplier bidding (Easy Bidding) and Easy Industrial Park, established an ecosystem-based partnership with Meituan, launched vertical industry services such as HRO (Human Resources Outsourcing) and piece-rate wages, and introduced a dedicated version for technology enterprises, continuously creating high-value service solutions for enterprises. Meanwhile, the Bank strengthened customer service support on the "Easy Corporate Operation" platform. On the one hand, focusing on industries where SMEs are relatively concentrated, the Bank adhered to a "one industry per quarter" strategy and delivered tailored industry solutions by quarter. On the other hand, the Bank launched a new year interface, produced function demonstration videos, updated operation manuals, provided system page operation guides, and distributed customer surveys on the platform to optimize customer experience in all aspects.

Going forward, the Bank will adhere to the customer-centric philosophy, leverage its open banking architecture and advanced IT capabilities, drive the function upgrading and ecosystem expansion of the "Easy Corporate Operation" platform, further advance the "scenario plus finance" integrated model, and further expand service boundaries and improve service precision, to enable more SMEs to benefit from digital transformation, inject continuous financial momentum into the high-quality development of the real economy, and work hand in hand with SMEs on a new journey of digital transformation.



Majority-Owned Subsidiaries

The Bank had majority-owned subsidiaries including PSBC Wealth Management, PSBC Consumer Finance and PSBC Investment. During the reporting period, in alignment with its overall strategy, the Bank further optimized the layout of subsidiaries and strengthened the management of directors appointed to subsidiaries. The majority-owned subsidiaries leveraged their licenses to focus on differentiated development and gave full play to their synergy to continuously enhance the comprehensive financial service capabilities of the Bank Group.

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PSBC WEALTH MANAGEMENT

PSBC Wealth Management was established on December 18, 2019, with a registered capital of RMB8 billion, in which the Bank holds a 100% stake. Its business scope is: public issuance of wealth management products to the general public, and investment and management of entrusted assets for investors; non-public issuance of wealth management products to eligible investors, and investment and management of entrusted assets for investors; financial advisory and consulting services, etc. As at the end of the reporting period, PSBC Wealth Management had total assets of RMB15,038 million and net assets of RMB14,798 million. During the reporting period, it realized an operating income of RMB1,976 million and recorded a net profit of RMB1,171 million.

In 2025, PSBC Wealth Management adhered to the general principle of seeking progress while maintaining stability, and moved faster to develop itself into a first-tier bank-owned asset management company. To this end, the company seized the strategic opportunities of transformation and development, constantly deepened the implementation of integrated, digital, intelligent and refined transformation through reform and innovation, and enhanced internal growth capacities. It also implemented the business philosophy of "maintaining steady growth, enhancing competence, focusing on innovation, strengthening marketing efforts, and advancing transformation", strengthened core functions, enhanced core competitiveness, and advanced high-quality development of the wealth management business. During the reporting period, PSBC Wealth Management and its products received more than 40 prestigious industry awards, including the "Annual Financial Brand Value Award" from Jiemian News and the "Golden Bull Award for Wealth Management Products" from China Securities Journal. Products managed by the company were repeatedly listed on influential rankings such as 21st Century Business Herald's "Prudent Wealth Management Daily – Wealth Management Glory List" and Lianhe Zhiping's "Zhiping Wealth Management Ranking".

PSBC Wealth Management served national strategies with resolve and actively supported the "five priorities" of the financial sector. Firstly, the company supported the development of technology finance. Its investment in sci-tech innovation bonds reached RMB33,067 million, an increase of 58.43% over the prior year-end, accounting for 4.37% of its bond balance. It continued to invest in Hong Kong IPOs, completing 19 investments (including cornerstone and anchor investments), with a total scale of

RMB1,649 million and an overall floating profit exceeding 40%, and invested in technology companies such as CATL, Sanhua Intelligent Controls, and Chery Automobile. Secondly, the company practiced green finance and continuously expanded green investments. Green/ESG-themed bonds accounted for 3.28% of its bond assets, and the scale of green/ESG-themed products reached RMB20,808 million, representing a year-on-year increase of 177.44%. Thirdly, the company promoted inclusive finance. The scale of bonds supporting sectors such as MSMEs, rural revitalization, and private economy amounted to RMB37,017 million, and closed-end themed products with a term of one year or more amounted to RMB243,961 million, up by 86.09% over the prior year-end. Fourthly, the company advanced pension finance. It launched two closed-end retirement products and six pension wealth management products. The scale of closed-end retirement wealth management products and pension products reached RMB5,510 million and RMB30,541 million, respectively, with annualized returns of 4.04% and 3.94% since their launch, respectively, and their performance received high recognition from the market. Fifthly, the company pushed forward digital finance with great efforts. The company comprehensively advanced its IT development plan featuring digital and intelligent integration, enabled end-to-end online management of business processes, and achieved increasingly significant results in "SUPER-ME"[1] digital transformation.

PSBC Wealth Management enhanced its core competitiveness with efforts and advanced the high-quality development of wealth management business at a faster pace. As at the end of the reporting period, the products managed by PSBC Wealth Management totaled RMB1,317,152 million, an increase of 28.81% from the prior year-end, ranking among the top in the industry in terms of both incremental volume and growth rate. Specifically, the scale of products distributed via PSBC channels increased by RMB202,944 million, and the scale of products distributed via third-party agency sales channels increased by RMB84,179 million. NAV-based products accounted for 100% of all products, representing a completion of rectification of legacy products and transformation toward NAV-based products. Firstly, product structure was further optimized. The share of products with a one-year or longer maturity reached 30.68%, and the share of products with a two-year or longer maturity was 23.21%, ranking among the top in the industry. The "fixed income+" products amounted to RMB350,453 million, an increase of RMB141,773 million, demonstrating a balanced product structure. Secondly, product performance improved with adherence to the principle of low-volatility and stability. The scale-weighted annualized yield of pure fixed-income products reached 2.40%, and 98.25% of closed-end "fixed-income+" products reached the performance benchmark targets, ranking among the top in the industry. Thirdly, customer services were advanced, with over 20 million customers served in total. Leveraging close collaboration between PSBC and China Post Group, the company launched nearly 600 activities including channel collaboration and product training sessions, with a participation of nearly 100 thousand person-times. Third-party agency sales were expanded and accelerated, with a total of 58 channels outside the Bank signed. The coverage of major channels ranked among the top in the industry, and "fixed income+" products such as personal pension products were well received by multiple sales agents. The number of institutional clients increased by 9.19%, and the company continued to enhance its multi-pronged institutional marketing and client acquisition service framework encompassing parent bank distribution, external agency sales, and direct sales.

1 "SUPER-ME" refers to seven key dimensions, being strategy investment, user-journey, product, effective operation, risk, management, and evolving technology.

Majority-Owned Subsidiaries

PSBC Wealth Management focused on digital operations and intelligent empowerment and drove business model transformation. Firstly, the company comprehensively advanced its IT development plan featuring digital and intelligent integration. With a focus on key areas, it made coordinated efforts to promote the development of 13 key projects, delivered 2,368 digital requirements on a cumulative basis, and completed 194 system iterations and upgrades, demonstrating its growing digital and intelligent capabilities. Secondly, the company made intelligent upgrading of its precision marketing. It innovatively created a full-process marketing solution encompassing tag consolidation, intelligent customer identification and acquisition, and performance monitoring. The company consolidated over 136 customer tags, selected customer groups by tag combinations, and shifted from experience-driven to data-driven marketing. Thirdly, the company made breakthroughs in automatic investment research and trading, reestablished the workflow of investment managers, and enabled intelligent position calculation, dynamic management of pledged securities pool, and automatic reverse repo order placement, significantly improving the trading efficiency of treasury business.

PSBC Wealth Management adhered to risk control and compliance as the foundation and strengthened its risk protection network through prudent operations. Firstly, the company optimized its comprehensive risk and performance management framework. It established a product risk budget management mechanism and set up a risk control and compliance indicator center to enhance product risk early-warning capabilities. Interest rate risk management was strengthened, and risk frameworks in key areas such as equities, cross-border business, and derivatives were optimized. The company implemented differentiated control strategies to manage investment risks, strengthened the management of cooperation partners, and improved partner onboarding and offboarding mechanisms. Risk performance evaluation standards aligned with product positioning were also developed and optimized. Products weathered market fluctuations smoothly, and asset quality consistently remained a "zero non-performing assets" status. Secondly, the company continuously enhanced the effectiveness of its internal control and compliance management framework. It closely followed and implemented regulatory policies, served as the chair institution of the Wealth Management Committee of the China Banking Association, and was deeply involved in industry policy formulation and self-regulation efforts. It improved its anti-money laundering governance framework, achieved zero occurrence of major internal control and compliance risk incidents, and laid a solid compliance foundation for high-quality development.

In August 2025, PSBC Wealth Management launched a refreshed brand value framework, including a new brand slogan, "Let Every Effort Be Rewarded", a new brand symbol, "Xiaohonghua (Little Flourish Bloom)", and a new product brand, "Heartfelt Peace of Mind • Smart Gains for the Future". This brand refresh marks another milestone in the development of PSBC Wealth Management, and demonstrates its commitment to customer-centricity and the pursuit of excellence. Guided by its renewed brand value, PSBC Wealth Management will steadily move toward a first-tier bank-affiliated asset management company that is more inclusive, balanced, stable, intelligent and dynamic.

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PSBC CONSUMER FINANCE

PSBC Consumer Finance was established on November 19, 2015, with a registered capital of RMB3 billion, in which the Bank holds a 70.50% stake. Its business scope is: granting personal consumer loans; accepting deposits from shareholders and their domestic subsidiaries as well as parent companies of the groups to which shareholders belong and their domestic subsidiaries; borrowing from domestic financial institutions; borrowing from overseas financial institutions that are shareholders of the company; issuing non-capital bonds; interbank funding; advisory and agency services related to consumer finance; and other business activities as approved by the NFRA. As at the end of the reporting period, PSBC Consumer Finance had total assets of RMB75,732 million and net assets of RMB7,455 million. During the reporting period, the company realized an operating income of RMB8,078 million and recorded a net profit of RMB742 million.

PSBC Consumer Finance advanced the "five priorities" of the financial sector. The company actively acted on the decisions and plans of the CPC Central Committee and the State Council and promoted the "five priorities" of the financial sector. Regarding inclusive finance, the company steadily advanced interest rate reductions, continuously increased the supply of consumer credit services, and extended financial services to more customer segments. During the reporting period, the company's comprehensive loan pricing decreased by 0.73 percentage point compared to the previous year. The company issued RMB154.9 billion in inclusive loans to strongly promote the growth of the consumer market. Regarding green finance, the company increased support for trade-in programs, eco-friendly consumption, etc. It launched the all-new "PSBC with You • YO Life" platform and upgraded the "PSBC Forest" carbon account initiative, integrating financial, consumption and green scenario benefits to help boost consumer market vitality. Regarding digital finance, the company continued to deepen digital transformation. It strengthened data-driven operations and deep application of LLMs, further explored the value of scenario-based data, enhanced system intelligence, efficiency, and compliance, and comprehensively advanced digital transformation across the front, middle, and back offices.

In 2025, as PSBC Consumer Finance celebrated its 10th anniversary, the company organized and carried out a series of internal celebration activities under the theme **"Ten Years Together, Moving Forward Anew"**. These included organizing a themed employee sports meet, producing promotional videos in commemoration of the 10th anniversary, and acknowledging the contributions of employees to strengthen their sense of belonging and loyalty. Externally, the company launched the **"Ten-Year Friends"** brand promotion series activities, including interactive lucky draws on its official WeChat account, publication of a news story in authoritative media outlets with the theme **"A Decade of Commitment to Inclusive Finance: PSBC Consumer Finance Forges Ahead with Digital and Intelligent Innovation"**, and the production of a people-centered documentary film highlighting how the company helps users achieve life goals. In this manner, the company enhanced brand value and conveyed the warmth of its brand.

Majority-Owned Subsidiaries

PSBC Consumer Finance actively fulfilled its social responsibilities. Firstly, the company implemented multiple consumer loan relief measures to deliver tangible benefits to the public. During the reporting period, the company provided considerate services to 44.3 thousand customers, including special interest and fee reductions, repayment deferrals, loan extensions, credit support programs, and mediation services. The total amount of interest and fee reductions reached RMB218 million, giving full play to the positive role of consumer credit in boosting domestic demand. Secondly, the company developed a consumer protection system covering all processes and carried out financial education and publicity. It promoted consumer financial protection knowledge in communities. The "PSBC Care Volunteer Service Team" visited communities multiple times to conduct themed educational campaigns on "Safeguarding Financial Rights and Interests, Fostering a Better Life". It translated professional financial knowledge into practical guidance in daily life and delivered easy-to-understand financial knowledge to residents through interactive Q&A sessions. Thirdly, the company actively responded to the rural revitalization requirements of the NFRA and the China Banking Association, conducted on-site assistance and research in Hezheng County, Gansu Province, and helped improve rural education infrastructure, demonstrating its commitment to serving the people through financial services with concrete actions.

PSBC Consumer Finance continuously promoted high-quality development. Firstly, the company comprehensively optimized its business framework and focused on refined operations of existing customers. It reconstructed the version 3.0 of the PSBC Consumer Finance Wallet app based on the service concept of "Understand You, Make Friends with You, and Delight You", created a closed-loop ecosystem covering "financial services plus daily consumption plus green development", and explored ecosystem-based service models across four consumption scenarios, i.e. government services, cultural tourism, sports, and transportation. Secondly, the company strengthened technology-empowered business development. It advanced systemic development and key technological process innovations, and focused on multi-dimensional upgrades in product processes, customer experience, risk management, and asset preservation, to enhance management capabilities and synergistic effect of business operations. During the reporting period, the company delivered keynote speeches at seven industry summits in the financial technology sector, obtained 113 granted patents, and held 144 software copyrights, continuously enhancing its technological strength and industry influence. Thirdly, the company strengthened its corporate brand responsibility and commitment. Focusing on themes such as boosting consumption, the company cultivated a brand image that is "youthful, approachable, and trustworthy". Its cultural and creative promotion case of IP image "YOYO" was successfully selected as a "Financial Brand and Cultural Building" case of 2025 Golden Dragon Award • Financial Power, organized by the Financial News, significantly enhancing the company's market influence.

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PSBC INVESTMENT

In response to the national call and to support the strategy of boosting China's strength in science and technology, the Board of Directors of the Bank considered and approved the proposal to establish a financial asset investment subsidiary on July 16, 2025. The Bank intended to invest RMB10 billion with its own funds to initiate the establishment of a financial asset investment company as the investment entity in accordance with the Management Measures for Financial Asset Investment Companies (Trial). On October 21, 2025, the NFRA approved the Bank's plan to establish the PSBC Investment. During the preparatory phase, all preparatory work for PSBC Investment, including corporate governance, business planning, risk management, system support, and institutional framework construction, was steadily advanced on all fronts. On March 16, 2026, the NFRA approved the commencement of operations of PSBC Financial Asset Investment Co., Ltd. On March 20, PSBC Investment was officially established.

PSBC Investment has a registered capital of RMB10 billion, in which the Bank holds a 100% stake. Its business scope is: acquiring banks' claims on enterprises for the purpose of debt-to-equity swaps, converting such claims into equity, and managing the resulting equity interests; restructuring, transferring, or disposing of claims that cannot be converted into equity; investing in enterprise equity for the purpose of debt-to-equity swaps, with the invested funds to be used by enterprises solely for repaying existing claims; raising funds from qualified investors and issuing private asset management products in accordance with laws and regulations to support debt-to-equity swap implementation; issuing financial bonds; raising funds through bond repurchases, interbank lending, and interbank borrowing; conducting necessary investment management of proprietary funds and raised funds, where proprietary funds may be used for deposits and placements with banks, and purchases of government bonds or other fixed-income securities, and raised funds shall be used in accordance with the intended purposes specified in the fundraising agreements; providing financial advisory and consulting services related to debt-to-equity swap business; and other businesses approved by the NFRA.

PSBC Investment is a key component of the Bank's comprehensive service strategy. As an important platform for the Bank to implement the "five priorities" of the financial sector, the company will focus on the primary responsibility and core businesses of serving the real economy. It will leverage the Bank's extensive network, customer base and strong brand, focus on debt-to-equity swaps as its main business, and take as its mission channeling more resources toward "early-stage, small-scale, long-term and hard-tech" projects. Through an integrated "financing plus advisory" service model, it aims to optimize and upgrade traditional industries, foster the growth of emerging and future industries, and establish itself as a "national team" and the "main force" in equity investment. PSBC Investment will build a loan-investment linkage innovation platform, a long-term capital platform for technological innovation, a debt-to-equity swap platform for structural reform, and an equity investment management platform to uphold the Bank's strategic positioning and build the Bank into an emerging force in technology finance.

During the reporting period, the Bank's absorption and merger of YOU+ BANK was approved by the NFRA. As of December 29, 2025 (the regulatory approval date), YOU+ BANK had total assets of RMB10,974 million and total liabilities of RMB6,998 million, and was merged into the Bank on the same day. As a wholly-owned subsidiary of the Bank, its financial statements were consolidated into the Bank's financial statements at a 100% proportion. This absorption and merger aligns with the Bank's long-term strategic plan, will not affect the Bank's financial position or operating results, nor will it harm the interests of the Bank or its shareholders. As at the disclosure date of this report, YOU+ BANK has completed the industrial and commercial deregistration.

PSBC Fujian Branch supports the development of local forestry with the green finance model of "Carbon Sink Forest".

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Scan the QR code to watch the brand story promotional video of the Bank

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Financial Technology

The Bank's "Digitally and Intelligently-Driven Distributed Corporate Banking Core System for Large Banks" won the First Prize of the FinTech Development Award of the PBOC.

The Bank reached the highest level in the Data Management Capability Maturity Model (DCMM) assessment, the "Optimization Level".

The Bank took refined management as a key task, strengthened overall coordination and collaboration in technology work, continuously improved its IT governance framework, and reinforced technology risk management and security defenses. It further explored the value of AI-enabled applications, built the "AI2ALL"[1] digital ecosystem, and leveraged technology to promote the high-quality development across the Bank. During the reporting period, the Bank's investment in information technology amounted to RMB11,791 million, accounting for 3.31% of operating income.

Comprehensively Building Digital and Intelligent Advantages

In line with its overall strategic requirements, the Bank fully implemented the tasks outlined in its 14th Five-Year IT Plan, and closely tracked developments in financial technology. With capability building as the foundation, innovation and transformation as the driving force, and empowerment of development as the objective, the Bank deepened the "AI+" initiative to promote the full integration of AI capabilities into the entire chain of its operation and management as well as customer services.

Completing the 14th Five-Year Plan with High Quality

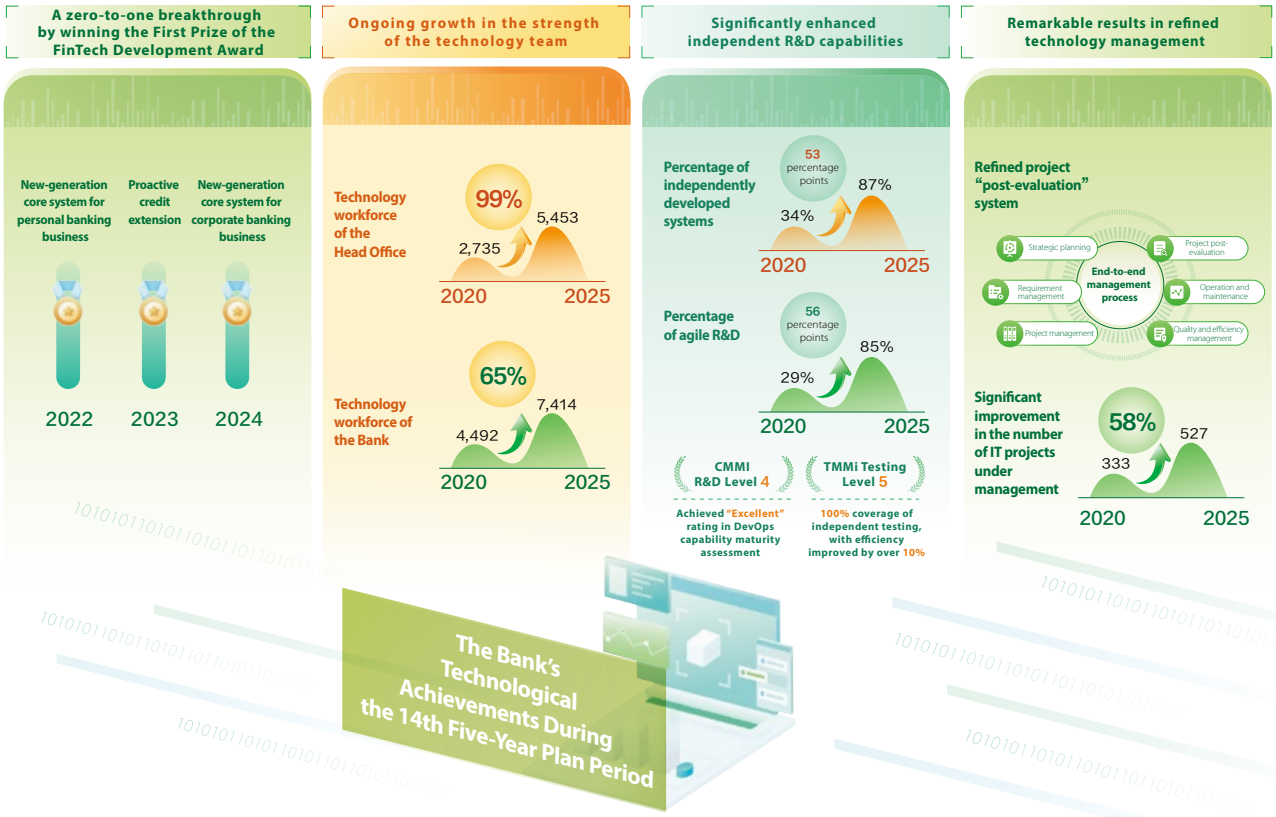
During the 14th Five-Year Plan period, the Bank continuously advanced its Smart, Platform, Experience, Ecosystem, Digitalization, and Synergy (SPEEDS) technology strategy. The Bank took the following measures, such as building an efficient and independent R&D framework, strengthening independent and controllable capabilities in key core systems, unleashing the potential of data elements, and accelerating the deployment of frontier technologies, to further promote the development of a digital ecosystem bank, and inject technological momentum into fostering new quality productive forces and serving the high-quality development of the economy and society.

1 "AI2ALL" refers to the Bank's digital ecosystem built on AI capabilities, where "2" represents AI's dual empowerment both internally and externally, integrating AI into the full process of internal operations and external services.

During the 14th Five-Year Plan period, the Bank scientifically advanced the implementation of its IT Plan. It successfully completed a total of 242 development tasks across application architecture, data architecture, technology architecture, infrastructure, technological innovation, and IT governance as outlined in the IT Plan, accelerating the pace in narrowing the gaps with leading industry peers, and achieving a breakthrough from quantitative change to qualitative improvement in technological development.

The Bank completed a comprehensive upgrade of its core systems, with major projects, including the new-generation core system for personal banking business, new-generation core system for corporate banking business, new-generation core system for credit cards, and the third-generation core system for treasury business, laying a solid foundation for its business development. The value of data elements was effectively unleashed. The Bank reached the highest level in the DCMM assessment, the "Optimization Level". Rigid control over data quality at the source was implemented across all systems under development, with the standard implementation rate for incremental data and the Chinese metadata completeness rate both reaching 100%. Platform development has been fully implemented, with the completion of 34 platforms across three major categories, i.e. business, application foundation, and technology, empowering the reshaping of business processes and innovation in products and services. Middle office capabilities were fully established, including six major business middle-office platforms, a data middle-office platform, and a technology middle-office platform, enabling shared and reusable capabilities. Infrastructure capabilities advanced rapidly. The layout of the data center has evolved from a "two-location, three-center" setup to a "two-location, four-center" setup, and a leading intelligent computing data center capable of sustainable evolution has been built. The application of frontier technologies reached an industry-leading level, with AI capabilities advancing to phase 2.0. Refined technology governance was comprehensively strengthened. Leveraging the unified processes, data, and views, the Bank connected the full lifecycle of the management chain, R&D chain, and operation chain, and built an integrated financial technology management platform.

During the 15th Five-Year Plan period, the Bank will seize the historic opportunities presented by the new round of technological revolution and industrial transformation for its financial technology work, continue to strengthen innovation and achieve breakthroughs in core technologies in key fields, accelerate digital and intelligent transformation, and strive to write a new chapter in high-quality financial development.



Financial Technology

Results Achieved in Digital and Intelligent Transformation

Driven by data resources and intelligent technologies, the Bank focused on "enhancing customer service quality and improving internal management efficiency", and advanced reforms across seven key areas, i.e. channel services, customer services, product services, risk management, operations management, internal management, and financial technology, to build a digital and intelligent service ecosystem that supports high-quality growth.

In terms of channel services, the Bank achieved a breakthrough in the key technology of "full voice-based transaction processing" of mobile banking, and explored to provide a new interactive experience of "service looking for the customer", making financial operations simpler and more intuitive. The Bank launched 12 financial services in its WeChat mini program, with more than 5.7 million visits. It also took the lead in enabling shared-screen services for corporate mobile banking and corporate online banking, allowing remote agents to provide real-time operational guidance through "voice communication plus screen sharing".

In terms of customer services, the Bank integrated the customer demand insight LLM into all business lines and product categories, supporting precise product matching for approximately 55 million key customers. It introduced the intelligent data entry and voice navigation functions on the corporate Customer Relationship Management (CRM) platform in the mobile app, improving the efficiency of order entry by customer managers by about 96%. The Bank also leveraged the loan demand mining model for long-tail non-borrowers to conduct centralized operations for small enterprise clients, successfully raising the loan conversion rate to over 40%.

In terms of product services, the Bank efficiently integrated business services into its new-generation corporate banking core system, and improved overall efficiency of system operation by more than 10 times, with the annual cumulative transaction and settlement volume exceeding RMB100 trillion. The system improvement earned the Bank the First Prize of the Fintech Development Award of the PBOC in 2024. For the third-generation core system for treasury business, the Bank built a pricing engine with full intellectual property ownership, and established a unified, precise, and real-time asset pricing foundation capable of millisecond-level computations. Moreover, the Bank developed an intelligent writing model for the investment banking business to automatically generate due diligence reports, reducing the drafting time by over 97%.

In terms of risk management, the Bank launched a post-lending risk monitoring LLM in its credit risk monitoring system, strengthening management and control over potential risk customers and identifying approximately 19% additional risk customers previously undetected by the early warning system. The Bank introduced an AI-powered recognition and analysis LLM for real estate-related certificates in its guarantee management system, achieving an accuracy rate of above 97%. It also upgraded its loan use violation detection model in the compliance management system, and improved the violation identification rate by about 29%. An "LLM-assisted intelligent analysis tool" was launched in the anti-fraud system, which transformed the handling of telecom fraud cases from manual screening to intelligent analysis, and boosted the efficiency of centralized anti-fraud review by over 20%.

In terms of operation management, the Bank rolled out LLM recognition for five types of non-standard documents in the operational center system, with the recognition rate exceeding 80% and the percentage of automated information capture exceeding 90%. The Bank fully launched the new-generation funds clearing system, and established a unified internal clearing account management system across the Bank, which enabled centralized management and control of fund settlement, significantly expanded the scope of centralized processing, and achieved millisecond-level response for core businesses.

In terms of internal management, the Bank advanced the development of its new core financial system cluster, and the travel management platform on the Bank's shared financial system significantly improved employees' reimbursement experience, reducing paper voucher usage by over 79%, and shortening review time by about 45%. The Bank optimized the process of the new-generation comprehensive business planning system, and reduced the time for net interest margin calculation from six hours to two hours. It redesigned and launched the core functions of the human resources management system 3.0, introducing multiple service entry points such as the HR Zone and Employee Center, and allowing quick response to personalized HR needs. Furthermore, the Bank launched the "Outlet Management Hub" and "Corporate Business Hub", enabling one-stop integrated processing of cross-system transactions at outlets.

In terms of financial technology, the digital and intelligent technology middle-office platform connected the full lifecycle of the management chain, R&D chain, and operation chain, providing business personnel with end-to-end visualized tracking of requirements. A total of over 19.5 thousand business requirements were processed on the platform, with more than 90% of requirement workflows being managed online. In addition, the Bank launched 10 application paradigms on the LLM platform, including document Q&A, document drafting, and trading bots, supporting rapid scenario development.

Building New "AI plus Finance" Infrastructure and Creating a New Paradigm for Financial Services

Column

The Bank has built an AI architecture framework encompassing computing power, algorithms, data, security, and scenarios, and achieved centralized deployment, unified access, and visualized management of LLMs. This supports business departments in rapidly building agent applications with "zero code", significantly lowering the threshold for AI adoption, accelerating technology implementation at PSBC speed, and the full embracing of the new era of "AI plus finance".

The Bank's LLM development covers more than 260 application scenarios across the front, middle, and back-office. It has opened up 24 general AI capabilities of 10 major categories to all branches, and formed PSBC's "AI2ALL" digital ecosystem featuring "external omnichannel reach plus internal Bank-wide efficiency enhancement".

In improving the quality of customer services, the Bank built an intelligent outbound calling system to deliver human-like intelligent outbound calls with end-to-end second-level response. It developed intelligent recommendation models covering all retail customer segments, all product categories and all channels, and achieved over RMB6 billion in personal credit extension and more than RMB1.4 billion in wealth product sales. The Bank enabled intelligent inquiry and response for bond underwriting transactions with the bond trading bot "You Xiaobao", and improved the efficiency of transaction execution by over 95%. The Bank also fully connected the bill trading bot "You Xiaoying" to the "Together We Thrive" interbank ecosystem platform, improving the execution efficiency by approximately 10 times, with the cumulative transaction volume exceeding RMB1 trillion. Digital employees were fully deployed in core online and offline channels such as mobile banking and intelligent teller machines (ITMs). Online, they handled cumulatively nearly 50 million dialogues, and served over ten million users. Offline, they supported nearly 100 high-frequency ITM business scenarios and improved the operational efficiency by about 40%.

In enhancing the efficiency of internal operations and management, the Bank developed an intelligent review hub based on image-text understanding and multimodal information processing capabilities, empowering more than 20 business scenarios, with an image classification recognition rate reaching approximately 98%, and a key information extraction accuracy rate standing at about 92%. In the field of intelligent operations, the Bank overcame challenges in intelligent recognition and review of more than 40 types of bills and vouchers, with a classification accuracy rate exceeding 95%. The intelligent data assistant tool of the Bank provided data services featuring "queries in plain language, accurate answers, visual presentation, and on-demand availability" for over 20 thousand management personnel and business backbones at the Head Office and branches, with a result adoption rate exceeding 95%. The intelligent tracing tool helped the Bank realize field-level data lineage mapping, which covered more than 5 million fields, and helped R&D personnel resolve pain points such as data issue location and impact analysis. The Bank launched a total of 17 agents, including intelligent meeting, intelligent review and approval, and document drafting. They supported meeting reservation and automatic generation of meeting minutes, and handled over 220 thousand queries with intelligent knowledge answers, effectively reducing labor costs and enhancing employees' intelligent working capabilities.

Looking ahead, the Bank will remain committed to its original aspiration of serving the people through financial services, deepen the development of the "AI2ALL" digital ecosystem, and transform technological power into perceptive and warm financial services that reach thousands of industries and benefit millions of households. PSBC is dedicated to co-creating and sharing a better digital future with customers, partners, and society.

Accelerating the Formation of New Quality Productive Forces

The Bank actively aligned itself with the broader development of the digital economy, fortified its security foundation, and further strengthened enterprise-level middle-office platform infrastructure. It transformed AI innovation capabilities into new quality productive forces for driving the Bank's high-quality development, built an intelligent foundation "compass" with three key pillars, i.e. platforms, computing power and data, and contributed insight and strength to the high-quality development of digital finance.

Building a Solid Foundation for Technology Competitiveness

The Bank accelerated the development of the enterprise-level middle-office platform capabilities. It released a total of 161 reusable middle-office platform components and optimized the intelligent R&D platform. The intelligent development tools were used over 190 thousand person-times, and the standards for the DevOps (development and operations integration) platform R&D processes were implemented.

The Bank developed coordination capabilities of three major intelligent systems. The agent development platform enabled dynamic collaboration between single agent and multiple agents, effectively meeting the demands for intelligence of complex business scenarios and providing a core capability engine for model applications. The model development tools platform supported unified access to both large and small models and the reuse of model assets, enabling flexible allocation and efficient management of model resources and laying the foundation for rapid model iteration. The application service platform packed AI capabilities into modular, "out-of-the-box" components, and supported rapid development and deployment of new applications.

The Bank continuously strengthened its capabilities of infrastructure foundation. Taking "cloud-native plus AI-native" as the technology roadmap, the Bank developed a financial industry-level operational foundation, initiated the development of the first full-stack domestic intelligent computing cluster based on a super-node architecture in the financial industry, and upgraded the intelligent computing architecture system from a single-device mode to a cluster mode, achieving leapfrog development in its intelligent computing system. It also provided support for key stages of mainstream LLMs in AI scenarios, such as private deployment, large-scale incremental training, fine-tuning, and data synthesis, delivering high-performance and highly reliable computing power and model services for business development.

The Bank gave full play to the leading role of standards in IT development, conducted the digital transformation of standards management, realized online, full-lifecycle management of enterprise standards, and continued to advance the development of the enterprise standards framework. As at the end of the reporting period, the Bank issued a total of 177 enterprise standards, including data governance, infrastructure development, software development, business modeling, customer experience, and risk prevention.

Strengthening Data-Driven Insights

In terms of asset management, the Bank built all-domain data asset management capabilities. By establishing an integrated end-to-end operating mechanism covering data collection, storage, management, and utilization, it achieved panoramic visibility and high-quality supply of data assets, and provided continuous, high-quality "data nourishment" for LLM training.

In terms of analytical modeling, the Bank built an intelligent marketing system covering all customers, products, and channels, cumulatively generating tens of billions of RMB in retail financial product sales and boosting the activation rate of dormant mobile banking customers by more than four times. It established a budget forecasting model system, with the rolling net growth model achieving over 96% accuracy in predicting natural month increments in deposits and loans. It conducted corporate marketing and customer acquisition based on knowledge graphs and provided a total of tens of

Financial Technology

billions of RMB in credit support. A dedicated task force was formed to develop intelligent models, boosting the accuracy rate of medium and higher-risk transaction identification to over 80%.

In terms of data application, the Bank focused on capability enhancement and standardization of the data middle-office platform and solidified the foundation of technology-enabled empowerment. It continuously expanded system capacity to strengthen platform capabilities, and enhanced real-time service performance. Addressing the requirements of high-concurrency scenarios such as mobile banking and unified counter services, the platform provided a total of 2,164 data services, including 517 real-time data query services, representing a year-on-year increase of 37.50%, effectively supporting business demands involving high-frequency data.

In terms of capability support, the Bank developed an enterprise-level model management service system, which supported the management of more than 900 model assets and online monitoring of over 500 models. It issued unified, Bank-wide data service interface management standards, providing a solid foundation for standardized and efficient data services across the Bank and making notable achievements in standards development.

Comprehensively Enhancing Data Capabilities and Driving Business Innovation with Data Elements

Column

During the 14th Five-Year Plan period, the Bank took data as a core strategic asset and systematically advanced the adoption of the mechanism "using assessments to drive development, governance, and application", and comprehensively strengthened the development of data management framework. In terms of strategy, the Bank completed its 14th Five-Year Plan data planning and proactively arranged its data management and empowerment path during the 15th Five-Year Plan period. In terms of governance, it established a Data and Model Governance Committee and achieved integrated, full-lifecycle governance of data and models. In terms of mechanism, governance requirements were integrated into the key stages of R&D and application, achieving sustained rigorous control over 234 systems. In terms of technology, the Bank strengthened the self-development of big data and AI technologies to promote the intelligent upgrading of management paradigms. In addition, the Bank proactively shared its best practices in data governance and actively participated in the formulation of national and industry standards, fully demonstrating the exemplary and leading role of a large state-owned bank.

The Bank has published the PSBC Data Asset White Paper for four consecutive years, continuously exploring and establishing mechanisms to unlock the value of data assets. During the reporting period, the Bank focused on realizing the multiplier effect of data elements and continued to advance data asset management. The 2025 edition of the White Paper, themed on "all-domain, efficiency, and sharing", emphasized the dual drivers of management and operation. It brought together data insights from both the Head Office and branches across three dimensions, i.e. data asset management framework, management practices, and application practices, and released 34 data asset practice cases in areas such as customer services and risk prevention and control, laying a solid foundation for data-driven business development.

During the reporting period, the Bank continued to improve its multidimensional retail customer profiling system and established an intelligent marketing model system covering multiple channels and supporting refined identification. By embedding capabilities of data analysis models into customer-reaching channels such as CRM, mobile banking, and intelligent outbound calling, the Bank upgraded its customer operation model from passive response to proactive service. The Bank also actively utilized deep learning and other algorithms to refine online channel operation. By developing models to unlock customer potential and reactivate dormant customers, it supported the Head Office and branches at all levels in conducting precision marketing through IT systems such as CRM and the marketing middle-office platform. This drove the transformation of its operating model from "manually seeking out customers" to "identifying customers via IT systems", enabling precise customer identification and outreach across their different lifecycle stages, and effectively supporting the steady growth of active mobile banking users. In addition, the Bank actively applied advanced technologies including graph computing, empowered supply chain finance services with intelligent means, derived insights into financial service needs from complex industrial relationship data, and optimized product recommendation strategies, making financial services much more precise and forward-looking.

Consolidating the Foundation for Secure Operations

Guided by the "Three Orientations and Six Defenses"[1], the Bank established a "capability-based, system-integrated, field-tested, and intelligent" new-generation cybersecurity protection system. This system provided comprehensive IT infrastructure security coverage across end-points, networks, and the cloud, fully safeguarding network resources, computing resources, and the application systems they carry. A cybersecurity operation system integrating routine operation and emergency response was formed, effectively elevating the overall cybersecurity protection level of the Bank.

The Bank refined its R&D security management framework, empowered branches in their development security control, and reduced system vulnerabilities. It passed a financial cybersecurity maturity assessment, achieving an excellent rating among major state-owned banks. The Bank independently developed a proprietary security LLM, conducted dedicated AI-powered security attack and defense drills, and continuously enhanced the security and risk prevention capabilities of its intelligent applications. The Bank innovatively adopted the dual-engine model of "rules plus models" to achieve intelligent data classification and grading, improving the quality and efficiency of data security management.

The coverage rate of disaster recovery for critical information systems achieved the expected targets. The Bank initiated a disaster recovery construction project for unified systems at tier-1 branches, achieving a leap in the Bank's disaster recovery capabilities from "manual and semi-automated" to "large-scale, automated, and one-click" operation. Disaster recovery drills evolved from verification-based ones to a routine practice. The Bank adhered to the principle of "drills as actual combat" and conducted emergency drills on a regular basis. The Bank successfully completed the 2025 business continuity stress test for critical information systems in the financial industry, as organized by the PBOC.

Building a Workforce with Versatile Skills

The Bank innovated its talent development mechanism, conducted comprehensive, multi-level capability enhancement training across the Head Office and branches, and fully implemented the "Sharp • Light • Star" talent training mechanism. It steadily carried out intra-departmental and cross-departmental talent mobility programs, continuously advanced the development of a three-tier talent pipeline, and comprehensively enhanced the professional level of its workforce.

1 The "Three Orientations and Six Defenses" refers to an operations-oriented, systematic, and sustained approach to cybersecurity, as well as the measures of dynamic defense, proactive defense, defense in depth, precise protection, holistic prevention and control, and joint prevention and control.

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The Bank strengthened the integration of business, technology, and data, and built diversified business R&D capabilities around product innovation, solution design, and requirement management. It cultivated a pipeline of cross-functional data talents with skills in "data plus business", and relied on a team of Digital and Intelligent Service Engineers to continuously empower frontline marketing, stay dedicated to value creation, and enhance customer experience. It constantly delivered characteristic scenario-based service solutions and drove high-quality business development.

The Bank also reinforced refined talent management and strengthened the development of three teams – project managers, technical managers, and testing managers. It carried out competitive selection-based promotion for project managers, qualification certification for technical managers, and tiered management for testing managers, stimulating employees' initiative and innovation vitality, comprehensively enhancing technical proficiency and risk prevention and control throughout system development, and ensuring high-quality project delivery.

Scan the QR code for details of the Bank's 2025 U Innovation Financial Digital Intelligence Competition

Internet Finance

The number of monthly active users (MAU) of mobile banking exceeded **90** million.

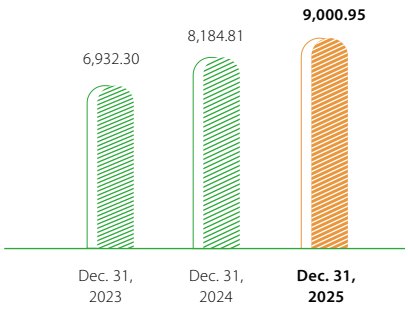
The Bank's mobile banking ranked **first** in user experience for three consecutive years in the survey conducted by China Financial Certification Authority (CFCA).

The number of personal wallet customer base registered via the e-CNY app exceeded **35** million, ranking **first** among peers.

MAU

(In 10,000)

Increase from the prior year-end **9.97%**



During the 14th Five-Year Plan period, the Bank achieved remarkable results in digital transformation. In terms of top-level design, the Bank formulated a three-step approach of "establishing keypoints, forming lines by connecting keypoints, and achieving overall coverage". A number of digital finance planning schemes were issued successively, and a complete development path for digital finance with PSBC characteristics was developed. In terms of effectiveness evaluation, the Bank pioneered the development of the "i-Super" digital finance index[1], which covered four major perspectives, i.e. industry level, enterprise level, business level, and regional level. The Bank also led the compilation of the group standard, the Digital Transformation of Banking Industry – Commercial Bank First Tier Branch Evaluation Index Development Plan, contributing a methodology to the industry. In terms of business innovation, the Bank continuously upgraded and iterated its personal mobile banking, and deeply integrated technologies such as big data and artificial intelligence (AI). It comprehensively upgraded the functions and experience of mobile banking from multiple aspects including architecture, design, interaction, products, operation, and risk, creating a "customer-centered" main platform for interaction and operation. The e-CNY business achieved a leapfrog development from pilot exploration to large-scale promotion. It was steadily advanced in a three-pronged model of "market expansion, R&D capability building, and business operation". The Bank rapidly expanded its user base, built a product matrix with clear categorization and flexible combination, and established an e-CNY application scenario ecosystem with PSBC characteristics.

During the reporting period, the Bank adopted digital transformation as its overarching strategy, leveraged AI as the key driving force, and innovatively established the "AI2ALL" digital ecosystem. It advanced in an all-around way the systematic AI empowerment in fields such as customer services, ecosystem scenarios, operation and management, and risk control, and established a new paradigm of digital finance that integrates refined services, scenario-based ecosystems, intelligent risk control, digital operations, and innovative products.

1 The "i-Super" digital finance index is composed of multiple indicators in six major digitization areas, namely infrastructure development, supervision and management, user-service operation, products and businesses, ecosystem scenarios, and risk control, and it quantifies the effectiveness of the Bank's digital transformation in an intuitive and comprehensive manner using an index form.

Internet Finance

Constantly Improving Mobile Banking Service Capabilities

The Bank launched its mobile banking 11.0 under the theme of "Enjoy a Smart and Excellent Life", focusing on four dimensions, i.e. enhanced interaction, optimized products, refined operation, and deeper integration. Four premium experiences are created with full efforts: intelligent customer interaction, efficient product and service delivery, targeted operational reach, and real-time channel integration.

Regarding enhanced interaction, the application has shifted from passive response to proactive care, creating a more flexible, immersive, intelligent, and warm interaction mode. AI technologies have been further integrated into the customer journey to reshape intelligent interaction logic, transforming traditional "click, search, and redirect" mode into a companion-style "conversation-as-a-service" interaction mode, which enables "voice-activated immediate execution", delivers one-stop search, and provides more intuitive and convenient mobile banking services.

Regarding optimized products, a minimalist experience has been created by optimizing high-frequency transactions and page layouts through minimalist service design to enhance product competitiveness. The Bank expanded credit card scenarios, upgraded the credit card channel, revamped the "Mobile Salary" section, and launched a "tap-to-pay" feature. A gold fund section was added to the fund homepage. High-frequency functions continued to be iteratively optimized, making basic financial services such as digital currency transfer smoother.

Regarding refined operation, the Bank has made efforts to ensure its products dovetail nicely with customer demand. Trending news was launched on the homepage to offer information services. The intelligent display of homepage functions was rolled out, with personalized presentation of commonly used features such as investment, wealth management, credit cards, and loans based on customers' browsing habits. The panoramic wealth planning service was also launched, which can create personalized plans such as insurance plan and retirement plan based on each client's asset profile and future goals.

Regarding deeper integration, channel collaboration and integration have been strengthened to eliminate service gaps. Manual outbound calling and mobile banking are fully coordinated to enable customer service staff to send relevant information to the mobile banking message center with one click. The "scan-to-process" scenarios in mobile banking have been expanded, allowing customers to complete designated transactions such as deposits and withdrawals over the counter at outlets simply by scanning a QR code with the app, without carrying a bank card or passbook, thereby enhancing service reach and effectiveness.

Comprehensively Upgrading the Remote Integrated Services for Customers

The Bank's Remote Banking Center, centering on the goal of "improvement in both quality and efficiency", has comprehensively advanced the upgrade of remote integrated service capabilities, ensured the stability and smoothness of service channels, and achieved the

coordinated advancement of service quality and operational efficiency. During the reporting period, the 95580 customer service hotline achieved an answer rate of over 90%, and the customer satisfaction rate reached 99.88%. **The Bank upgraded its intelligent service capabilities.** It promoted the scenario-based application of intelligent customer service, improving the semantic understanding and response efficiency. It also iterated the intelligent voice navigation system and knowledge base, to increase the self-service resolution rate and optimize the service experience. **The Bank built data support capabilities.** Relying on the intelligent data platform, it established a data system tailored for remote scenarios, empowering refined operations and optimizing cost control with data, and supporting further improvement of its services. **The Bank enhanced customer experience.** Focusing on the core goal of improving customer experience, it made in-depth analysis of service data to identify customer pain points, addressed complex complaints through dedicated efforts, and precisely optimized service interaction processes to deliver a high-quality service experience that better meets customer needs.

The Bank accelerated the digital and intelligent transformation of credit card customer service. Online service channels were continuously expanded, and the online service and transaction capabilities of robots, multimedia agents, video customer service, and digital employees were strengthened. Several new online transaction functions were added, and intelligent robots provided 24/7 all-weather services to customers by 25 million person-times. Innovation with LLM technology was accelerated to enhance the intelligent comprehension function of robots. Leveraging capabilities such as deep comprehension and multi-intent recognition of LLMs, the Bank coordinated the operation and management of human customer service staff to ensure smooth hotline operations. During the reporting period, human services achieved an answer rate of over 95%, with human service satisfaction rate reaching 99.87%.

Building a Diverse Application Scenario Ecosystem

The Bank has taken mobile banking as its primary platform to enrich consumption scenarios such as mobile top-ups and purchase of movie tickets, highlighted postal scenarios such as philately and EMS, and tapped into the potential of government service scenarios, continuously building a service ecosystem with diversified and multi-dimensional daily life scenarios. The Bank established a whole-process and closed-loop management system for the "i-Open" open banking service platform[1], covering product openness, partnership access, and operation monitoring. Adhering to a dual-track approach that introduces scenarios while simultaneously extending services, the Bank deepened its efforts in developing the open banking ecosystem, created industry-specific digital and intelligent cloud services covering local livelihood needs, services for benefiting farmers and merchants, and smart scenarios, and continuously expanded channels for customer acquisition and service.

1 The "i-Open" open banking service platform refers to the Bank's one-stop open service platform integrating "open banking capabilities", "solutions", and "financial cloud". It enables financial products to be deeply integrated into various livelihood and production scenarios through the open banking model.

Internet Finance

The Bank released its corporate online banking 5.0 and corporate mobile banking 4.0. For its corporate e-banking services, the Bank, with a focus on improving settlement efficiency, upgraded the intelligent payment routing, and realized enhanced user experience across multiple systems and terminals. The Bank further advanced its professional financial services and launched a treasury version of corporate mobile banking, which introduced "U-L/C plus U-Acceptance" and a foreign exchange derivatives trading module to meet the financial needs of specific client groups. It integrated enterprises' business scenarios into its system, and added practical tools such as e-contracts and Easy Bidding & Procurement, supporting the digital and intelligent transformation of SME operation and management. The Bank also enhanced its intelligent service capabilities, expanded co-browsing service scenarios such as payroll services and instant discounting, and released the corporate finance one-stop mini program 2.0, delivering warm, companion-style financial services. In the 2025 China Digital Banking Survey Report released by CFCA, the Bank ranked first in the industry in both the comprehensive evaluation and the evaluation of user experience for corporate online banking, and ranked second in the comprehensive evaluation for corporate mobile banking. During the reporting period, the number of transactions via corporate mobile banking increased by 43.56%, and transaction volume rose by 40.52%.

Comprehensively Enhancing Intelligent Risk Control

The Bank strengthened real-time risk monitoring and response capabilities for online transactions, enhanced prevention against the risk of abnormal transactions across electronic channels, and dynamically implemented differentiated management and control strategies. Based on varying transaction risk levels, the Bank adopted different measures such as deepfake face detection, video agent verification, and delayed transfers, to effectively intercept high-risk funds. Customer identity verification methods were further improved. The Bank actively implemented national strategies, connected with the Ministry of Public Security to launch the National Online Identity Authentication service, added voice-based verification code function, and optimized video agent verification processes. These efforts enhanced the identification and prevention of suspicious transactions across electronic channels, and safeguarded fund security while maintaining transaction convenience. The Bank revamped the security center on its mobile banking, added an Emergency Center section and Security Tips, and enhanced its capability to monitor security environment of mobile phones, working effectively with customers to jointly improve anti-fraud capabilities. The Bank also updated its e-banking privacy policy, which allows it to display personal information collection list and third-party information sharing list in a prominent manner within the mobile banking app, fully safeguarding customers' right to know.

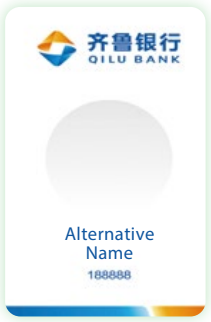
Further Advancing the Digital Operation System

The Bank built an intelligent and refined operation system, and continuously advanced digital operation. It innovatively established a three-dimensional operation network with horizontal and vertical linkages, formed a smart strategy framework, and promoted the transformation of operation strategies from traditional "broad outreach" to intelligent "targeted solutions". This enhanced both customer retention rate and value conversion efficiency. Horizontally, the Bank focused on the entire customer lifecycle, and leveraged multi-channel centralized operations to deliver precise, tiered services. Vertically, it responded to real-time needs, and automatically triggered personalized strategies across multiple scenarios, enhancing the human touch and efficiency of operational services.

Internet Finance

Actively Promoting the Application of the E-CNY

The Bank strengthened cooperation with internet platforms, further advanced the operation of key e-CNY scenarios of the Bank, and encouraged customers to actively experience e-CNY payment. As at the end of the reporting period, the number of the Bank's personal wallet customer base registered via the e-CNY app exceeded 35 million, ranking first among peers. The Bank strictly implemented the requirements of the PBOC's Action Plan for Further Strengthening the Management and Service Framework of e-CNY and the Related Financial Infrastructure Construction, steadily promoted the implementation of the new generation of e-CNY measurement framework, and officially launched the e-CNY interest payment for customers on January 1, 2026. The Bank continued to expand the coverage of the e-CNY online and offline acceptance environment, actively built e-CNY business districts, and created a number of characteristic business district demonstration cases in areas such as communities, cultural tourism and rural areas. It was deeply engaged in the development of key scenarios in areas such as government services, rural revitalization, smart contracts, and hardware wallets. It achieved rapid growth in the number of merchants who adopt the smart contract-based prepayment solution and are connected to the "Secured Pay" on the e-CNY app, with a leading scale in the industry. The Bank also launched the domestic factoring business with e-CNY smart contracts, providing full-process online financing services for SMEs. It expanded the scope of cross-border settlement business of e-CNY, promoted the application of multi-central bank digital currency bridge (mBridge), and opened up cross-chain payment channels and launched the remittance function of corporate online banking, building a diversified settlement system. Furthermore, the Bank strengthened the forward-looking identification of e-CNY payment risks, continuously optimized risk monitoring and early warning, and effectively safeguarded the rights and interests of customers.



> The Bank, in collaboration with Qilu Bank, issues the "Qilu Bank Employee Card" hardware wallets based on the quasi-account model.

> The Bank works with the Bank of Suzhou to launch the "Suxin Wallet" hardware wallets based on the quasi-account model for the citizens of Suzhou.

> Digital and Intelligent Jiangyin and City-themed hardware wallet

> Hardware wallet with the theme of China-South Asia Exposition

> "Charming Liangshan Mountain • Enjoying Digital Currency" themed hardware wallet based on the quasi-account model

> "Songzhuang Art Family" themed hardware wallet based on the quasi-account model

Ushering in the i∞PSBC Era and Building a New Multi-Dimensional Intelligent Ecosystem

Column

The Bank thoroughly implemented the guiding principles of the Central Financial Work Conference, continuously advanced the key tasks of "Digital Finance", and held the Digital Finance Conference for three consecutive years to release its achievements of digital financial services in a concentrated manner.

Against the backdrop of digital technology profoundly reshaping the financial landscape, the Bank advanced the development of the Digital PSBC step by step following the principles of "Grasping the Trend, Reshaping the Foundation, Being Human-Centered, and Pursuing Collaboration". "Grasping the Trend" refers to conforming to the trend of digital economy and AI development, and transforming technological changes into the internal driving force for high-quality development. "Reshaping the Foundation" means to strengthen the digital infrastructure and core capability base, and consolidate the development foundation for independent control and stable operation. "Being Human-Centered" refers to adhering to the customer-centered approach, and making digital financial services reach every household. "Pursuing Collaboration" refers to achieving the integration of digital technology and financial services through internal and external collaboration and ecological co-construction.

The Bank is committed to building the "AI2ALL" digital ecosystem and promoting the upgrade of intelligent technologies from single-point applications to systematic empowerment.

In terms of capability, the Bank continuously strengthened the development of basic capabilities such as data, computing power and algorithms, and promoted the transformation of AI from technical support to a business engine. Centering on customer scale, experience depth, scenario coverage and detail innovation, the Bank planned over 260 AI application scenarios, and gradually established an application system covering operation and management as well as customer service. It has received the first prize of the FinTech Development Award of the PBOC for three consecutive years.

In terms of efficiency, the Bank empowered organizational operations with intelligent tools. The front office enhanced its targeted marketing and customer reach capabilities through intelligent profiling and strategy models. The middle office drove the mutually reinforcing improvement between risk control and business efficiency through intelligent models. The back office used intelligent data assistant and other intelligent analysis tools to lower the threshold for data usage, and enhance the efficiency of decision-making of the management and professional support for employees.

In terms of services, the Bank promoted the application of AI to offline, remote and online service scenarios, and built a multi-touchpoint collaborative service system. Offline outlets crossed the boundaries of physical services through human-machine collaboration. Relying on intelligent outbound calling, the Bank achieved efficient and proactive response to customer demand with its remote services. As for its online services, the Bank took mobile banking as the core platform to continuously advance intelligent interaction, scenario linkage and security protection, promoting an overall improvement in customer experience.

In addition, the Bank, with the launch of the mobile banking 11.0, continuously upgraded its service model in line with the overall goal of "smart companionship, scenario interconnection, and trustworthy service". In terms of interactive experience, AI technologies have been further integrated into the customer journey, and a conversation-based service model was introduced to explore high-frequency business processing through natural language. In terms of scenario-based services, through personalized and intelligent display of homepage and to-do list, the Bank gradually transformed its services from "people searching for functions" to "functions understanding people". In terms of security guarantees, the Bank innovatively introduced a "relatives and friends plus banks" dual protection mechanism to enhance the risk identification and collaborative protection capabilities, continuously consolidating the foundation of user trust. In the latest 2025 China Digital Banking Survey Report released by CFCA, the Bank's mobile banking ranked first in user experience for three consecutive years.

Scan the QR code to learn more about the Bank's 2025 Digital Finance Conference and Mobile Banking 11.0 Launch Event

Outlet Development

Nearly **280** brand flagship outlets have been established, setting benchmarks for the Bank's brand image and service capabilities.

11.2 thousand self-service devices achieved remote transaction review via the cloud counter model, improving operational efficiency by **40.00**%.

36.6 thousand mobile business development devices were equipped with remote processing capabilities based on the cloud counter model, increasing the off-outlet transaction volume by **38.89**%.

The extensive and in-depth coverage of the Bank's business outlets across urban and rural areas is the core feature that underpins its differentiated competitiveness. The Bank remains committed to building a first-tier large retail bank that is more inclusive, balanced, stable, intelligent, and dynamic, and continued to elevate customer experience at outlets and their capabilities for business value creation by optimizing the layout, upgrading the image, and innovating the operational model.

Optimizing Outlet Network Layout and Renovating Brand Image

The Bank continued to strengthen strategic guidance and optimize its outlet network layout. Adhering to the principle of serving the country's major regional development strategies and advancing rural revitalization, it adopted a dynamic mechanism of "establishing, relocating, renovating, and removing" for outlet adjustment, constantly optimizing its network layout and improving resource allocation efficiency. Since the launch of special initiative to optimize the layout of outlets and enhance their images in 2024, a cumulative total of 147 outlets with overlapping coverage or development potential constrained have been proactively adjusted. The Bank also actively seized opportunities arising from urbanization and industrial development, and established 76 new outlets in key areas, including China's top 100 counties and top 1,000 towns by economic strength, key counties receiving assistance for rural revitalization at the provincial level or above, as well as various new cities, districts, and industrial parks nationwide.

The Bank continued to refresh its outlet image and enhance brand recognition. During the reporting period, approximately 6,300 outlets were renovated to provide customers with a warm and welcoming service environment. Since 2024, nearly 280 brand flagship outlets have been successfully established, setting benchmarks for the Bank's brand image and service capabilities. The Bank piloted tiered and categorized outlet management, explored the establishment of a refined matrix management model[1] centered on "three categories and three tiers", a model based on the functional positioning and business performance of

1 The "three categories and three tiers" refined matrix management model refers to classifying outlets into three categories, i.e. comprehensive flagship outlets, comprehensive select outlets, and comprehensive light service outlets, with each category further graded by three tiers (A, B, or C) based on performance evaluation.

outlets, and implemented differentiated resource allocation to stimulate the business vitality of outlets. As at the end of the reporting period, the Bank had a total of 39,015 outlets, including 7,420 directly-operated outlets and 31,595 agency outlets. It had 127,044 self-service devices in operation, including 49,718 ITMs, which accounted for 97.52% of non-cash transaction self-service devices, as well as 65,763 mobile business development terminals.

Transforming Outlet Operations

The Bank accelerated the digital and intelligent transformation of its outlets, further advanced centralized operation, and scaled up the cloud counter service model that integrates "remote and on-site" services. This has transcended the physical boundaries of outlets, enabled optimal allocation of financial resources, achieved faster response to customers' business needs, and driven the iterative upgrade of the outlet customer service model. Meanwhile, the Bank empowered centralized operation with AI, and created a warm and user-friendly new service image of "digital human". By integrating LLM technologies with human-centric functions, the Bank significantly enhanced its service quality and effectiveness.

During the reporting period, the Bank applied the cloud counter model to a cumulative total of 48.8 thousand devices. Among them, remote transaction review was applied on 11.2 thousand self-service devices under the cloud counter model, with the "digital human" deployed to assist manual review during the process, boosting operational efficiency by 40.00%. The rollout of 36.6 thousand mobile business development devices for remote processing via cloud counters led to a 38.89% increase in off-site transaction volume, which effectively enhanced the outlets' customer acquisition capabilities. Intelligent counters were deployed at 1,003 outlets; manual counter operations were scaled back at over 500 outlets; and nearly 300 staff members were redeployed to marketing and customer service roles.

Enhancing Outlet Services

The Bank continuously upgraded its elderly-friendly financial services and fully rolled out the "Nuanyang Jinhui" (Warmth for the Golden Years) special initiative. It built a senior-friendly service framework supported by the four pillars of service optimization, intelligent empowerment, product adaptation, and consumer protection, encompassing "Jinhui Elderly Care, Jinhui Elderly Assistance, Jinhui Elderly Benefit, and Jinhui Elderly Protection". It issued outlet elderly-friendly service handbooks, and actively developed "Jinhui Sub-branches", featured outlets for senior services, providing elderly customers with a warmer and more convenient service experience.

Outlet Development

Building Multi-Functional "PSBC Care Station+" to Enhance Livelihood Services

PSBC Care Station+

Government Services | Livelihood | Culture | Inclusive Services | Public Welfare

Relying on 7,067 "PSBC Care Stations", the Bank continued to provide convenient services for the public. During the reporting period, the Bank carried out approximately 13.1 thousand heart-warming activities for public benefit, serving the general public by over 6.2 million person-times. It enhanced the effectiveness of convenience services at these stations, focused on advancing the development of five major "PSBC Care Station+" service ecosystems covering government services, daily life, culture, inclusive services, and public welfare, and injected new momentum into the improvement of the quality of livelihood services.

"PSBC Care Station + Government Services"

"PSBC Care Entrepreneurship Support Station" of PSBC Chongqing Branch

PSBC Chongqing Branch expanded the "Station plus Employment and Entrepreneurship" initiative and, in partnership with the Chongqing Municipal Employment Service Administration, innovatively established the "Chongqing Innovation – PSBC Care Entrepreneurship Support Station" comprehensive service platform. By sharing data with Chongqing Municipal Employment Service Administration and bringing in resources such as employment and entrepreneurship policies, job listings, and employment and entrepreneurship guidance, the branch upgraded government service functions of outlets to provide targeted support for entrepreneurs and job seekers. As at the end of the reporting period, the first two selected demonstration sites were officially completed and put into operations, cumulatively reaching over 36.0 thousand potential customers for entrepreneurship guaranteed loans.

> "PSBC Care Entrepreneurship Support Station" of PSBC Chongqing Branch

"PSBC Care Station + Livelihood"

"Health Education Station" of PSBC Shenzhen Branch

Through the "PSBC Care Station" convenience service platform, PSBC Shenzhen Branch partnered with the Red Cross Society of China Shenzhen Branch and professional medical institutions to develop a special "Station plus Health" service model. Through joint initiatives such as first-aid skills training, healthcare consultation, and educational lectures, the branch helped nearby residents acquire practical health knowledge and emergency response skills. During the reporting period, over 20 first-aid and health education activities were carried out, benefiting community residents by over 1,000 person-times.

> "Health Education Station" of PSBC Shenzhen Branch

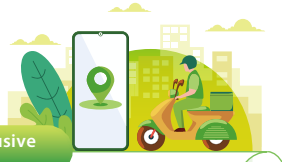
Column

"PSBC Care Station + Culture"

"Reading Station" of PSBC Shandong Branch

PSBC Shandong Branch actively expanded the service scope of the "PSBC Care Station" convenience platform, and collaborated with local bookstores, schools, sub-districts and communities to establish eight "Reading Stations" that integrate cultural enrichment with warm, people-oriented services. These stations provide reading spaces, free book checkout, hot beverages, and other services, and regularly host themed reading activities. Bookstore members, community residents and students are invited to read together and share financial knowledge, including wealth management and prevention of telecom and online fraud. During the reporting period, multiple reading activities were conducted, engaging citizens by over 2,800 person-times.

> "Reading Station" of PSBC Shandong Branch



"PSBC Care Station + Inclusive Services"

"Riders' Station" of PSBC Beijing Branch

In May 2025, Beijing Financial Labor Union, Beijing Branch of China Post Group, PSBC Beijing Branch, and logistics companies joined hands and held the launch ceremony welcoming delivery riders to the "PSBC Care Station". This collaboration, centered on the "PSBC Care Station" platform, deepened cooperation in areas such as delivery riders' rights and interests protection, career development, and emergency services, expanded the boundaries of the Bank's services, and delivered warmth and care to riders, contributing to the well-being of new urban residents. During the reporting period, the "PSBC Care Stations" under PSBC Beijing Branch served delivery riders for over 20 thousand person-times.

> "Riders' Station" of PSBC Beijing Branch

"PSBC Care Station + Public Welfare"

"Dream Supply Points" of PSBC Guangdong Branch

During the National Games, PSBC Guangzhou Branch in Guangdong Province upgraded its "PSBC Care Stations" to event-exclusive "Dream Supply Points". These stations not only provided convenient services such as rest areas, drinking water, and charging facilities for athletes, volunteers, and spectators, but also specially designed "Cheer Postcards" as "tokens of dreams" to convey respect for the fighting spirit and gratitude for selfless dedication. Approximately 1,000 postcards were distributed, serving the public by nearly 2,900 person-times. At the same time, PSBC Guangzhou Branch set up "National Games Service Green Channels" at outlets across the city to support the smooth operation of the Games with efficient financial services, matching the pace of the National Games.

> "Dream Supply Points" of PSBC Guangdong Branch

Human Resources and Institution Management

Human Resources Management

The Bank upheld an open talent philosophy and focused efforts on attracting high-quality talent. It conscientiously organized the Bank-wide campus recruitment campaign, effectively enhancing the attractiveness of its positions. To comprehensively demonstrate the Bank's talent development mechanism and sincere commitment to attracting outstanding professionals, the Head Office and branches jointly conducted campus recruitment campaigns at multiple renowned universities across the country and held high-quality offline recruitment presentations. The number of campus recruitment applications across the Bank increased by 7.50% year on year, and the precision in reaching high-quality candidates was further improved. The Bank further advanced the "U+ Talent" training program at the Head Office to cover both the onboarding phase and career growth stage of new recruits, further refined approaches to talent introduction, allocation and development, and integrated individual talent growth with organizational needs. The Bank also improved the training system for campus recruits at the branch level, strengthened career path planning, and ensured the attraction and retention of outstanding young talents through diversified measures such as a mentoring system and job rotations. The Bank developed a unified employer brand. It was honored with two employer brand awards: the "Top 10 Best Employers in China 2025" and the "Most Attractive Employers among College Students".

The Bank developed a core talent team by centering on the "five priorities" of the financial sector and the strategy of strengthening the Bank with a quality workforce. The Bank attached great importance to employee development. By implementing a dual-track promotion system that covers both managerial and professional jobs, the Bank regularly carried out promotion of employees to higher positions and ranks, and strengthened talent pipeline development. It also continuously refined the management mechanism for leading professionals at the Head Office to fully utilize the expertise of professional talents of each segment and let them play an exemplary and leading role. The Bank improved the two-way exchange and appointment mechanism between the Head Office and branches, encouraged exchanges across organizational levels and functional domains, provided valuable development platforms for cadres and employees, and cultivated versatile talents for the organization. The Bank implemented its five-year education and training plan, continued to increase investment in training resources, and established a differentiated, targeted training system covering all employees and positions across the entire career lifecycle, categorized by function, profession, and hierarchy. It continuously enhanced employees' capability to perform their duties, strengthened professional, business management, and leadership capabilities of managerial staff, and improved professional, marketing, and service capabilities of professional, sales, and operations staff, respectively. The Bank also strengthened the development of training resources, improved the job qualification and certification system, reinforced the development of internal trainer team across the Bank, and refined the lecture slides evaluation mechanism for micro-course and case study to provide strong support for the Bank's high-quality development.

Strengthening the Talent Development Foundation and Building a Full-Cycle Growth System for New Recruits

Column

The Bank has launched the "U+ Talent" series of new graduates employment and development programs since 2021. It rolled out programs such as "U+ Training Camp" and "U+ Practice Camp" to offer campus recruits platforms for onboarding training and grassroots-level practice, with a mentoring system running through the entire talent cultivation journey. The development cycle covered both the onboarding and career growth stages. To promote standardized new recruits training and provide more well-conceived and effective onboarding training, the Bank innovatively introduced a model featuring "mandatory plus elective" modules, and adopted a systematic approach to new recruits training across the Bank.

In 2025, the Bank continued to advance the Head Office's "U Series" talent cultivation programs, carried forward the theme "U Shine at PSBC", and promoted coordinated efforts between the Head Office and branches. The Head Office delivered standardized mandatory modules, while branches customized content to cover corporate culture, job skills, and professional competence. During the reporting period, approximately 5,200 new recruits participated in the programs with positive results. These programs supported their smooth transition from "students" to "professionals", accelerated their growth from "shining individually" to "shining together", and continuously injected youthful vitality into the Bank's high-quality development. During the same period, the Head Office launched the 2025 "U+ Mentor" training and certification program, built a pool of more than 500 mentors from all departments of the Head Office, and formed a virtuous cycle of mentoring, guidance and expertise transfer. The Bank also organized the "U+ Practice Camp" for graduate recruits, assigned 199 graduate recruits to engage in grassroots-level practice in 14 cities of eight provinces, continuously optimized the practice training model, developed a grassroots-level practice assessment system, and strengthened full-cycle management. In addition, the Bank improved the Head Office-branch collaborative cultivation mechanism, built a talent cultivation system providing targeted empowerment and facilitating efficient collaboration, constantly strengthened the workforce development, and empowered employee growth.

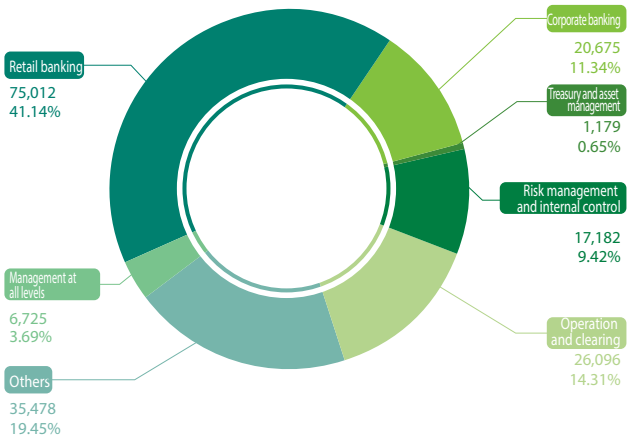
Human Resources and Institution Management

The Bank adhered to the principle of "paying for job value, paying for work performance, and paying for individual capabilities" and continuously improved the employee remuneration allocation mechanism. The Bank implemented the requirements of the central government and higher-level authorities on remuneration allocation management, strengthened remuneration allocation management, and regulated the order of internal allocation. It continued to tilt remuneration distribution toward talents who made outstanding contributions and frontline staff, improving the effectiveness of the incentive and constraint mechanism. The Bank implemented full-staff performance management, strengthened the application of performance appraisal results, and gave full play to the guiding role of performance appraisal. The Bank's employee remuneration consisted of basic salary, performance-based remuneration, and statutory welfare income such as social insurance and housing provident fund. The basic salary reflected job value and personal competence, while the performance-based remuneration focused on work achievements and performance. The Bank's senior management and employees in positions with a significant impact on risk were subject to a deferred payment and clawback mechanism for performance-based remuneration, which guided employees to effectively balance business development and risk prevention, so as to promote the healthy and sustainable development of the Bank. The Bank also kept optimizing its benefits system to raise welfare benefits and enhance employees' sense of belonging.

Employees

As at the end of the reporting period, the Bank had a total of 196,779 employees, among which, 182,347 were contract employees (including 1,249 in majority-owned subsidiaries) and 14,432 were from labor dispatch agencies. The number of retired employees of the Bank was 35,048. During the reporting period, the Bank reasonably controlled headcount size while steadily improving talent quality. The percentage of employees with a bachelor's degree or above in the Bank continued to increase, and the distribution of employees across positions has been further improved, with more human resources flowing to core business areas and front-office marketing positions in an orderly manner. The Bank values gender diversity among employees. As at the end of the reporting period, the percentages of male employees and female employees (including senior management members) of the Bank were approximately 40.68% and 59.32%, respectively. The Bank has maintained a diverse workforce with a balanced gender distribution.

Breakdown of the Bank's Employees by Function



Note: Others include administration, information technology and other supporting positions.

Breakdown of the Bank's Employees by Age

Breakdown of the Bank's Employees by Educational Background

Breakdown of the Bank's Employees by Gender

1 The Bank's employees refer to contract employees of the Bank (including those at its majority-owned subsidiaries).

Human Resources and Institution Management

Institution Management

The Head Office of the Bank is located in Beijing and serves as the decision-making and management center of the Bank. The Bank's tier-1 branches are situated in the provincial capitals, capitals of autonomous regions, municipalities directly under the Central Government, and separate-planning cities. As the operation and management center within the corresponding regions, tier-1 branches are responsible for managing all institutions in their respective areas and reporting directly to the Head Office. Tier-2 branches are generally set up in the prefecture-level cities in provinces and autonomous regions. In addition to their operation and management functions, tier-2 branches are also responsible for managing subordinate institutions and reporting to their supervisory tier-1 branches. Tier-1 sub-branches primarily undertake the functions of business operations and outlet management, and report to their supervisory tier-2 branches. Tier-2 sub-branches primarily undertake the function of business operations.

During the reporting period, the Bank continued to optimize its organizational structure to better support the implementation of its strategies and business development. Regarding internal institutions, the Bank advanced the development of the "five priorities" of the financial sector, and adjusted and established the Personal Banking Department (the Pension Finance Department and Consumer Protection Center) and the Inclusive Finance Department (the Technology Finance Center); established the Wealth Management Department to support the development of wealth management business; implemented the relevant requirements of the reform of the Board of Supervisors and dissolved the Office of the Board of Supervisors of the Head Office.

As at the end of the reporting period, the Bank had 7,758 institutions, including the Head Office, 36 tier-1 branches, 326 tier-2 branches, 2,220 tier-1 sub-branches, 5,172 tier-2 sub-branches, as well as majority-owned subsidiaries, including PSBC Wealth Management and PSBC Consumer Finance. For details, please refer to "Business Overview – Majority-owned Subsidiaries" of this report.

The Bank's Branches, Sub-Branches and Employees by Geographical Region and Asset Size

In RMB million, unless otherwise stated

Region	Asset size	Percentage[1] (%)	Number of institutions	Percentage (%)	Number of employees	Percentage (%)
Head Office	10,727,956	36.87	1	0.01	9,358	5.13
Yangtze River Delta	3,053,981	10.50	885	11.41	20,377	11.18
Pearl River Delta	1,774,146	6.10	709	9.14	18,714	10.26
Bohai Rim	2,900,447	9.97	1,085	13.99	26,356	14.45
Central China	5,602,941	19.26	2,335	30.10	46,494	25.50
Western China	3,757,182	12.91	2,033	26.20	41,817	22.93
Northeastern China	1,278,719	4.39	710	9.15	19,231	10.55
Total	18,682,067[2]	100.00	7,758	100.00	182,347	100.00

Note (1): The percentage of assets of each region in total assets is calculated based on the aggregated data before offsetting.
Note (2): Total assets represent the amount after deducting internal offsets and the offset and unallocated amount is RMB10,413,305 million.

Risk Management

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Risk Management Organizational Structure

The Bank has established a risk management organizational structure consisting of the Board of Directors and its relevant special committees, the senior management and its relevant special committees, and relevant departments with "three lines of defense".

The Board of Directors assumes ultimate responsibility for comprehensive risk management. It is responsible for establishing the risk culture; formulating and approving risk management strategies; setting and approving the risk appetite and ensuring the establishment of risk limits; reviewing and approving major risk management policies and procedures; monitoring comprehensive risk management implemented by the senior management; reviewing comprehensive risk management reports; reviewing and approving the aggregation of risk data and the risk reporting framework, ensuring adequate resource support, regularly receiving thematic reports, and fully understanding and grasping the progress of the aggregation of risk data and risk reporting work; reviewing and approving disclosure of comprehensive risks and various significant risks; appointing the Chief Risk Officer or other senior management personnel to take the lead in comprehensive risk management; and performing other duties related to risk management.

The senior management assumes the responsibility for the implementation of comprehensive risk management and carries out the resolutions of the Board of Directors. It is responsible for setting up the operation and management structure in line with the requirements of comprehensive risk management, clarifying the division of responsibilities among functional departments responsible for comprehensive risk management, business departments and other departments in risk management, and establishing an operational mechanism with coordination and effective checks and balances across departments; formulating a clear execution and accountability mechanism to ensure adequate communication and effective implementation of risk management strategies, risk appetite and risk limits; setting risk limits according to risk appetite determined by the Board of Directors, including but not limited to dimensions such as industry, region, customer, product, etc; formulating risk management policies and procedures, evaluating them regularly, and adjusting them when necessary; establishing a risk data aggregation and reporting system covering all material risk areas; assessing overall risks and the management of various material risks, and reporting to the Board of Directors; establishing a sound management information system and a data quality control mechanism; overseeing breaches of risk appetite, risk limits and violations of risk management policies and procedures, and dealing with them under the authorization of the Board of Directors; and assuming other responsibilities of risk management.

Risk Management

Three Lines of Defense

The Bank kept improving the "three lines of defense" for internal control, classified risks into major categories such as credit risk, market risk, and operational risk, and incorporated all institutions and departments into the "three lines of defense".

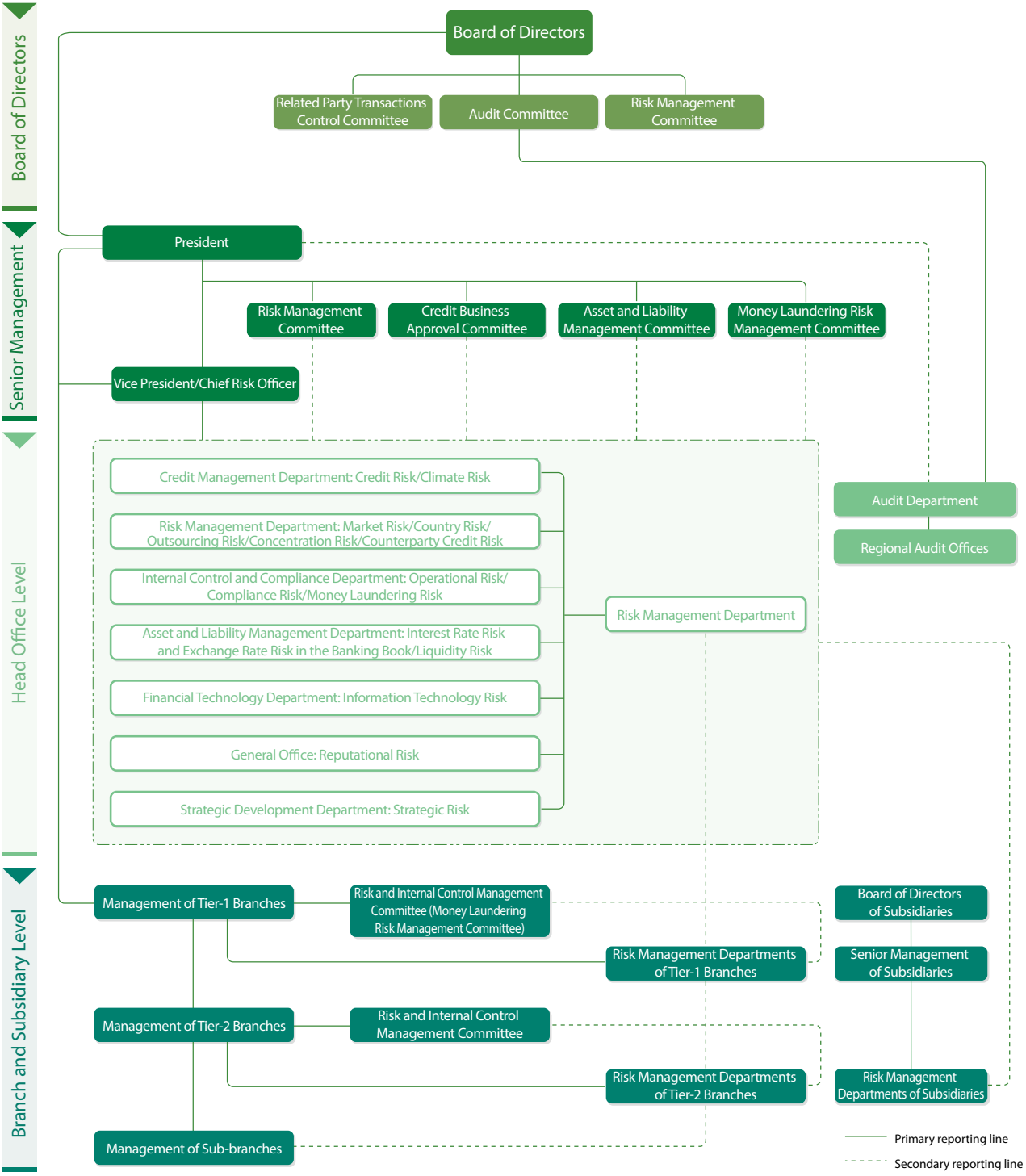
The first line of defense refers to the business management departments, tier-1 and tier-2 sub-branches, and agency business institutions associated with relevant risks, all of which bear the primary responsibilities for risk prevention and control. The second line of defense refers to risk management departments, internal control and compliance departments, and departments for leading the management of relevant risks, which are responsible for coordinating, supervising and reviewing the work related to risk and internal control. The third line of defense refers to the audit and the discipline inspection departments which supervise the first and second lines of defense.

Comprehensive Risk Management

During the 14th Five-Year Plan period, the Bank focused on developing its risk management capability of steady and sustained progress, and built up its risk management framework that covers "all aspects, whole process, all time and all areas". The Bank accelerated the implementation of advanced approaches for capital management, vigorously promoted the application of intelligent risk control technologies, and effectively prevented and mitigated risks in key areas. The overall major risk level of the Bank remained stable and under control, and the refined and digitalized risk management was comprehensively enhanced.

During the reporting period, the Bank continued to strengthen comprehensive risk management, improved the top-level design of risk management, optimized the setting of risk compliance management institutions and positions, and strengthened checks and balances of risks at key stages. The Bank steadily advanced the process of achieving compliance with the advanced approaches for capital management, promoted the deep integration between their implementation and business development, and enhanced the forward-looking and refined levels of risk measurement and management. It tightened credit risk management, improved its industry research framework, adhered to the "One Policy for One Industry" approach, and achieved full coverage of differentiated regional credit extension. It strictly upheld risk thresholds in key areas, prudently resolved risks in real estate, urban investment platforms and other sectors, optimized and reshaped retail loan products and processes, and improved the efficiency of risk identification and resolution. The Bank reinforced the foundations of internal control and compliance, organized internal control and compliance knowledge competitions, developed the Case Warning Education Platform, fostered a compliance-centric operational philosophy, and consolidated the foundation of the compliance culture. It improved the compliance management structure, enhanced the organizational system for compliance management, and strengthened the responsibilities of the "three lines of defense". Furthermore, the Bank deepened and expanded digital and intelligent risk control capabilities, and actively explored and applied graphs and LLM technologies, to empower the digital and intelligent transformation of risk management, and comprehensively improve the precision of risk identification and the quality and effectiveness of management and control.

Risk Management Organizational Structure



Note: Other risks not mentioned above have been incorporated into the Bank's comprehensive risk management framework.

Risk Management

Risk Appetite

Risk appetite defines the types and levels of risks that the Board of Directors of the Bank is willing to assume while pursuing the Bank's strategic business objectives. It represents the equilibrium among returns, capital, and risk, and enables the Bank to undertake those risks commensurate with its business strategies and management capabilities and to create value through risk management.

The Bank maintained a prudent and sound overall risk appetite, and sought a long-term equilibrium between stable growth and risk prevention. It closely followed changes in internal and external risk landscape, prioritized risk prevention in key fields, and set management objectives against all types of major risks in line with the strategic positioning of the Bank Group, the Bank (as a legal entity), and its subsidiaries. In doing so, it ensured that risks remained generally under control, which continuously empowered the sound operation and high-quality development of all businesses.

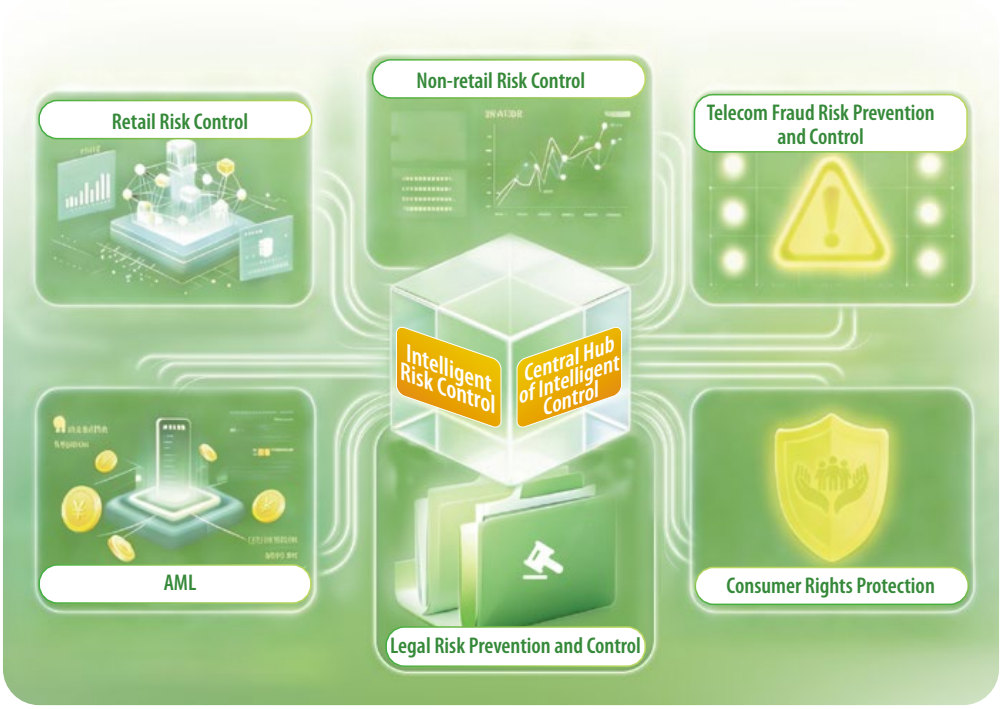
Intelligent Risk Control

The Bank actively advanced the digital and intelligent upgrading of risk management, and comprehensively enhanced the precision of risk identification and the effectiveness of risk management and control across all risk categories. In the field of retail risk control, the Bank centered on big data and AI technologies, and developed a wealth of customer profiling tags to explore high-quality customers and uncover potential credit needs. It developed a personal business customer attrition propensity assessment tool, enabling dynamic identification of customer attrition risk and better supporting the operation and management of existing customers. In the field of non-retail risk control, the Bank leveraged risk correlation graphs to identify risk contagion information, and applied machine learning techniques to develop pre-lending risk identification rules, strengthening the ex-ante risk prevention capability. Based on multimodal technologies, the Bank developed a financial statement review model for small enterprises to efficiently identify operational risks in the rating. Using LLMs, it also developed a credit policy compliance review tool to automatically assess whether customers meet credit access requirements, thereby improving review quality and efficiency. Integrating LLMs with intelligent agent technologies, the Bank built an intelligent public opinion analysis tool, established a multi-layered "company-event-news" in-depth public opinion analysis framework to capture and assess client risks in real time. In the field of anti-telecommunication fraud risk prevention and control, the Bank continued to develop intelligent anti-fraud models. It adopted an ex-ante behavioral risk model for individual accounts, upgraded the in-trade risk monitoring model for individual accounts, embedded the individual account fraud risk profiling model into the counter and mobile banking business handling processes, thus strengthening the full-process (ex ante, in-trade and ex post) coordinated fraud defense capabilities. In the field of AML, the Bank continued to strengthen technological empowerment, and fully leveraged new technologies such as LLMs and graphs to enhance fund network monitoring and strengthen the capability to identify money laundering risks. In the field of legal risk prevention and control, the Bank piloted and promoted the upgraded legal review model developed based on LLM technology; developed a litigation cause extraction model to intelligently attribute litigation events to their causes, enhancing the quality and effectiveness of litigation management. In the field of consumer rights protection, the Bank upgraded the intelligent complaint classification model powered by LLMs and developed the automated report generation function, further improving the granularity of complaint analysis. It optimized the duplicate complaint identification tool, and realized the automatic analysis of complaint work sheet data, supporting the identification, review and reduction of non-regulatory duplicate complaints. In the field of intelligent risk control infrastructure, the Bank continued to improve model lifecycle management and automated monitoring capabilities to support compliant and transparent risk model management.

Advanced Approaches for Capital Management

The Bank continuously improved the development of advanced approaches for capital management, with the aim of ensuring compliance and meeting standards. Adhering to the principle of value creation, the Bank effectively improved the policy and institutional system, iterated and optimized measurement tools, developed and upgraded information systems, and promoted deep integration between the implementation of advanced approaches and business development, consolidating the foundation of prudent risk management. By fully leveraging the core advantages of advanced approaches in risk identification, measurement, monitoring, control, and mitigation, the Bank promoted the continuous evolution of risk management toward more refined and forward-looking practices, laying a solid foundation for the Bank's high-quality development.

The Bank fully aligned its work with the external business environment, industry regulatory trends, and internal development realities, and regularly conducted internal rating model iteration and the monitoring and evaluation of application effectiveness, promoting quality enhancement and upgrading of risk quantification tools. The Bank carried out high-standard rating management, improved its data quality governance capability, and strengthened the standardization of credit ratings to ensure the smooth and orderly operation of the internal rating system. The Bank actively aligned with the latest regulatory requirements, diligently carried out preparatory work for the application of advanced approaches, and made efforts to advance the advanced approaches in terms of compliance and regulatory standards attainment into a new phase.



Risk Management

Credit Risk

Credit risk refers to the risk of loss that may arise from the default by, or the downgrade of credit rating, or weakened capability to fulfill contractual obligations of an obligor or counterparty. The Bank is exposed to credit risk primarily through its loans, treasury business (including deposits and placements with banks, financial assets held under resale agreements, investments in corporate bonds and financial bonds, interbank investment, etc.) and off-balance sheet credit businesses (including guarantees, commitments, etc.).

The organizational framework of the Bank on credit risk management is as follows: the Board of Directors undertakes the ultimate responsibilities for credit risk management. The senior management undertakes the responsibilities for the implementation of credit risk management, and is responsible for the implementation of resolutions on credit risk approved by the Board of Directors. Under the senior management, the Risk Management Committee and Credit Business Approval Committee are responsible for credit risk management and approving credit extension within the scope of authorization respectively. Each business department bears the primary responsibility for credit risk prevention and control, and implements policies, standards, and requirements of credit risk management in its field of business in accordance with the division of functions. Departments of credit management, risk management, credit approval, internal control and compliance, legal affairs and other relevant departments are responsible for the overall planning, supervision and review of credit risk prevention and control, among which the Credit Management Department is the leading department of credit risk management; and the internal audit department exercises independent and objective supervision of the performance of duties in credit risk management.

The Bank strictly followed the requirements of the Measures for the Risk Classification of Financial Assets of Commercial Banks, established a risk classification management system, and adopted a framework combining five-category and twelve-category classification. Through a three-tier process of initial classification, confirmation, and approval, the Bank exercised prudent judgment in asset risk classification to ensure accurate, complete, and real-time representation of asset quality.

Credit Risk Management

Optimizing Industrial Policy Research and Guiding Business Development

The Bank improved the industry research management framework, refined research methods and tools, issued guidelines for industry research on new quality productive forces, and managed the external expert pool in a dynamic manner. It adhered to a "one policy for one industry" approach, took into full consideration regional resource endowment and industrial development differences, focused on key areas such as pillar industries, strategic emerging industries, and people's livelihood sectors, and achieved full coverage of differentiated regional credit policies. It also accelerated the transformation of research outcomes into productive forces, providing strong support for optimizing the customer structure and deepening engagement with high-quality customer segments.

Focusing Closely on Key Areas and Strengthening Checks and Balances for Risk Management

The Bank strictly implemented the central government's requirements for preventing and defusing risks in key areas, prudently advanced risk resolution in sectors such as real estate and local government financing platforms, and strictly refrained from any new implicit debt financing. It reshaped the "funnel-style" credit risk management and control system for corporate clients, implemented tiered management of risk clients, and improved the efficiency of risk identification and disposal. It strengthened collateral management throughout the entire process, improved appraisal and valuation mechanisms, and enhanced the effectiveness of collateral management. It also refined credit management and control, expanded the scope of checks and balances in lending review, and conducted regular re-inspection to remedy management gaps. Moreover, it optimized the corporate credit approval and authorization framework to better serve national strategies while effectively managing and controlling risks in key sectors.

Accelerating Digital and Intelligent Transformation and Strengthening Systemic Support

The Bank promoted the integration of credit systems, focused on process simplification, integrated risk management, digital and intelligent empowerment for workload relief, and product innovation support, and fully promoted paperless operation. It developed a supervisory inspection toolkit, which used data models to identify weak points in risk control, to improve the quality and effectiveness of supervision. It deepened the application of LLMs in monitoring and early warning, and built a closed-loop system for risk identification, assessment, warning, and disposal. It deepened its expertise in specialized businesses such as supply chain finance and logistics finance, and set up dedicated risk management and control task force to shore up management of weak links. It also enhanced oversight of staff in critical roles, and established review and re-examination mechanisms for credit review and approval personnel, along with suspension and collection management protocols. It promoted the normalization, institutionalization, and long-term sustainability of transparent credit culture, carried out risk governance targeting "illicit and gray industries" in the financial sector, and strictly upheld compliance boundaries.

Deepening Asset Preservation Reform and Enhancing Value Contribution

The Bank coordinated the use of diversified disposal methods, strengthened cost-effectiveness principles, improved the value contribution of asset preservation. It deepened the refined management of non-performing assets and enhanced the effectiveness of asset disposal management. It also accelerated the institutional reform for asset preservation, and built a professional asset preservation team. During the reporting period, the Bank disposed of a total of RMB96,878 million of on- and off-balance-sheet principal and interest of NPLs, of which, cash recovery of principal and interest amounted to RMB21,331 million, bad debt write-offs RMB29,454 million, non-performing asset securitization RMB33,802 million, and other methods RMB12,291 million.

Credit Risk Analysis[1]

Non-Performing Loans Structure by Collateral

In RMB million, except for percentages

Items	December 31, 2025 Amount	December 31, 2025 Percentage (%)[(1)]	December 31, 2024 Amount	December 31, 2024 Percentage (%)[(1)]
Unsecured loans	24,653	26.94	23,906	29.77
Guaranteed loans[(2)]	7,718	8.43	6,869	8.55
Loans secured by mortgages[(2)(3)]	58,270	63.67	48,675	60.60
Loans secured by pledges[(2)(4)]	883	0.96	869	1.08
Discounted bills	–	–	–	–
Total	91,524	100.00	80,319	100.00

Note (1): Calculated by dividing the balance of non-performing loans secured by each type of collateral by total non-performing loans.

Note (2): Represents the total amount of loans fully or partially secured by collateral in each category. If a loan is secured by more than one form of collateral, the classification would be based on the primary form.

Note (3): Represents loans secured by assets that are still under the possession of the borrower, and mainly includes loans secured by buildings and fixtures, land use rights, machinery, equipment and vehicles.

Note (4): Represents loans secured by possession of or registration as the holder of assets, which mainly include movable property, certificates of deposit, financial instruments, intellectual property rights and the rights to obtain future cash flows.

Aging Analysis of Overdue Loan Structure

In RMB million, except for percentages

Items	December 31, 2025 Amount	December 31, 2025 Percentage of total loans (%)	December 31, 2024 Amount	December 31, 2024 Percentage of total loans (%)
Overdue for 1 day to 90 days	43,979	0.46	39,032	0.44
Overdue for 91 days to 180 days	24,474	0.25	20,389	0.23
Overdue for 181 days to 1 year	27,789	0.29	23,365	0.26
Overdue for 1 year to 3 years	24,346	0.25	19,350	0.22
Overdue for over 3 years	4,903	0.05	3,555	0.04
Total	125,491	1.30	105,691	1.19

1 The total loans to customers in the "Credit Risk Analysis" of this report exclude accrued interest.

Overdue Loans to Customers by Geographical Region

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Items	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	5,788	4.61	6,297	5.96
Yangtze River Delta	24,937	19.87	20,855	19.73
Pearl River Delta	19,702	15.70	16,022	15.16
Bohai Rim	15,819	12.61	12,574	11.90
Central China	31,715	25.27	25,141	23.78
Western China	20,830	16.60	18,898	17.88
Northeastern China	6,700	5.34	5,904	5.59
Total	125,491	100.00	105,691	100.00

Loan Concentration

In RMB million, except for percentages

Top ten single borrowers	Industry	Amount	Percentage of total loans (%)	Percentage of net capital (%)[1]
Borrower A	Transportation, storage and postal services	28,059	0.29	2.03
Borrower B	Mining	17,396	0.18	1.26
Borrower C	Transportation, storage and postal services	16,873	0.18	1.22
Borrower D	Transportation, storage and postal services	16,302	0.17	1.18
Borrower E	Transportation, storage and postal services	15,050	0.16	1.09
Borrower F	Transportation, storage and postal services	14,878	0.15	1.07
Borrower G	Transportation, storage and postal services	14,753	0.15	1.07
Borrower H	Transportation, storage and postal services	12,759	0.13	0.92
Borrower I	Transportation, storage and postal services	11,381	0.12	0.82
Borrower J	Transportation, storage and postal services	9,270	0.10	0.67

Note (1): Represents loan balances as a percentage of the Bank's net capital, calculated in accordance with the requirements of the Rules on Capital Management of Commercial Banks.

Risk Management

Distribution of Loans by Five-Category Classification

In RMB million, except for percentages

Items	December 31, 2025		December 31, 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Normal	9,387,469	97.48	8,726,999	98.15
Special mention	151,648	1.57	84,328	0.95
Non-performing loans	91,524	0.95	80,319	0.90
Substandard	18,056	0.19	17,938	0.20
Doubtful	26,958	0.28	23,368	0.26
Loss	46,510	0.48	39,013	0.44
Total	9,630,641	100.00	8,891,646	100.00

As at the end of the reporting period, the balance of the Bank's NPLs amounted to RMB91,524 million, representing an increase of RMB11,205 million compared with the prior year-end. The NPL ratio was 0.95%, representing an increase of 0.05 percentage point over the prior year-end. The balance of special mention loans amounted to RMB151,648 million, representing an increase of RMB67,320 million compared with the prior year-end. Special mention loan ratio was 1.57%, representing an increase of 0.62 percentage point compared with the prior year-end. The ratio of special mention and non-performing loans was 2.52%, representing an increase of 0.67 percentage point compared with the prior year-end.

Distribution of Non-Performing Loans by Product Type

In RMB million, except for percentages

Items	December 31, 2025			December 31, 2024		
	NPL balance	Percentage (%)	NPL ratio (%)[1]	NPL balance	Percentage (%)	NPL ratio (%)[1]
Personal loans						
Consumer loans						
Residential mortgage loans	16,235	17.74	0.69	15,231	18.96	0.64
Other consumer loans	9,849	10.76	1.54	8,173	10.18	1.34
Personal micro loans	39,347	42.99	2.44	33,839	42.13	2.21
Credit card overdrafts and others	3,025	3.31	1.45	3,520	4.38	1.48
Subtotal	68,456	74.80	1.42	60,763	75.65	1.28
Corporate loans						
Corporate loans[2]	10,962	11.97	0.39	8,962	11.16	0.37
Small business loans	11,851	12.95	1.49	9,517	11.85	1.38
Trade finance	255	0.28	0.04	1,077	1.34	0.22
Subtotal	23,068	25.20	0.54	19,556	24.35	0.54
Discounted bills	–	–	–	–	–	–
Total	91,524	100.00	0.95	80,319	100.00	0.90

Note (1): Calculated by dividing the balance of non-performing loans in each product type by total loans in that product type.
Note (2): Consist of general corporate loans and advances.

Distribution of NPL Formation Ratio[1] by Product Type

%

Items	December 31, 2025	December 31, 2024	Increase/(decrease)
Personal loans			
Consumer loans			
Residential mortgage loans	0.61	0.53	0.08
Other consumer loans	2.00	2.19	(0.19)
Personal micro loans	2.51	2.18	0.33
Credit card overdrafts and others	3.06	3.16	(0.10)
Subtotal	1.52	1.36	0.16
Corporate loans			
Corporate loans[2]	0.13	0.06	0.07
Small business loans	1.60	1.55	0.05
Trade finance	0.02	0.03	(0.01)
Subtotal	0.35	0.28	0.07
Discounted bills	–	–	–
Total	0.93	0.84	0.09

Note (1): Calculated by dividing the sum of difference between the NPL balance at the end of the period and the NPL balance at the beginning of the period of each product category and the amount collected, disposed of, and adjusted upwards during the period by the total amount of loans at the beginning of the period of that product category.

Note (2): Consist of general corporate loans and advances.

Distribution of Non-Performing Loans by Geographical Region

In RMB million, except for percentages

	December 31, 2025		December 31, 2024	
Items	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	3,027	3.31	3,521	4.38
Yangtze River Delta	18,214	19.90	14,839	18.48
Pearl River Delta	14,996	16.38	11,875	14.78
Bohai Rim	11,793	12.89	9,615	11.97
Central China	22,280	24.35	21,041	26.20
Western China	15,892	17.36	14,931	18.59
Northeastern China	5,322	5.81	4,497	5.60
Total	91,524	100.00	80,319	100.00

Domestic Non-Performing Corporate Loans by Industry

In RMB million, except for percentages

Items	December 31, 2025		December 31, 2024	
	Amount	NPL ratio (%)	Amount	NPL ratio (%)
Transportation, storage and postal services	780	0.09	637	0.08
Manufacturing	5,807	0.88	4,038	0.70
Production and supply of electricity, heating, gas and water	88	0.03	156	0.05
Financial services	–	–	–	–
Wholesale and retail	4,873	1.33	3,818	1.31
Construction	2,321	0.99	1,470	0.64
Real estate	5,473	1.58	5,972	1.94
Mining	8	0.01	12	0.01
Water conservancy, environment and public facilities management	1,062	0.24	1,286	0.42
Leasing and commercial services	1,123	0.28	996	0.36
Agriculture, forestry, animal husbandry and fishery	205	0.23	232	0.41
Information transmission, computer services and software	483	0.97	390	1.42
Accommodation and catering	217	1.89	120	1.27
Residential services and other services	119	2.39	66	1.28
Culture, sports and entertainment	40	0.21	41	0.25
Others[(1)]	469	0.76	322	0.68
Total	23,068	0.54	19,556	0.54

Note (1): Mainly include education, scientific research and technical services, health and social security, etc.

Movements of Allowance for Impairment Losses on Loans

Allowance for Impairment Losses of Customer Loans Measured at Amortized Cost

In RMB million

	December 31, 2025			
Items	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	132,782	23,116	73,160	229,058
Transfers:				
Transfer to stage 1	2,548	(1,875)	(673)	–
Transfer to stage 2	(11,969)	13,200	(1,231)	–
Transfer to stage 3	(6,933)	(7,325)	14,258	–
Changes of ECL arising from transfer of stages	(1,827)	18,710	38,863	55,746
Financial assets derecognized or settled during the period	(68,972)	(8,949)	(18,036)	(95,957)
New financial assets originated or purchased	63,345	–	–	63,345
Remeasurement	(16,966)	(1,012)	2,682	(15,296)
Write-offs	–	–	(29,454)	(29,454)
Loss allowance as at December 31, 2025	92,008	35,865	79,569	207,442

Allowance for Impairment Losses of Customer Loans Measured at Fair Value Through Other Comprehensive Income

In RMB million

	December 31, 2025			
Items	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	772	–	–	772
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	(1)	1	–	–
Transfer to stage 3	–	–	–	–
Changes of ECL arising from transfer of stages	–	–	–	–
Financial assets derecognized or settled during the period	(772)	–	–	(772)
New financial assets originated or purchased	1,177	–	–	1,177
Remeasurement	–	–	–	–
Write-offs	–	–	–	–
Loss allowance as at December 31, 2025	1,176	1	–	1,177

Risk Management

Large Risk Exposure Management

In strict accordance with the requirements of the Rules on Large Exposure of Commercial Banks, the Bank bolstered information system support for large risk exposure management, improved the monitoring and early warning management system for large exposure, strengthened control of customer concentration risk, and tightened management of large risk exposure through consolidation of financial statements, to continuously improve refined management capabilities of credit risk.

Market Risk

Market risk refers to the risk of losses in the on- and off-balance sheet businesses arising from adverse movements in market prices (including interest rate, exchange rate, stock price and commodity price).

The Bank strictly follows the relevant regulatory requirements on market risk management and has established a market risk governance framework commensurate with the nature, scale and complexity of the Bank's businesses. The Board of Directors undertakes the ultimate responsibilities for market risk management; the senior management takes the responsibility for the implementation of market risk management and is responsible for formulating, periodically reviewing and monitoring the implementation of the market risk management policies and procedures; the Risk Management Department is responsible for conducting market risk management and each business department is responsible for the market risk management in its field of business in accordance with the division of functions. The Bank has developed sound market risk management policies and procedures, comprehensively carried out the identification, measurement, monitoring, control and reporting of market risks, which enabled effective guarding against market risks, maintaining them within a reasonable and appropriate range and achieving a reasonable balance between risk and return.

Market Risk Management for Trading Book

The trading book includes financial instruments, foreign exchange and commodity positions held for the purposes of trading or hedging the risks of other items in the trading book as well as other instruments recognized by the NFRA. The Bank measures and manages the trading book activities by adopting multiple methods including exposure analysis, profit or loss analysis, sensitivity analysis, scenario analysis, value at risk (VaR) and stress testing.

The Bank continued to deepen market risk management, updated and refined basic policies for market risk management, optimized the market risk management framework, and comprehensively enhanced the effectiveness of market risk management. It strengthened limit management for assets affected by market value fluctuations, and integrated and optimized a tiered market risk limit and indicator system to effectively communicate risk appetite. It also regularly conducted risk-return analysis of investment and trading activities, continued to optimize market risk measurement models, steadily advanced the enhancement of the functions of the market risk management system, and improved its capabilities of monitoring and evaluating market risk.

Exchange Rate Risk Management

Exchange rate risk refers to the risk of losses in foreign exchange exposure arising from unbalanced foreign exchange assets and liabilities due to adverse movements in exchange rates. During the reporting period, the foreign exchange exposure of the Bank remained relatively stable. Key indicators of exchange rate risk all met limit requirements, and the exchange rate risk was controllable on the whole.

The Bank paid close attention to the economic and financial development worldwide, and actively analyzed and made predictions on market exchange rate trends. It upheld a prudent risk appetite, and dynamically monitored and analyzed foreign exchange exposure limits. It regularly conducted stress testing, strengthened risk monitoring, refined foreign exchange exposure management, and maintained exchange rate risk at a reasonable level.

Exchange Rate Risk Analysis

For analysis of the Bank's exchange rate risk, please refer to the "Notes to the Consolidated Financial Statements – 45.4 Market risk – Exchange Rate Risk".

Currency Concentration

In RMB million

	December 31, 2025			
Items	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Spot assets	62,711	1,920	17,178	81,809
Spot liabilities	(35,994)	(90)	(6,523)	(42,607)
Forward purchases	209,167	40,020	10,035	259,222
Forward sales	(210,599)	(41,806)	(16,972)	(269,377)
Net long/(short) position	25,285	44	3,718	29,047

	December 31, 2024			
Items	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Spot assets	64,904	525	11,730	77,159
Spot liabilities	(34,015)	(3,386)	(8,448)	(45,849)
Forward purchases	142,850	6,698	8,170	157,718
Forward sales	(146,732)	(3,521)	(11,545)	(161,798)
Net long/(short) position	27,007	316	(93)	27,230

Interest Rate Risk in Banking Book

Management of Interest Rate Risk in Banking Book

Interest rate risk in banking book refers to the risk that causes losses to the economic value and overall earnings of the banking book due to adverse changes in interest rates and maturity structure, etc. The interest rate risk in the Bank's banking book mainly arises from the mismatch between the repricing periods of assets and liabilities as well as the inconsistent changes in their pricing basis. During the reporting period, the overall interest rate risk in the Bank's banking book remained stable, and key risk indicators remained within the established limits.

For interest rate risk in the banking book, the Bank has established a management framework and a governance structure tailored to its characteristics. Based on factors such as the macroeconomic environment, market dynamics and risk appetite, the Bank implements a prudent interest rate risk management strategy for the banking book, which mainly includes methods such as repricing gap analysis, sensitivity analysis of net interest income and economic value, limit management, duration management, scenario simulation, and proactive adjustments to the asset-liability structure. The Bank closely monitored domestic and international economic and financial conditions, actively carried out forward-looking management, continuously optimized the duration structure of assets and liabilities, continuously promoted staggered loan repricing, comprehensively conducted multiple scenario simulations such as stress testing, maintained a balance among volume, pricing, and risk as well as a balance between current earnings and long-term value.

Risk Management

Interest Rate Risk Analysis

Interest Rate Risk Gap

In RMB million

Items	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
December 31, 2025	(991,360)	(1,372,566)	(544,674)	1,293,607	1,922,391	694,979
December 31, 2024	(1,092,962)	(1,888,379)	(205,643)	1,597,137	1,689,149	787,005

Interest Rate Sensitivity Analysis

The Bank assumes that the market interest rates move up or down in parallel, the repricing cycles of loans, time deposits and other businesses are determined according to the contract and the repricing cycles of non-fixed-term businesses such as demand deposits are set as overnight. Without regard to the risk management activities that may be taken by the management to mitigate interest rate risk, the interest rate sensitivity analysis of the Bank's banking book is as follows:

In RMB million

Basis point movements in yield rate	December 31, 2025 Change in net interest income	December 31, 2024 Change in net interest income
Upward parallel shift of 100 bps for yield curves	(23,313)	(27,367)
Downward parallel shift of 100 bps for yield curves	23,313	27,367

Liquidity Risk

Liquidity Risk Management

Liquidity risk refers to the risk of failure to obtain sufficient funds by commercial banks at a reasonable cost in a timely manner to repay matured debts, fulfill other payment obligations, and meet other financial needs of normal operation. Liquidity risk may arise from the following events or factors: significant adverse changes in market liquidity, withdrawal of customers' deposits, loan drawdown by customers, default by debtors, excessive maturity mismatch between assets and liabilities, difficulty in liquidating assets, weakened financing ability, operating losses and risks associated with the affiliates, etc.

Governance Structure of Liquidity Risk Management

The governance structure of the Bank's liquidity risk management consists of a decision-making system, an execution system, and an oversight system. Among them, the decision-making system includes the Board of Directors and its Risk Management Committee, as well as the senior management and its Asset and Liability Management Committee and Risk Management Committee; the execution system comprises the department responsible for liquidity management, departments leading the management of on- and off-balance sheet businesses, Risk Management Department, Information Technology Department, and Operation Management Department of the Head Office, and relevant departments at branches and sub-branches; the oversight system consists of organizations with supervisory responsibilities that monitor the performance of duties by relevant entities.

Objective, Strategy and Policy of Liquidity Risk Management

The main objective of liquidity risk management of the Bank is to effectively identify, measure, monitor and control liquidity risk via the establishment of a scientific and comprehensive liquidity risk management system, and to ensure that the liquidity demand is satisfied and its payment obligation to external parties is fulfilled at a reasonable cost without delay under the normal operation scenario and the stress scenario. The Bank adheres to a prudent and sound liquidity risk management strategy, proactively assesses changes in both internal and external conditions, reasonably manages the overall amount, structure and pace of its fund raising and utilization, and strikes a balance among safety, liquidity and profitability. The Bank, in accordance with requirements of regulatory policies, changes in external environment as well as the characteristics of its business, has formulated liquidity risk management policies such as those on limit management, intraday liquidity management, stress testing, and contingency plans. It manages the liquidity risk of the Bank in a centralized manner and clarifies that its affiliates assume primary responsibilities for their liquidity management.

Liquidity Risk Management Method

The Bank paid close attention to changes in the macroeconomic situation and monetary policies, and closely monitored liquidity conditions in the market and of the Bank. It strengthened trend forecast and analysis on factors affecting liquidity, strictly implemented limit management, strengthened asset-liability portfolio and matching management, and effectively controlled the risk of maturity mismatch. The Bank adhered to the philosophy of high-quality liability development, ensured a stable source of deposits, and used interbank liabilities as liquidity replenishment and adjustment tools to enhance the diversification of fund sources. The Bank strengthened its fund position management to meet various payment requirements. It also strengthened consolidated liquidity risk management to ensure the safety of the Bank Group's liquidity. Meanwhile, the Bank regularly conducted stress tests and emergency drills to enhance its capacity for liquidity contingency management. It continued to optimize its liquidity management system and enhanced digital and intelligent management capabilities.

Liquidity Risk Stress Testing

The Bank conducted liquidity risk stress testing on a quarterly basis to test the risk tolerance under stress scenarios, and constantly improved stress testing methods based on regulatory and internal management requirements. During the reporting period, the stress testing results indicated that the Bank could pass the minimum viability test under various stress scenario assumptions.

Liquidity Risk Analysis

The Bank's liabilities were stable, as its major source of funds was retail deposits. Its assets were highly liquid, with a relatively large proportion of high-quality qualified bonds. Its overall liquidity position was sufficient, secure and under control. As at the end of the reporting period, the liquidity ratio of the Bank was 104.46%, the liquidity coverage ratio 302.45%, and the net stable funding ratio 172.02%, all meeting the regulatory requirements.

Risk Management

Liquidity Coverage Ratio

In RMB million, except for percentages

Items	December 31, 2025	September 30, 2025	December 31, 2024
High-quality liquid assets	3,402,004	3,007,550	3,296,267
Net cash outflow for the next 30 days	1,124,806	1,312,116	1,147,394
Liquidity coverage ratio (%)	302.45	229.21	287.28

Net Stable Funding Ratio

In RMB million, except for percentages

Items	December 31, 2025	September 30, 2025	December 31, 2024
Total available stable funding	15,700,224	15,370,042	14,555,976
Total required stable funding	9,127,223	9,159,392	8,472,650
Net stable funding ratio (%)	172.02	167.81	171.80

Liquidity Gap Analysis

The table below shows the Bank's net position of liquidity as of the stated date. For further details, please refer to "Notes to the Consolidated Financial Statements – 45.6 Liquidity Risk".

In RMB million

Items	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
December 31, 2025	32,921	(4,242,400)	(491,647)	(2,387,216)	(1,948,639)	3,022,924	5,774,473	1,241,961	1,002,377
December 31, 2024	29,997	(3,950,844)	(804,912)	(2,421,636)	(1,315,939)	2,954,286	5,175,204	1,220,151	886,307

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, employees and IT systems or from external events. The operational risks that the Bank may be exposed to mainly include internal fraud, external fraud, employment rules and workplace safety, risks related to customers, products and business activities, damage to physical assets, risks related to IT systems, and risks related to execution, delivery and process management. During the reporting period, the Bank's operational risk and operational risk loss ratio were kept at a relatively low level.

In accordance with the Rules on Capital Management of Commercial Banks, the Rules on Operational Risk Management of Banking and Insurance Institutions and other regulatory requirements, the Bank formulated and issued a series of policies and rules, including the Measures for Operational Risk Management, to clarify the organizational structure, division of responsibilities, risk appetite, and related management processes for operational risk management. It improved the "matrix-style" operational risk management model and clearly defined the process for operational risk event identification and reporting. With the overall goal of sound business operation, the Bank effectively strengthened the coordinated management responsibilities of the "three lines of defense", continuously optimized its operational risk management mechanisms, and deepened and advanced the integrated development of operational risk management. It iteratively improved operational risk management tools, explored the application of LLM technologies in operational risk management, and continuously enhanced its ability to respond to internal and external event shocks, thereby strengthening the prevention of operational risks.

Legal Risk

Legal risk refers to the risk of commercial banks suffering from adverse legal consequences including legal liabilities, loss of rights, and reputational damage due to violation of laws and regulations or terms of contract during its business operation, non-compliance with laws and breach of contracts by others including the counterparty to the contract, and significant changes in the external legal environment. During the reporting period, the Bank's legal risk remained controllable in general.

The Bank continued to improve its legal risk management framework and enhanced its legal risk management, prevention and control capabilities. It kept pace with legislative developments, strengthened the interpretation of new laws and regulations and, based on business needs, updated its legal review guidance manuals, continuously advancing the professional and standardized development of legal risk management. It implemented a "one strategy for one case" approach for major litigation cases, applied targeted measures, and strengthened the monitoring, analysis, and guidance of litigation cases at branches and sub-branches in accordance with tiered and categorized management principles, thereby comprehensively enhancing litigation case management across the Bank. The Bank carried out retrospective analysis on litigation and established a routine analysis mechanism featuring "routine monitoring – thematic research – annual reporting", to uncover hidden issues reflected by litigation in the Bank's policies and rules, processes, and systems, and effectively improve business management with such analyses. It enhanced authorization management, optimized annual authorization, and enhanced the effectiveness and sophistication of authorization control. It strengthened intellectual property management, encouraged scientific and technological innovation, continued to enhance the integrated protection of trademarks and trade names, and fully promoted the creation, use and protection of the Bank's intellectual property. The Bank held the legal awareness education campaign to disseminate legal knowledge among front-line staff, and organized the "Legal Knowledge Expert Competition", with a participation of over 100 thousand person-times, further strengthening the law-based governance culture. Moreover, the Bank improved its legal affairs system, and developed and promoted an "AI Legal Q&A" tool, to increase technological support for legal risk prevention and control.

Compliance Risk

Compliance risk refers to the potential for financial institutions or their employees to bear criminal, administrative or civil legal liabilities, property losses, reputational damage, and other negative impacts due to violations of compliance norms in business management or employee conduct in performing duties. During the reporting period, the Bank adhered to bottom-line thinking, took targeted actions, and continuously improved the mechanism that no one has the audacity, opportunity, or desire to engage in violations, thereby further enhancing the foresight and effectiveness of internal control and compliance management, with compliance risk remaining generally under control.

Risk Management

The Bank thoroughly implemented the Rules on Compliance Management of Financial Institutions, actively promoted the appointment of a Chief Compliance Officer and compliance officers, and revised and issued compliance policies. It also optimized the organizational structure and division of responsibilities, clarified the qualifications and requirements for compliance officers, and strengthened compliance management safeguards, with the compliance governance framework becoming increasingly complete and sound. The Bank efficiently conducted compliance reviews, and focused on compliance risks in key businesses and innovative businesses, to support sound and compliant business development. It regularly issued circulars on typical issues identified in the review of institutional policies, and urged all departments and institutions to compile policy documents in a standardized manner and complete the countersigning for institutional policies in a timely manner, improving the quality and effectiveness of compliance review. The Bank effectively carried out review, planning, and evaluation of institutional policies, and strengthened the full lifecycle management. It issued standard templates for institutional policies, standardized their compilation, updated rules for form and format review, and ensured their timely development and launch to optimize the intelligent review platform. Moreover, the Bank strengthened compliance risk monitoring, advanced the absorption of external regulations into internal institutional policies, released regulatory updates on a regular basis, and notified relevant departments to timely incorporate external regulatory requirements into internal institutional policies, achieving precise and efficient incorporation of external regulations into internal institutional policies.

Money Laundering Risk

Money laundering risk refers to the risk arising from illegal activities such as money laundering, terrorist financing and proliferation financing caused by the use of businesses and products by criminals. The Bank strictly complied with AML laws and regulations, cultivated a strong sense of risk awareness, actively fulfilled its AML obligations, made solid efforts to promote the transformation and development of AML work, and constantly improved the compliance and effectiveness of the Bank's AML efforts. During the reporting period, the Bank had no significant money laundering risk events, and the money laundering risk was generally under control.

The Bank adhered to a "risk-based" AML management philosophy, fully implemented the newly revised Anti-Money Laundering Law of the People's Republic of China, vigorously promoted the digital and intelligent transformation as well as shift toward centralized operations of AML work, and continuously enhanced the management of money laundering risk. It steadily advanced the systematic development of compliant and effective customer due diligence, and improved the quality and effectiveness of customer due diligence work, to strengthen the foundation of money laundering risk prevention. A new round of internal self-assessment on institutions was actively carried out to solidly promote the transformation of assessment effectiveness. The Bank focused its efforts on enhancing suspicious transaction monitoring and analysis, and used LLMs and graph technologies to improve monitoring effectiveness and assist local public security authorities in filing cases, initiating investigations and solving cases. It continuously carried out information system optimization and source data governance, and strengthened technology and data empowerment for AML. The Bank steadily advanced and implemented centralized handling of suspicious transactions manually at the Head Office, and explored and carried out the reform of centralized due diligence reform for personal customers, to effectively improve management norms and execution capability. It continuously strengthened AML publicity and held the campaign "Understand the Key Points of the New AML Law in One Infographic – Jointly Building a Security Defense Line" via multiple channels to enhance legal awareness of AML among financial institutions and the public. During the reporting period, the Bank organized 87.5 thousand publicity activities on preventing illegal financial activities, with a participation of over 55.92 million person-times.

Information Technology Risk

Information technology risk refers to the operational, legal, reputational and other risks caused by natural and human factors, technological loopholes and management flaws when applying information technology. During the reporting period, the overall operation of the Bank's information systems was stable, with no material security incident found, and all monitoring indicators of information technology risk were within a reasonable range.

The Bank strictly implemented the reform requirements of the Bank-wide risk management framework, fully defended the information technology risk bottom line and cybersecurity defense line, and promoted the Bank's digital and intelligent transformation through refined technology risk management. It conducted in-depth assessments of technology policy implementation and effectively strengthened the refined implementation of technology management and control. On-site inspections of information technology risks were carried out to continuously prevent and mitigate potential information technology-related hazards. The Bank carried out special governance initiatives in key cybersecurity areas and established long-term prevention and control mechanisms. It reinforced data security management and systematically organized multi-scenario data security assessments. It established a standardized evaluation system for technology outsourcing and completed the evaluation of service providers' performance. The Bank also continuously strengthened intelligent prevention and control of R&D risks, and improved the precision of R&D management. It followed the principle of "drills as actual combat", normalized emergency drills, and made every effort to ensure the stable and secure operation of the Bank's information systems.

Reputational Risk

Reputational risk refers to the risk resulting from negative comments by stakeholders, the public, media and other parties due to a banking institution's behaviors, employees' behaviors, external events, etc., which damages the brand value, adversely affects normal operations, and even affects market and social stability. During the reporting period, public opinions about the Bank remained overall positive, and no major reputational incident occurred. Through effective reputational risk management, the Bank created a favorable external public opinion environment for its transformation and development and the implementation of various key tasks. The proper management of the Bank's reputational risk also contributed to the sound and steady development of the banking industry and a favorable online public opinion environment.

Upholding the reputational risk management concept of "addressing both symptoms and root causes, with a focus on root causes" and a principle of "preventing risks at the source and taking proactive measures", the Bank strictly implemented regulatory requirements, and incorporated the reputational risk management into the comprehensive risk management framework across the Bank. It made solid efforts to carry out reputational risk inspections, with a focus on areas with sensitive public opinions within the industry and the Bank, covering all levels of institutions. The Bank strengthened the effectiveness of preemptive reputational risk assessment, and made assessment more forward-looking and comprehensive. It continuously implemented the list-based management of key reputation risks and hidden dangers, with sensitive risks included in the list and response measures developed in advance, to shift the management of these risks forward in the process. It continuously

Risk Management

strengthened public opinion monitoring and response, properly handled reputation-related incidents and effectively safeguarded its brand reputation. In the meantime, the Bank further advanced reputational risk and public opinion training and drills, fostered a culture of reputational risk management, and improved professional competencies of relevant employees. Moreover, the Bank carried out publicity focusing on such themes as solidly advancing the "five priorities" of the financial sector, supporting the real economy, serving all-around rural revitalization, and boosting consumption. In this way, the Bank demonstrated its commitment to high-quality development through innovation and transformation, and its contribution to boosting China's strength in finance based on its market positioning, thereby continuously enhancing its brand image and accumulating reputation capital.

Strategic Risk

Strategic risk refers to the risk arising from improper business strategies or changes in the external business environment. During the reporting period, the Bank continued to improve its management ability for strategic risk, and the strategic risk was generally under control.

The Bank adhered to the philosophy of long-termism and sustainable development, diligently focused on the "five priorities" of the financial sector, and integrated its resource endowment with services for key sectors of the real economy. The Bank actively adapted to economic transformation and industry changes, advanced strategic optimization and upgrading, and optimized business, customer, revenue, and regional structures. It accelerated innovation and reform, strengthened internal momentum for growth, and built a more resilient, balanced, and robust development model. The Bank also comprehensively assessed the implementation of strategies, and thoroughly identified and monitored strategic risk factors during strategy execution. It brought the 14th Five-Year Plan into a successful conclusion, accelerated the preparation of the 15th Five-Year Plan, and strengthened the foresight and stability of strategic management.

Country Risk

Country risk refers to the risk of the inability or refusal of debtors in a country or region to repay their debts owed to the bank, or commercial benefit loss or other losses suffered by the bank in that country or region due to changes and incidents occurring in politics, economy and society of that country or region. During the reporting period, the Bank's country risk exposures were mainly concentrated in countries and regions with low and relatively low risk, and overall country risk remained at a reasonable level.

The Bank incorporates country risk management into its comprehensive risk management framework. It manages and controls country risk through a range of management tools, including country risk ratings, country risk limits, statistics and monitoring of country risk exposures. Facing an increasingly complex international economic-financial landscape, the Bank continued to strengthen country risk management in strict accordance with regulatory requirements and based on its business development needs. The Bank issued country risk emergency plans, updated country risk ratings and limits, strengthened the monitoring and early warning of limit implementation, stepped up efforts in the monitoring and reporting of country risk, and optimized the development of its country risk management system.

Climate Risk

Climate risk refers to the potential adverse effects of climate change on the natural system and the economic and social system, mainly including physical risks and transition risks. Among them, physical risk refers to the risk of events such as climate anomalies and environmental pollution that may lead to severe damage to the balance sheets of enterprises, households, banks, insurance companies and other market entities, which in turn affects the financial system and the macro economy. Transition risk refers to the risk of repricing of high-carbon assets and financial losses due to significant tightening of relevant policies such as carbon emissions or technological innovations, in order to address climate change and promote low-carbon economic transformation. During the reporting period, the Bank's climate risk was generally under control.

The Bank paid high attention to environmental and climate risks, and incorporated them into its comprehensive risk management framework for control. It continued to implement the Management Measures for Environmental, Social and Governance Risks of Postal Savings Bank of China (2022 Revised Version), incorporated environmental and climate risks into the whole-process credit management in respect of risk policy, risk limit, credit policy, customer rating, review and approval, disbursement management and post-lending management, and effectively identified, monitored and prevented ESG risks in business activities.

For four consecutive years, the Bank carried out climate risk sensitivity stress tests on eight industries, including electric power, steel, building materials, petrochemicals, chemicals, papermaking, civil aviation and non-ferrous metal smelting. By incorporating carbon costs into its analysis, the Bank analyzed the impact of rising carbon emission costs of enterprises in high-carbon industries on the quality of the Bank's corresponding credit assets and the capital adequacy level. The test results showed that under the stress scenario, the credit risk of some high-carbon customers increased, but the impact on the Bank's capital adequacy level was generally controllable. The Bank further advanced environmental and climate risk management, and conducted ESG and climate risk inspections for nine consecutive years to identify the exact situation, take category-specific actions, and prevent and mitigate potential risks.

The Bank actively supported the green and low-carbon transition and the development of traditional industries to support their reasonable financing needs. It resolutely implemented the one-vote veto system for environmental assessment and curbed high-energy-consumption, high-emission and low-quality projects. The Bank also improved the development of the environmental information database, and added detailed records of regulatory penalties, such as environmental penalties for the early-warning customers over the past three years, to accurately pinpoint environmental risks.

Risk Consolidated Management

Risk consolidated management refers to the continuous improvement of the comprehensive risk management framework of a bank group and its subsidiaries, and the management process of effectively identifying, measuring, monitoring and controlling the overall risk of the bank group. Pursuant to regulatory requirements, during the reporting period, the Bank's subsidiaries were all incorporated into its risk consolidated management framework, and the overall risks of the Group were under control.

The Bank strictly followed national policies and relevant regulatory requirements, firmly held the bottom line to ensure that no systemic risks arose, and continuously improved the risk consolidated management of the Group. The Bank strengthened the communication of the risk appetite and risk limit requirements of the Group and kept the risk of its subsidiaries within an acceptable range. The Bank continuously optimized its risk and compliance assessment plan and made sure all requirements on risk limits and compliance were effectively implemented. It also conducted comprehensive risk assessments of subsidiaries and supervised them to enhance their risk management level. The Bank continued to improve the long-term risk monitoring mechanism for subsidiaries, refined the risk information reporting mechanism of subsidiaries, and continuously advanced the systematization and automation of their risk monitoring to comprehensively and promptly grasp the risk profiles and risk management status of subsidiaries. In addition, the Bank carried out risk isolation management across the Group, adopted a business coordination management mechanism, achieved a coordinated balance between business collaboration and risk isolation, and effectively prevented risk contagion among institutions of the Group.

Capital Management

The objectives of the Bank's capital management are to maintain a sound and reasonable level of capital adequacy, and continuously meet regulatory policies and macro-prudential requirements; to comprehensively establish and apply a value management system centered around economic capital, strengthen capital constraints, and instill the concept of value creation; and to steadily consolidate the Bank's capital base, strengthen the capability to replenish capital from internal sources, and actively expand channels for external capital replenishment.

During the 14th Five-Year Plan period, the Bank fully implemented the requirements of the Capital Rules, further promoted refined capital management, strengthened data governance, reduced the occupation of low-efficiency capital, and adhered to RAROC as the core yardstick for asset allocation. The Bank continuously strengthened its capability to replenish capital from internal sources while actively expanding channels for external capital replenishment. It successfully completed the third phase of its private placement, issued multiple tranches of undated capital bonds and Tier-2 capital bonds, and comprehensively improved capital adequacy at all levels. The Bank's capital strength was continuously reinforced, effectively supporting its efforts to serve the real economy, advance high-quality development, and refine and deepen the "five priorities" of the financial sector.

During the reporting period, based on its own operation situations, the Bank continued to improve the management mechanism for the recovery and resolution plan, constantly improved its risk prevention and control ability, and strengthened the crisis management to reinforce the foundation for financial stability. The Bank continued to improve its capital management framework, effectively implemented regulatory requirements, promoted refined capital management, strictly implemented capital conservation, and consolidated the capability to replenish capital from internal sources. Meanwhile, the Bank actively replenished its capital through external sources, successfully completed the issuance of A shares to specific subscribers, issued undated capital bonds in an orderly manner, reinforced capital strength with multiple measures, and effectively supported the sustained and sound development of various businesses. As at the end of the reporting period, the Bank maintained sound performance across all capital metrics. Its capital adequacy ratios and the leverage ratio continuously met all regulatory requirements, including additional requirements for domestic systemically important banks, and were maintained at a sound and reasonable level.

Capital Planning and Capital Adequacy Ratio Management Plan

Pursuant to regulatory requirements, the Bank made capital planning in light of economic and financial situations, development strategies, risk appetite and other factors, and specified capital management objectives and management measures to ensure the Bank's capital adequacy ratios continue to meet regulatory requirements and are in line with long-term sustainable development and shareholder return requirements.

Capital Adequacy Ratio

According to the Rules on Capital Management of Commercial Banks, the Bank adopted the standardized approach for credit risk, the standardized approach mainly for market risk, and the standardized approach for operational risk. As at the end of the reporting period, the CET1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio were 10.53%, 12.10% and 14.52%, respectively.

Capital Adequacy Ratio

In RMB million, except for percentages

Items	December 31, 2025		December 31, 2024	
	The Group	The Bank	The Group	The Bank
Net CET1 capital	1,003,478	982,348	824,191	800,554
Net tier 1 capital	1,153,653	1,132,344	1,024,332	1,000,540
Net capital	1,384,271	1,361,638	1,244,111	1,219,215
Risk-weighted assets	9,533,914	9,434,719	8,617,743	8,533,934
Credit risk-weighted assets	8,931,793	8,853,445	8,057,517	7,993,424
Market risk-weighted assets	78,854	78,854	88,938	88,938
Operational risk-weighted assets	523,267	502,420	471,288	451,572
CET1 capital adequacy ratio (%)	10.53	10.41	9.56	9.38
Tier 1 capital adequacy ratio (%)	12.10	12.00	11.89	11.72
Capital adequacy ratio (%)	14.52	14.43	14.44	14.29

Leverage Ratio

As at the end of the reporting period, the leverage ratio calculated by the Bank pursuant to the Rules on Capital Management of Commercial Banks was 5.87%, which met the regulatory requirements. For the details of the leverage ratio, please refer to "2025 Pillar 3 Disclosure Report on Capital Management of Postal Savings Bank of China".

Economic Capital Management

In accordance with the guidance of the Capital Rules, the Bank continued to improve the refined management of economic capital. The Bank reinforced internal capital constraints and advanced the intensive and orderly use of capital; made efforts to improve the application of the asset allocation mechanism with RAROC as the core indicator and guided business units to optimize their business structure and enhance value creation; advanced the application of internal rating results in economic capital measurement, allocation and performance assessment in an orderly manner; strengthened digital empowerment and enhanced refined capital management capabilities. The awareness of capital conservation and value creation has been continuously enhanced across the Bank, and the business structure has been continuously optimized.

Capital Financing Management

To implement major national strategies and plans, the Bank issued A shares to specific subscribers in June 2025 in accordance with its capital needs and the capital replenishment plan. The total proceeds raised were RMB130,000,000,000.00. After the deduction of the issuance expenses directly related to the issuance, the net proceeds raised were RMB129,961,940,637.58, all of which were used to replenish CET1 capital. For details, please refer to "Changes in Share Capital and Shareholdings of Shareholders".

The Bank issued RMB30 billion of write-down undated capital bonds in the National Interbank Bond Market in February 2025, with all proceeds used to replenish additional tier 1 capital in accordance with laws and approval of the competent authorities.

Upon the approval of the NFRA, the Bank fully redeemed at par value the RMB80 billion write-down undated capital bonds issued in 2020 and the RMB30 billion write-down undated capital bonds issued in 2021 in March 2025 and March 2026 respectively.

PSBC Guizhou Branch provides financial support for the official opening of Huajiang Grand Canyon Bridge, the highest bridge in the world.

Corporate Governance

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Changes in Share Capital and Shareholdings of Shareholders

Ordinary Shares

As at the end of the reporting period, the total number of ordinary shares of the Bank amounted to 120,095,053,492, including 100,238,886,492 A shares and 19,856,167,000 H shares, accounting for 83.47% and 16.53% of all shares respectively.

Details of Changes in Shares

Share, except for percentages

	As at December 31, 2024		Increase/decrease (+, -) during the reporting period					As at December 31, 2025	
	Number of shares	Percentage (%)	Issuance of new shares	Issuance of bonus shares	Transferred from reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Shares subject to selling restrictions	12,182,513,838	12.29	+20,933,977,454	–	–	–	+20,933,977,454	33,116,491,292	27.58
1. Shareholdings of the State	–	–	+18,933,967,793	–	–	–	+18,933,967,793	18,933,967,793	15.77
2. Shareholdings of state-owned legal entities	12,182,513,838	12.29	+2,000,009,661	–	–	–	+2,000,009,661	14,182,523,499	11.81
3. Other domestic shareholdings	–	–	–	–	–	–	–	–	–
Including: Shareholdings of domestic non-state-owned legal entities	–	–	–	–	–	–	–	–	–
Shareholdings of domestic natural persons	–	–	–	–	–	–	–	–	–
4. Foreign shareholdings	–	–	–	–	–	–	–	–	–
Including: Shareholdings of foreign legal entities	–	–	–	–	–	–	–	–	–
Shareholdings of foreign natural persons	–	–	–	–	–	–	–	–	–
II. Circulating shares not subject to selling restrictions	86,978,562,200	87.71	–	–	–	–	–	86,978,562,200	72.42
1. RMB ordinary shares	67,122,395,200	67.69	–	–	–	–	–	67,122,395,200	55.89
2. Domestically listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas listed foreign shares	19,856,167,000	20.02	–	–	–	–	–	19,856,167,000	16.53
4. Others	–	–	–	–	–	–	–	–	–
III. Total ordinary shares	99,161,076,038	100.00	+20,933,977,454	–	–	–	+20,933,977,454	120,095,053,492	100.00

Changes in Ordinary Shares

According to the Reply on the Approval of Registration for the Issuance of Shares to Specific Subscribers by Postal Savings Bank of China Co., Ltd. (Zheng Jian Xu Ke [2025] No. 1080) issued by the CSRC in May 2025, the Bank completed the issuance of 20,933,977,454 A-share ordinary shares to the Ministry of Finance, China Mobile Communications Group Co., Ltd. and China State Shipbuilding Corporation Limited in June 2025 and the issue price was RMB6.21 per share. The closing price of A shares on the most recent trading day (i.e. March 28, 2025) before signing the share subscription agreement was RMB5.20 per share. The total amount of funds raised in the issuance was RMB130,000,000,000.00. After deducting the issuance expenses directly related to the issuance, totaling RMB38,059,362.42 (excluding VAT), the net proceeds raised were RMB129,961,940,637.58, and the net proceeds per share were approximately RMB6.21. After the completion of the issuance, the total number of shares of the Bank increased from 99,161,076,038 to 120,095,053,492. For details, please refer to the relevant announcements published by the Bank on June 20, 2025.

Impact of changes in ordinary shares on financial indicators such as earnings per share and net assets per share for the most recent year and the most recent period

During the reporting period, the Bank completed the issuance of A-share ordinary shares to specific subscribers. After the issuance, the share capital was increased by RMB20,933,977,454.00 with an additional capital reserve of RMB109,027,963,183.58.

RMB

Item	2025	2025 On a comparable basis[1]
Basic earnings per share	0.73	0.81
Diluted earnings per share	0.73	0.81
Net assets per share attributable to ordinary shareholders of listed companies	8.41	8.88

Note (1): The basic earnings per share, diluted earnings per share, and net assets per share attributable to ordinary shareholders of listed companies on a comparable basis in 2025 were calculated in the case of no issuance of shares in 2025.

There were no changes in the Bank's ordinary shares from the end of the reporting period up to the disclosure date of this report.

Changes in Share Capital and Shareholdings of Shareholders

Changes in Shares Subject to Selling Restrictions

Share

Name of shareholder	Number of shares subject to selling restrictions at the beginning of the year	Shares released from selling restrictions in the year	Increase in shares subject to selling restrictions in the year	Number of shares subject to selling restrictions at the end of the reporting period	Reason for selling restrictions	Date of release from selling restrictions
Ministry of Finance of the PRC	–	–	18,933,967,793	18,933,967,793	Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
China Mobile Communications Group Co., Ltd.	6,777,108,433	–	–	6,777,108,433	Commitments on selling restrictions in non-public issuance of A shares in 2023	March 28, 2028
	–	–	1,264,744,074	1,264,744,074	Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
China Post Group Corporation Limited	5,405,405,405	–	–	5,405,405,405	Commitments on selling restrictions in non-public issuance of A shares in 2021	March 25, 2026
China State Shipbuilding Corporation Limited	–	–	735,265,587	735,265,587	Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
Total	12,182,513,838	–	20,933,977,454	33,116,491,292	/	/

Note (1): Presented in descending order of the total number of shares subject to selling restrictions held by shareholders as at the end of the reporting period.

Number of Shareholders and Shareholdings

As at the end of the reporting period, the Bank had a total number of 185,030 ordinary shareholders (including 182,732 A-share holders and 2,298 H-share holders) and no holders of preference shares with voting rights restored or holders of special voting shares.

As at February 28, 2026, the Bank had a total number of 207,722 ordinary shareholders (including 205,442 A-share holders and 2,280 H-share holders) and no holders of preference shares with voting rights restored or holders of special voting shares.

Shareholdings of Top Ten Ordinary Shareholders

Share, except for percentages

Name of shareholder	Increase/ decrease (+, -) during the reporting period	Number of shares held	Shareholding percentage (%)	Number of shares held subject to selling restrictions	Number of shares pledged, marked or locked-up	Nature of shareholder	Type of ordinary shares
China Post Group Corporation Limited	+35,940,200	62,291,489,480	51.87	5,405,405,405	–	State-owned legal entity	A shares and H shares
HKSCC Nominees Limited	+77,197	19,843,315,497	16.52	–	Unknown	Foreign legal entity	H shares
Ministry of Finance of the PRC	+18,933,967,793	18,933,967,793	15.77	18,933,967,793	–	State	A shares
China Mobile Communications Group Co., Ltd.	+1,264,744,074	8,041,852,507	6.70	8,041,852,507	–	State-owned legal entity	A shares
Ping An Life Insurance Company of China, Ltd. – Self-owned funds	+2,184,306,393	2,379,870,095	1.98	–	–	Others	A shares
China Telecommunications Corporation Limited	–	1,117,223,218	0.93	–	–	State-owned legal entity	A shares
China State Shipbuilding Corporation Limited	+735,265,587	735,265,587	0.61	735,265,587	–	State-owned legal entity	A shares
Hong Kong Securities Clearing Company Limited	-378,250,071	529,001,611	0.44	–	–	Foreign legal entity	A shares
Industrial and Commercial Bank of China – SSE 50 Exchange-traded Open-end Index Securities Investment Fund	-4,670,766	203,930,100	0.17	–	–	Others	A shares
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	-9,561,513	182,051,287	0.15	–	–	Others	A shares

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee is the total number of H shares held by all institutional and individual investors registered with the company as at the end of the reporting period, which includes 80,700,000 H shares held by the controlling shareholder China Post Group Corporation Limited through HKSCC Nominees Limited as the nominee.

Note (2): The total number of shares held by Hong Kong Securities Clearing Company Limited refers to the A shares (Shanghai-Hong Kong Stock Connect) held on behalf of Hong Kong investors and overseas investors as the nominee.

Note (3): HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited (HKSCC). Apart from this, the Bank is not aware of any connected relations among the aforementioned shareholders or whether they constitute persons acting in concert as stipulated in the Administrative Measures for the Takeover of Listed Companies.

Note (4): Except for HKSCC Nominees Limited, whose situation was unknown to the Bank, the rest of the top ten ordinary shareholders of the Bank did not participate in margin trading, short selling or refinancing as at the end of the reporting period.

Note (5): The above shareholders do not have special repurchase accounts nor do they involve delegation/entrustment of voting rights or abstention of voting rights.

Note (6): In June 2025, the Ministry of Finance of the PRC and China State Shipbuilding Corporation Limited became the top ten ordinary shareholders due to the subscription of A shares issued by the Bank to specific subscribers. Except that, there was no situation where strategic investors and general legal entities became the top ten shareholders due to the placement of new shares.

Note (7): On April 8, 2025, the Bank was informed by China Post Group, the controlling shareholder of the Bank, that China Post Group had increased its shareholding in the Bank on the same day through the trading system of Shanghai Stock Exchange and intended to continue to increase its shareholding in the Bank over the following twelve months. As at December 31, 2025, China Post Group had cumulatively increased its holding of the Bank's A shares by 35,940,200 shares, and held a total of 62,210,789,480 A shares of the Bank.

Changes in Share Capital and Shareholdings of Shareholders

Shareholdings of the Top Ten Shareholders Not Subject to Selling Restrictions

Share

Name of shareholder	Number of circulating shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
China Post Group Corporation Limited	56,886,084,075	A shares	56,805,384,075
		H shares	80,700,000
HKSCC Nominees Limited	19,843,315,497	H shares	19,843,315,497
Ping An Life Insurance Company of China, Ltd. – Self-owned funds	2,379,870,095	A shares	2,379,870,095
China Telecommunications Corporation Limited	1,117,223,218	A shares	1,117,223,218
Hong Kong Securities Clearing Company Limited	529,001,611	A shares	529,001,611
Industrial and Commercial Bank of China – SSE 50 Exchange-traded Open-end Index Securities Investment Fund	203,930,100	A shares	203,930,100
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	182,051,287	A shares	182,051,287
China Construction Bank Corporation – E Fund CSI 300 Exchange-traded Open-end Index Initiated Securities Investment Fund	129,892,847	A shares	129,892,847
Guotai Haitong Securities Co., Ltd.	122,882,900	A shares	122,882,900
Shanghai International Port (Group) Co., Ltd.	112,539,226	A shares	112,539,226

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee is the total number of H shares held by all institutional and individual investors registered with the company as at the end of the reporting period, which includes 80,700,000 H shares held by the controlling shareholder China Post Group Corporation Limited through HKSCC Nominees Limited as the nominee.

Note (2): The total number of shares held by Hong Kong Securities Clearing Company Limited refers to the A shares (Shanghai-Hong Kong Stock Connect) held on behalf of Hong Kong investors and overseas investors as the nominee.

Note (3): HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited (HKSCC). Apart from this, the Bank is not aware of any connected relations among the aforementioned shareholders or whether they constitute persons acting in concert as stipulated in the Administrative Measures for the Takeover of Listed Companies.

Note (4): Except for HKSCC Nominees Limited, whose situation was unknown to the Bank, the rest of the top ten shareholders not subject to selling restrictions of the Bank did not participate in margin trading, short selling or refinancing as at the end of the reporting period.

Note (5): The above shareholders do not have special repurchase accounts; nor are there any circumstances where they entrust or accept entrustment of voting rights, waive voting rights, or become among the top ten shareholders not subject to selling restrictions by participating in the placement of new shares as strategic investors or general legal entities.

Shareholdings of the Top Ten Shareholders Subject to Selling Restrictions

Share

Name of shareholder	Number of shares held subject to selling restrictions	Conditions for listing and trading of shares subject to selling restrictions: Date on which shares become tradable	Conditions for listing and trading of shares subject to selling restrictions: Incremental number of shares that become tradable	Selling restrictions
Ministry of Finance of the PRC	18,933,967,793	June 19, 2030	–	Five years from the date on which the equity was acquired through the Bank's issuance of A shares to specific subscribers in 2025
China Mobile Communications Group Co., Ltd.	6,777,108,433	March 28, 2028	–	Five years from the date on which the equity was acquired through the Bank's non-public issuance of A shares in 2023
	1,264,744,074	June 19, 2030	–	Five years from the date on which the equity was acquired through the Bank's issuance of A shares to specific subscribers in 2025
China Post Group Corporation Limited	5,405,405,405	March 25, 2026	–	Five years from the date on which the equity was acquired through the Bank's non-public issuance of A shares in 2021
China State Shipbuilding Corporation Limited	735,265,587	June 19, 2030	–	Five years from the date on which the equity was acquired through the Bank's issuance of A shares to specific subscribers in 2025

Note (1): Presented in descending order of the total number of shares subject to selling restrictions held by shareholders as at the end of the reporting period.

Changes in Share Capital and Shareholdings of Shareholders

Shareholdings by the Directors, Supervisors[1] and Senior Management Members

During the reporting period, the shareholdings by the Directors, Supervisors and senior management members of the Bank remained unchanged. As at the disclosure date of this report, none of them held any shares of the Bank.

Substantial Shareholders

According to the Interim Measures on Equity Management of Commercial Banks published by the former CBRC, China Post Group, the Ministry of Finance and China Mobile Communications Group Co., Ltd. are substantial shareholders of the Bank as each of them holds more than 5% of interests in the Bank; China State Shipbuilding Corporation Limited and Shanghai International Port (Group) Co., Ltd. are substantial shareholders of the Bank as each of them designates Directors to the Bank.

Basic Information of Substantial Shareholders

There was no change in the controlling shareholder or de facto controller of the Bank during the reporting period.

Controlling Shareholder and De Facto Controller

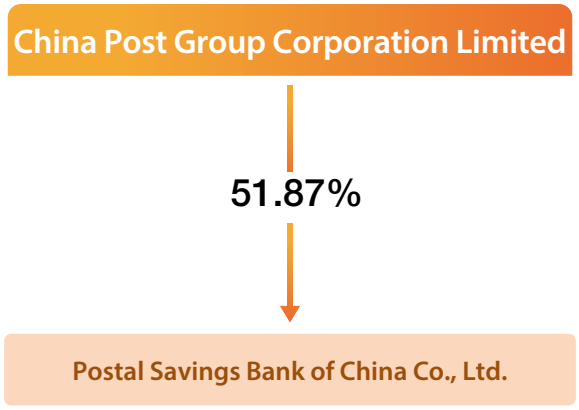
The controlling shareholder and de facto controller of the Bank is China Post Group. China Post Group Corporation Limited, a wholly state-owned enterprise incorporated in accordance with the Company Law of the People's Republic of China, was established on October 4, 1995, and was officially restructured into China Post Group Corporation Limited on December 17, 2019. It engages in various postal businesses in accordance with the law, undertakes the obligations of general postal services and provides special postal services entrusted by the government. China Post Group has a registered capital of RMB137.6 billion. Its registered address is No. 3 Financial Street, Xicheng District, Beijing. Its unified social credit code is 911000000000192465 and the legal representative is Mr. Liu Aili. China Post Group is principally engaged in domestic and international letter business, domestic and international express parcel business, distribution of newspapers, journals and books, stamp issuance, postal remittance service, confidential correspondence communication, postal financial business, postal logistics, e-commerce, various postal agent services, and other businesses stipulated by the state.

1 On October 9, 2025, the Bank held the Second Extraordinary General Meeting in 2025, at which the Proposal on Amendments to the Articles of Association of Postal Savings Bank of China Co., Ltd. and the Proposal on the Dissolution of the Board of Supervisors of Postal Savings Bank of China were considered and approved. In December 2025, the Bank received the Approval of Amendments to the Articles of Association of Postal Savings Bank of China by the National Financial Regulatory Administration (Jin Fu [2025] No. 713). From the date on which the amendments to the Articles of Association of the Bank were approved and became effective, the Bank ceased to have a Board of Supervisors. The Audit Committee of the Board of Directors shall assume the relevant functions and powers of the Board of Supervisors in accordance with laws. The then supervisors no longer serve as Supervisors of the Bank or hold any relevant positions on the Board of Supervisors. For details, please refer to the announcements published by the Bank.

Other domestic and overseas listed companies directly held by China Post Group as at the end of the reporting period are listed below:

No.	Name of institution	Shareholding percentage	Stock exchange
1	Orient Securities Company Limited	2.6927%	SSE, Hong Kong Stock Exchange
2	Shanghai Pudong Development Bank Co., Ltd.	0.4733%	SSE
3	Southwest Securities Company Ltd.	0.1361%	SSE
4	Bank of Chongqing Co., Ltd.	0.1349%	SSE, Hong Kong Stock Exchange
5	Industrial Bank Co., Ltd.	0.1074%	SSE
6	China Merchants Bank Co., Ltd.	0.0837%	SSE, Hong Kong Stock Exchange
7	Bank of Communications Co., Ltd.	0.0712%	SSE, Hong Kong Stock Exchange
8	Shanxi Lu'an Chemical Technology Co., Ltd.	0.0556%	SSE
9	COSCO SHIPPING Development Co., Ltd.	0.0026%	SSE, Hong Kong Stock Exchange
10	China Coal Energy Company Limited	0.0025%	SSE, Hong Kong Stock Exchange
11	China Pacific Insurance (Group) Co., Ltd.	0.0018%	SSE, Hong Kong Stock Exchange
12	PetroChina Company Limited	0.0004%	SSE, Hong Kong Stock Exchange

As at the end of the reporting period, China Post Group directly held 62,210,789,480 A shares and 80,700,000 H shares of the Bank, with a shareholding percentage of 51.87%. The property right relationship between the Bank and China Post Group, the controlling shareholder and de facto controller, is as follows:



1 During the reporting period, China Post Group received the Approval of the National Financial Regulatory Administration on the Operation of Insurance Agency Business of China Post Group Corporation Limited (Jin Fu [2025] No. 506). The NFRA approved China Post Group to engage in insurance agency business, with the scope of business outlets for insurance agency operations being the agency business institutions.

Other Substantial Shareholders

Established in October 1949, the Ministry of Finance is a constituent department of the State Council and a national administrative authority in charge of matters such as national fiscal revenue and expenditure, and taxation policies, registered at No. 3, Sanlihe Nansan Lane, Xicheng District, Beijing, with a unified social credit code of 11100000000013186G.

China Mobile Communications Group Co., Ltd. ("China Mobile Group") is a wholly state-owned enterprise established under the Company Law of the People's Republic of China by the state with a registered capital of RMB300 billion. Its registered address is No. 29 Financial Street, Xicheng District, Beijing. Its unified social credit code is 911100007109250324, and the legal representative is Mr. Chen Zhongyue. China Mobile Group is a central state-owned enterprise established on July 22, 1999 in accordance with the overall plan of the national telecommunications system reform. With over two decades of development, China Mobile Group has become a world-class telecommunications and information service provider with the largest network and customer base, the highest revenue, as well as a leading position in innovation capability, brand value, market value and profitability, and has over one billion mobile customers and over 300 million household customers. China Mobile Group's main business includes mobile voice, SMS/MMS, wireless internet, wireline broadband, Internet of Things (IoT) connectivity services, data center, cloud computing, content delivery network, computility network (CN) integration and other computility services, as well as platforms, applications and solutions based on next-generation information technology capabilities such as artificial intelligence, big data and security.

China State Shipbuilding Corporation Limited ("CSSC") is a wholly state-owned enterprise established on November 8, 2019 under the Company Law of the People's Republic of China by the state with a registered capital of RMB110 billion. Its registered address is No. 889 Zhonghua Road, Huangpu District, Shanghai and its unified social credit code is 91310000MA1FL70B67 and the legal representative is Mr. Xu Peng. CSSC has the largest shipbuilding and repair base in China and the most complete research and development capacity for shipping and supporting products. It is the world's largest shipbuilding group capable of designing and building shipping and marine equipment that meets the requirements of global classification societies, international general technical standards and safety conventions. CSSC is principally engaged in the research, development and production of naval products, merchant ships and supporting facilities as well as non-marine equipment, and is one of the Global 500 companies in China's shipping industry.

Shanghai International Port (Group) Co., Ltd. ("SIPG"), the operator of public terminals in the Port of Shanghai, is a large specialized business group established in January 2003 by restructuring the former Shanghai Port Administration Bureau. In June 2005, SIPG was transformed into a joint-stock limited liability company after completion of the conversion into a joint-stock company, and was listed on the SSE on October 26, 2006, becoming the first joint-stock port company listed as a whole in China. It is now the largest public company in the port industry in China and is also one of the largest port companies in the world. The registered capital of SIPG is approximately RMB23,281 million. SIPG has its registered address at 4/F, Area A, Comprehensive Building, No. 1 Tonghui Road, Lin-Gang Special Area of China (Shanghai) Pilot Free Trade Zone, and its headquarters at No. 358 (International Port Building) East Daming Road, Hongkou District, Shanghai. Its unified social credit code is 913100001322075806 and the legal representative is Mr. Yu Fulin. SIPG is mainly engaged in port-related business including container services, bulk cargo services, port logistics and port services.

Pledging of the Bank's Shares by Its Substantial Shareholders

As at the end of the reporting period, there was no share pledge by substantial shareholders of the Bank.

Other Legal Entity Shareholders Holding 10% or More of the Bank's Shares

Save for China Post Group and the Ministry of Finance, as at the end of the reporting period, the Bank had no other legal entity shareholders holding 10% or more of its shares[1].

Related Parties of Substantial Shareholders and Connected Transactions

About 1,800 institutions including the above-mentioned substantial shareholders and their controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries are regarded as related parties of the Bank. During the reporting period, the types of transactions between the Bank and the above-mentioned related parties mainly included credit extension, asset transfer, service provision, deposits, etc. These connected transactions were included in the routine connected transaction management of the Bank and submitted to the Board of Directors and its Related Party Transactions Control Committee for approval or kept on record.

For details on the Bank's connected transactions with substantial shareholders and their related parties, please refer to "Connected Transactions and the Implementation of the Management System for Connected Transactions" and "Notes to the Consolidated Financial Statements – 40 Relationship and transactions with related parties".

Interests and Short Positions Held by Substantial Shareholders and Other Persons

As at the end of the reporting period, so far as was known to the Directors and President of the Bank, save as disclosed below, there were no other persons (other than the Directors and President of the Bank) or companies who had interests or short positions in the shares or underlying shares of the Bank which are required to be disclosed to the Bank and Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept pursuant to Section 336 of the SFO:

Share, except for percentages

Name of shareholder	Capacity	Class of shares	Relevant interests and short positions	Nature of interests	Percentage of issued class shares (%)	Percentage of total issued shares (%)
China Post Group Corporation Limited	Beneficial owner	A shares	62,210,789,480	Long position	62.06	51.80
	Beneficial owner	H shares	80,700,000	Long position	0.41	0.07
Ministry of Finance of the PRC	Beneficial owner	A shares	18,933,967,793	Long position	18.88	15.77
China Mobile Communications Group Co., Ltd.	Beneficial owner	A shares	8,041,852,507	Long position	8.02	6.70
China State Shipbuilding Corporation Limited	Interest of controlled corporations	H shares	3,939,907,462	Long position	19.84	3.28
	Beneficial owner	A shares	735,265,587	Long position	0.73	0.61
Shanghai International Port (Group) Co., Ltd.	Beneficial owner and interest of controlled corporations	H shares	4,234,902,041	Long position	21.33	3.53
	Beneficial owner	A shares	112,539,226	Long position	0.11	0.09
Ping An Asset Management Co., Ltd.	Investment manager	H shares	3,382,236,000	Long position	17.03	2.82
China National Tobacco Corporation	Beneficial owner	H shares	1,296,000,000	Long position	6.53	1.08

1 Excluding HKSCC Nominees Limited.

Changes in Share Capital and Shareholdings of Shareholders

Note (1): The information disclosed above is based on the information provided on the website of Hong Kong Stock Exchange and the information available to the Bank at the end of the reporting period. Pursuant to Section 336 of the SFO, shareholders of the Bank are required to file a disclosure of interests form when certain criteria are met. When a shareholder's shareholding in the Bank changes, the shareholder is not required to inform the Bank and Hong Kong Stock Exchange unless certain criteria are met, therefore the shareholder's latest shareholding in the Bank may differ from the shareholding filed with Hong Kong Stock Exchange.

Note (2): China State Shipbuilding Corporation Limited is interested in a total of 3,939,907,462 H shares (long position), including 3,777,884,462 H shares (long position) indirectly held by controlled corporations, namely China Shipbuilding Industry Corporation, China Shipbuilding & Offshore International Co., Limited, China Shipbuilding & Offshore International (H.K.) Co., Limited and China Shipbuilding Capital Limited through CSIC Investment One Limited as the beneficial owner, and 162,023,000 H shares (long position) indirectly held by the controlled corporation China Shipbuilding Industry Corporation through China Shipbuilding Capital Limited as the beneficial owner.

Note (3): Shanghai International Port (Group) Co., Ltd. is interested in a total of 4,234,902,041 H shares (long position), including 869,281,000 H shares (long position) held by it as the beneficial owner, 3,215,660,360 H shares (long position) held by the controlled corporation Shanghai International Port Group (HK) Co., Limited as the beneficial owner, and 149,960,681 H shares (long position) indirectly held by the controlled corporation Shanghai International Port Group (HK) Co., Limited through Shanghai Port Group (BVI) Holding Co., Limited as the beneficial owner.

Note (4): Ping An Asset Management Co., Ltd. (hereafter referred to as "Ping An Asset Management") is interested in 3,382,236,000 H Shares (long position), which were held by Ping An Asset Management on behalf of certain customers (including but not limited to certain subsidiaries of Ping An Insurance (Group) Company of China, Ltd. (hereafter referred to as "Ping An Group"), including Ping An Life Insurance Company of China, Ltd. (hereafter referred to as "Ping An Life Insurance")) in its capacity as investment manager, and were the last interests that Ping An Asset Management needed to report as at December 31, 2025 (the date of the relevant event is September 30, 2025). Ping An Asset Management is a subsidiary of Ping An Group. As Ping An Asset Management is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Group, Ping An Group is exempted from disclosure of interests in non-Ping An Group shares held by Ping An Asset Management, as a holding company in accordance with the SFO. Ping An Life Insurance is interested as the beneficial owner in 3,179,810,000 H shares (long position), which were the last interests that Ping An Life Insurance needed to report as at December 31, 2025 (the date of the relevant event is September 2, 2025). Ping An Group is interested in a total of 3,378,877,000 H Shares (long position) through Ping An Life Insurance and other controlled corporations, which were the last interests that Ping An Group needed to report as at December 31, 2025 (the date of the relevant event is October 10, 2025).

Issuance and Listing of Securities

Types of equities and derivative securities	Issue date	Issue price (RMB per share)	Number of shares issued (shares)	Listing date	Number of shares approved for listing and transaction (shares)	Transaction end date
RMB ordinary shares	June 19, 2025	6.21	20,933,977,454	June 19, 2025	20,933,977,454	–

During the reporting period, the Bank engaged two institutions as its sponsors and joint lead underwriters for the issuance of A shares to specific subscribers in 2025, i.e. China International Capital Corporation Limited and CITIC Securities Company Limited. It also engaged five institutions as its joint lead underwriters for the issuance of A shares to specific subscribers in 2025, including China Post Securities Co., Ltd., CSC Financial Co., Ltd., China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd., and BOC International (China) Co., Ltd. In June 2025, the Bank completed the issuance of A shares to specific subscribers, issuing 20,933,977,454 shares. For details, please refer to the announcements published by the Bank.

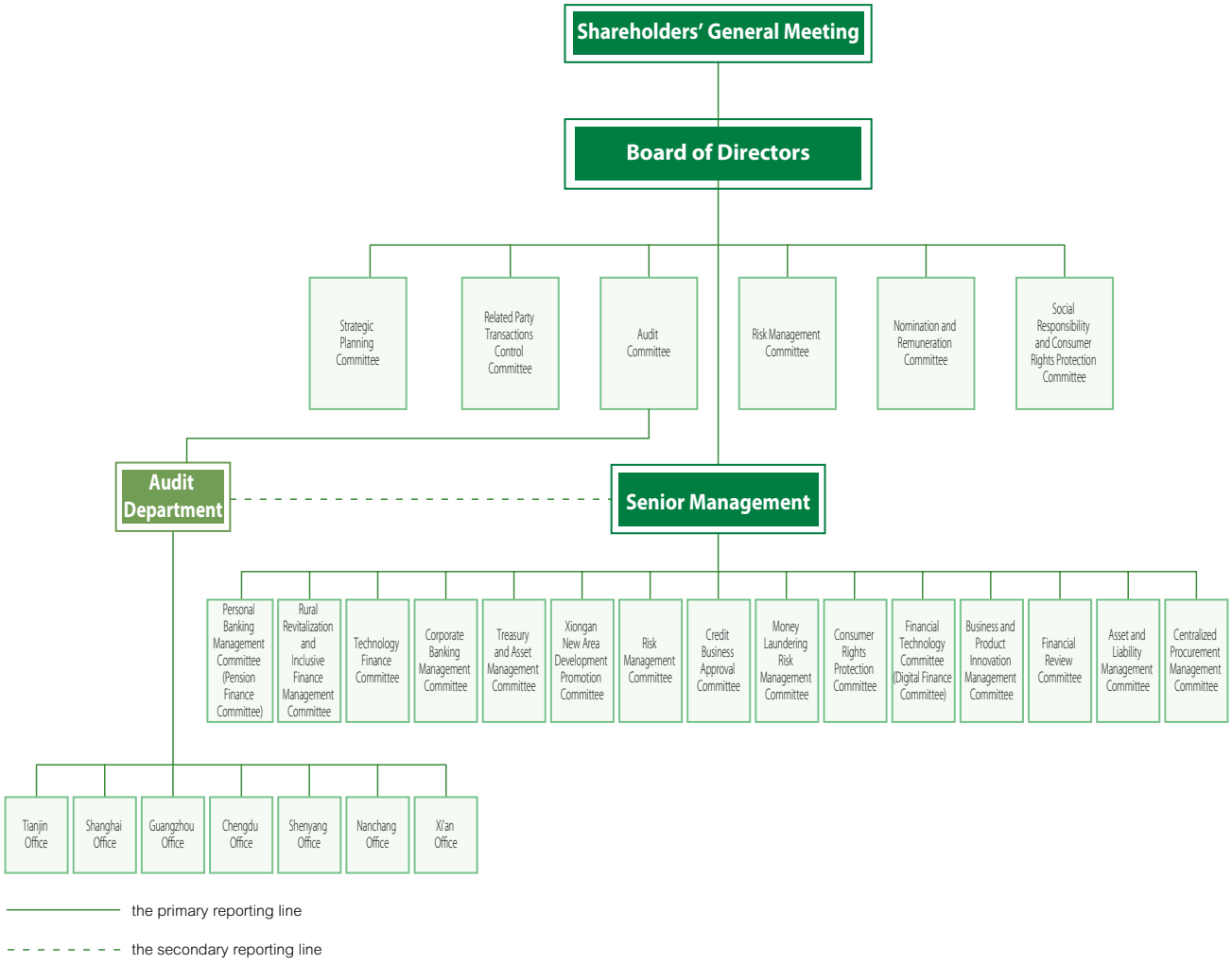
On March 30, 2025, the Board of Directors of the Bank reviewed and approved the participation of China Mobile Group and CSSC as strategic investors in the Bank's issuance of A shares to specific subscribers in 2025, and the Bank entered into strategic cooperation agreements with each of them. Adhering to the principle of "long-term cooperation and mutual development", and through the establishment and improvement of a strategic cooperation mechanism, the Bank, together with China Mobile Group and CSSC, aimed to fully integrate each other's advantages and actively seek long-term shared strategic interests in a coordinated and complementary manner. Based on their positioning as strategic investors, China Mobile Group and CSSC closely monitored the development trends of the banking industry, and put forward sound and feasible opinions and suggestions to the Bank on its development strategy, key projects, capital operation planning, dividend levels, etc., thereby assisting the Bank in continuously advancing the "five priorities" of the financial sector. During the reporting period, the Bank, together with China Mobile Group and CSSC, diligently fulfilled the strategic cooperation agreements and fully leveraged their respective strategic resource advantages to promote mutually beneficial cooperation.

For details of the issuance of other securities of the Bank, please refer to "Notes to the Consolidated Financial Statements – 33 Debt securities issued" and "Notes to the Consolidated Financial Statements – 35.2 Other equity instruments".

The Bank has no employee stocks.

Corporate Governance

Corporate Governance Chart[1]



1 During the reporting period, the Bank, in accordance with the Company Law of the People's Republic of China and relevant requirements of the MOF, the CSRC, and the NFRA regarding the reform of the Board of Supervisors, promoted the reform of the Board of Supervisors in an orderly manner. In December 2025, the Bank received the Approval of Amendments to the Articles of Association of Postal Savings Bank of China by the National Financial Regulatory Administration (Jin Fu [2025] No. 713). From the date on which the amendments to the Articles of Association of the Bank were approved and became effective, the Bank ceased to have a Board of Supervisors. The Audit Committee of the Board of Directors shall assume the relevant functions and powers of the Board of Supervisors in accordance with laws. The Chinese translation of the Shareholders' General Meeting has been revised from "股東大會" to "股東會".

Corporate Governance

Corporate Governance Code

During the reporting period, the Bank complied with laws and regulations, requirements for corporate governance put forth by the NFRA, CSRC, SSE and other regulatory authorities as well as the principles and code provisions of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules. It actively explored the practice of corporate governance with Chinese characteristics, promoted the organic integration of the Party's leadership and corporate governance from multiple dimensions, constantly improved the corporate governance structure and mechanisms, and deeply cultivated the corporate governance culture. All corporate governance entities had clear rights and responsibilities, performed their respective duties, operated in a coordinated manner, and effectively checked and balanced each other. The effectiveness of corporate governance was enhanced steadily.

Shareholders' Rights

Convening of an Extraordinary Shareholders' General Meeting

The Bank protects shareholders' rights in strict compliance with the regulatory requirements and the Articles of Association. Shareholders who individually or collectively hold more than 10% of the total voting shares of the Bank (the "Requesting Shareholders") are entitled to request the Board of Directors to convene an extraordinary shareholders' general meeting. The Board of Directors shall reply in writing as to whether it agrees or refuses to convene such a meeting within 10 days upon receipt of the proposal in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary shareholders' general meeting, a notice of such a meeting shall be issued within five days after relevant resolution of the Board of Directors is passed. Consent of the Requesting Shareholders must be sought if there are any changes to the original proposal in the notice. If the Board of Directors does not agree to convene an extraordinary shareholders' general meeting, or fails to provide feedback within 10 days upon receipt of the proposal, the Requesting Shareholders have the right to propose to the Audit Committee to convene an extraordinary shareholders' general meeting and shall submit such proposal to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' general meeting, a notice of such a meeting shall be issued within five days upon receipt of the proposal. Consent of the Requesting Shareholders must be sought if there are any changes to the original proposal in the notice.

If the Audit Committee fails to issue the notice of the extraordinary shareholders' general meeting within the specified period, it is deemed that such a meeting will not be convened or presided over by the Audit Committee, and shareholders who individually or collectively hold more than 10% of the Bank's shares for over 90 consecutive days have the right to convene and preside over the meeting on their own initiative.

Convening of an Extraordinary Board Meeting

The Requesting Shareholders are entitled to propose the convening of an extraordinary board meeting to the Chairman of the Board of Directors. The Chairman should convene and chair the extraordinary board meeting within 10 days upon receipt of the proposal.

Enquiries to the Board of Directors

Shareholders of the Bank have the right to access information and are entitled, in accordance with laws, administrative regulations, departmental rules, and the Articles of Association, to obtain relevant information including the Articles of Association of the Bank, register of shareholders, minutes of Shareholders' General Meetings, resolutions of the Board of Directors, and financial statements. Shareholders who request access to or copy relevant information or documents shall do so in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other laws and administrative regulations, and provide the Bank with written documents evidencing the class and number of shares held by them in the Bank. The Bank shall provide such information or documents as requested upon verification of such shareholders' identities. The Office of the Board of Directors shall be responsible for assisting the Board of Directors with its daily matters. Shareholders can contact the Office of the Board of Directors for any enquiries.

Proposals to the Shareholders' General Meeting

Pursuant to relevant requirements, shareholders who hold individually or collectively more than 1% of the total voting shares of the Bank have the right to propose to the Shareholders' General Meeting. Shareholders who hold individually or collectively more than 1% of the Bank's shares have the right to submit interim proposals to the convener in writing up to 10 days before the Shareholders' General Meeting. The convener shall issue a supplemental notice of the Shareholders' General Meeting within two days upon receiving such a proposal and announce the contents of the interim proposal.

Proposals to the Board of Directors

The Requesting Shareholders are entitled to submit proposals to the Board of Directors.

Shareholders' General Meeting

During the reporting period, the Bank held six Shareholders' General Meetings in total, with 46 proposals considered and approved and four reports reviewed. The meetings were held as follows:

On January 22, 2025, the Bank held the 2025 First Extraordinary General Meeting in Beijing. The meeting considered and approved two proposals regarding the election of Directors.

On April 17, 2025, the Bank held the 2024 Annual General Meeting, the 2025 First A Shareholders' Class Meeting and the 2025 First H Shareholders' Class Meeting in Beijing. The 2024 Annual General Meeting considered and approved 21 proposals, including the proposals on the final financial accounts for 2024, the profit distribution plan for 2024, the issuance amount of capital instruments, the election of Director, the plan for the issuance of A shares to specific subscribers. The 2024 Annual General Meeting also reviewed three reports, including the 2024 work report of Independent Directors, the report on the implementation of the authorization plan of the Shareholders' General Meeting to the Board of Directors in 2024 and the 2024 special report on related party transactions. The 2025 First A Shareholders' Class Meeting and the 2025 First H Shareholders' Class Meeting considered and approved five proposals, respectively, including the plan for the issuance of A shares to specific subscribers and the demonstration and analysis report on the plan for the issuance of A shares to specific subscribers.

On October 9, 2025, the Bank held the 2025 Second Extraordinary General Meeting in Beijing. The meeting considered and approved eight proposals, including the change of registered capital, the amendments to the Articles of Association, the dissolution of the Board of Supervisors and the election of Directors. The meeting also reviewed the report on the evaluation of major shareholders for 2024.

On December 19, 2025, the Bank held the 2025 Third Extraordinary General Meeting[1] in Beijing. The meeting considered and approved five proposals, including the interim profit distribution plan for 2025, the Directors' remuneration settlement plan for 2024 and the Supervisors' remuneration settlement plan for 2024.

The aforementioned meetings were convened and held in strict accordance with relevant laws, regulations and the listing rules of the Chinese mainland and Hong Kong. Directors, Supervisors, and senior management members of the Bank attended the meetings as voting or non-voting attendees and exchanged views with shareholders on matters of their concern. The Bank issued relevant announcements on resolutions and legal opinions in a timely manner in accordance with the regulatory requirements. For details, please refer to the announcement of the Bank.

In order to protect the rights of minority shareholders to access information, participate, and make decisions, the Bank held Shareholders' General Meetings in the form of on-site meetings, and offered online voting for A-share holders to promote in-depth communication and exchange with shareholders, especially minority shareholders, effectively protecting the rights and interests of shareholders.

1 From the date on which the Articles of Association of the Bank was approved and became effective, the Chinese translation of the Shareholders' General Meeting has been revised from "股東大會" to "股東會".

Corporate Governance

Directors, Supervisors and Senior Management

Basic Information

Name	Title	Gender	Date of birth	Tenure
Directors				
Zheng Guoyu	Chairman	Male	September 1967	February 2025 – February 2028
	Non-executive Director			February 2025 – February 2028
Lu Wei	Executive Director	Male	October 1971	February 2026 – February 2029
	President			February 2026 – now
Yao Hong	Executive Director	Female	October 1966	August 2016 – June 2027
	Vice President			December 2006 – now
	Chief Risk Officer			May 2023 – now
Liu Xin'an	Non-executive Director	Male	January 1968	September 2024 – September 2027
Zhang Xuanbo	Non-executive Director	Male	February 1968	September 2024 – September 2027
Liu Ruigang	Non-executive Director	Male	October 1967	May 2025 – May 2028
Chen Xue	Non-executive Director	Female	April 1969	December 2025 –December 2028
Hu Yuting	Non-executive Director	Male	September 1979	September 2024 – September 2027
Ding Xiangming	Non-executive Director	Male	October 1968	October 2017 – June 2027
Yu Mingxiong	Non-executive Director	Male	January 1977	September 2024 – September 2027
Wen Tiejun	Independent Non-executive Director	Male	May 1951	October 2019 – now
Chung Shui Ming Timpson	Independent Non-executive Director	Male	November 1951	October 2019 – now
Pan Yingli	Independent Non-executive Director	Female	June 1955	December 2019 – now
Tang Zhihong	Independent Non-executive Director	Male	March 1960	March 2023 – now
Hong Xiaoyuan	Independent Non-executive Director	Male	March 1963	October 2024 – October 2027
Yang Yong	Independent Non-executive Director	Male	July 1975	May 2025 – May 2028
Pu Yonghao	Independent Non-executive Director	Male	October 1957	January 2026 – January 2029
Senior Management Members				
Lu Wei	See "Directors" above			
Yao Hong	See "Directors" above			
Xu Xueming	Vice President	Male	July 1967	January 2013 – now
Du Chunye	Vice President	Male	May 1977	July 2020 – now
	Secretary to the Board of Directors			April 2017 – now
	Joint Company Secretary			March 2017 – now
Niu Xinzhuang	Vice President	Male	July 1976	June 2023 – now
	Chief Information Officer			July 2020 – now
Hu Jianpo	Secretary of the Commission for Discipline Inspection	Male	January 1972	October 2024 – now
Liang Shidong	Chief Retail Banking Officer	Male	January 1976	July 2023 – now

Name	Title	Gender	Date of birth	Tenure
Resigned Personnel				
Liu Jianjun	Former Executive Director, Former President	Male	August 1965	August 2021 – December 2025
Han Wenbo	Former Non-executive Director	Male	December 1966	May 2017 – October 2025
Chen Donghao	Former Non-executive Director	Male	June 1964	July 2021 – May 2025
Chen Yuejun	Former Chairman of the Board of Supervisors	Male	June 1965	January 2013 – September 2025
	Former Shareholder Representative Supervisor			December 2012 – September 2025
Bai Jianjun	Former External Supervisor	Male	July 1955	October 2019 – December 2025
Chen Shimin	Former External Supervisor	Male	July 1958	December 2019 – December 2025
Li Yue	Former Employee Supervisor	Male	March 1972	December 2012 – December 2025
Gu Nannan	Former Employee Supervisor	Male	July 1969	June 2021 – December 2025

Note (1): According to laws, regulations, and the Articles of Association of the Bank, the Directors of the Bank may be re-elected for consecutive terms after their current term expires. Before the newly elected Directors take office, the former Directors shall continue to perform their duties.

Note (2): During the reporting period, none of the Directors, Supervisors, and senior management members of the Bank held any share options or were granted restricted shares of the Bank.

Positions Taken by Directors, Supervisors and Senior Management Members at Shareholder Companies

Name	Name of the shareholder company	Positions held in the shareholder company	Term of office
Zheng Guoyu	China Post Group	Director	March 2023 – now
		President	March 2023 – now
		Chief Compliance Officer	May 2023 – now
Liu Jianjun	China Post Group	Vice President	May 2021 – December 2025
Lu Wei	China Post Group	Vice President	December 2025 – now
Han Wenbo	China Post Group	Board Member	February 2021 – October 2025
Liu Xin'an	China Post Group	Board Member	April 2024 – now
Liu Ruigang	China Post Group	Board Member	May 2023 – now
Chen Xue	China Post Group	Board Member	April 2025 – now
Ding Xiangming	SIPG	Vice President	July 2013 – August 2025
		Secretary to the Board of Directors	March 2014 – August 2025
		General Counsel	November 2022 – August 2025
Yu Mingxiong	CSSC	Director of the Asset Management Department	October 2023 – now
Hu Jianpo	China Post Group	Deputy Head of the Commission for Discipline Inspection	June 2020 – now

Note (1): Except for the disclosures mentioned above, as of the disclosure date of this report, there were no other instances where Directors, former Supervisors or senior management members of the Bank held positions in any shareholder companies. The Independent Non-executive Directors of the Bank are of the view that Mr. Liu Jianjun and Mr. Lu Wei faithfully fulfilled their undertakings, performed their duties diligently and dutifully, and properly managed the relationship between the Bank and its controlling shareholder while holding concurrent positions. There were no acts that prejudiced the interests of the Bank and its other shareholders due to such concurrent positions, which was in compliance with the requirements for the independence of personnel in listed companies.

Remuneration Paid to Directors, Supervisors and Senior Management Members of the Bank in 2025

In RMB10,000

Name	Title	Fees (1)	Remuneration paid (2)	Contributions by the employer to social insurance, housing provident fund, enterprise annuity, etc. (3)	Total (4) = (1) + (2) + (3)	Obtain remuneration from shareholder companies or other related parties or not during the tenure in 2025
Zheng Guoyu	Chairman, Non-executive Director	–	–	–	–	Yes
Lu Wei	Executive Director, President	–	–	–	–	–
Yao Hong	Executive Director, Vice President, Chief Risk Officer	–	54.69	30.73	85.42	No
Liu Xin'an	Non-executive Director	–	–	–	–	Yes
Zhang Xuanbo	Non-executive Director	–	–	–	–	Yes
Liu Ruigang	Non-executive Director	–	–	–	–	Yes
Chen Xue	Non-executive Director	–	–	–	–	Yes
Hu Yuting	Non-executive Director	–	–	–	–	Yes
Ding Xiangming	Non-executive Director	–	–	–	–	Yes
Yu Mingxiong	Non-executive Director	–	–	–	–	Yes
Wen Tiejun	Independent Non-executive Director	34.80	–	–	34.80	No
Chung Shui Ming Timpson	Independent Non-executive Director	34.80	–	–	34.80	No
Pan Yingli	Independent Non-executive Director	34.80	–	–	34.80	No
Tang Zhihong	Independent Non-executive Director	34.80	–	–	34.80	Yes
Hong Xiaoyuan	Independent Non-executive Director	34.80	–	–	34.80	No
Yang Yong	Independent Non-executive Director	21.10	–	–	21.10	No
Pu Yonghao	Independent Non-executive Director	–	–	–	–	–
Xu Xueming	Vice President	–	54.63	30.69	85.32	No
Du Chunye	Vice President, Secretary to the Board of Directors, Joint Company Secretary	–	54.63	29.21	83.84	No
Niu Xinzhuang	Vice President, Chief Information Officer	–	54.64	27.05	81.69	No
Hu Jianpo	Secretary of the Commission for Discipline Inspection	–	–	–	–	Yes
Liang Shidong	Chief Retail Banking Officer	–	80.00	28.29	108.29	No

Name	Title	Fees (1)	Remuneration paid (2)	Contributions by the employer to social insurance, housing provident fund, enterprise annuity, etc. (3)	Total (4) = (1) + (2) + (3)	Obtain remuneration from shareholder companies or other related parties or not during the tenure in 2025
Resigned Personnel						
Liu Jianjun	Former Executive Director, Former President	–	–	–	–	Yes
Han Wenbo	Former Non-executive Director	–	–	–	–	Yes
Chen Donghao	Former Non-executive Director	–	–	–	–	No
Chen Yuejun	Former Chairman of the Board of Supervisors, Former Shareholder Representative Supervisor	–	37.02	20.63	57.65	No
Bai Jianjun	Former External Supervisor	30.00	–	–	30.00	No
Chen Shimin	Former External Supervisor	30.00	–	–	30.00	Yes
Li Yue	Former Employee Supervisor	–	–	–	–	No
Gu Nannan	Former Employee Supervisor	–	–	–	–	No

Note (1): Relevant Directors abstained from voting when the Board of Directors considered matters related to their own remuneration. Independent Directors also provided independent opinions on the settlement of remuneration of Directors and senior management.

Note (2): During the reporting period, the total remuneration paid to Directors, Supervisors, and senior management members by the Bank amounted to RMB7,573.1 thousand. The final remuneration payable to Directors, Supervisors and senior management members of the Bank is still subject to confirmation, and the remaining details will be disclosed separately upon confirmation.

Note (3): Mr. Zheng Guoyu, Chairman and Non-executive Director, held positions at and received remuneration from China Post Group Corporation Limited, the controlling shareholder of the Bank, and did not receive any remuneration from the Bank.

Note (4): Mr. Lu Wei's qualification as an Executive Director and president of the Bank was approved by the NFRA on February 13, 2026, and he did not receive any remuneration from the Bank in 2025.

Note (5): Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Liu Ruigang, Ms. Chen Xue, Mr. Hu Yuting, Mr. Ding Xiangming, and Mr. Yu Mingxiong, Non-executive Directors of the Bank, did not receive any remuneration from the Bank.

Note (6): Mr. Pu Yonghao's qualification as an Independent Non-executive Director of the Bank was approved by the NFRA on January 13, 2026, and he did not receive any remuneration from the Bank in 2025.

Note (7): Mr. Hu Jianpo, Secretary of the Commission for Discipline Inspection, held positions at and received remuneration from China Post Group Corporation Limited, the controlling shareholder of the Bank, and did not receive any remuneration from the Bank.

Note (8): Mr. Liu Jianjun, a former Executive Director and former President of the Bank, held positions at and received remuneration from China Post Group Corporation Limited, the controlling shareholder of the Bank, and did not receive any remuneration from the Bank.

Note (9): Mr. Han Wenbo and Mr. Chen Donghao, former Non-executive Directors, did not receive any remuneration from the Bank.

Note (10): Employee Supervisors of the Bank did not receive remuneration as Employee Supervisors, and the remuneration due to them as employees of the Bank is not included here.

Note (11): Some of the Bank's Independent Non-executive Directors held positions as Independent Non-executive Directors at and received remuneration from other legal entities or organizations. Such circumstance does not constitute the receipt of remuneration from related parties under the regulatory rules of the listing places.

Corporate Governance

Biographies of Directors and Senior Management Members

Biographies of Directors

Zheng Guoyu, Chairman of the Board of Directors, Non-executive Director

Zheng Guoyu, male, obtained a master's degree in Business Administration from Huazhong University of Science and Technology and holds the title of Senior Economist. He has served as the Chairman of the Board of Directors and Non-executive Director of the Bank since February 2025. He previously served as Assistant General Manager and Deputy General Manager of Hubei Branch, General Manager of Shanxi Branch, General Manager of Sichuan Branch of Bank of China, a member of the Executive Committee and Executive Vice President of Bank of China, and Executive Director and Senior Executive Vice President of Industrial and Commercial Bank of China, etc. He currently serves as Director, President and Chief Compliance Officer of China Post Group. He concurrently serves as Vice Chairman of the China Banking Association.

Lu Wei, Executive Director and President

Lu Wei, male, obtained a master's degree in Accounting from Deakin University in Australia. He has served as Executive Director and President of the Bank since February 2026. He previously held various positions at China CITIC Bank, including Deputy General Manager of the Business Department at the Head Office; General Manager of the Budget and Finance Department, General Manager of the Finance and Accounting Department, General Manager of the Asset and Liability Department at the Head Office, and Deputy Head of the preparatory team for the establishment of Hong Kong Branch; Board Secretary at the Head Office, and Deputy Head of the preparatory team for the establishment of the JSC Altyn Bank; President of Shenzhen Branch; Corporate Business Director, Vice President at the Head Office. He also served as General Manager, Vice Chairman and Chairman of CITIC Trust Co., Ltd.; and Executive Director and President of China CITIC Bank, etc. He currently serves as Vice President of China Post Group.

Yao Hong, Executive Director, Vice President and Chief Risk Officer

Yao Hong, female, obtained a master's degree in Management from Hunan University and holds the title of Senior Economist. Ms. Yao has served as Vice President of the Bank since December 2006 and Executive Director of the Bank since August 2016. She has concurrently served as Chief Risk Officer of the Bank since May 2023. She previously served as Deputy Director of the Savings Business Division under the Postal Savings and Remittance Bureau of the Ministry of Posts and Telecommunications, and Director of the Savings Business Division and Associate Director General of the Postal Savings and Remittance Bureau of the State Post Bureau. She concurrently serves as Vice Chairwoman of Payment & Clearing Association of China.

Liu Xin'an, Non-executive Director

Liu Xin'an, male, obtained a master's degree in Economics from Renmin University of China. Mr. Liu has served as Non-executive Director of the Bank since September 2024. He previously served as Deputy Director General of the General Office, Deputy Director General of the Department of Education, Science and Culture, and Deputy Director General of the Department of Science, Technology and Education of the Ministry of Finance, President (Director General level) of China State Finance Magazine, Director General of the Department of Policy Research and Director General of the Department of Treaty and Law of the Ministry of Finance, etc. He is currently Director of China Post Group.

Zhang Xuanbo, Non-executive Director

Zhang Xuanbo, male, obtained a master's degree in Management from Nankai University and holds the title of Senior Auditor. Mr. Zhang has served as Non-executive Director of the Bank since September 2024. He previously served as Director of Division II of the Trade Audit Bureau, Director of Division III and Director of Division IV of the Department of Public Finance Audit, Deputy Director General of the Development and Statistics Audit Bureau of the National Audit Office, Deputy Commissioner of the

Changchun Regional Office of the leading Party members sub-group of the National Audit Office, Deputy Director General (presiding over work) and Director General of the Health and Medicine Audit Bureau, Director General of the Health and Sports Audit Bureau, etc.

Liu Ruigang, Non-executive Director

Liu Ruigang, male, obtained a bachelor's degree in Economics from Central University of Finance and Economics. Mr. Liu has served as Non-executive Director of the Bank since May 2025. He was Deputy Supervision Commissioner of the Commissioner's Office of the Ministry of Finance in Inner Mongolia, Supervision Commissioner of the Commissioner's Office of the Ministry of Finance in Qinghai, Director-General of Qinghai Supervision Bureau of the Ministry of Finance, Director-General of Shanxi Supervision Bureau of the Ministry of Finance, etc. He is currently Director of China Post Group.

Chen Xue, Non-executive Director

Chen Xue, female, obtained a master's degree in Public Administration from the National Academy of Governance and holds the titles of Senior Accountant and Certified Public Accountant. Ms. Chen has served as Non-executive Director of the Bank since December 2025. Ms. Chen previously served as Consultant (presiding over work) and Director of the Financial Budgeting Management Division of the Department of Accounting, Deputy Director-General of the Department of Accounting, and Class 2 Counsel of the Investor Protection Bureau of the CSRC; and Class 2 Counsel of the Legal and Regulation Department of the NFRA, etc. She currently serves as Director of China Post Group.

Hu Yuting, Non-executive Director

Hu Yuting, male, obtained a master's degree in Finance from the Central University of Finance and Economics and holds the titles of Senior Accountant, Certified Public Accountant, and Chartered Financial Analyst. Mr. Hu has served as Non-executive Director of the Bank since September 2024. He previously served as Deputy Manager and Manager of the Taxation Management Division in the Finance Department of China Mobile Limited, Deputy General Manager of the Finance Department of China Mobile Limited, General Manager and Non-executive Director of China Mobile Group Finance Co., Ltd. He currently serves as General Manager of the Finance Department and Securities Affairs Department and domestic information disclosure representative of China Mobile Limited.

Ding Xiangming, Non-executive Director

Ding Xiangming, male, obtained an MBA degree from Shanghai Maritime University and holds the title of Senior Economist. Mr. Ding has served as Non-executive Director of the Bank since October 2017. He previously served as General Manager of Investment and Development Department, Vice President, Board Secretary and General Counsel of Shanghai International Port (Group) Co., Ltd.

Yu Mingxiong, Non-executive Director

Yu Mingxiong, male, obtained a bachelor's degree in Economics and a bachelor's degree in Law from Zhongnan University of Economics and holds the titles of Senior Engineer, Senior Political Work Engineer, Auditor, and Certified Public Accountant (non-practicing member). He has served as a Non-executive Director of the Bank since September 2024. He has served as Deputy Director of the Audit Department of China Shipbuilding Industry Corporation (CSIC), Director and General Manager of CSIC Finance Co., Ltd., Director and General Manager of China Shipbuilding Capital Limited, Non-executive Director of Everbright Securities Company Limited, Director of the Audit Department of China State Shipbuilding Corporation Limited, etc. He currently serves as Director of the Asset Management Department of China State Shipbuilding Corporation Limited.

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Wen Tiejun, Independent Non-executive Director

Wen Tiejun, male, obtained a doctor 's degree in Management from China Agricultural University. Mr. Wen has served as Independent Non-executive Director of the Bank since October 2019. He previously served as an assistant researcher of the Rural Development Research Center of the State Council, a researcher of the Research Center for Rural Economy of the Ministry of Agriculture, Deputy Secretary General of the China Society of Economic Reform, Dean of School of Agricultural Economics and Rural Development at Renmin University of China, and Independent Non-executive Director of Agricultural Bank of China Limited, External Director of Xinjiang Culture & Tourism Investment Group Co., Ltd., a member of the National Committee of Experts on Food Security, a provincial and ministerial-level adviser and policy advisory expert of the Ministry of Commerce, the Ministry of Civil Affairs, the National Forestry and Grassland Administration, Beijing Municipality of the PRC, etc. Mr. Wen currently serves as consultant to the People's Government of Fujian Province.

Chung Shui Ming Timpson, Independent Non-executive Director

Chung Shui Ming Timpson, male, obtained an honorary doctor's degree in Social Science from the City University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, received the title of Justice of the Peace from the HKSAR Government in 1998, and was awarded the Gold Bauhinia Star by the HKSAR Government in 2000. Mr. Chung has served as Independent Non-executive Director of the Bank since October 2019. He previously served as Senior Auditing Director of Coopers & Lybrand, Chairman of the Management Board of the City University of Hong Kong, Chairman of the Hong Kong Housing Society, a member of the HKSAR Executive Council, Chief Executive Officer of HKSAR Government Land Fund Trust, and Independent Non-executive Director of Henderson Land Development Co., Ltd., China Everbright Bank Co., Ltd., China Construction Bank Corporation, Glorious Sun Enterprises Limited, China Railway Group Limited, etc. He currently serves as Independent Non-executive Director of China Unicom (Hong Kong) Limited, Miramar Hotel and Investment Company Limited, China Overseas Grand Oceans Group Ltd., and Orient Overseas (International) Limited and Pro-Chancellor of City University of Hong Kong.

Pan Yingli, Independent Non-executive Director

Pan Yingli, female, obtained a doctor's degree in World Economics from East China Normal University. Ms. Pan has served as Independent Non-executive Director of the Bank since December 2019. She previously served as associate professor, professor, and tutor of doctorate candidates in East China Normal University, an invited expert of Shanghai Municipal Government on decision-making consultation, as well as an Independent Non-executive Director of China Merchants Bank Co., Ltd. Ms. Pan currently serves as Director of Research Center for Global Finance at Shanghai Jiao Tong University, professor in Finance at Antai College of Economics and Management of Shanghai Jiao Tong University, Chief Expert of the Decision-making Consultation Research Base Pan Yingli Studio of Shanghai Municipal Government, and Independent Director of Asia Cuanon Technology (Shanghai) Co., Ltd.

Tang Zhihong, Independent Non-executive Director

Tang Zhihong, male, obtained a Bachelor of Arts degree from Jilin University and is a Senior Economist. Mr. Tang has served as Independent Non-executive Director of the Bank since March 2023. Mr. Tang previously served as Deputy Director of the Education Department and Deputy Director of the Audit Department of Liaoning branch of the People's Bank of China, Vice President and President of Liaoning Jinzhou branch of the People's Bank of China, Director of Jinzhou branch of the State Administration of Foreign Exchange, Vice President of Shenyang branch of China Merchants Bank Co., Ltd., Deputy Director of Shenzhen management department of China Merchants Bank Co., Ltd., President of Lanzhou branch of China Merchants Bank Co.,

Ltd., President of Shanghai branch of China Merchants Bank Co., Ltd., Director of the Shenzhen management department of China Merchants Bank Co., Ltd., and Assistant President and Vice President of China Merchants Bank Co., Ltd. He currently serves as External Director of Overseas Chinese Town Holdings Company.

Hong Xiaoyuan, Independent Non-executive Director

Hong Xiaoyuan, male, obtained a master's degree in Economics from Peking University and a master's degree in Science from the Australian National University, and holds the title of Senior Economist. Mr. Hong has served as Independent Non-executive Director of the Bank since October 2024. He previously served as Assistant to General Manager of China Merchants Group Limited, Director of China Merchants Holdings (Hong Kong) Company Limited, General Manager of China Merchants Finance Holdings Co., Ltd., Director of China Merchants Bank Co., Ltd., Director of China Merchants Securities Co., Ltd., Chairman of China Merchants Finance Holdings Company Limited, Chairman of Bosera Asset Management Co., Ltd., Director (Executive) of the Executive Committee of the China Merchants Financial Group/Platform, Chairman of China Merchants Capital Investments Co., Ltd., Chairman of China Merchants United Development Company Limited, Chairman of China Merchants Innovation Investment Management Co., Ltd., Chairman of the Board of China Merchants China Direct Investments Limited, General Manager of China Merchants Technology Holdings Co., Ltd., Deputy General Manager of China Merchants Shekou Industrial Zone Co., Ltd., etc. He now serves as Independent Director of Ping An Insurance (Group) Company of China, Ltd., Independent Director of Bank of Hangzhou Co., Ltd., a member of the Chief Executive's Policy Unit Expert Group of the Hong Kong Special Administrative Region, and the Chairman of the Board of Supervisors of China Research Foundation for Economic Reform.

Yang Yong, Independent Non-executive Director

Yang Yong, male, obtained a doctoral degree in Accounting from Northwestern University in the United States of America and is a Certified Public Accountant. Mr. Yang has served as Independent Non-executive Director of the Bank since May 2025. He was a member of the Advisory Committee (2022-2023) of the Association of Chartered Certified Accountants in the Guangdong-Hong Kong-Macao Greater Bay Area (ACCA GBA), and a member of the editorial boards of The Accounting Review, China Accounting and Finance Review, China Journal of Accounting Studies, the Associate Professor of Accounting at The Chinese University of Hong Kong, etc. He is currently the Director of the School of Accountancy and Professor of Accounting at The Chinese University of Hong Kong, and Chair Professor (Honorary) of the Management School of Jinan University.

Pu Yonghao, Independent Non-executive Director

Pu Yonghao, male, obtained a master's degree in Economics from Xiamen University and a master's degree in Science (Demography) from the London School of Economics and Political Science. Mr. Pu has served as Independent Non-executive Director of the Bank since January 2026. Mr. Pu previously served as Senior Economist and Vice President of Bank of China International (UK) Limited, Senior Consultant of Asian Development Bank, Managing Director and APAC Chief Investment Officer, Chief Investment Strategist and Head of APAC Wealth Management Research Department of UBS, the founder and Chief Investment Officer of Fountainhead Partners Company Limited, Independent Non-executive Director of Huafa Property Services Group Company Limited, etc. He currently serves as Independent Non-executive Director of Guotai Haitong Securities Co., Ltd. and BOCOM International Holdings Company Limited, Senior Advisor of Fountainhead Partners Company Limited, and Vice Chairman of the Chinese Financial Association of Hong Kong.

Biographies of Senior Management

Lu Wei, Executive Director and President

For the biography of Lu Wei, please refer to the aforesaid section "Biographies of Directors".

Yao Hong, Executive Director, Vice President and Chief Risk Officer

For the biography of Yao Hong, please refer to the aforesaid section "Biographies of Directors".

Xu Xueming, Vice President

Xu Xueming, male, obtained an executive master's degree of Business Administration from Peking University and holds the title of Senior Economist. Mr. Xu has served as Vice President of the Bank since January 2013. He previously served as Deputy Chief of Beijing Postal Savings and Remittance Bureau, Director of the Public Service Division of the Beijing Postal Administration Bureau, Chief of Beijing Western Post Bureau, Deputy Chief of Beijing Postal Administration Bureau, Deputy General Manager of Beijing Post Company, President of Beijing Branch and Secretary to the Board of Directors of the Bank. He concurrently serves as Director of China Post Securities Co., Ltd., Director of Ule Holdings Company, and Director of China Bankers Institute of the China Banking Association.

Du Chunye, Vice President, Secretary to the Board of Directors and Joint Company Secretary

Du Chunye, male, obtained a master's degree in Business Administration from Beijing University of Posts and Telecommunications and holds the title of Senior Economist. Mr. Du has served as Joint Company Secretary of the Bank since March 2017, Secretary to the Board of Directors of the Bank since April 2017, Vice President of the Bank since July 2020, and the Chairman of PSBC Financial Asset Investment Co., Ltd. since March 2026. He previously served as Deputy Manager and Manager of the General Manager's Office of China Post Group, as well as General Manager of the General Office, Vice President of Beijing Branch, President of Shenzhen Branch, and President of Beijing Branch of the Bank. He concurrently serves as Vice-President member of China Association for Public Companies, and Chairman of the Fourth Board Secretary Professional Committee and Deputy Chairman of the First Sustainability Professional Committee.

Niu Xinzhuang, Vice President and Chief Information Officer

Niu Xinzhuang, male, obtained a master's degree in Management from Nanjing University of Aeronautics and Astronautics. He has served as Chief Information Officer of the Bank since July 2020, and Vice President of the Bank since June 2023. He previously served as Assistant to General Manager, Deputy General Manager, and General Manager of the Technology Development Department, General Manager of the Information Technology Department of the Head Office of China Minsheng Banking Corporation Limited, Executive Director and General Manager of Minsheng Fintech Corp. Ltd., and General Manager of the Financial Technology Innovation Department of the Bank. He concurrently serves as Director of the Second Standing Committee of the Information Technology and Digital Finance Professional Committee of the China Banking Association and Executive Director of the National Internet Finance Association of China.

Hu Jianpo, Secretary of the Discipline Inspection Committee

Hu Jianpo, male, obtained a master's degree in Law from Peking University. Mr. Hu has served as Secretary of the Discipline Inspection Commission of the Bank since October 2024. He previously served as Prosecutor, Division Director, and Class 2 Senior Prosecutor of the Supreme People's Procuratorate; Division Director and Class 2 Counsel of the CPC Central Commission for Discipline Inspection and the National Supervisory Commission, etc. He currently serves as Deputy Head of the Discipline Inspection and Supervision Team of China Post Group.

Liang Shidong, Chief Retail Banking Officer

Liang Shidong, male, obtained a doctor's degree in Management from University of Science and Technology of China and holds the title of Researcher. Mr. Liang has served as Chief Retail Banking Officer of the Bank since July 2023. He previously served as Deputy Director and Director of the Risk Management Department of China Construction Bank, Deputy Director General of the Financial Stability Bureau of the PBOC, a member of the CPC Committee of National Association of Financial Market Institutional Investors, Director of CNIC Corporation Limited, and Chief Risk Officer and General Manager of the Risk Management Department of the Bank. He used to be a member of the Policy Development Committee of the Basel Committee on Banking Supervision (BCBS) and a member of the Steering Committee of the Financial Stability Board (FSB). Mr. Liang previously served as a member of the 12th committee of All-China Youth Federation. He concurrently serves as a Director of the eighth board of directors of China UnionPay and an Executive Director of China Numismatic Society.

Changes in Directors, Supervisors and Senior Management Members

Changes in Directors

On January 2, 2025, the Board of Directors of the Bank nominated Mr. Zheng Guoyu as the candidate for Non-executive Director and elected Mr. Zheng Guoyu as Chairman of the Board of Directors. On January 22, 2025, Mr. Zheng Guoyu was elected as Non-executive Director at the Bank's First Extraordinary General Meeting in 2025. On February 13, 2025, Mr. Zheng Guoyu's qualification as Chairman of the Board of Directors and Director was approved by the NFRA. He shall serve as Chairman of the Board of Directors, Non-executive Director of the Bank, and Chairman and a member of the Strategic Planning Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Zheng Guoyu confirmed that he had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on January 20, 2025, and was aware of his responsibilities as Director of the Bank.

On January 22, 2025, Mr. Yang Yong was elected as Independent Non-executive Director at the Bank's First Extraordinary General Meeting in 2025. On May 23, 2025, Mr. Yang Yong's qualification as Director was approved by the NFRA. He shall serve as Independent Non-executive Director of the Bank, a member of the Audit Committee of the Board of Directors, a member of the Nomination and Remuneration Committee of the Board of Directors, and a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Yang Yong confirmed that he had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on January 22, 2025, and was aware of his responsibilities as Director of the Bank.

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On April 17, 2025, Mr. Pu Yonghao was elected as Independent Non-executive Director at the Bank's 2024 Annual General Meeting. On January 13, 2026, Mr. Pu Yonghao's qualification as Director was approved by the NFRA. He shall serve as Independent Non-executive Director of the Bank, a member of the Strategic Planning Committee of the Board of Directors, a member of the Risk Management Committee of the Board of Directors, and a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Pu Yonghao confirmed that he had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on April 16, 2025, and was aware of his responsibilities as Director of the Bank.

On May 23, 2025, Mr. Liu Ruigang's qualification as Director was approved by the NFRA. He shall serve as Non-executive Director of the Bank, a member of the Audit Committee of the Board of Directors, and a member of the Nomination and Remuneration Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Liu Ruigang confirmed that he had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on February 14, 2025, and was aware of his responsibilities as Director of the Bank. Since the date of approval of Mr. Liu Ruigang's qualification for directorship, Mr. Chen Donghao ceased to serve as Non-executive Director of the Bank and as a member of the relevant committees of the Board of Directors due to the expiration of his term. On November 26, 2025, the Board of Directors resolved to elect Mr. Liu Ruigang as a member of the Risk Management Committee of the Board of Directors, and he shall no longer serve as a member of the Audit Committee of the Board of Directors.

On October 9, 2025, Ms. Chen Xue was elected as Non-executive Director at the Bank's Second Extraordinary General Meeting in 2025. On December 29, 2025, Ms. Chen Xue's qualification as Director was approved by the NFRA. She shall serve as Non-executive Director of the Bank, a member of the Risk Management Committee of the Board of Directors, and a member of the Nomination and Remuneration Committee of the Board of Directors for a term of three years, commencing from the date of approval. Ms. Chen Xue confirmed that she had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on October 14, 2025, and was aware of her responsibilities as Director of the Bank.

On October 9, 2025, Mr. Song Xiaodong was elected as Non-executive Director at the Bank's Second Extraordinary General Meeting in 2025. His qualification as Director is pending approval by the NFRA.

On October 30, 2025, Mr. Han Wenbo ceased to serve as Non-executive Director of the Bank and as a member of the relevant committees of the Board of Directors due to a work adjustment.

On December 26, 2025, Mr. Liu Jianjun ceased to serve as Executive Director of the Bank and as a member of the relevant committees of the Board of Directors due to reaching the statutory retirement age. Prior to the formal assumption of duties by Mr. Lu Wei as the newly appointed Chairman of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors, the Board of Directors of the Bank had designated Ms. Yao Hong to perform the duties on behalf of the Chairperson of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors.

On December 26, 2025, the Board of Directors of the Bank nominated Mr. Lu Wei as the candidate for Executive Director. On January 19, 2026, Mr. Lu Wei was elected as Executive Director at the Bank's First Extraordinary General Meeting in 2026. On February 13, 2026, Mr. Lu Wei's qualification as Director was approved by the NFRA. He shall serve as Executive Director of the Bank, Chairman and a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors, a member of the Strategic Planning Committee of the Board of Directors, and a member of the Nomination and Remuneration Committee of the Board of Directors for a term of three years, commencing from the date of approval. Upon Mr. Lu Wei's assumption of office, Ms. Yao Hong ceased to act on behalf of the Chairperson of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors. Mr. Lu Wei confirmed that he had obtained the legal advice as stipulated under Rule 3.09D of the Hong Kong Listing Rules on February 11, 2026, and was aware of his responsibilities as Director of the Bank.

For details of changes in Directors of the Bank, please refer to the announcements published by the Bank.

Changes in Supervisors

On September 23, 2025, Mr. Chen Yuejun ceased to serve as Chairman of the Board of Supervisors and Shareholder Representative Supervisor of the Bank due to reaching the statutory retirement age.

On December 11, 2025, from the date on which the amendments to the Articles of Association of the Bank were approved and became effective, the Bank ceased to have a Board of Supervisors. Mr. Bai Jianjun, Mr. Chen Shimin, Mr. Li Yue and Mr. Gu Nannan no longer serve as Supervisors of the Bank or hold any relevant positions on the Board of Supervisors.

For details of changes in Supervisors of the Bank, please refer to the announcements published by the Bank.

Changes in Senior Management

On December 26, 2025, Mr. Liu Jianjun ceased to serve as President of the Bank due to reaching the statutory retirement age. Prior to the formal assumption of duties by Mr. Lu Wei as the newly appointed President, the Board of Directors of the Bank had designated Ms. Yao Hong to perform the duties on behalf of the President.

On December 26, 2025, the Board of Directors of the Bank appointed Mr. Lu Wei as President of the Bank. On February 13, 2026, Mr. Lu Wei's qualification as Director was approved by the NFRA. He shall serve as President of the Bank commencing from the date of approval. Upon Mr. Lu Wei's assumption of office, Ms. Yao Hong ceased to act on behalf of the President.

On December 26, 2025, the Board of Directors of the Bank appointed Ms. Yang Xilin as Chief Financial Market Officer, and her qualification is pending approval by the NFRA.

For details of changes in senior management of the Bank, please refer to the announcements published by the Bank.

Board of Directors and Special Committees

Functions and Powers of the Board of Directors

The Board of Directors is accountable to the Shareholders' General Meetings. It is responsible for convening the Shareholders' General Meetings, reporting its work at the meetings and implementing resolutions adopted at the Shareholders' General Meetings; making decisions on the Bank's development strategies, business plans, and investment plans; formulating the Bank's annual financial budget and final accounts plans, profit distribution plan and loss recovery plan, plan for the increase or reduction of the Bank's registered capital, plan for issuance of bonds or other marketable securities and listing plan, plans for merger,

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division, spin-off, dissolution, liquidation or other changes in the corporate form, plan for major acquisitions and acquisition of the Bank's shares, plan for material changes in equity interest or financial reorganization, and capital replenishment plans; formulating the general management rules and risk tolerance, as well as risk management and internal control policies of the Bank, and supervising the implementation of such basic management rules and policies; assuming ultimate responsibility for comprehensive risk management; considering the comprehensive risk management report presented by the senior management and evaluating the effectiveness of risk management of the Bank in order to improve the Bank's risk management; appointing or dismissing the President and the Secretary to the Board of Directors of the Bank according to the nomination of the Chairman of the Board of Directors; appointing or dismissing Vice Presidents and other senior management members according to the nomination of the President; deciding on the basic remuneration system of the Bank, as well as the remuneration matters, performance appraisal matters, and rewards and punishment matters of senior management members; listening to the work reports of the President of the Bank in accordance with the relevant regulatory requirements to ensure that all Directors are timely and fully informed of relevant information for the performance of their duties; and examining the work of the senior management to monitor and ensure the effective performance of their management responsibilities, etc.

At present, the Bank has established a comprehensive, standardized, and effective institutional system and operating mechanisms to ensure the independent and proper operation of the Board of Directors and enable it to obtain independent views and opinions in a timely and complete manner. Specifically, the Bank has clearly defined the criteria and procedures for the nomination and election of Directors in the Articles of Association and the working rules of special committees under the Board of Directors. Directors with significant conflicts of interest in matters discussed by the Board shall recuse themselves. The Board of Directors, the special committees under the Board of Directors, and Independent Directors shall give full consideration to the opinions of external auditors and may engage intermediary agencies or professionals to provide opinions, with reasonable costs borne by the Bank. Upon review, such mechanisms were effectively implemented during the reporting period. Meanwhile, the Bank has clearly defined the types, content, timing, and methods of information reporting by the senior management or relevant departments to the Board of Directors and its special committees in the Management Measures for the Information Reporting by the Senior Management of Postal Savings Bank of China Co., Ltd. This ensures that the Board of Directors and its special committees can obtain accurate business information in a timely manner and make sound and independent judgments and decisions.

Composition of the Board of Directors and Board Diversity Policy

The Board of Directors of the Bank comprised 17 Directors, including: Mr. Zheng Guoyu as Chairman and Non-executive Director; Mr. Lu Wei and Ms. Yao Hong as Executive Directors; Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Liu Ruigang, Ms. Chen Xue, Mr. Hu Yuting, Mr. Ding Xiangming and Mr. Yu Mingxiong as Non-executive Directors; and Mr. Wen Tiejun, Mr. Chung Shui Ming Timpson, Ms. Pan Yingli, Mr. Tang Zhihong, Mr. Hong Xiaoyuan, Mr. Yang Yong and Mr. Pu Yonghao as Independent Non-executive Directors.

The Bank continues to promote the building of board diversity and continuously refines the structure, composition, and related policies of the Board of Directors to ensure that the professional skills and experience of each Director effectively support the efficient operation of the Board. In the selection of Directors, while strictly adhering to regulatory requirements, the Bank fully considers diverse factors such as the candidate's age, cultural background, educational background, professional experience, etc. The aim is to continuously optimize the composition of the Board and its specialized committees, thereby providing solid support for the Board of Directors' sound decision-making. In 2025, in accordance with the Articles of Association and the needs

of corporate governance practice, the Bank elected several Directors with extensive experience in industry regulation and state-owned enterprise management. Currently, all Executive Directors have long been engaged in financial management and are familiar with the Bank's operations and management practices; the Non-executive Directors come from government authorities, regulatory bodies, or large state-owned enterprises and have extensive experience in management; and the Independent Non-executive Directors are well-known experts in the fields of economics, Sannong, auditing, banking, etc., and are able to provide professional advice to the Bank from multiple perspectives. The Board of Directors of the Bank also includes Directors who have experience, knowledge, and background in green credit, including Ms. Yao Hong, an Executive Director who has long been in charge of green credit-related work, and Mr. Wen Tiejun, an Independent Non-executive Director with expertise in green finance research. Currently, the Bank's Board of Directors consists of three female Directors and seven Independent Non-executive Directors, with Independent Non-executive Directors accounting for over one-third of the total Board members. From the perspectives of expertise, gender, age, and region, the composition of the Board members is reasonable and effective. The Board of Directors considers that the current nomination policy is capable of sustaining the positive momentum of gender diversity in subsequent director successions. For information on gender diversity among the Bank's employees, please refer to "Discussion and Analysis – Capacity Building".

To promote the diversity of Board members, the Nomination and Remuneration Committee of the Board of Directors of the Bank formulates and supervises the implementation of the board diversity policy. It is responsible for conducting the annual review of the implementation of the diversity policy and reporting to the Board of Directors, and making revision proposals to the Board of Directors according to the Bank's corporate governance practices to ensure the effectiveness of the diversity policy. The Bank has formulated and achieved the following measurable objectives to implement the board diversity policy: (1) ensuring full consideration of diversity in gender, age, geographical background, cultural background, and educational background of Directors; (2) ensuring the inclusion of Director candidates with working experience in other industries; and (3) ensuring the inclusion of Director candidates with knowledge and professional experience in different fields. After self-review, the Nomination and Remuneration Committee of the Board of Directors believes that the Bank's board composition during the reporting period was in line with the requirements of the board diversity policy.

Meetings of the Board of Directors

During the reporting period, the Bank convened 12 meetings of the Board of Directors and reviewed 138 proposals and 28 reports. The Board of Directors deliberated and approved proposals including the fixed asset investment budget, final accounts plan and profit distribution plan, as well as development planning proposals such as the 2025-2027 three-year capital rolling plan; matters related to human resources management such as the selection and appointment of Directors, adjustments to members of special committees of the Board of Directors, etc. The Board of Directors regularly reviewed work progress on risk management, internal control, case prevention and management, data governance, the implementation of the board diversity policy, the rectification pursuant to regulatory opinions, and listened to work progress regarding the implementation of the "five priorities" of technology finance, green finance, inclusive finance, pension finance, and digital finance. All Directors conducted in-depth research and earnest discussions, and put forward many valuable opinions and suggestions at the meetings and during recess periods, which were duly adopted or responded to by the Bank, ensuring that the Board of Directors made well-convinced decisions in leading the reform and development of the Bank.

Attendance of Directors at Meetings

Director	Shareholders' General Meeting	Board of Directors			Strategic Planning Committee	Related Party Transactions Control Committee	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Social Responsibility and Consumer Rights Protection Committee
	Number of attendance in person/ Number of meetings that should be attended	Number of attendance in person/ Number of meetings that should be attended	Number of on-site meetings attended in person	Number of attendance by proxy	Number of attendance in person/ Number of meetings that should be attended	Number of attendance in person/ Number of meetings that should be attended	Number of attendance in person/ Number of meetings that should be attended	Number of attendance in person/ Number of meetings that should be attended	Number of attendance in person/ Number of meetings that should be attended	Number of attendance in person/ Number of meetings that should be attended
Chairman and Non-executive Director										
Zheng Guoyu	5/5	10/10	9	0	9/9	–	–	–	–	–
Executive Directors										
Lu Wei	–	–	–	–	–	–	–	–	–	–
Yao Hong	6/6	11/12	10	1	9/10	2/5	–	8/10	–	5/5
Non-executive Directors										
Liu Xin'an	6/6	12/12	11	0	10/10	–	1/1	–	5/5	1/1
Zhang Xuanbo	6/6	12/12	11	0	–	–	9/9	10/10	–	–
Liu Ruigang	2/2	7/7	6	0	–	–	4/4	1/1	6/6	–
Chen Xue	–	–	–	–	–	–	–	–	–	–
Hu Yuting	6/6	12/12	11	0	10/10	–	9/9	–	–	–
Ding Xiangming	6/6	12/12	11	0	–	4/5	–	–	–	5/5
Yu Mingxiong	6/6	11/12	10	1	9/10	–	9/9	–	–	–
Independent Non-executive Directors										
Wen Tiejun	6/6	12/12	11	0	10/10	–	9/9	–	9/9	–
Chung Shui Ming Timpson	6/6	10/12	9	2	–	5/5	9/9	8/10	–	–
Pan Yingli	6/6	12/12	11	0	–	5/5	9/9	–	9/9	–
Tang Zhihong	6/6	12/12	11	0	–	5/5	–	8/10	9/9	–
Hong Xiaoyuan	6/6	11/12	10	1	9/10	–	7/9	–	–	5/5
Yang Yong	2/2	7/7	6	0	–	–	3/5	–	6/6	3/3
Pu Yonghao	–	–	–	–	–	–	–	–	–	–
Resigned Directors										
Liu Jianjun	6/6	11/11	10	0	9/9	–	–	–	9/9	5/5
Han Wenbo	4/5	10/10	9	0	8/8	–	–	8/8	–	–
Chen Donghao	4/4	5/5	5	0	–	–	–	3/4	–	2/2

Note (1): "Attendance in person" refers to on-site attendances and attendances by way of electronic communications such as telephone and video conferencing. During the reporting period, Directors who were unable to attend the Board or committee meetings in person had designated other Directors as proxies to attend and vote on their behalf at the meetings.

Note (2): In the year 2025, there were no instances of Directors being absent from Board meetings, failing to attend two consecutive meetings in person, or not attending more than two-thirds of the Board meetings in person.

Note (3): On March 27, 2025, the Board of Directors resolved to elect Mr. Liu Xin'an as a member of the Nomination and Remuneration Committee of the Board of Directors, and he shall no longer serve as a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors. On November 26, 2025, the Board of Directors resolved to elect Mr. Liu Xin'an as a member of the Audit Committee of the Board of Directors, and he shall no longer serve as a member of the Nomination and Remuneration Committee of the Board of Directors; and elected Mr. Zhang Xuanbo as the Chairman of the Risk Management Committee of the Board of Directors. For details on other changes in Directors, please refer to "Corporate Governance – Changes in Directors, Supervisors and Senior Management Members".

Special Committees of the Board of Directors

There are six special committees under the Board of Directors, namely the Strategic Planning Committee, Related Party Transactions Control Committee, Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, and Social Responsibility and Consumer Rights Protection Committee. For details of adjustments to members of the special committees of the Board of Directors, please refer to "Corporate Governance – Changes in Directors, Supervisors and Senior Management Members".

During the reporting period, within the scope authorized by the Board of Directors and in accordance with the Bank's Articles of Association and relevant rules of procedure, special committees of the Board of Directors gave full play to their expertise and diligently performed their duties. The special committees convened 48 meetings, at which they reviewed 140 proposals and 35 reports, focusing on major matters including the Bank's development strategy, connected transaction management, internal and external audits, risk management, internal control and compliance, nomination and remuneration, consumer rights protection, and fulfillment of social responsibilities. They actively put forward opinions and suggestions to the Board of Directors, which provided strong support for the well-grounded and efficient decision-making of the Board of Directors.

Strategic Planning Committee

The Strategic Planning Committee of the Bank comprises nine Directors, namely Chairman and Non-executive Director Mr. Zheng Guoyu; Executive Directors Mr. Lu Wei and Ms. Yao Hong; Non-executive Directors Mr. Liu Xin'an, Mr. Hu Yuting and Mr. Yu Mingxiong; and Independent Non-executive Directors Mr. Wen Tiejun, Mr. Hong Xiaoyuan and Mr. Pu Yonghao. Mr. Zheng Guoyu serves as the Chairman of the Committee. The Committee is mainly responsible for reviewing the Bank's business objectives, overall strategic development plans and special strategic development plans, strategic capital allocation, asset and liability management objectives, business development plans, development plans for inclusive finance business, major management policies, major investment and financing plans, and other matters significant to the development of the Bank, and providing recommendations to the Board of Directors.

In 2025, the Strategic Planning Committee convened 10 meetings, at which it reviewed and approved 36 proposals and reviewed 11 reports. It reviewed reports on the work progress and development plan of the "five priorities" of the financial sector, as well as efforts to support rural revitalization, strictly adhering to and implementing major decisions and plans of the CPC Central Committee, and comprehensively improving the quality and efficiency of financial services. It reviewed and approved proposals including the assessment report on the implementation of the 14th Five-Year Plan Outline in 2024, strengthened strategy implementation, and improved the efficiency of strategic management. It also reviewed and approved proposals on the annual asset and liability business allocation and capital allocation plan, the plan for the issuance of A shares to specific subscribers, and the financial bond issuance plan, providing impetus to enhance capital strength and risk resistance ability, and achieve sustainable development.

(The Strategic Planning Committee met on January 22, 2025, March 27, 2025, March 30, 2025, April 29, 2025, July 16, 2025, August 29, 2025, September 23, 2025, October 30, 2025, November 26, 2025, and December 26, 2025, respectively.)

Related Party Transactions Control Committee

The Related Party Transactions Control Committee of the Bank comprises five Directors, namely Executive Director Ms. Yao Hong, Non-executive Director Mr. Ding Xiangming, and Independent Non-executive Directors Mr. Tang Zhihong, Mr. Chung Shui Ming Timpson and Ms. Pan Yingli. Mr. Tang Zhihong serves as the Chairman of the Committee. The Committee is mainly responsible for the management, review and risk control of connected transactions of the Bank, reviewing the basic management policies for connected transactions, and supervising their implementation and making suggestions to the Board of Directors; reviewing major connected transactions or other connected transactions subject to the approval of the Board of Directors or the Shareholders' General Meeting, and submitting such transactions to the Board of Directors

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or the Shareholders' General Meeting through the Board of Directors for approval; within the scope authorized by the Board of Directors, reviewing and approving the Bank's connected transactions and other matters in relation to such transactions, and receiving the record of general connected transactions for filing; reviewing matters in relation to the disclosure of information on the Bank's major connected transactions.

In 2025, the Related Party Transactions Control Committee convened five meetings, at which it reviewed and approved 12 proposals and reviewed four reports. It reviewed and approved proposals including the amendment to the Measures for the Administration of Connected Transactions of Postal Savings Bank of China, the adjustment to deposit agency fee rates for agency Renminbi personal deposit-taking business by Postal Savings Bank of China Co., Ltd. and China Post Group Corporation Limited, the signing of the Unified Trading Agreement for Bond Repurchase Business in Financial Markets with PSBC Wealth Management, and connected transactions with Directors, supervisors, senior management members, and their related parties. The Committee provided opinions and suggestions to the Board of Directors on strengthening the Bank's connected transaction management and controlling connected transaction risks.

(The Related Party Transactions Control Committee met on March 25, 2025, July 11, 2025, August 22, 2025, October 23, 2025, and November 21, 2025, respectively.)

Audit Committee

The Audit Committee of the Bank comprises nine Directors, namely Non-executive Directors Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Hu Yuting and Mr. Yu Mingxiong; and Independent Non-executive Directors Mr. Chung Shui Ming Timpson, Mr. Wen Tiejun, Ms. Pan Yingli, Mr. Hong Xiaoyuan and Mr. Yang Yong. Mr. Chung Shui Ming Timpson serves as the Chairman of the Committee.

The Committee is mainly responsible for examining the Bank's finance, supervising the Bank's internal control, reviewing its major financial accounting policies and their implementation, reviewing its basic audit management policies, medium- and long-term plans as well as annual work plans, supervising and evaluating the work of the internal audit department, proposing the engagement or dismissal of accounting firms, making suggestions to the Board of Directors, assuming the functions and powers of the Board of Supervisors as stipulated in the Company Law of the People's Republic of China following the dissolution of the Board of Supervisors by the Bank, etc. The Audit Committee had no objections to the supervisory matters during the reporting period.

In 2025, the Audit Committee convened nine meetings, at which it reviewed and approved 25 proposals and reviewed nine reports. It reviewed the effectiveness of the Bank's internal control at least once a year and provided opinions and suggestions to the Board of Directors on issues such as maintaining financial health and stability, the engagement of accounting firms, enhancing the effectiveness of internal control, and further advancing the rectification of audit findings and the application of audit results.

(The Audit Committee met on January 23, 2025, March 13, 2025, March 20, 2025, April 25, 2025, August 28, 2025, September 22, 2025, October 27, 2025, November 25, 2025, and December 18, 2025, respectively.)

Conducting regular reviews of the Bank's financial status and financial reports, and supervising the soundness of the Bank's financial operation

The Audit Committee reviewed and approved proposals on the annual financial statements and auditor's report, the interim financial statements and review report, and the quarterly financial statements, etc. It reviewed and checked the truthfulness, completeness, and accuracy of the information contained in the financial reports and was of the opinion that there were no significant accounting and audit issues in the financial accounting reports, and there was no fraud, malpractice, and material misstatement related to the financial accounting reports, and submitted them to the Board of Directors for deliberation. In addition, the Audit Committee reviewed and approved the financial statements and auditor's report for 2025 and attached the same to the 2025 annual report, highlights and results announcement for submission to the Board of Directors for deliberation.

Conducting regular evaluation of the effectiveness of internal control, and providing guidance for the internal audit work

In accordance with the relevant requirements of laws and regulations, regulatory rules, and the Bank's Articles of Association, the Audit Committee organized and conducted the annual assessment of internal control, engaged external auditors to audit the effectiveness of the Bank's internal control over the financial report, supervised and assessed on a regular basis the adequacy and effectiveness of the Bank's internal control system by checking and evaluating the compliance and effectiveness of major business activities, and advanced the development of the Bank's internal control evaluation system, etc. In 2025, the Audit Committee of the Board of Directors reviewed and approved the audit report for 2024, the 2025 audit plan, and the audit report for the first half of 2025. It reviewed reports on the audit work for the first quarter and the third quarter of 2025. It also supervised and evaluated on a regular basis the work of the internal audit department and provided multiple suggestions to the Board of Directors on enhancing the quality and efficiency of internal audit work. The Committee reviewed and approved audit reports on financial asset risk classification, capital adequacy ratio management, implementation of the internal capital adequacy assessment procedures, the management of advanced approaches for capital measurement (internal rating system), the implementation and management of the expected credit loss approach, anti-money laundering management, consumer rights protection, and business continuity management, among others. It followed up on the rectification of and accountability for issues identified through internal audits, and strengthened the application of audit findings.

Strengthening the engagement and management of external audit firms, and urging external auditors to perform their duties independently, professionally and effectively

In 2025, the Audit Committee of the Board of Directors conducted rigorous verification and evaluation of the accounting firm's professional qualifications, operational capabilities, independence, professional experience and quality in accordance with laws, regulations, and regulatory requirements. It reviewed and approved the Proposal on the Engagement of Accounting Firms of Postal Savings Bank of China for 2025 and made suggestions to the Board of Directors.

It regularly listened to the accounting firm's reports on its audit plan, key focus areas and their progress, and urged the accounting firm to act with integrity and diligence, strictly adhere to professional standards and industry self-regulatory norms, rigorously implement internal control rules and regulations, and conduct thorough verification of the Bank's financial accounting reports to ensure the independence and effectiveness of its work. In 2025, the Audit Committee of the Board of Directors listened to the accounting firm's reports on the pre-audit of the financial statements for 2024, the audit of the financial statements for 2024, the review of the 2024 interim financial statements, the procedures for agreeing on the quarterly financial statements, and the 2025 audit plan. The Committee communicated key audit requirements and objectives with the accounting firm to ensure the comprehensive and effective execution of the audit work. It focused on the study and implementation of the management recommendations put forward by the accounting firm, and continued to advance full communication between internal and external auditors.

Additionally, it conducted an annual performance evaluation of the accounting firm. In 2025, the Audit Committee of the Board of Directors reviewed and approved the proposal on the 2024 performance assessment of the accounting firm, and examined the professional competence, investor protection capabilities, independence, and integrity of the accounting firm.

Risk Management Committee

The Risk Management Committee of the Bank comprises seven Directors, namely Executive Director Ms. Yao Hong; Non-executive Directors Mr. Zhang Xuanbo, Mr. Liu Ruigang and Ms. Chen Xue; and Independent Non-executive Directors Mr. Chung Shui Ming Timpson, Mr. Tang Zhihong and Mr. Pu Yonghao. Mr. Zhang Xuanbo serves as the Chairman of the Committee.

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The Committee is mainly responsible for reviewing and revising the Bank's risk management strategies, basic risk management policies, risk appetite, comprehensive risk management framework, and important procedures and policies of risk management based on the Bank's overall strategic development plan, as well as reviewing comprehensive risk management reports and making suggestions to the Board of Directors.

In 2025, the Risk Management Committee convened 10 meetings, at which it reviewed and approved 42 proposals and reviewed 11 reports. The Committee guided and drove the entire Bank to further strengthen the comprehensive risk management framework, conducted in-depth assessments of key risk areas and response measures, and regularly reviewed the effectiveness of risk management and internal control and compliance. It attached importance to information technology risk management, worked to enhance the quality and effectiveness of the rectification of issues identified by regulators, continued to strengthen the prevention and control of financial risks, and enhanced the forward-looking nature of the risk management.

(The Risk Management Committee met on January 13, 2025, March 21, 2025, April 25, 2025, May 14, 2025, June 11, 2025, August 27, 2025, September 19, 2025, October 27, 2025, November 21, 2025, and December 25, 2025, respectively.)

Implementing a prudent and sound risk management philosophy to drive long-term sustainable development

The Risk Management Committee reviewed and approved the 2025 risk management strategy and risk appetite plan, the 2025-2027 three-year capital rolling plan, and the 2025 capital adequacy ratio management plan. It implemented a prudent and sound risk management philosophy and adhered to the established risk appetite indicators. Based on regulatory policies and its own situation and focused on sustainable development, it continuously strengthened refined capital management, reinforced the strict capital discipline, made effective short-term and medium-to-long-term capital rolling plans, actively expanded external capital sources, and strove to achieve a healthy cycle of internal capital replenishment.

Advancing the implementation of the Capital Rules and continuously improving the risk management systems

The Risk Management Committee reviewed and approved the formulation or revision of basic management policies, including the Rules of Procedure for the Risk Management Committee of the Board of Directors, the Management Measures for Internet Loans, the Administration Measures for Pillar 3 Disclosure Report of Capital Management, the Liquidity Contingency Plan, the Management Measures for Credit Rating of Corporate Customers, the Management Measures for Agency Sales of Wealth Management Business, the Information Technology Risk Management Measures, the Market Risk Management Measures, and Compliance Policies, actively implemented the requirements of new regulatory rules, expedited the development of advanced approaches for risk management, enhanced the standardization and refinement of risk management, further improved the sensitivity of risk measurement across the Bank, and continuously strengthened the quality and effective implementation of the Capital Rules.

Continuously improving the comprehensive risk management system and proactively strengthening risk control in key areas

The Risk Management Committee reviewed and approved proposals including the expected credit loss model plan, the implementation of rectification based on regulatory notices, the comprehensive risk management report, the internal control and compliance management report, the report on the assessment of case risk prevention and control, and the information technology risk management report. It reviewed the effectiveness of risk management and internal control and compliance on a regular basis, and took the rectification of issues pointed out in regulatory notices as an opportunity to strengthen research on the prevailing situation and policy forecasting, enhance awareness of financial security work, strike a balance between development and security, conduct a comprehensive, in-depth and systematic clean-up, and advance risk prevention and control in key areas in a steady and orderly manner. It tracked the status of overdue, special mention, and non-performing situations to ensure

achievement of the Bank-wide asset quality control targets. The Committee continued to deepen the concept of risk-led business development, ensured early identification, early warning, early exposure, and early disposal of risks, and enhanced the forward-looking capability, precision, and effectiveness of comprehensive risk management.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Bank comprises seven Directors, namely Executive Director Mr. Lu Wei; Non-executive Directors Mr. Liu Ruigang and Ms. Chen Xue; and Independent Non-executive Directors Mr. Wen Tiejun, Ms. Pan Yingli, Mr. Tang Zhihong and Mr. Yang Yong. Mr. Wen Tiejun serves as the Chairman of the Committee. The Committee is mainly responsible for conducting annual review of the structure, size, and composition of the Board of Directors, and making suggestions to the Board regarding its size and composition; formulating the criteria and review procedures for the selection and appointment of relevant Directors, chairmen and members of the relevant special committees of the Board of Directors, and senior management members, and submitting the same to the Board of Directors for its decision; performing preliminary reviews of the qualifications and qualities of candidates for relevant Directors and senior management members, and making recommendations to the Board of Directors regarding the nomination, appointment or removal of relevant Directors, as well as the appointment or dismissal of senior management members; developing remuneration measures or schemes for Directors and senior management members, and submitting them to the Board of Directors for consideration. The Articles of Association sets out the procedures and methods for the nomination of Directors and specific requirements for the appointment of Independent Non-executive Directors. When reviewing the qualifications of Director candidates, the Nomination and Remuneration Committee mainly considers whether they meet the requirements of laws and regulations for directorship, whether they can be faithful and diligent in fulfilling their duties, whether they understand the Bank's operation and management, and considers the diversity requirements of the Board of Directors at the same time. For details, please refer to the Articles of Association and Rules of Procedure for the Nomination and Remuneration Committee of the Board of Directors on the Bank's website. During the reporting period, the Bank strictly implemented relevant provisions of the Articles of Association in appointing Directors of the Bank.

In 2025, the Nomination and Remuneration Committee convened nine meetings, at which it reviewed and approved 16 proposals. It reviewed and approved the proposals on the structure, size, and composition of the Board of Directors and the implementation of the Board diversity policy. During the evaluation process, it fully incorporated multi-dimensional factors such as the gender, age, educational background, and professional experience, ensured that the Board's composition met regulatory requirements, and effectively advanced the implementation of the diversity policy. The Committee reviewed and approved the proposal for the 2024 Directors' performance evaluation, conducted a comprehensive evaluation of Directors' performance using a multi-dimensional indicator system, and provided suggestions to the Board based on the evaluation results. It also reviewed and approved the qualifications and qualities of several Directors and senior management members and several proposals including the one to make adjustments to the composition of the special committees under the Board, further enhanced the standardization and effectiveness of the nomination procedures, and continuously optimized the personnel structure of the special committees. Regarding remuneration and performance assessment, the Committee reviewed and approved the results of the annual strategic performance evaluation and the director and senior management remuneration settlement plan. It strictly implemented regulatory requirements, further improved the remuneration incentive and constraint mechanisms, and provided professional advice to assist the Board of Directors in fulfilling its remuneration management responsibilities.

(The Nomination and Remuneration Committee met on January 2, 2025, March 25, 2025, April 28, 2025, August 27, 2025, September 22, 2025, October 29, 2025, November 25, 2025, December 15, 2025, and December 25, 2025, respectively.)

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Social Responsibility and Consumer Rights Protection Committee

The Social Responsibility and Consumer Rights Protection Committee of the Bank comprises six Directors, namely Executive Directors Mr. Lu Wei and Ms. Yao Hong; Non-executive Director Mr. Ding Xiangming; and Independent Non-executive Directors Mr. Hong Xiaoyuan, Mr. Yang Yong and Mr. Pu Yonghao. Mr. Lu Wei serves as the Chairman of the Committee.

The Social Responsibility and Consumer Rights Protection Committee is mainly responsible for developing strategies and policies of social responsibility, sustainable development, and consumer rights protection in line with the Bank's development strategies and actual situation, developing relevant basic management policies and submitting them to the Board of Directors for approval before implementation; regularly listening to reports of the senior management on the progress in consumer rights protection and the execution of green finance strategies, and supervising and evaluating the comprehensiveness, timeliness and effectiveness of the Bank's consumer rights protection, the execution of green finance strategies as well as duty performance of the senior management.

In 2025, the Social Responsibility and Consumer Rights Protection Committee convened five meetings, at which it reviewed and approved nine proposals. It attached great importance to matters such as consumer rights protection, green finance, sustainable development, and climate investment and financing. The Committee reviewed and approved the proposals on the work and plan for consumer protection, the annual evaluation of consumer protection, the audit report on consumer protection, and other related matters. It also supervised, evaluated, and provided guidance on a regular basis on consumer rights protection work across the Bank, and made relevant suggestions to the Board of Directors. It reviewed and approved the proposals including the green finance work in 2024 and the development plan for 2025, the Sustainability Report, and the Environmental Information (Sustainable Finance) Report. It actively advanced the development of green finance and green banking, and thoroughly practiced the concept of green and low-carbon development, with an aim of building a first-class green inclusive bank, climate-friendly bank and eco-friendly bank.

(The Social Responsibility and Consumer Rights Protection Committee met on March 21, 2025, April 25, 2025, August 25, 2025, September 22, 2025, and November 21, 2025, respectively.)

Directors' Responsibilities for Financial Reports

Directors are responsible for overseeing the preparation of financial statements for each accounting period to ensure financial statements present a true and fair view of the Bank's financial position, operating results, and cash flows. During the preparation of the financial statements for the year 2025, the Directors diligently applied appropriate accounting policies and made prudent and reasonable judgments and estimates.

During the reporting period, the Bank complied with the requirements of relevant laws and regulations and listing rules of places where the Bank's shares are listed, and completed the disclosure of the 2024 Annual Report and 2024 Results Announcement, First Quarterly Report of 2025, 2025 Interim Report and 2025 Interim Results Announcement, and Third Quarterly Report of 2025.

Terms of Office of Directors

The Bank strictly adhered to the SSE Listing Rules, the Hong Kong Listing Rules, and the provisions of the Articles of Association that the Directors shall be elected by the Shareholders' General Meeting with a term of office of three years. After the expiration of the term, Directors can be re-elected for consecutive terms, with the term of consecutive re-election calculated from the date of approval by the Shareholders' General Meeting.

Surveys, Researches and Training Attended by Directors and Company Secretaries

Directors' Participation in Surveys and Researches

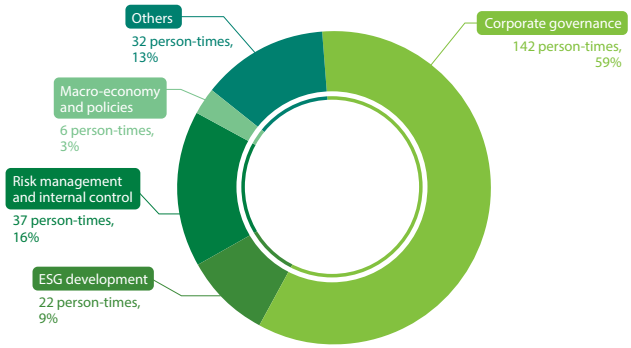
During the reporting period, the Directors of the Bank conducted surveys and researches and actively put forward suggestions on topics such as commercial banks' support for consumption stimulation, evaluation of the effectiveness of commercial banks in supporting local economic development, differentiated operations and future work approach of large state-owned commercial banks, problems of and suggestions for performance evaluation of commercial banks, comprehensive risk management, NPL formation and risk management and control, pressures and risks faced by micro loans and loans to MSEs, management of agency financial institutions, intelligent transformation of outlets, urban financial services, cooperation between the Bank and China Post Group for rural revitalization, implementation of the "five priorities" of the financial sector and assessment of completion of 14th Five-Year Plan, development plan for the Greater Bay Area, serving the silver economy, etc., as reference for the decision-making of the Board of Directors and senior management. The Directors' ability to fulfill their duties and the effectiveness of their decision-making and supervision were continuously improved.

Directors' Participation in Training

During the reporting period, the Bank made an overall plan for the training of Directors, continuously increased resource input into Directors' training, carefully selected quality training institutions, subjects and trainers, and organized Directors to participate in training through on-site and online meetings, with 239 training opportunities provided, which helped them to keep up with economic, financial and industry trends at home and abroad, and continuously improved their ability to perform duties.

During the reporting period, in strict compliance with relevant regulatory requirements, the Directors of the Bank actively participated in a series of special training sessions organized by the MOF, the SSE, China Association for Public Companies, other third-party institutions and the Bank itself, covering a wide range of topics such as macro-economy and policies, information disclosure, investor relations management, market value management, internal control, ESG and sustainable development, green finance, interpretation of Guidelines for the Articles of Association of Listed Companies, public opinion management, merger and acquisition (M&A), artificial intelligence, typical cases analysis of violations of laws and regulations of listed companies, standardized duty performance by directors of listed commercial banks, practical performance of independent directors, corporate governance and ESG matters, etc. During the reporting period, all Directors attended training.

Types of training	Main training topics
Training organized by regulators and self-regulation organizations	Training sessions organized by the MOF, the SSE, and China Association for Public Companies, covering a broad spectrum of topics, including macro-economy and policies, information disclosure, investor relations management, market value management, internal control, ESG and sustainable development, etc.
Training organized by third-party institutions	A broad spectrum of topics, including standardized duty performance by directors of listed commercial banks, corporate governance and ESG matters, etc.
Special training organized by the Bank	Green finance AML and counter-terrorist financing Other themes related to operation and management



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Company Secretaries' Participation in Training

Mr. Du Chunye and Dr. Ngai Wai Fung, Director and Chief Executive Officer of SWCS Corporate Services Group (Hong Kong) Limited, are joint company secretaries of the Bank. The primary contact person for Dr. Ngai Wai Fung at the Bank is Mr. Du Chunye.

During the reporting period, the company secretaries met requirements set in Rule 3.29 of the Hong Kong Listing Rules, and the duration of their professional training far exceeded the regulatory requirement of no less than 15 hours per year.

Independence and Duty Performance of Independent Non-executive Directors

During the reporting period, the Independent Non-executive Directors of the Bank complied with the relevant requirements regarding independence of independent directors under the Administrative Measures for Independent Directors of Listed Companies, the Self-Regulatory Supervision Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation, the Hong Kong Listing Rules and the Articles of Association, and their independence was not compromised. The Bank received annual confirmation letters from all Independent Directors, which included their confirmation on independence after self-examination, and considered that they were independent.

The Independent Non-executive Directors of the Bank fulfilled their duties in accordance with laws and regulations, and earnestly attended the Shareholders' General Meetings, meetings of the Board of Directors, and the meetings of the special committees to which they belonged. They provided independent, objective, impartial, and professional opinions on key operational and managerial matters. By fully leveraging their roles in decision-making, supervision, checks and balances, and professional consulting, the Independent Non-executive Directors contributed to the continuous improvement of the Bank's governance effectiveness, with a strong focus on safeguarding the legitimate rights and interests of customers, employees, shareholders – including minority shareholders – and other stakeholders. During the reporting period, the Independent Non-executive Directors placed high importance on matters such as the legality and fairness of significant connected transactions, annual profit distribution plan, internal control assessment, nomination of Directors, and the completeness and truthfulness of information disclosure. They convened several special meetings to review and deliberate on major connected transactions, such as the adjustment to deposit agency fee rates for agency Renminbi personal deposit-taking business by the Bank and China Post Group, the connected transactions relating to the issuance of A shares to specific subscribers, entering into the Share Subscription Agreements with Conditions Precedent with the specific subscribers, introducing China Mobile Group and CSSC as strategic investors and entering into the Strategic Cooperation Agreements with Conditions Precedent with them, and the signing of the Unified Trading Agreement for Bond Repurchase Business in Financial Markets with PSBC Wealth Management. Additionally, they earnestly reviewed proposals, including the 2024 Annual Report and results announcement, the First Quarterly Report of 2025, the 2025 Interim Report and results announcement, the Third Quarterly Report of 2025, and the 2024 Sustainability Report, and ensured the disclosed contents were true, accurate and complete. During the reporting period, the Bank's Independent Non-executive Directors did not raise any objections to the resolutions of the Board of Directors or special committees of the Board of Directors.

By attending work meetings and results announcement conferences, listening to special reports, and conducting in-depth research at the grassroots level, the Bank's Independent Non-executive Directors proactively strengthened communication with other Directors, senior management members, functional departments, accounting firms, shareholders, and regulatory authorities to gain an in-depth understanding of the operation and management of the Bank. They performed their responsibilities with integrity and diligence, complied with the working rules for Independent Non-executive Directors, and worked for the Bank for far more than 15 working days.

On October 30, 2025, the Bank organized and convened a symposium for Independent Directors, at which all Independent Non-executive Directors exchanged views and discussed matters including the current economic and financial situation and the future development trend of the banking industry, promoting business transformation and development, enhancing risk management and internal control capability, deepening science and technology development empowered by AI, strengthening collaboration between PSBC and China Post Group, enhancing management of connected transactions, etc., and provided opinions and suggestions for business development after taking into account both internal and external environments and the Bank's actual situations. The Bank attached great importance to the opinions and suggestions of the Independent Non-executive Directors and organized studies and implementation without delay.

Board of Supervisors

During the reporting period, in accordance with the Company Law of the People's Republic of China and relevant requirements of the MOF, the CSRC and the NFRA on the reform of the Board of Supervisors, the Bank advanced the reform in an orderly manner. On October 9, 2025, the Bank held the Second Extraordinary General Meeting in 2025, where it reviewed and approved the Proposal on Amendments to the Articles of Association of Postal Savings Bank of China Co., Ltd. and the Proposal on the Dissolution of the Board of Supervisors of Postal Savings Bank of China. In December 2025, the Bank received the Approval of Amendments to the Articles of Association of Postal Savings Bank of China by the National Financial Regulatory Administration (Jin Fu [2025] No. 713). From the date on which the amendments to the Articles of Association of the Bank were approved and became effective, the Bank ceased to have a Board of Supervisors. The Audit Committee of the Board of Directors shall assume the relevant functions and powers of the Board of Supervisors in accordance with laws. The then supervisors no longer serve as supervisors or hold any related positions on the Board of Supervisors of the Bank. For details, please refer to the announcements published by the Bank.

During its term of office, the Board of Supervisors of the Bank resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, strictly followed regulatory requirements, focused on the Bank's priorities, performed its core supervisory functions in terms of duty performance, risk management, financial management, and internal control, among other aspects in accordance with laws and regulations, and earnestly safeguarded the legitimate rights and interests of the Bank and its shareholders, employees, creditors, and other stakeholders, hence providing strong support for the Bank's high-quality development.

Functions of Senior Management

Senior management members refer to the Bank's President, Vice Presidents, Secretary to the Board of Directors, and other senior management members designated by the Board of Directors. All senior management members are collectively referred to as senior management. During the reporting period, the senior management of the Bank carried out business management activities within the scope authorized by the Articles of Association and the Board of Directors, analyzed the internal and external situations in depth in accordance with the annual business objectives set by the Board of Directors, firmly guarded against risks, carried out work with solid steps, and achieved sustained improvement in business performance.

The President of the Bank is accountable to the Board of Directors, and exercises the following functions and powers: to take charge of the operation and management of the Bank, to implement the resolutions of the Shareholders' General Meeting and the Board of Directors, and to report to the Board of Directors on the work; to formulate specific rules of the Bank (other than internal audit rules); to formulate business plans and investment plans of the Bank, to organize the implementation of such plans upon approval by the Board of Directors, and to report operating and management information in a timely, accurate and comprehensive manner; to formulate policies and fundamental management rules of the Bank, and to make proposals to the Board of

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Directors; to prepare the Bank's annual financial budget plan and final accounts plan, capital plan, profit distribution plan, loss recovery plan, plan for the increase or reduction of registered capital, plan for issuance of bonds or other marketable securities, listing plan, and stock repurchase plan, and make suggestions to the Board of Directors; to authorize Vice Presidents, other senior management members, heads of departments in the Head Office, heads of domestic and overseas tier-1 branches, branches and other institutions directly under the Head Office as well as overseas institutions to carry out daily operation and management activities within the scope authorized by the Board of Directors; and to exercise other functions and powers of the President as prescribed in laws, administrative regulations, ministerial rules and the Articles of Association of the Bank, as well as the authorization plans of the Bank's Shareholders' General Meeting to the Board of Directors and of the Board of Directors to the President, and other functions and powers to be exercised by the President as determined by the Shareholders' General Meeting or the Board of Directors.

Division of Responsibilities between the Chairman and the President

Pursuant to code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules and the Articles of Association, the roles of Chairman and President of the Bank are separated with a clear division of responsibilities. The Chairman of the Bank is responsible for major matters related to overall strategic development. The President of the Bank is responsible for the operation and management of the Bank. The President of the Bank shall be appointed by, and is accountable to, the Board of Directors, and shall perform duties in accordance with the Articles of Association and the authorization of the Board of Directors.

Due to change of job, Mr. Zhang Jinliang resigned as Chairman and legal representative of the Bank on April 25, 2022. Upon the recommendations of more than half of the Directors, Mr. Liu Jianjun, Executive Director and President of the Bank, assumed the responsibilities as the Chairman and legal representative of the Bank immediately after the resignation of Mr. Zhang Jinliang (hereinafter referred to as the "Transitional Arrangement"). Although the Transitional Arrangement deviates slightly from the regulatory requirements, the Board of Directors believed that it was an appropriate arrangement before the completion of the nomination and election of the Chairman candidate. This arrangement has ensured the smooth operation of the Board of Directors and the day-to-day operation of the Bank, without weakening the balance of power and authority between the Board of Directors and the senior management of the Bank, for the following reasons: (1) the nomination and election of Chairman candidate require a certain amount of time and must go through statutory procedures; (2) Mr. Liu Jianjun has rich experience in the financial industry and a deep understanding of the Bank's operation, management, culture, etc.; (3) the resolutions of the Board of Directors require approval of at least half of the Directors, and there are seven Independent Non-executive Directors on the Board who are able to effectively perform their duties, ensuring a balance of power in the functioning of the Board; (4) the Bank's major decisions on strategic, business, operational, and financial matters must be made collectively by the Board of Directors and the senior management upon discussion. Mr. Liu Jianjun's performance of the duties of the Chairman is only a transitional arrangement. On January 2, 2025, the Board of Directors of the Bank nominated Mr. Zheng Guoyu as a candidate of Non-executive Director and elected him as Chairman of the Bank. On January 22, 2025, at the Bank's First Extraordinary General Meeting of 2025, Mr. Zheng Guoyu was elected as Non-executive Director of the Bank. On February 13, 2025, the NFRA approved Mr. Zheng Guoyu's qualifications to serve as Chairman and Director of the Bank. In accordance with relevant regulations, Mr. Zheng Guoyu formally assumed the positions of Chairman and Director of the Bank on February 13, 2025. From the date of Mr. Zheng Guoyu's appointment, Mr. Liu Jianjun has ceased to perform duties on behalf of the Chairman of the Bank. The Bank is fully in compliance with Rule C.2.1 of the code provisions.

Due to having reached the statutory retirement age, Mr. Liu Jianjun resigned from his positions as Executive Director and President of the Bank on December 26, 2025. On December 26, 2025, the Board of Directors of the Bank appointed Mr. Lu Wei as President of the Bank. Before the approval of Mr. Lu Wei's qualifications by the NFRA, the Board of Directors of the Bank appointed Ms. Yao Hong, an Executive Director, Vice President and Chief Risk Officer, to perform duties on behalf of the President. On February 13, 2026, the NFRA approved Mr. Lu Wei's qualifications as President and Director of the Bank. In accordance with relevant regulations, Mr. Lu Wei formally assumed the positions of President and Executive Director of the Bank on February 13, 2026. From the date of Mr. Lu Wei's appointment, Ms. Yao Hong ceased to perform duties on behalf of the President of the Bank. The Board of Directors believed that this arrangement ensured the smooth operation of the Board of Directors and the day-to-day operation of the Bank, without weakening the balance of responsibilities and authorities between the Board of Directors and the senior management of the Bank.

Securities Transactions by Directors and Supervisors

The Bank has adopted a code of conduct for securities transactions by Directors and Supervisors on terms no less stringent than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules. During the reporting period, the Directors and Supervisors of the Bank confirmed that they complied with such code of conduct.

Appraisal and Incentive Mechanisms for Senior Management

The Bank has established clear standards in relation to the remuneration policies of senior management members, and continued to improve the performance appraisal system as well as incentive and constraint mechanism for the senior management. The Bank determines performance-based annual remunerations of senior management members according to their performance assessment results, and has established the policy for deferred payment of performance-based annual remuneration.

Explanation of Independence from the Controlling Shareholder

The Bank possesses independent and complete business and the capability of independent operation. There is no situation where the independence and autonomous management capabilities cannot be guaranteed in terms of assets, personnel, finance, institutions, and business operations from the controlling shareholder. The controlling shareholder and its related parties do not occupy or control any assets of the Bank. The Bank has independent and sound financial, accounting, and personnel management policies, and the controlling shareholder and its related parties do not intervene in the financial, accounting, and personnel activities of the Bank. The controlling shareholder and its related parties do not intervene in the specific operations of the Bank, nor do they affect the independence of the Bank's operation and management.

Auditors' Engagement and Remuneration

In light of the Bank's business development needs and the demand for audit services, and with reference to market conditions, the Bank changed its accounting firm and appointed KPMG Huazhen LLP and KPMG as the accounting firms of the Bank for 2024. As reviewed and approved by the 2024 Annual General Meeting, the Bank renewed its appointment of KPMG Huazhen LLP and KPMG as the accounting firms of the Bank for 2025. They were responsible for providing audit and related services for the Bank's financial statements prepared in accordance with the China Accounting Standards for Business Enterprises and IFRSs, respectively. The audit fees amounted to RMB27.18 million, of which RMB1,684.9 thousand was attributable to internal control audit services. Both the audit engagement partners and certified public accountants began providing audit services to the Bank in 2024, and their accumulated service duration for the Bank is less than five years. In 2025, the fees payable to KPMG Huazhen LLP and its network member institutions for other services provided to the Bank, including the issuance of securities and bonds, amounted to RMB10,439.7 thousand. Save as disclosed above, there is no change in the accounting firm of the Bank in the past three years.

Corporate Governance

Significant Changes to the Articles of Association During the Reporting Period

On October 9, 2025, the Bank convened its Second Extraordinary General Meeting in 2025, at which the Proposal on Amendments to the Articles of Association of Postal Savings Bank of China Co., Ltd. was reviewed and approved, and it became effective upon approval by the NFRA on December 11, 2025. For details, please refer to the relevant announcements published by the Bank.

Self-Examination of Special Actions on the Governance of Listed Companies

The Bank has earnestly conducted a self-examination by following relevant requirements of the CSRC, and found no material differences between the actual practice of corporate governance and the requirements of laws, administrative regulations and CSRC normative documents on the corporate governance of listed companies. There were no major issues that needed to be disclosed to investors that might affect the Bank's operation and management.

Internal Control and Internal Audit

Internal Control

The Bank has established an internal control governance and organizational structure with reasonable division of labor, clear responsibilities, and clear reporting relationships which consists of the Board of Directors, senior management, departments of internal control management, internal audit departments, and business departments. Considering the purpose of monitoring the above internal control system is to manage rather than eliminate the risk of failing to achieve business objectives, the Board of Directors can only reasonably, not absolutely, assure that the above system and internal control can prevent any material misstatement or loss.

The Bank continuously deepened the development of its internal control system, comprehensively empowered grassroots-level institutions through centralized and intelligent reforms, constantly optimized work mechanisms, processes, and systems, and strove to upgrade internal control and compliance efforts from mere "compliance" to "effectiveness". The Bank strengthened rigid control mechanisms and regularly advanced the establishment of systematic, rigid control mechanisms for issues identified during inspections. Through problem identification and root cause analysis, rectification, and re-inspection, the Bank continuously promoted the optimization of the functions of its information systems and facilitated early detection and resolution of issues and risks, thus ensuring the ongoing effectiveness of the rigid control mechanisms. The Bank improved the long-term rectification mechanism, emphasized analyzing the root causes of problems and promoted systematic and fundamental rectification. Using issue rectification as a starting point, it continuously refined management mechanisms, business processes, and policies and rules, and enhanced the quality and effectiveness of operations and management. The Bank also fostered an internal control and compliance culture. It held the Third Internal Control and Compliance Knowledge Competition, aiming to "promote compliance, strengthen foundations, and enable growth". The competition reinforced the effectiveness of compliance education, covering a total of 384,256 person-times of employees across both directly-operated and agency business institutions. By learning through competition and applying knowledge in practice, the Bank cultivated a culture of "self-compliance and universal compliance". Moreover, the Bank deepened case warning education. It organized the 2025 Case Warning Education Conference for Credit Business and specialized training sessions. A Case Warning Education Platform was developed, and a series of touring lectures were conducted, using actual cases to illustrate legal principles and lessons learned. These efforts strengthened employees' awareness of case risk prevention and control, and promoted conscious compliance in operations. During the reporting period, over 530 pieces of content were published on the Case Warning Education Platform, with total visits exceeding 120 thousand. Across all levels of the Bank, a total of 2,497 touring lectures were organized, reaching a total of 229,097 person-times of employees at both directly-operated and agency business institutions.

> The Bank develops the Case Warning Education Platform.

> The Bank holds the Third Internal Control and Compliance Knowledge Competition.

In accordance with the requirements of the Basic Standards for Enterprise Internal Control and its supporting guidelines, the Guidelines for Internal Control of Commercial Banks, the Notice on Further Enhancing the Effectiveness of Internal Control over Financial Reporting of Listed Companies and other internal control regulatory requirements, and considering the Bank's basic rules and assessment measures for internal control, the Bank assessed the effectiveness of its internal control as at December 31, 2025 (the base date of the internal control assessment). Based on the Bank's identification criteria for deficiencies in internal control over financial reporting and deficiencies in internal control unrelated to financial reporting, as at the base date of the internal control assessment, the Bank maintained effective internal control over financial reporting in all material aspects pursuant to the system of standards for enterprise internal control and relevant regulations with no significant deficiencies in internal control over financial reporting or in internal control unrelated to financial reporting. The Board of Directors of the Bank reviewed and approved the 2025 Annual Internal Control Assessment Report of Postal Savings Bank of China Co., Ltd. Please refer to the announcements published by the Bank for details of the report.

KPMG Huazhen LLP audited the effectiveness of the internal control over financial reporting of the Bank as at December 31, 2025, in accordance with relevant regulations, and issued an unqualified internal control audit report. For details, please refer to the announcements published by the Bank.

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Internal Audit

The Bank implements an internal audit system in accordance with the Guidelines for Internal Audit of Commercial Banks and the Internal Audit Regulations of the National Audit Office of China, builds an independent and vertical audit system featuring "Audit Department at the Head Office + 7 regional audit offices + 29 audit divisions", establishes an audit management structure suitable for the Bank's operation and development and meeting the requirements for governance, and sets up and effectively puts into practice the internal audit reporting system and reporting lines. The audit line of the Bank, as the third line of defense in risk prevention and control, is independent from the first and the second lines of defense. The Bank continuously strengthens the professionalism and authority of its audit work, fully leverages the role of internal audit in supervision, evaluation, and consultation. The Audit Department at the Head Office carries out work under the leadership of the Board of Directors and its Audit Committee, regularly reports to the Board of Directors and its Audit Committee, and notifies the senior management.

The Audit Department at the Head Office is responsible for the overall audit work and the coordination of audit resources of the Bank, as well as the organization and implementation of Bank-wide audit activities in accordance with the internal audit charter of the Bank and professional standards. The regional audit offices are responsible for allocating audit resources under jurisdiction, executing the annual audit plan, conducting audit monitoring of regional branches, and organizing and implementing various audit projects and ongoing audit tasks according to the overall audit arrangement. Each audit division carries out audit tasks assigned by its superiors and is responsible for executing the relevant audit projects.

The Audit Department at the Head Office is responsible for formulating the annual audit plan in accordance with regulatory guidelines and governance requirements, with a focus on the implementation of decisions of the CPC Central Committee and national policies, compliance with regulatory laws and rules and regulations, advancement and deployment of the Head Office's strategy and key tasks, and risk prevention and control in critical areas and core businesses. The annual audit plan is organized and implemented after review and approval by the Board of Directors and its Audit Committee.

During the reporting period, the Bank continuously improved its audit supervision system that is centralized and unified, and authoritative and efficient, with comprehensive coverage. It constantly adhered to a problem-oriented, risk-based, and efficiency-first audit concept in its internal audit, and continuously strengthened the six major audit systems, namely organizational structure system, project management and control system, policies and standards system, results utilization system, team capability system, and digital empowerment system. Through the ongoing digital and intelligent transformation of audit work, the Bank deeply identified risks and prominent issues in critical business areas and business management activities, and continuously solidified the rectification of problems identified in audits. A closed-loop management mechanism for rectification was established and improved, emphasizing "learning from one case to prevent others, addressing both symptoms and root causes, and implementing long-term control". These efforts effectively reinforced the third line of defense in risk prevention and control, ensured the achievement of audit objectives, and leveraged audit capabilities to ensure robust and refined execution of the "five priorities" of the financial sector, so as to serve the Bank's high-quality development with high-quality audit supervision.

Information Disclosure and Investor Relations

Information Disclosure

The Bank strictly abided by the information disclosure regulatory requirements of the places where it is listed and fulfilled its disclosure obligations in accordance with regulations, striving to ensure that its information disclosure is concise, clear, easy to understand, and distinctive. The Bank continued to strengthen foundational construction and enhance technological empowerment, with a focus on building a sustainable information disclosure management system. The Bank disclosed information in a truthful, accurate, complete, timely, and fair manner, proactively addressed market concerns, and enhanced investors' recognition and trust.

In 2025, with a focus on its core reform and development tasks, the Bank enriched and expanded the depth and breadth of its information disclosure by collecting information from various channels, such as grassroots research, departmental interviews, and specialized studies, and developed diversified disclosure formats. For the 2024 annual report, the Bank won a number of prestigious awards, including the International Annual Report Competition (ARC) Awards, the Vision Awards from the League of American Communications Professionals (LACP), the International Annual Report Design Awards (IADA), and the Galaxy Awards for International Marketing. It also won the Platinum Award for Commercial Banks on the LACP Vision Awards Annual Report Competition for the first time.

The Bank further developed its information disclosure system and mechanisms, strictly upheld compliance standards, and continuously enhanced the quality and effectiveness of information disclosure. It further standardized its workflows, updated and issued work manuals, regularly communicated policies and rules, and strengthened Bank-wide recognition of the information disclosure compliance culture. It also optimized its insider information management mechanism, strictly controlled the scope of individuals with access to such information, and enhanced the digital management of insider information and insiders. No corrections to major accounting errors and no omission of material information occurred during the reporting period. For five consecutive years, the Bank has been rated A (Excellent) by the SSE in its evaluation of annual information disclosure of listed companies.

> Silver Winner of the International ARC Awards for Cover Design

> Platinum Award for Commercial Banks on the LACP Vision Awards Annual Report Competition

> IADA Silver for Cover Design

> Gold Winner for Special Treatment in Cover Design of the Galaxy Awards for International Marketing

Corporate Governance

Investor Relations

The Bank remained true to its original aspiration of "serving the market and investors" in its investor relations management work. Centering on building and maintaining a healthy market ecosystem, it focused on the core objective of market capitalization management and the concerns of shareholders and the capital markets, and was dedicated to enhancing the quality and effectiveness of market communication at multiple levels, and promoting the Bank's investment value in an all-around way. Through multiple channels and media, it leveraged investor communication activities such as results presentations, roadshows, surveys, summits, and forums, and communication platforms such as the investors hotline, mailbox, and the SSE E-interaction to strengthen two-way interaction with the capital market, accurately communicated the Bank's differentiated competitive advantages and long-term development focus, and comprehensively enhanced market recognition of the Bank's value and business philosophy.

During the reporting period, with the attention and guidance of the Board of Directors and the senior management, the Bank held four results presentations, including annual, interim, and quarterly results presentations. Specifically, the 2024 annual and 2025 interim results presentations were both conducted through online video livestreaming, phone access and live text broadcast. Following the presentations, the senior management members respectively led teams to carry out roadshows, conducted in-depth communication with investors and analysts on the Bank's business development, transformation and innovation, strategic vision, etc., with a sincere and pragmatic attitude, and actively responded to the concerns of the capital market.

Over the year, in order to engage domestic and overseas investors, the Bank organized 50 roadshows on results, attended 45 summits and forums, and received visits of 47 surveys. Together with the Listed Companies Association of Beijing, the Bank held the "Listed Company Tour" activity and fully demonstrated the Bank's communication of strategies and front-line execution in the forms of roundtable discussions, branch and sub-branch research, customer visits, and outlet visits. Over the year, the Bank accumulatively communicated with investors and analysts more than 1,300 person-times.

In 2025, the Bank won the honors of the "Best Practice in Investor Relations Management for Listed Companies in 2024" and "Best Practice in 2024 Annual Results Presentation of Listed Companies" from the China Association for Public Companies, the "Investor Relations Management – Shareholder Return Award" under the Tianma Award for Investor Relations Management of Listed Companies in China from the Securities Times, the "Best Capital Market Communication Award" and the "Best Information Disclosure Award" at the China Excellent IR Annual Selection, and the 2025 "Golden Kunpeng" China Financial Value Ranking – "Best Listed Company for Investor Relations Management".

In accordance with relevant regulatory requirements, the Bank has kept a record of the aforementioned investor receptions and communication activities, and properly kept relevant documents.

> In April 2025, the Bank held the 2024 Annual Results Announcement at the SSE.

If investors have any inquiries regarding the Bank's business performance, please contact:

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Telephone: 86-10-68858158

Fax: 86-10-68858165

E-mail: psbc.ir@psbcoa.com.cn

Implementation of the "Enhancing Quality, Efficiency, and Shareholder Returns" Initiative and Valuation Enhancement Plan

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank has remained grounded in its strategic positioning and resource endowments, adhered to the goal of building a first-tier large retail bank that is more inclusive, balanced, stable, intelligent and dynamic, and steadfastly pursued a path of high-quality development. In active response to the SSE's Proposal on Launching the "Enhancing Quality, Efficiency, and Shareholder Returns" Initiative for SSE-listed Companies, the Bank formulated its action plan of "Enhancing Quality, Efficiency, and Shareholder Returns", measures on market value management, and valuation enhancement plan in light of its development strategy and business performance, in an effort to enhance the Bank's investment value and increase shareholder returns.

In 2025, the Bank accelerated the development of its service models and systems in the "five priorities" of technology finance, green finance, inclusive finance, pension finance, and digital finance, addressed institutional challenges through reform, revitalized internal momentum through systemic restructuring, built long-term competitive advantages with precise efforts, and fully advanced reform, innovation, transformation, and upgrading. The Bank upheld an investor-centric approach and actively responded to policy requirements to enhance the stability of cash dividends and promote multiple dividend distributions within a year. The Bank maintained a cash dividend payout ratio of 30%, distributed interim dividends, and for the first time, offered H-share shareholders the option to receive dividends in RMB, thereby providing shareholders with long-term and sustainable investment returns. For detailed measures, progress, and achievements in implementing the action plan of "Enhancing Quality, Efficiency, and Shareholder Returns" and valuation enhancement plan, please refer to the "Message from the Management", "Discussion and Analysis", and "Corporate Governance" of this report.

Shareholder Communication Policy

The Bank has formulated a shareholder communication policy, which shall be reviewed periodically to ensure that the opinions and concerns of shareholders are effectively addressed. According to the shareholder communication policy, the Bank conveys information to the shareholders and investors through various channels: the Bank publishes annual reports, interim reports and quarterly reports on a regular basis, and holds the results announcement conferences to timely announce its operating results to shareholders and investors; the Bank holds annual shareholders' general meetings and other extraordinary shareholders' general meetings that may be convened, discloses the meeting materials in advance, timely answers the enquiries of shareholders, and reviews the procedures of the shareholders' general meeting from time to time, in a bid to fully protect the shareholders' rights to attend meetings; the Bank updates the materials in the investor relations column regularly, and publishes all the disclosure materials issued on the websites of the SSE and the Hong Kong Stock Exchange as well as other promotional materials of the Bank on its website, so that shareholders and investors are able to obtain the latest information about the Bank in a timely manner; the Bank actively holds various investor relations activities to maintain communication with shareholders and meet the reasonable needs of shareholders in a timely manner. The contact information of the Bank is shown on the Bank's website for any query from shareholders.

During the reporting period, the Bank reviewed the above-mentioned shareholder communication policy and its implementation, and was of the opinion that the policy had been effectively implemented.

Report of the Board of Directors

Principal Business and Business Review

The Bank and its subsidiaries are mainly engaged in the provision of banking and related financial services. The Bank complied with the laws and regulations that have a significant impact on its operation in all material respects. The Bank's business operations, information on Directors and Supervisors, and business review as required by Schedule 5 of the Hong Kong Companies Ordinance are set out in relevant sections including "Message from the Management", "Discussion and Analysis", "Corporate Governance", "Significant Events", "Financial Statements", this "Report of the Board of Directors", etc.

Profit and Dividend Distribution

For the Bank's profit and financial position during the reporting period, please refer to "Financial Highlights" and "Discussion and Analysis – Analysis of Financial Statements".

With the approval at the 2024 Annual General Meeting held on April 17, 2025, the Bank, based on the total share capital of 99,161,076,038 ordinary shares, distributed final cash dividends for 2024 at RMB1.139 (before tax) per ten ordinary shares, totaling approximately RMB11,294 million (before tax), to all the ordinary shareholders whose names appeared on the share register after the market closed on April 29, 2025. Together with the interim cash dividends at RMB1.477 (before tax) per ten ordinary shares already distributed in 2024, the total cash dividends for the whole year of 2024 were approximately RMB25,941 million (before tax), or RMB2.616 (before tax) per ten ordinary shares. The record date for the distribution of 2024 A-share and H-share final dividends was April 29, 2025. The A-share final dividends for 2024 were distributed on April 30, 2025, and the H-share final dividends for 2024 were distributed on May 22, 2025. The Bank did not convert any capital reserve to share capital in 2024.

With the approval at the 2025 Third Extraordinary General Meeting held on December 19, 2025, the Bank, based on the total share capital of 120,095,053,492 ordinary shares, distributed the interim cash dividends for 2025 at RMB1.230 (before tax) per ten ordinary shares, totaling approximately RMB14,772 million (before tax), to all the ordinary shareholders whose names appeared on the share register after the market closed on January 9, 2026. The record date for the distribution of A-share and H-share dividends was January 9, 2026. The A-share interim dividends for 2025 were distributed on January 12, 2026, and the H-share interim dividends for 2025 were distributed on February 13, 2026.

In accordance with the Company Law of the People's Republic of China, the Administrative Measures for Provisioning of Financial Enterprises, the Articles of Association, and relevant requirements, statutory surplus reserve of RMB8,617 million and general reserve of RMB23,250 million were appropriated for 2025. On the basis of 120,095,053,492 ordinary shares of the total share capital of the Bank, the Bank will distribute final cash dividends for 2025 of approximately RMB11,445 million (before tax), or RMB0.953 (before tax) per ten ordinary shares to all the ordinary shareholders whose names appear on the share register after the market closes on July 10, 2026. Together with the interim cash dividends for 2025 already paid, the total cash dividends for the whole year of 2025 will be approximately RMB26,217 million (before tax), or RMB2.183 (before tax) per ten ordinary shares. The remaining undistributed profits are carried forward to the next year. The Bank did not convert its capital reserve to share capital in 2025. The above dividends will be paid to shareholders of A shares and H shares listed on the Bank's register of shareholders after the market closes on July 10, 2026 (Friday). The Bank will suspend the registration procedures of H share ownership transfer from July 7, 2026 (Tuesday) (inclusive) till July 10, 2026 (Friday) (inclusive). The H-share holders of the Bank who desire to receive the proposed cash dividends are

requested to hand over their share certificates together with the share transfer documents to the Bank's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on July 6, 2026 (Monday). It is expected that the Bank will send a dividend currency election form to H-share holders (excluding those holding shares through the Southbound Trading) on July 14, 2026 (Tuesday) as practicable. The H-share holders who desire to receive the dividends of H shares in Renminbi must complete the dividend currency election form to make relevant choices, and return it to the Bank's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong before 4:30 p.m. on July 29, 2026 (Wednesday). If an H-share holder has not made a choice or the Bank's H share registrar, Computershare Hong Kong Investor Services Limited, has not received the duly completed dividend currency election form from the H-share holder before 4:30 p.m. on July 29, 2026 (Wednesday), the H-share holder will automatically receive the dividend in Hong Kong dollars. If an H-share holder desires to receive dividends in Hong Kong dollars in the usual manner, no further action is required. In accordance with the relevant regulatory requirements and business rules, dividends for A shares are expected to be paid on July 13, 2026, and those for H shares on August 19, 2026.

The aforesaid proposed final cash dividend distribution plan for 2025 is still subject to the review and approval of the 2025 Annual General Meeting of the Bank. The Bank will make further announcements on details of the distribution plan, distribution date, dividend-related tax matters, and tax relief related to the dividends.

Report of the Board of Directors

The Bank did not formulate any plans for the conversion of capital reserve into share capital in the past three years. The details of cash dividends on ordinary shares for the past three years are set out in the table below:

Cash dividends of ordinary shares

Items	2025	2024	2023
Distributed dividends per ten shares (before tax, in RMB)	2.183	2.616	2.610
Cash dividends (before tax, in RMB million)	26,217	25,941	25,881
Net profit attributable to shareholders of the Bank in the consolidated statements (in RMB million)	87,404	86,479	86,270
Cash dividends as a percentage of net profit attributable to shareholders of the Bank in the consolidated statements (%)	30	30	30

Cash dividends of ordinary shares for the last three fiscal years

Accumulated cash dividends for the last three fiscal years (before tax, in RMB million) (1)	78,039
Accumulated repurchases and cancellation for the last three fiscal years (in RMB million) (2)	–
Accumulated cash dividends and repurchases and cancellation for the last three fiscal years (before tax, in RMB million) (3)=(1)+(2)	78,039
Annual average net profit for the last three fiscal years (in RMB million)[1](4)	86,718
Percentage of cash dividends for the last three fiscal years (%) (5)=(3)/(4)	90
Net profit attributable to shareholders of the Bank in the consolidated statements for the latest fiscal year (in RMB million)	87,404
Undistributed profit at the end of the year in the Bank's individual statement for the latest fiscal year (in RMB million)	278,831

Note (1): The annual average net profit is the average net profit attributable to equity holders of the Bank in the consolidated statements.

Implementation of Cash Dividend Policy

The Bank attaches importance to ensuring reasonable returns to investors as well as maintaining the continuity and stability of profit distribution policies. It takes into account the overall interests of all shareholders as well as the long-term interests and sustainable development of the Bank. The Bank may distribute dividends in cash or in shares, and priority shall be given to cash dividend distribution. In principle, the Bank distributes its profits once a year, and might consider interim profit distribution under certain conditions. In 2025, the Bank implemented two cash dividend distributions, namely the interim and final dividends, to consistently generate long-term, sustainable investment returns for investors.

The formulation and implementation of the Bank's cash dividend policy comply with the provisions stipulated in the Bank's Articles of Association and the requirements provided in the resolutions of the Shareholders' General Meeting. The decision-making procedures and mechanisms are complete, and the dividend distribution standards and proportions are clear and explicit. Independent Non-executive Directors have diligently fulfilled their obligations, played their due roles, and expressed their opinions. Minority shareholders have the opportunity to fully express their opinions and demands, and their legitimate rights and interests are fully protected.

Reserves

For details of changes in reserves of the Bank during the reporting period, please refer to "Consolidated Statement of Changes in Equity".

Financial Summary

For the summary of operating results, assets, and liabilities for the five years ended December 31, 2025, please refer to "Financial Highlights".

Donations

During the reporting period, the Bank donated RMB33,251.2 thousand (domestically).

Fixed Assets

For details of changes in fixed assets of the Bank during the reporting period, please refer to "Notes to the Consolidated Financial Statements – 24 Property and equipment".

Subsidiaries

For details of the Bank's majority-owned subsidiaries during the reporting period, please refer to "Discussion and Analysis – Majority-Owned Subsidiaries" and "Notes to the Consolidated Financial Statements – 22 Investment in subsidiaries".

Share Capital and Public Float

As at the end of the reporting period, the Bank had 120,095,053,492 ordinary shares in total (including 100,238,886,492 A shares and 19,856,167,000 H shares). As of the disclosure date of this report, based on publicly available information, the Bank had maintained sufficient public float in compliance with the minimum requirement of the Hong Kong Listing Rules.

Tax Relief

Shareholders of the Bank are taxed in accordance with the following tax regulations and the amendments thereof from time to time, and may enjoy possible tax relief according to the actual situation. Shareholders should seek professional advice from tax and legal advisors. The laws, regulations, and stipulations cited below are all relevant regulations issued as of December 31, 2025.

A-Share Holders

In accordance with the Notice on Implementing Differentiated Individual Income Tax Policy for Stock Dividends and Bonuses of Listed Companies (Cai Shui [2012] No. 85) and the Notice on Differentiated Individual Income Tax Policy for Stock Dividends and Bonuses of Listed Companies (Cai Shui [2015] No. 101) issued jointly by the MOF, the State Taxation Administration, and the CSRC, for shares of listed companies obtained by individuals from public offerings or the transfer market, where the holding period is less than one month (inclusive), the dividends and bonuses shall be counted as taxable income in the full amount; where the holding period is more than one month and less than one year (inclusive), 50% of the dividends and bonuses shall be counted as taxable income on a provisional basis; and where the holding period exceeds one year, the dividends and bonuses are temporarily exempted from individual income tax. The above-mentioned income is subject to a uniform individual income tax rate of 20%. The dividends and bonuses obtained by equity investment funds from listed companies are also subject to individual income tax in accordance with the aforementioned rules.

In accordance with Article 26.2 of the Enterprise Income Tax Law of the People's Republic of China, dividends, bonuses, and other equity investment proceeds distributed between qualified resident enterprises shall be tax-exempt income.

In accordance with Article 83 of the Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China, dividends, bonuses, and other equity investment proceeds distributed between qualified resident enterprises referred to in Article 26.2 of the Enterprise Income Tax Law of the People's Republic of China mean the investment proceeds obtained by resident enterprises through direct investment in other resident enterprises, excluding the investment proceeds obtained from publicly offered and tradable stocks of resident enterprises held for less than 12 consecutive months.

Report of the Board of Directors

In accordance with the Enterprise Income Tax Law of the People's Republic of China and the Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China, dividend income obtained by non-resident enterprises shall be levied at a preferential enterprise income tax rate of 10%.

H-Share Holders

In accordance with Chinese tax laws and regulations, the dividends and bonuses received by overseas resident individual shareholders from stocks issued by domestic non-foreign-invested enterprises in Hong Kong are subject to individual income tax, which shall be withheld by the withholding agent in accordance with the law. However, overseas resident individual shareholders who hold stocks issued by domestic non-foreign-invested enterprises in Hong Kong can enjoy relevant tax benefits pursuant to provisions of the tax treaties signed between their countries of residence and the PRC, or the tax arrangements between the Chinese mainland and Hong Kong or Macao. For individual H-share holders, the Bank generally withholds individual income tax on dividends at the rate of 10%, unless otherwise specified by relevant tax regulations and relevant tax treaties.

In accordance with the Notice on Issues concerning the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Shareholders of Overseas Non-Resident Enterprises (Guo Shui Han [2008] No. 897) issued by the State Taxation Administration of the PRC, the Bank will withhold enterprise income tax at the rate of 10% when distributing annual dividends to H share shareholders of overseas non-resident enterprises from the year of 2008.

According to the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong on dividends distributed by the Bank on H shares.

Tax matters related to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect shall be implemented in accordance with the requirements of the Circular on Tax Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) and the Circular on Tax Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) by the MOF, the State Taxation Administration, and the CSRC.

Repurchase, Sale or Redemption of Shares

During the reporting period, the Bank and its subsidiaries did not repurchase, sell or redeem any of the Bank's listed securities (including the sale of treasury shares). The Bank did not hold any treasury shares as of the end of the reporting period.

Pre-emptive Rights

There are no mandatory provisions regarding pre-emptive rights in the Articles of Association of the Bank. According to the Articles of Association, the Bank may increase its registered capital by issuing shares to non-specific subscribers and specific subscribers, distributing bonus shares to existing shareholders, converting capital reserve to share capital, and other methods as permitted by laws, administrative regulations and approved by relevant competent authorities.

Equity-Linked Agreement

During the reporting period, the Bank did not enter into or renew any equity-linked agreements.

Major Customers

During the reporting period, the aggregate interest income and other operating income of the Bank's top five customers accounted for no more than 30% of the Bank's interest income and other operating income for the year.

Material Relationship with Employees and Suppliers

Due to the nature of its business, the Bank has no major suppliers.

For details of the Bank's relationship with its employees, please refer to the 2025 Sustainability Report of Postal Savings Bank of China published on the websites of the SSE, the HKEX, and the Bank.

Use of Raised Funds

The funds raised by the Bank have been used in accordance with the purposes as disclosed in the prospectuses, i.e. to consolidate the Bank's capital base and support the continued growth of the Bank's business.

After verification and analysis, the implementation progresses of the utilization plans of raised proceeds are in line with those publicly disclosed by the Bank in documents such as the IPO prospectus and other prospectuses.

The Bank completed the issuance of A shares to specific subscribers in June 2025, with a total of 20,933,977,454 shares issued. After deducting the issuance expenses directly related to the issuance, the net proceeds raised amounted to RMB129,961,940,637.58, all of which are used to supplement the CET1 capital of the Bank. For details on the use of the funds raised by the Bank, please refer to the Special Report of the Deposit, Management and Use of Proceeds Raised from the Offering of A-Shares to Specified Subscribers of Postal Savings Bank of China Co., Ltd., the Special Report and Verification Report of the Deposit, Management and Use of Proceeds Raised from the Offering of A-Shares to Specified Subscribers of Postal Savings Bank of China Co., Ltd. and the 2025 Special Verification Report of China International Capital Corporation Limited and CITIC Securities Company Limited on the Deposit, Management and Use of Proceeds of Postal Savings Bank of China Co., Ltd. published by the Bank on the websites of the SSE and the Bank on the disclosure date of this report.

Directors' and Supervisors' Interests in Contracts of Significance

For details on the list of Directors and Supervisors, biographies, and their changes, please refer to "Corporate Governance – Directors, Supervisors and Senior Management". During the reporting period, none of the Directors or Supervisors of the Bank, nor any entities associated with such Directors or Supervisors, had any material interests, directly or indirectly, in any significant transaction, arrangement, or contract entered into by the Bank or any of its subsidiaries in relation to the Bank's business. None of the Directors or Supervisors of the Bank entered into any service contracts with the Bank or any of its subsidiaries providing for compensation (other than statutory compensation) upon termination by the Bank within any given year.

Directors' and Supervisors' Interests in Competing Businesses

During the reporting period, none of the Directors and Supervisors had any interest in any business that directly or indirectly competes or may compete with the Bank.

Directors' and Supervisors' Rights to Acquire Shares or Debentures

During the reporting period, the Bank did not grant any rights to acquire shares or debentures to any of its Directors or Supervisors, nor were any of such rights exercised by any of the Bank's Directors or Supervisors. Neither the Bank nor its subsidiaries entered into any agreement or arrangement which would enable the Directors and Supervisors to benefit from the acquisition of shares or debentures of the Bank or any other companies.

Interests in Shares, Underlying Shares, and Debentures Held by Directors

As at the end of the reporting period, none of the Directors of the Bank held any interests or short positions (including interests and short positions in which they are deemed to have under such provisions of the SFO) in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in Part XV of the SFO) which are required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or any interests or short positions which are required to be recorded in the register under Section 352 of the SFO, or any interests or short positions which

Report of the Board of Directors

are required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules. For details of the interests and short positions of substantial shareholders of the Bank and other persons, please refer to "Changes in Share Capital and Shareholdings of Shareholders – Interests and Short Positions Held by Substantial Shareholders and Other Persons".

Connected Transactions

During the reporting period, the Bank complied with domestic and overseas laws, regulations, and regulatory requirements, and advanced the management of connected transactions. It refined the management mechanism, improved approval and filing processes, organized training, and continued to foster a culture of compliance for connected transactions, thereby further enhancing the management of connected transactions. The Bank's connected transactions were conducted in accordance with laws and regulations and were in line with the overall interests of the Bank and its minority shareholders. For further details on the connected transactions of the Bank, please refer to "Connected Transactions and the Implementation of the Management System for Connected Transactions" and "Notes to the Consolidated Financial Statements – 40 Relationship and transactions with related parties".

Remuneration of Directors and Senior Management Members

The remuneration plan of senior management members of the Bank shall be reviewed and approved by the Board of Directors. The remuneration plan of the Directors of the Bank shall be submitted to the Shareholders' General Meeting of the Bank for further review and approval after it is reviewed and approved by the Board of Directors. After the completion of the annual performance assessment, the annual remuneration of the Directors and senior management members shall be determined based on the assessment results. For details of the remuneration, please refer to "Corporate Governance" and the announcements published by the Bank. The Bank did not formulate any share incentive plans for the Bank's Directors and senior management members.

Permitted Indemnity Provision

According to the Articles of Association, unless the Directors or senior management members are proved to have failed to perform their duties and responsibilities honestly or in good faith, the Bank shall bear the civil liability incurred by the Directors and senior management members during their terms of office to the greatest extent permitted by laws and administrative regulations or to the extent not prohibited by laws and administrative regulations. The Bank has purchased liability insurance for Directors and senior management members to cover potential risks arising from their discharge of duties.

Financial, Business, and Family Relationships among Directors and Senior Management Members

Save as disclosed in this report, the Bank is not aware of any other financial, business, family or other material relationships between the Directors and senior management members of the Bank.

Management Contracts

During the reporting period, the Bank did not enter into or maintain any management or administrative contracts relating to the Bank's overall or important business.

Annual Performance Audit

The financial report of the Bank for the year 2025, prepared in accordance with PRC GAAP and IFRSs, has been audited by KPMG Huazhen LLP and KPMG in accordance with domestic and international auditing standards respectively with unqualified auditor's reports issued.

The Board of Directors of
Postal Savings Bank of China Co., Ltd.
March 27, 2026

Environmental and Social Responsibilities

Green Finance

MSCI ESG rating jumped to **AAA**.

The Bank issued the first tranche of green financial bonds in 2025 in the National Interbank Bond Market, with a scale of RMB **5** billion.

The Bank established a total of **56** specialized green finance institutions.

The Bank provided carbon accounting services for more than **20** thousand corporate clients on a cumulative basis.

The Bank joined the China-UK Transition Finance Working Group and actively supported **green finance** and **transition finance** businesses.

During the 14th Five-Year Plan period, the Bank continued to fulfill its responsibilities as a major state-owned bank. With the orientation of serving carbon peaking and carbon neutrality goals and contributing to the building of a Beautiful China, the Bank built an all-round green financial service system, and strived to build a green and inclusive bank, climate-friendly bank and eco-friendly bank. In alignment with the growth of business scale, the Bank's balance of green loans doubled, and the scale of green bond investment and underwriting increased significantly. The Bank gradually improved its governance structure. It incorporated green development into its corporate governance, and the Board of Directors and its relevant committees regularly reviewed topics relating to green finance, ESG, etc. The Bank improved its organizational structure. It established the green finance steering groups for carbon peaking and carbon neutrality at Head Office, branches and majority-owned subsidiaries levels, set up a green finance division at the Head Office, and made PSBC Huzhou Branch a Head Office-level green finance reform demonstration branch and green finance specialized institution. The Bank continued to improve its institution and mechanism. It implemented the green finance strategies, optimized and refined green finance policies and management requirements, continued to improve the incentive and restraint mechanism, and increased resource allocation in terms of performance assessment, credit scale, FTP, economic capital measurement and other aspects. The Bank kept its products and services innovative. It successively launched various products and services, including loans pledged by the right over incomes from carbon sink, "carbon emission reduction supporting tool + sustainability linkage + e-CNY" loans, just transition loans, "ESG loans + insurance", "compensation loans for ecological forest", "Single-plant Carbon Sink Program" and "Ecological Credit Loan". The Bank also took proactive steps to ensure compliance with international standards. It adopted the Principles for Responsible Banking (PRB), joined the United Nations Environment Programme Finance Initiative (UNEP FI), and signed the United Nations' Sustainable Blue Economy Finance Initiative.

Environmental and Social Responsibilities

During the reporting period, the Bank strictly followed the national policies and regulatory requirements, supported the UN's Sustainable Development Goals (SDGs) for 2030 and the Paris Agreement, upheld the concept of "Green World, Better Life", and actively acted as a pioneer in green finance, to advance green finance and contribute to the building of a Beautiful China. It vigorously developed sustainable finance, green finance and climate financing, explored transition finance and just transition, supported biodiversity protection, and contributed to achieving carbon peaking and carbon neutrality goals. In accordance with the Catalogue of Green Finance-Supported Projects (2025) issued by the PBOC, as at the end of the reporting period, the Bank's balance of green loans amounted to RMB1,006,371 million, up by 17.15% over the prior year-end, and outpaced the average growth rate of the Bank's various loans for several consecutive years; the balance of the Bank's green bond investments amounted to RMB48,652 million; the volume of green bond underwriting stood at RMB4,719 million. The Bank was consecutively recognized as an "Advanced Unit in Green Bank Evaluation" by the China Banking Association, and maintained honors and awards such as the "2025 Best Cases of Sustainable Development of Public Companies" award by the China Association for Public Companies, the "Best ESG Dual Carbon Practice Award" by Hong Kong International ESG Alliance, the "2025 Banking Sector ESG Brand Building Cases" award by China Financial Media Corporation, and the "Green Development Cases of the Year 2025" award by The Beijing News. In March 2026, MSCI released the ESG rating results, with the Bank's ESG rating upgrading to AAA.

Improving the governance structure. The Bank advanced green banking at the strategic level, continued to improve its green finance governance structure and integrated environment-related strategies into its governance framework. Under the unified leadership of the Party Committee of the Head Office, the Board of Directors and the senior management strengthened the leadership and implementation of green finance work according to their responsibilities. The Bank held meetings of the Board of Directors and its Social Responsibility and Consumer Rights Protection Committee, the Green Finance Steering Group for Carbon Peaking and Carbon Neutrality, and the Green Finance Taskforce on Carbon Peaking and Carbon Neutrality on a regular basis, studied and implemented strategies for the development of green finance and ESG risk management, and advanced toward the goal of carbon peaking and carbon neutrality in an active and steady way. The Bank supported the green transition and development in regions such as the green finance reform and innovation pilot zones, climate investment and financing pilot areas, and carbon peaking pilot cities and green office campuses, while continuously improving the quality and efficiency of green financial services in facilitating low-carbon transitions. It established a total of 56 specialized green finance institutions such as green finance departments, carbon neutrality sub-branches, green sub-branches, and blue sub-branches, of which 11 such institutions were established during the reporting period. The Bank joined the China-UK Transition Finance Working Group to strengthen research on transition finance and external exchanges, and promote the development of transition finance business.

Refining policies and rules. The Bank formulated Guidelines on Sustainable Finance Credit Extension, developed separate guidelines on the credit extension policies for green finance and transition finance, clearly defined the support directions and key areas for green finance and transition finance, and categorized industries such as hydropower, nuclear power, wind power, photovoltaic power generation, electrochemical energy storage, energy conservation and environmental protection, new energy vehicles, lithium-ion batteries, charging piles, railways, rail transit, and marine industries as industries encouraged to finance. ESG factors were integrated into the credit extension policies for key industries, with an emphasis on biodiversity protection and climate change. The Bank implemented categorized management and dynamic assessment of customer ESG risks, and continuously provided more differentiated policy support and control based on industry features and business characteristics. It adhered to the "one-vote veto" system for environmental protection, prohibited providing support for overseas high-carbon fossil fuel energy projects such as coal and coal power, and implemented a "zero tolerance" policy for customers and projects that did not comply with environmental protection or industrial policies. Moreover, the Bank formulated the Plan for High-quality Development of Green Finance of Postal Savings Bank of China to clarify the overall requirements and key tasks for the high-quality development of green finance, and issued the Notice on Clarifying the Recognition Standards and Procedures for Transition Finance Business in the Corporate Banking Sector to strengthen the identification of transition-related business.

Optimizing resource allocation. The Bank improved the incentives and restraints from aspects such as performance assessment, FTP, economic capital, and approval and authorization, and vigorously supported key areas of green finance such as low-carbon transportation, renewable energy, clean energy, green buildings, and energy conservation and environmental protection. In terms of assessment management, it incorporated green credit development indicators into the performance assessment systems of the Head Office and branches. In terms of authorization improvement, the Bank expanded authorization for the transition finance business and green sectors such as energy conservation and environmental protection, and clean energy to improve business responsiveness. In terms of pricing, the Bank cut 15 bps for the FTP of green loans and green bonds, and 90 bps for the FTP of green inclusive MSE loans and similar products, thereby channeling resources to green sectors through differentiated pricing. In terms of economic capital, the Bank set a 90% adjustment coefficient for the economic capital measurement of the green finance business, and a 102% adjustment coefficient for the economic capital measurement of high-energy-consuming and high-emission industries. In terms of subsidies and incentives, the Bank granted loan scale-based income subsidies to branches that obtained the PBOC's carbon emission reduction facility, and awarded incentives to branches that established specialized green finance institutions to strengthen positive incentives.

Environmental and Social Responsibilities

Continuously providing innovative financial products and services. Adhering to its strategic positioning and leveraging its advantages in capital and network, the Bank promoted the development of green finance with a focus on key areas such as "pollution prevention and control", "energy conservation and environmental protection", and "ecological agriculture". It increased green bond investment, and gave priority to supporting green projects in the fields of energy conservation and environmental protection, clean energy, and infrastructure upgrading to help transform the development modes. It issued the first tranche of green financial bonds in 2025 in the National Interbank Bond Market, with a scale of RMB5 billion, focusing on supporting the green upgrading and transformation of infrastructure. The Bank launched the Carbon Reduction Loan product, which was selected as one of the excellent cases of "Beijing Services" in the field of finance at the 2025 China International Fair for Trade in Services, as well as the Marine Carbon Sink Loan for Shellfish Products and the Wetland Biodiversity Protection Carbon Sink Loan. It deepened the practice of transition finance, with a total of ten transition finance loans amounting to RMB647 million disbursed, empowering the low-carbon transition and upgrading of carbon-intensive industries. The Bank established a carbon footprint framework and optimized the low-carbon zone in its personal mobile banking app by incorporating financial scenarios such as virtual low-carbon cards, deposits and loans, as well as life scenarios such as public transportation and cycling, into carbon emission reduction calculation, thereby guiding users to embrace green and low-carbon lifestyles and promoting the low-carbon living concept. It also deployed carbon accounting function on the corporate mobile banking app, and promoted the "dual carbon" initiative for SMEs in an active and orderly manner. As at the end of the reporting period, the Bank provided carbon accounting services for more than 20 thousand corporate clients on a cumulative basis.

Strengthening ESG and climate risk management. In line with the reform requirements of "continuously optimizing and enhancing the comprehensive risk management framework", and benchmarking against leading peers, the Bank optimized its climate risk management system, continuously improved policies, rules and regulations and procedures, and optimized tools and measures for ESG risk identification, monitoring, prevention and control. It implemented differentiated management of authorization for approval of corporate client businesses, with approval authority for clients in industries such as coal power generation being centralized at higher levels. The Bank conducted ESG and climate risk assessments for nine consecutive years and took effective measures to prevent and mitigate such risks, carried out climate risk stress tests for carbon-intensive industries for five consecutive years, and conducted climate risk identification with the assessment indicating that climate risk was not a major risk of the Bank. In addition, the Bank launched on-site inspections of credit extension management and special investigations on the identification of green loans to enhance green finance management of branches and strengthen the quality of data statistics.

Enhancing professional capabilities. The Bank embedded the concept of green development into its corporate culture, and encouraged employees to act as pioneers and leaders in green finance. Aligning with leading domestic and international disclosure standards, the Bank published its Environmental Information (Sustainable Finance) Report, comprehensively presenting its practices and achievements in green finance as well as environmental and climate risk management. It enriched its green finance training framework, and invited internal and external experts to provide Bank-wide special training sessions on credit extension policies, green credit statistics, ESG, climate risks, etc.

Supplementary Cases

PSBC Shaanxi Branch actively implemented the concept of green finance development and collaborated with Shangluo Municipal Meteorological Bureau to introduce the Climate Value Loan, a tailored credit product to precisely meet the financing needs of climate-friendly enterprises. Leveraging the bureau's research in climate and tourism, wellness, eco-agriculture, and green industry, PSBC Shaanxi Branch explored an innovative model featuring "certification by meteorological bureau plus empowerment via financial services", translating enterprises' climate-friendly attributes into financing advantages and effectively promoting the conversion of climate and ecological resources into value-generating economies such as the tourism economy and health and wellness economy.

As at the end of the reporting period, the branch cumulatively granted approximately RMB85.26 million in Climate Value Loan, with key support provided to projects such as the cultural tourism development of the Music Town in Luonan County and the walnut industry of Shangluo Shengda Industrial Co., Ltd. The launch of this product injected financial impetus into the development of local green industries, and effectively supported the development of the initiative "22°C Shangluo • China's Health and Wellness Capital" and the realization of the value of climate and ecological products, achieving an organic integration of economic returns and ecological benefits.

PSBC Xinjiang Branch provided targeted project matchmaking and credit services by taking into consideration regional resource endowments and focusing on advantageous new energy sectors such as solar photovoltaic, wind power, hydropower and pumped energy storage. Through measures such as establishing a "green channel" for review and approval and strengthening parallel business processing support, the branch continuously enhanced the quality and effectiveness of its financial services to fully support the high-quality development of the regional new energy industry.

During the reporting period, PSBC Xinjiang Branch extended credit to the "photovoltaic plus wind power plus CCUS plus compressed air energy storage" integrated project in Turpan City. As a key new energy comprehensive utilization project promoted in Xinjiang Uygur Autonomous Region, the project deeply integrates clean power generation from photovoltaic and wind energy with carbon capture, utilization and storage (CCUS) and compressed air energy storage technologies, achieving coordinated full-chain development across energy production, carbon emission reduction and energy storage peak shaving. Upon completion, the project is expected to generate an average of 2,088 million kWh of electricity, save 629 thousand metric tons of standard coal, and reduce carbon dioxide emissions by 1,720.2 thousand metric tons per year, delivering significant ecological and social benefits.

> PSBC Shaanxi Branch launches the Climate Value Loan.

> PSBC Xinjiang Branch supports the project integrating wind power, photovoltaic power and power storage.

Environmental and Social Responsibilities

Green Operations

During the 14th Five-Year Plan period, the Bank thoroughly implemented the national carbon peaking and carbon neutrality strategies, and fully integrated green development principles into its operations and management. It systematically advanced energy conservation, emission reduction, and carbon mitigation efforts, further improved its energy management rules and regulations, and steadily enhanced energy efficiency. It continued to promote green buildings and energy-saving technologies, gradually advanced the development of its carbon emissions management system, and continuously strengthened green and low-carbon awareness and practices among all employees.

In 2025, the Bank followed the philosophy of low-carbon development and continuously practiced green operations. The Head Office departments and institutions conducted quarterly green office inspections, further strengthened electricity and water conservation management, and organized the Bank-wide energy conservation publicity activity under the theme of "Energy Efficiency Boost: Renewal Initiative" and the "Head Office Departments Energy Conservation Quiz Campaign" to enhance employees' awareness of green office practices and standardize their energy use behaviors. Upholding the fine work style of operating within the means and economizing where possible, the Head Office continuously promoted the Clean Plate Campaign to combat food waste with multiple measures. Surveillance cameras were installed at the cafeteria tray return area to capture food waste in real time, and on-site inspections were conducted on an irregular basis to strengthen supervision of food waste behaviors and foster a frugal dining culture. At the same time, the Bank actively promoted the development of "smart cafeteria" to enable paperless and traceable cross-regional dining management, and added menu preview functions to help employees plan their meals in advance, thereby reducing food waste at the source.

In active response to local government requirements on energy conservation and emission reduction, the Head Office met the total energy consumption control targets set by the Beijing Xicheng District Development and Reform Commission for four consecutive years. Energy audits were conducted at the Head Office's offices in Beijing to identify areas feasible for energy-saving and technology upgrading projects and formulate rectification plans. The Bank also actively promoted the use of green electricity and the development of green office campus. In 2025, the Fengtai Data Center and Yongfeng Base of the Head Office consumed a total of 7,502.9 thousand kWh of green electricity. The photovoltaic power generation system installed at the Hefei Base Management Center had a total installed capacity of 125.35 kW, generated 145.2 thousand kWh in 2025, and had cumulatively generated 568.4 thousand kWh since launch, all of which was fully self-consumed, effectively enhancing the utilization of clean energy.

The Bank established a Bank-wide carbon emission data management system, promoted the use of the carbon resource management system across the organization, and implemented a monthly carbon emission data reporting mechanism. It organized the accounting of its own operational carbon emission data for the years 2024-2025, and strengthened professional training in carbon emission management, to improve the professional capabilities of carbon emission management personnel, and ascertain the Bank's carbon emission baseline and grasp the development trends of carbon emission data.

The Bank developed green buildings and applied advanced energy-saving technologies. The Bank issued the Guiding Opinions on Ensuring Logistics Support in 2025, calling for Bank-wide efforts to prioritize resource conservation, adopt a low-carbon approach, and adapt to local conditions. For newly-built business and technical premises, green building requirements shall be fully implemented. For the renovation of business and technical premises, the original building

conditions shall be taken into account; renovation tasks shall be properly sequenced with balanced consideration of preservation, renovation, and removal at the same time. During the construction management process, an analysis of the impact of green construction shall be conducted with green construction goals clearly defined, and efforts shall be made in material saving, energy consumption reduction, water source conservation, and soil protection.

The Bank thoroughly implemented green procurement. The Bank issued the Implementation Measures of Postal Savings Bank of China for Green Procurement, which clearly prioritized the procurement of energy-efficient and eco-friendly products that meet green packaging and green transportation requirements. The Bank continued to require its suppliers to sign and fulfill the Agreement on Energy Conservation, Emissions Reduction and Green Development, so as to promote suppliers to jointly fulfill social responsibilities, including environmental protection responsibility.

Supplementary Case

In 2025, in line with the "weather-dependent heating/cooling" provisions in the Regulations on the Administration of Urban Centralized Heating in Hefei, PSBC Hefei Base shut down boilers approximately two hours earlier each day during the heating season and utilized the residual heat from air conditioning pipes for heating, saving approximately 57.9 thousand cubic meters of gas. During the cooling season, the base shut down chillers approximately two hours earlier each day and utilized the residual water from air conditioning pipes for cooling, saving approximately 145.6 thousand kWh of electricity. The base turned off half of the lights in the underground garage, saving approximately 177.0 thousand kWh of electricity. The base also utilized the rainwater recycling system to replenish water for ponds and irrigate green spaces in the office campus, saving approximately 1,800 cubic meters of water. This fully demonstrated the notable achievements of PSBC Hefei Base in energy conservation, consumption reduction and the development of green office campus.

Supplementary Case

Baodi Base Phase I-B Project systematically adopted multiple energy-saving technologies, comprehensively enhancing green building standards. The main structure was constructed using prefabrication technology, effectively reducing material waste and construction waste. The exterior curtain wall features double-glazed, triple-silver low-E glass, significantly optimizing the indoor thermal environment, lowering energy loads, and enhancing energy-saving capabilities of buildings. With respect to equipment systems, the cold/heat source systems utilize variable frequency drive technology, energy-saving transformers, and high-efficiency water-use fixtures, enabling efficient use of electricity and water resources. In addition, multiple measures such as increasing green coverage, installing sunken wetlands and laying permeable pavement have been implemented to enhance water retention and drainage capacity across the office campus and mitigate the heat island effect. Through the integrated design of the building, equipment and ecological system, a green operation system was established across the entire building lifecycle.

Environmental and Social Responsibilities

Care for Employees

Mental Care

The Bank consistently upheld the corporate spirit of "being responsible, resilient, and caring", and treated employees' mental health as an integral component of team building and humanistic care, systematically advancing its psychological support initiatives. A 24-hour "Psychological Consulting Hotline" was continuously maintained to provide employees with immediate and professional channels for stress relief. The Bank organized remote mental health service training programs on digital platforms for employees across the organization, established mental health centers and dedicated mental care support teams, and effectively enhanced employees' psychological resilience and self-regulation capabilities. These efforts substantially helped employees alleviate work-related stress, strengthened psychological capital, fostered a positive and healthy working environment, and encouraged the cultivation of a healthy and optimistic mindset.

> PSBC Daye Sub-branch in Hubei Province sets up a mental health center for employees.

Cultural and Sports Activities

The Bank continued to enrich employees' cultural life. During the year, it organized a wide range of Bank-wide cultural and sports events, participated in several external competitions, and achieved outstanding results, effectively stimulating employees' enthusiasm for striving for excellent performance and strengthening team cohesion and employees' sense of belonging.

PSBC Tianjin Branch successfully hosted the "Soundwave Plan • Frequency Storm" Grassland Music Festival, bringing the melodies of PSBC employees to life. Merchants from the Tianjin Branch's "Client Engagement Hall" platform were specially invited to enjoy the musical celebration. A Client Engagement Hall exhibition area was set up on site, and key partners of various branches and local brand merchants were invited to set up booths, demonstrating the Bank's ecosystem of collaboration for win-win results with its partners, and enhancing the warmth of its services and brand influence.

> PSBC Tianjin Branch holds the "Soundwave Plan • Frequency Storm" Grassland Music Festival.

The Bank successfully hosted the Mixed-Team Billiards Competition in Taiyuan, Shanxi Province for employees. Employees from front, middle and back offices across the Bank actively participated. The event showcased a positive and energetic corporate culture. An agricultural support exhibition area was innovatively established at the event, where officials on temporary assignment to counties designated for targeted assistance were specially invited to promote local specialty agricultural products, exploring an innovative integrated model of "cultural and sports events as a platform to bolster consumption-driven targeted assistance".

> An agricultural support exhibition area is set up at the Bank's Mixed-Team Billiards Competition.

PSBC Zhejiang Branch, together with the Zhejiang Branch of China Development Bank, co-hosted the "Joyful Gathering with PSBC" employee networking event, featuring cultural and sports segments such as table tennis, board games, tea culture activities and yoga, alongside a "Business Dialogue" session. The event facilitated in-depth discussions on financial development trends and innovative models, effectively enhancing mutual understanding and building consensus on cooperation. It not only enriched employees' spiritual and cultural life, but also built a new bridge for cross-institutional business collaboration, injecting fresh momentum into deepening peer cooperation and supporting the Bank's high-quality development.

> The Head Office holds the 2025 "Badminton Mastery in PSBC Style" badminton tournament.

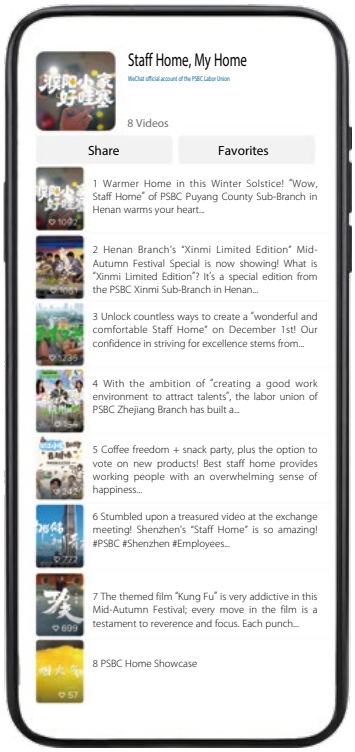
Environmental and Social Responsibilities

High-Quality Development Award Ceremony

On July 26, 2025, the Bank held its 2024 Annual High-Quality Development Comprehensive Award Ceremony in Hefei, Anhui Province, honoring tier-1 branches and key urban branches with outstanding development quality and effectiveness and significant capability enhancement, as well as business managers who made notable contributions to reform and development. The themed video of the ceremony, "Moving Forward with Innovation", recorded more than 100 thousand online views.

Staff Home

In line with the requirement for building a "warm, efficient, democratic, cultural and well-regulated" staff home, the Bank offered more human-centered services, and continued to strengthen the development of staff homes. Branches were encouraged to actively explore innovative practices in staff home development, tap deep into their distinctive features, develop their unique highlights, and build a highly recognizable, strong-cohesion staff home brand. The Bank designed and released a series of short videos under the theme of "PSBCers' Cafeteria" and several themed short films on the featured staff homes to promote successful and replicable experience in building staff homes and continuously expand the demonstration and leading effect of staff home development.



Scan the QR code to watch the short film "No Fun Spoilers • Staff Home" in the WeChat official account of the PSBC Labor Union

Scan the QR code to watch the short film "Wow, Staff Home" in the WeChat official account of the PSBC Labor Union

New Media Platform

Since its launch on September 1, 2015, the "PSBC Labor Union", the official new media platform of the Bank's labor union, has been committed to telling the stories of PSBCers in the new era and promoting the positive workplace culture of the Bank. Over the years, the Bank has built it into a comprehensive and multi-dimensional new media communication matrix which is centered on the WeChat official account and simultaneously covers subscription accounts, video accounts, etc. The platform has produced numerous viral works with over 100 thousand views, showcasing to the public the enterprising spirit of PSBCers, and has developed into a new media official account of enterprise labor union with certain influence in the industry. In 2025, at the National Outstanding Labor Union New Media Account Selection jointly organized by the All-China Federation of Trade Unions and the Office of the Central Cyberspace Affairs Commission, the "PSBC Labor Union" was honored as one of the "Top Ten Enterprise Labor Union WeChat Official Accounts".

Consumer Protection

The Bank consistently remained true to its founding aspiration of "serving the people through financial services", strictly adhered to regulatory requirements, and resolutely implemented all policy decisions and arrangements. It fully integrated the financial consumer protection into all aspects and throughout the entire process of business operations, steadily advanced consumer protection to a new height through stronger measures and more solid efforts, and provided customers with convenient and warm financial services, thereby effectively enhancing financial consumers' sense of gain and satisfaction.

Improving the governance framework and consolidating the foundation of consumer protection. The Bank refined the requirements for the development of consumer protection system and mechanism, strengthened the efforts in the implementation of consumer protection work at the senior management level, and enhanced supervision and guidance over branches and subsidiaries, thereby fostering a coordinated and collaborative working framework. The Bank further fostered its consumer protection culture, established a tiered, categorized and organization-wide education and training system, issued the Handbook on Key Points of the Eight Rights of Financial Consumers, and built up consumer protection culture and basic financial consumer protection knowledge mechanism, comprehensively enhancing the philosophy and capability of institutions at all levels to protect consumers' rights and interests.

Environmental and Social Responsibilities

Deepening complaint governance and enhancing the effectiveness of dispute resolution. The Bank used digital and intelligent tools to empower consumer protection, integrated cause analysis and rectification into its complaint management system, and established a full-process management model covering receipt and logging, investigation and assignment, resolution, and root cause analysis and rectification, thus significantly improving the problem investigation and dispute resolution capabilities. It reviewed its complaint handling processes to accurately identify pain points and difficulties, and made improvements from multiple dimensions such as management mechanism, workflow and IT system development, effectively enhancing the quality and effectiveness of complaint handling. A mechanism for complaint data monitoring, analysis and regular review was set up to uncover common issues and underlying causes reflected by complaints, and drive comprehensive optimization of products, processes and services. The Bank also promoted the implementation of a mechanism to resolve financial disputes through multiple means. In addition, the Bank ensured smooth access to complaint channels, and strictly implemented the first-contact responsibility system and time-bound resolution system to ensure that customer concerns are promptly responded to and efficiently handled.

Strengthening consumer protection reviews to enhance preventive effects. The Bank implemented the latest regulatory requirements and work practices, and focused on key areas such as suitability management, marketing and information disclosure, and traceability management. It iteratively upgraded intelligent review rules and standard opinion templates, launched a repository of exemplary review cases and a knowledge base, and improved the digitalization, intelligence and professionalism of review work, ensuring the quality and effectiveness of the review mechanism, and consolidating the bottom line of consumer protection compliance.

Expanding the scope of publicity and education and protecting public rights and interests. The Bank actively carried out education and publicity campaigns, including the "March 15" Consumer Protection Education and Publicity Activity, the Nationwide Campaign to Popularize Financial Knowledge, and the Financial Education and Publicity Week. Over the course of the year, more than 120 thousand online and offline educational activities were carried out, with a cumulative participation of over 940 million person-times. The Bank adopted a unified consumer protection logo "U-Heart Consumer Protection", and launched a Bank-wide special campaign "U-Heart Companion", systematically

establishing a publicity framework featuring a unified logo, standardized content and well-organized activities. A dedicated financial education webpage was created to showcase the Bank's education and publicity activities by institutions at all levels, and the content was also broadcast on major media platforms including CNR.CN, Huanqiu.com, and China.com.cn, racking up over 118 million views from online consumers. The Bank actively explored innovative paths such as "Finance plus Cultural Tourism" and "Finance plus Intangible Cultural Heritage", integrating financial knowledge into daily life scenarios such as themed metro trains, rural galas, and intangible cultural heritage creation activities. Through immersive and life-oriented financial experiences, anti-fraud and scam prevention knowledge was effectively conveyed. PSBC Yunnan Branch developed the "Yun Café" financial knowledge brand, combining coffee culture with consumer protection. It conducted live-streams and carnival events, attracting 10.70 million views, and achieving interactive and engaging knowledge promotion. PSBC Shenzhen Branch carried out scenario-based publicity by setting up lightbox advertising on multiple metro lines, integrating the "U-Heart Consumer Protection" logo with multiple themes such as identifying loan scams and guarding against financial black and gray industries, fostering a social environment of active learning with high visibility of knowledge.

> PSBC Yunnan Branch develops the "Yun Café" financial knowledge brand.

> PSBC Shenzhen Branch sets up lightbox advertising on metro lines.

Environmental and Social Responsibilities

Building a Culture of Integrity

The Bank adhered to advancing the construction of integrity culture as a foundational initiative to make integrated efforts to ensure that officials do not have the audacity, opportunity, or desire to become corrupt, helping foster a favorable atmosphere that values integrity and ethical conduct and where all are motivated to deliver excellent performance in their work. The Bank strengthened education and training. Taking the thorough launch of initiatives to increase awareness of the central Party leadership's eight-point decision on improving work conduct as an opportunity, the Bank organized themed lectures on financial anti-corruption and conduct improvement for employees across the Bank to promote the internalization of the integrity philosophy. The Bank expanded designated communication channels. A "Clean PSBC" promotional zone was established, and platforms such as the WeChat official account of the PSBC Labor Union were fully utilized to advance the construction of integrity education bases, and enhance the quality and effectiveness of integrity culture dissemination. The Bank also innovated methods and approaches. It organized a range of integrity education activities, including the mailing of integrity-themed letters to family members, attending court hearings of duty-related crimes, and producing warning education videos. It launched the campaign "Clean PSBC Benefits All" for collecting integrity-themed financial cultural works and conducting online voting. Nearly one thousand integrity-themed works were collected from employees across the Bank, with online votes and views exceeding one million, sparking a wave of engagement in building and sharing integrity culture.

Social Responsibilities

PSBC Charity

In 2025, the Bank continued to advance the PSBC Charity program, focusing on educational initiatives in underdeveloped regions. Programs such as "PSBC Charity Self-Improvement Class", "PSBC Charity Scholarship", "PSBC Charity Parcel", and "The Charity Sports Classroom" were carried out to provide assistance in cash and kind to students from economically disadvantaged families and rural areas, effectively promoting their holistic development.

The Bank actively encouraged employees to participate in public welfare activities. During the 2025 PSBC Charity Day, the Bank organized volunteer activities such as brisk walking, tree planting, and community services, alongside financial anti-fraud and transparent credit campaigns. The Bank also continued its PSBC Charity outreach program, and offered career planning guidance and psychological counseling to students in the Self-Improvement Class, demonstrating the Bank's commitment to its social responsibilities, which was widely recognized. The PSBC Charity program was awarded the "Responsibility 100 | Best Responsibility Award" at the 9th CSR China Education Award 2025, and the Bank was recognized as the "Best Corporate Responsibility Brand".

For details about the Bank's efforts in serving rural revitalization and inclusive finance, please refer to "Discussion and Analysis – Business Overview". For details of the Bank's sustainable development, please refer to the 2025 Sustainability Report of Postal Savings Bank of China published on the websites of the SSE, the HKEX and the Bank.

Connected Transactions and the Implementation of the Management System for Connected Transactions

Significant Connected Transactions

During the reporting period, in order to implement the arrangements and requirements set forth by the CPC Central Committee and the State Council regarding the capital increase of large state-owned commercial banks, further strengthen their capacity for stable operation and development, and better fulfill the important responsibilities of supporting high-quality economic development and advancing the "five priorities" of the financial sector, the Bank completed an issuance of A shares to specific subscribers in June 2025. A total of 20,933,977,454 shares were issued. After the deduction of issuance expenses directly related to the issuance, the net proceeds raised were RMB129,961,940,637.58, all of which were used to replenish the Bank's CET1 capital. According to relevant regulatory provisions, China Mobile Group and China State Shipbuilding Corporation Limited are related parties of the Bank, and their participation in the subscription of the shares under the issuance constituted connected transactions with the Bank under the domestic rules (in particular, the participation of China Mobile Group in the subscription of the shares under the issuance constituted a connected transaction of the Bank that should be disclosed under the A-share scope). The issuance of A shares to specific subscribers was reviewed and approved by the Bank's Related Party Transactions Control Committee, Board of Directors, Board of Supervisors and Shareholders' General Meeting. The relevant disclosure was carried out, and the procedures of filing for approval were fulfilled as required. For details, please refer to the relevant announcements published by the Bank.

Connected Transactions with China Post Group[1]

As at the end of the reporting period, China Post Group directly held approximately 51.87% of the total issued equity shares of the Bank, and was the Bank's controlling shareholder. According to the provisions on connected transactions of the NFRA, the CSRC, the SSE and the Hong Kong Stock Exchange, China Post Group and its associates are the Bank's related parties, and the following transactions constitute connected transactions of the Bank under various regulatory rules. During the reporting period, the Bank fully complied with relevant provisions for connected transactions under various regulatory rules, and entered into the following transactions with China Post Group and its associates in the ordinary course of business on normal or better business terms.

1 Except for the connected transactions between the Bank and China Post Group and its associates disclosed in this section that constitute connected transactions under the Hong Kong Listing Rules, the other connected transactions disclosed in this section do not constitute connected transactions under the Hong Kong Listing Rules, and the Bank has no other connected transactions or continuing connected transactions that shall be disclosed according to relevant provisions on connected transactions in the Hong Kong Listing Rules.

Connected Transactions and the Implementation of the Management System for Connected Transactions

Agency Banking Businesses

On September 7, 2016, the Bank and China Post Group entered into the Framework Agreement on Entrusted Agency Banking Businesses by Agency Business Institutions (the "Agency Banking Businesses Framework Agreement") in relation to the Bank's entrustment of China Post Group to conduct certain commercial banking businesses through agency outlets in accordance with requirements as stipulated in the Notice of the State Council on Issuing the Plan for Reforming the Postal System (Guo Fa [2005] No. 27) and the Notice of the China Banking Regulatory Commission on Issuing the Measures for the Administration of Agency Business Institutions of Postal Savings Bank of China (Revision) (Yin Jian Fa [2015] No. 49). The Agency Banking Businesses Framework Agreement came into effect from September 7, 2016 with an indefinite term provided that the regulatory requirements are met in places where the Bank's shares are listed or relevant requirements are exempted.

In accordance with the Notice of the State Council on Issuing the Plan for Reforming the Postal System (Guo Fa [2005] No. 27) and the Notice of the China Banking Regulatory Commission on Issuing the Measures for the Administration of Agency Business Institutions of Postal Savings Bank of China (Revision) (Yin Jian Fa [2015] No. 49), both the Bank and China Post Group are required to follow the exclusive and indefinite operating model consisting of both directly-operated outlets and agency outlets, and neither the Bank nor China Post Group is entitled to terminate the agency arrangement between them. In the event that national policies are adjusted in the future which allow for the termination of the agency arrangement between China Post Group and the Bank, and that the Bank intends to terminate the Agency Banking Businesses Framework Agreement following friendly negotiations with China Post Group, written opinions from all Independent Directors of the Bank and a resolution by the Board of Directors are required. Additionally, the Bank shall comply with the filing and approval procedures as required by relevant laws and regulations (if necessary).

In accordance with the relevant requirements of the Administrative Measures for Connected Transactions of Banking and Insurance Institutions, the Bank and China Post Group entered into the Supplementary Agreement to the Agency Banking Businesses Framework Agreement between Postal Savings Bank of China Co., Ltd. and China Post Group (Version 2024) on September 30, 2024, under which the pricing for RMB deposit agency fee and foreign currency deposit agency fee for agency outlets has been adjusted, and the Agency Banking Businesses Framework Agreement signed between the Bank and China Post Group in 2016 and the Supplementary Agreement thereto have been managed under the unified transaction agreement.

When the Bank was listed in the H-share market in 2016 and in the A-share market in 2019, due to the particularity of the agency banking businesses, it was not feasible to project the annual caps. Therefore, exemptions have been granted in respect of the requirements that the agreement term shall not exceed three years and the annual caps of connected transactions shall be projected pursuant to relevant provisions of the Hong Kong Listing Rules. Meanwhile, an exemption has also been granted from the requirement to review and disclose the agency banking businesses as connected transactions pursuant to relevant provisions of the SSE Listing Rules.

Agency Deposit-Taking Business

Pursuant to the Agency Banking Businesses Framework Agreement, China Post Group provides the Bank with agency Renminbi personal deposit-taking business and agency foreign currency personal deposit-taking business.

Agency Renminbi Deposit-Taking Business

The Bank calculates the deposit agency fees for the agency Renminbi deposit-taking business payable to China Post Group according to the principle of "Fixed Rate, Scaled Fees Based on Deposit Type", i.e. different fee rates are applied to deposits with different maturities (the "Scaled Fee Rates"), and the actual weighted average deposit agency fee rate (the "Composite Rate") is calculated based on the Scaled Fee Rates and the daily average balance of agency deposits. The Composite Rate is capped at 1.50%.

The formula for calculating the deposit agency fees of the Bank is:

Monthly deposit agency fees at an outlet = Σ (aggregate amount of deposits for each type of deposits at the outlet for the month × the corresponding scaled fee rate/365) - aggregate cash (including that in transit) for the month at the outlet × 1.50%/365

When calculating the actual amount of deposit agency fees payable by the Bank based on the aforesaid formula, the deposit agency fees corresponding to the cash at the relevant outlets, which comprises reserves held by agency outlets and agency deposits in transit, are deducted.

During the reporting period, the aggregate amount of deposit agency fees paid by the Bank for the agency Renminbi deposit-taking business was RMB118,520 million with a Composite Rate of 1.05%, lower than the agreed cap on Composite Rate of 1.50%.

The adjustments to deposit agency fees include proactive adjustment and passive adjustment. China Post Group and the Bank may proactively adjust the Scaled Fee Rates according to factors such as actual business demands. Meanwhile, according to the agreement between the two parties, a passive adjustment mechanism shall be triggered if there is a significant change in the interest rate environment in the future. Since the signing of the Agency Banking Businesses Framework Agreement on September 7, 2016, the first passive adjustment, second passive adjustment and first proactive adjustment to the Scaled Fee Rates of deposit agency fees were made by the Bank and China Post Group in 2022, 2024 and 2025, respectively.

In order to proactively respond to changes in market interest rates and promote the long-term healthy development of the model consisting of both directly-operated outlets and agency outlets, the Bank and China Post Group reached a consensus during the passive adjustment in 2024 to strengthen the application of the proactive adjustment mechanism. On March 27, 2025, as reviewed and approved by the third meeting of the Board of Directors of the Bank in 2025, the Bank proactively adjusted the deposit agency fee rates for agency Renminbi personal deposit-taking business, and settled the deposit agency fees in accordance with the adjusted Scaled Fee Rates for the period from January 1, 2025 to the date of approval by the Board of Directors of the Bank. For details, please refer to the relevant announcements published by the Bank.

According to the agreement, as the four major state-owned commercial banks, namely ICBC, ABC, BOC, and CCB, completed disclosure of their 2024 annual results on March 28, 2025, with their average net interest spread at 1.26%, which was lower than the 1.37% threshold for passive adjustment as reset in 2024, a passive adjustment was thus triggered. As reviewed and approved at the eighth meeting of Board of Directors of the Bank in 2025, and taking into account that the Bank had implemented a proactive adjustment to the agency fee rates for RMB personal deposit-taking business in March 2025, which had brought the fee rates to a relatively reasonable level, it was agreed that the agency fee rates for RMB personal deposit-taking business would be kept at their current levels following the negotiation between the Bank and China Post Group, notwithstanding that the passive adjustment mechanism had been triggered. For details, please refer to the relevant announcements published by the Bank.

Connected Transactions and the Implementation of the Management System for Connected Transactions

In 2025, the Composite Rate decreased by 10 bps year on year. Despite the growth of 8.12% in agency deposits, the deposit agency fees decreased by RMB1,593 million year on year, down by 1.33%. The adjustment to the deposit agency fee rates is conducive to optimizing the deposit structure, reducing the overall cost of agency deposits, and promoting the long-term healthy development of the agency deposit business.

The table below sets forth the average daily balances, Scaled Fee Rates and the corresponding deposit agency fees for each type of deposits paid to China Post Group by the Bank for the agency Renminbi deposit-taking business during the reporting period:

In RMB million, except for percentages

	For the year ended December 31, 2025		
Type	Average daily balance	Scaled Fee Rates (%)	Deposit agency fees
Demand deposits	2,213,308	1.943	43,005
Time-demand optional deposits	12,344	1.242	153
Call deposits	16,100	1.407	227
3-month time deposits	147,377	1.060	1,562
6-month time deposits	239,138	0.985	2,356
1-year time deposits	7,351,445	0.963	70,794
2-year time deposits	329,881	0.142	468
3-year time deposits	940,514	0.019	179
5-year time deposits	11,343	–	–
Daily cash (including cash in transit)	14,918	(1.500)	(224)[1]
Total	11,261,450	1.05	118,520

To effectively control funding costs and maintain steady growth in the scale of deposits, the Bank has introduced a mechanism for driving deposit growth, including two arrangements, i.e. cost-sharing for increase in deposits interest rates and deposit incentives. The Bank and China Post Group have agreed that the amount of deposit incentives shall in no case be higher than the amount payable by China Post Group under the cost-sharing mechanism for increase in deposits interest rates. During the reporting period, the net settlement amount of the Bank's deposit-boosting mechanism was -RMB5,085 million[2].

1 Pursuant to the Agency Banking Businesses Framework Agreement, when calculating the deposit agency fees, the deposit agency fees corresponding to the cash held at the outlet shall be deducted and calculated at 1.50%.

2 Pursuant to the agreement between the Bank and China Post Group, the deposit agency fees and the settlement amount of the deposit-boosting mechanism shall be settled on a net basis, and the Renminbi deposit agency fees and other amounts totaled RMB113,435 million in 2025.

Agency Foreign Currency Deposit-Taking Business

As the agency fees for foreign currency deposit-taking business are not significant, the fees are not calculated using the formula of "Fixed Rate, Scaled Fees Based on Deposit Type", but are determined in accordance with market practices.

For short-term foreign currency deposits, the deposit agency fee rates shall be calculated based on the composite interest rates of foreign currency deposits with corresponding terms in the interbank foreign currency lending market, deducting the composite rates of interests payable to customers on the foreign currency deposits with corresponding terms. For long-term foreign currency deposits, the deposit agency fee rates shall be determined by calculating the composite interest rates of foreign currency deposits with corresponding terms based on the short-term composite interest rates, taking into account the maturity spreads against the global interest rate swap market rate, treasury bond yields, etc., adjusted based on the interest rates in the PRC interbank foreign currency lending market and the relevant interbank foreign currency offered rates recognized by the banking industry, and deducting the composite rate of interest payable to customers on the foreign currency deposits with corresponding terms.

During the reporting period, the amount of deposit agency fees for the Bank's foreign currency deposits was insignificant.

Agency Intermediary Banking Business

Pursuant to the Agency Banking Businesses Framework Agreement, China Post Group provides agency intermediary banking business services to the Bank via agency outlets, which mainly include settlement services, agency financial services and other services. Settlement services primarily include cross-region transactions, interbank transactions, personal remittance, cross-border remittance, SMS business, and other settlement businesses, while agency financial services and other services primarily include bancassurance, agency sales of wealth management products, agency sales of funds, agency sales of government bonds, agency sales of asset management plans, agency collection and payment services, and other services.

Agency intermediary banking business is one of the core services the Bank provides to its customers. Most customers of agency outlets access intermediary banking services in agency outlets. Comprehensive services including intermediary banking services available at agency outlets help the Bank attract customers and deposits, enhance customer stickiness, and promote cross-selling across all business lines, which are critical to the Bank's development and expansion. As the Bank is the business entity of the agency intermediary banking business and pursuant to the requirement of accounting standards, income from the agency intermediary banking business shall be first recognized by the Bank, and the fees and commissions shall then be paid to postal enterprises by the Bank in line with the principle of "fees payable to the entity which provides the services".

During the reporting period, fees payable by the Bank for the agency intermediary banking business were RMB11,139 million, of which fees payable for settlement services provided by agency outlets were RMB4,405 million, and fees payable for agency financial services and other services by agency outlets were RMB6,734 million.

Land Use Rights and Property Leasing

Pursuant to the Land Use Rights and Property Leasing Framework Agreement between China Post Group Corporation Limited and Postal Savings Bank of China Co., Ltd. entered into between the Bank and China Post Group on October 28, 2021 (the "Land Use Rights and Property Leasing Framework Agreement"), the Bank and China Post Group and its associates lease their properties, ancillary equipment and other assets to each other in the form of operating lease in the ordinary course of business. The agreement came into force on January 1, 2022 and remained in force until December 31, 2024. On the premise that both parties to the agreement raise no objections and regulatory requirements are met in places where the shares of the Bank are listed, the Land Use Rights and Property Leasing Framework Agreement shall be automatically renewed for a further term of three years upon expiry, with no more than one such renewal allowed. On October 30, 2024, the Bank held the ninth meeting of the Board of Directors in 2024, at which the

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proposal on the renewal of the Land Use Rights and Property Leasing Framework Agreement between China Post Group Corporation Limited and Postal Savings Bank of China Co., Ltd. was considered and approved, agreeing to extend the validity period of the Land Use Rights and Property Leasing Framework Agreement for a period of three years (from January 1, 2025 to December 31, 2027). For details, please refer to the relevant announcements published by the Bank.

During the reporting period, China Post Group and its associates paid a total of RMB39 million of rent to the Bank for leasing certain of the Bank's land use rights, properties and ancillary equipment for business or office purposes. China Post Group agreed to lease certain assets including land use rights, properties and ancillary equipment to the Bank. The above-mentioned properties and ancillary equipment leased by the Bank were mainly used as outlets or offices. The total amount of rent paid by the Bank to China Post Group and its associates for leasing properties and ancillary equipment was RMB904 million.

The amount of lease transactions provided by the Bank to related parties as a percentage of the operating income was relatively small, and so was the amount of lease transactions received by the Bank from related parties as a percentage of operating expenses. There was no significant difference between the prices of the leases and the market prices of similar assets in the same region or adjacent regions.

Comprehensive Services and Other Transactions

Pursuant to the Comprehensive Services Framework Agreement between China Post Group Corporation Limited and Postal Savings Bank of China Co., Ltd. entered into by the Bank and China Post Group on October 28, 2021 (the "Comprehensive Services Framework Agreement"), the Bank and China Post Group and its associates provide services or commodities to each other. The Comprehensive Services Framework Agreement came into force on January 1, 2022 and remained in force until December 31, 2024. If both parties to the agreement raise no objections and regulatory requirements are met in places where the shares of the Bank are listed, the Comprehensive Services Framework Agreement shall be automatically renewed for a further term of three years upon expiry, with no more than one such renewal allowed. On October 30, 2024, the Bank held the ninth meeting of the Board of Directors in 2024, at which the proposal on the renewal of the Comprehensive Services Framework Agreement between China Post Group Corporation Limited and Postal Savings Bank of China Co., Ltd. was considered and approved, agreeing to extend the validity period of the Comprehensive Services Framework Agreement for a period of three years (from January 1, 2025 to December 31, 2027). For details, please refer to the relevant announcements published by the Bank.

Rendering Comprehensive Services and Selling Business Materials to China Post Group and Its Associates

The comprehensive services provided by the Bank to related parties are mainly labor services and agency business services, among which, labor services include cash escort and vaults, equipment maintenance and other services; agency business services include bancassurance, agency sales of funds and agency sales (distribution) of precious metals. The business materials sold by the Bank to related parties are mainly printed items such as brochures used in the ordinary and usual course of business. During the reporting period, the total revenue from the comprehensive services and sales of business materials provided by the Bank to China Post Group and its associates was RMB819 million.

The comprehensive services provided by the Bank and business materials and other goods sold by the Bank to related parties are priced after arm's length negotiations between parties with reference to terms and market prices comparable to those provided by the Bank to independent third parties.

Receiving Comprehensive Services and Purchasing Products from China Post Group and Its Associates

The comprehensive services received by the Bank from related parties are mainly labor services and marketing services, among which, labor services include cash escorts and vaults, equipment maintenance, advertising, properties,

training, mail and other services; marketing services are mainly for deposits and other businesses. The goods purchased by the Bank from related parties are mainly philatelic items and promotional supplies other than philatelic items, and other banking-related materials. During the reporting period, the aggregate amount paid by the Bank to China Post Group and its associates for comprehensive services and product procurement was RMB3,209 million.

The goods purchased from or comprehensive services provided by related parties to the Bank are determined after arm's length negotiations between parties with reference to terms and market prices comparable to those purchased by independent third parties from the related parties or provided to independent third parties by the related parties.

Trademark Licensing

On September 5, 2016, the Bank entered into the Trademark Licensing Agreement between China Post Group Corporation and Postal Savings Bank of China Co., Ltd. (the "Trademark Licensing Agreement") with China Post Group. The agreement is for a term of twenty years commencing from the date of execution. During the term of the Trademark Licensing Agreement, China Post Group licenses the Bank to use trademarks under the agreement, and the Bank is not required to pay any consideration. On October 30, 2024, the Bank held the ninth meeting of the Board of Directors in 2024, at which the proposal on sticking to the Trademark Licensing Agreement between China Post Group Corporation Limited and Postal Savings Bank of China Co., Ltd. was considered and approved. The Bank has fulfilled relevant decision-making procedures and disclosure obligations every three years in respect of the Trademark Licensing Agreement with a term exceeding three years in accordance with the relevant provisions of the SSE. For details, please refer to the relevant announcements published by the Bank.

Disclosure and Consideration Requirements for Relevant Connected Transactions

The agency banking businesses constitute connected transactions as defined in the Hong Kong Listing Rules and are subject to the annual reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. The Hong Kong Stock Exchange has granted the Bank, in respect of the Agency Banking Businesses Framework Agreement, a waiver from compliance with the requirement of setting a term of no more than three years under Rule 14A.52 of the Hong Kong Listing Rules; and in respect of agency deposit-taking business and agency intermediary banking business, a waiver from compliance with the requirements of setting monetary annual caps under Rule 14A.53(1) of the Hong Kong Listing Rules.

Transactions related to land use rights, property leasing and comprehensive services constitute connected transactions as defined under the Hong Kong Listing Rules and are subject to the annual reporting, announcement and annual review requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempted from the requirement of independent shareholders' approval.

In addition to the above-mentioned continuing connected transactions, the Bank's continuing connected transactions also include the transactions under the Trademark Licensing Agreement, leasing of properties and ancillary equipment by the Bank to China Post Group and/or its associates under the Land Use Rights and Property Leasing Framework Agreement, and the sales of production materials and other goods by the Bank to China Post Group and/or its associates under the Comprehensive Services Framework Agreement. Meanwhile, in the ordinary and usual course of business, the Bank also provided related parties with commercial banking

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services and products, including providing related parties with loans and credit facilities, taking deposits from related parties and providing related parties with other banking services and products. The aforesaid continuing connected transactions are exempted from compliance with the annual reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Connected Transactions under the NFRA Regulations

Pursuant to the Administrative Measures for Connected Transactions of Banking and Insurance Institutions and other relevant regulations, as at the end of the reporting period, the Bank entered into a total of two unified trading agreements. The first one is the Agency Banking Businesses Framework Agreement entered into between the Bank and China Post Group. For details on the implementation of the agreement, please refer to "Connected Transactions with China Post Group – Agency Banking Businesses". The second one is the proposal to enter into the Unified Trading Agreement for Bond Repurchase Business in the Financial Market with PSBC Wealth Management, which was reviewed and approved at the 10th meeting of the Board of Directors in 2025 convened by the Bank on October 30, 2025. The Bank entered into the unified transaction agreement with PSBC Wealth Management on December 30, 2025, which stipulates that the annual caps on the transaction amounts of the Bank's bond repurchase transactions in the financial market with PSBC Wealth Management for each of the calendar years 2026, 2027 and 2028 shall be RMB40 billion, RMB60 billion and RMB80 billion, respectively. Such transactions shall be conducted based on commercial principles and the terms shall be no more favorable than those offered to non-related parties for comparable transactions. Pursuant to the Administrative Measures for Connected Transactions of Banking and Insurance Institutions and other relevant regulations, the execution of this unified transaction agreement is subject to internal review, reporting and information disclosure as a significant connected transaction. Connected transactions conducted within the agreed transaction caps are not required to be reviewed, reported or disclosed on a transaction-by-transaction basis. For details, please refer to the announcement published by the Bank on its official website in accordance with the requirements of the NFRA.

In addition to the amount under the unified transaction agreement, the balance of credit-type connected transactions of the Bank under the NFRA regulations totaled RMB80,835 million, asset transfer-type transactions amounted to RMB48,696 million, service provision-type transactions reached RMB11,627 million, and the amount of deposit and other types of connected transactions was RMB486,661 million. The Bank's credit balance (net of margin deposits for security, pledged bank certificates of deposit, and Chinese government bonds; the same below) to any single related party did not exceed 1.77% of its net capital. The Bank's aggregate credit balance to any group client to which a single related legal entity or unincorporated organization belongs did not exceed 1.83% of the Bank's net capital. Overall, the Bank's credit balance to all related parties did not exceed 5.93% of the Bank's net capital. The above percentages are in compliance with the ratio requirements stipulated in the Administrative Measures for Connected Transactions of Banking and Insurance Institutions.

Implementation of the Caps of Connected Transactions under the Rules of the Two Stock Exchanges

Pursuant to relevant provisions in the SSE Listing Rules and the Hong Kong Listing Rules, on October 30, 2024, the Bank held the ninth meeting of the Board of Directors in 2024, at which it reviewed and approved the Proposal on the Forecast Caps of Connected Transactions of Postal Savings Bank of China for 2025-2027. For details, please refer to the relevant announcements published by the Bank. As at the end of the reporting period, the actual amounts of the above-mentioned connected transactions did not exceed the projected annual caps.

Implementation of the Caps of Connected Transactions with China Post Group and Its Associates

Credit Type Connected Transactions[1]

The cap of routine credit-type connected transactions between the Bank and China Post Group and its associates for 2025 is RMB8.2 billion. As at the end of the reporting period, the Bank's balance of credit to China Post Group and its associates was RMB302 million.

Non-Credit Type Connected Transactions

The implementation of the caps of routine non-credit type connected transactions between the Bank and China Post Group and its associates as at the end of the reporting period is shown in the following table:

In RMB100 million

Type of connected transactions	Annual cap in 2025	Amount of connected transactions as at December 31, 2025
Leasing of certain properties and ancillary equipment by China Post Group and/or its associates to the Bank	15.77	9.04
Leasing of certain properties and ancillary equipment by the Bank to China Post Group and/or its associates	2.00	0.39
Sale of philatelic items and provision of mailing services by China Post Group and/or its associates to the Bank	4.45	0.95
Sale of goods other than philatelic items by China Post Group and/or its associates to the Bank	15.54	7.62
Provision of marketing services for deposit-taking and other businesses by China Post Group and/or its associates to the Bank	21.90	12.42
Provision of labor services by China Post Group and/or its associates to the Bank	17.47	11.10
Provision of bancassurance services by the Bank to China Post Group and/or its associates	14.28	5.87
Provision of agency sale (distribution) of precious metals business by the Bank to China Post Group and/or its associates	5.50	0.18
Sale of production materials and other goods by the Bank to China Post Group and/or its associates	2.00	0.16
Provision of labor services by the Bank to China Post Group and/or its associates	5.29	1.98

1 Pursuant to Rule 14A.87 of the Hong Kong Listing Rules, for any financial assistance provided by a banking company in its ordinary and usual course of business to a connected person, the transaction is fully exempt under the Hong Kong Listing Rules if it is conducted on normal commercial terms. Accordingly, the credit type transactions conducted between the Bank and all of its connected persons (including China Post Group) on normal commercial terms were fully exempt under the Hong Kong Listing Rules.

Connected Transactions and the Implementation of the Management System for Connected Transactions

Implementation of the Caps of Connected Transactions with China UnionPay Co., Ltd.

The implementation of the caps of routine connected transactions between the Bank and China UnionPay Co., Ltd. as at the end of the reporting period is shown in the following table:

In RMB100 million

Type of connected transactions	Annual cap in 2025	Amount of connected transactions as at December 31, 2025
Funds paid by the Bank	18.03	9.89
Funds received by the Bank	64.76	31.69

Confirmation of Connected Transactions

Confirmation from Independent Non-executive Directors

The Independent Non-executive Directors of the Bank have reviewed the above continuing connected transactions in accordance with the Hong Kong Listing Rules and confirmed that the continuing connected transactions under the Hong Kong Listing Rules were entered into:

- in the ordinary and usual course of business of the Bank;
- on normal commercial terms or better; and
- according to the agreement governing them, on terms that are fair and reasonable, and in the interests of the Bank's shareholders as a whole.

The Independent Non-executive Directors also confirmed that:

- the methods and procedures established by the Bank were sufficient to ensure that the transactions had been conducted on normal commercial terms and brought no harm to the interests of the Bank and minority shareholders; and
- the Bank had established appropriate management procedures.

Confirmation from Auditor

The Bank has appointed KPMG to report continuing connected transactions in accordance with requirements of the Hong Kong Listing Rules. KPMG has written to the Board of Directors to confirm that nothing had come to its attention that would suggest the continuing connected transactions under the Hong Kong Listing Rules:

- had not been approved by the Board of Directors;
- were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- had exceeded the cap (if applicable).

Implementation of the Management System for Connected Transactions

During the reporting period, the Bank complied with the regulatory rules of the NFRA, the CSRC, the SSE and the Hong Kong Stock Exchange, further improved the management system and operating mechanism for connected transactions, and enhanced the management of connected transactions. Firstly, in order to implement the requirements of the Company Law of the People's Republic of China, the NFRA revised the regulatory rules for connected transactions to strengthen the management of transactions involving directors, supervisors and senior management. The Bank has adopted a series of measures to facilitate the implementation of the new regulations, revised and issued internal connected transaction rules and regulations, as well as formulated proposals for the routine connected transactions of directors, supervisors and senior management and fulfilled the relevant corporate governance procedures, thereby effectively strengthening connected transaction management. Secondly, the Bank strictly implemented the regulatory identification criteria, dynamically managed the list of related parties in accordance with the principle of substance over form, and strengthened the proactive management of related party information. The Bank also enhanced the use of intelligent management tools, conducted intelligent screening for suspected related parties, and established an automatic verification mechanism for related party data required for regulatory reporting, so as to comprehensively improve data quality and proactive data management capabilities. Thirdly, the Bank improved the mechanism for connected transaction management, standardized the execution of procedures for the review, approval, and filing of connected transactions, and continued to carry out the execution and monitoring management of the cap on connected transactions. It also actively promoted data governance and system development, deepened technological empowerment, strengthened compliance supervision and professional support, and enhanced compliance awareness of connected transactions to effectively control the risks of connected transactions.

For more information on the operation of the Related Party Transactions Control Committee of the Board of Directors during the reporting period, please refer to "Corporate Governance".

For other related party transactions as defined in accordance with domestic and overseas laws, regulations and accounting standards, please refer to "Notes to the Consolidated Financial Statements – 40 Relationship and transactions with related parties".

Fulfillment of Commitments

Commitments during or carried forward to the reporting period by the de facto controller, shareholders, related parties, acquirers of the Bank, the Bank and other relevant parties are as follows.

Commitment background	Commitment type	Commitment by	Summary of the commitment	Time of the commitment	Term of the commitment	Is there a term for fulfillment	Whether timely and strictly fulfilled
Commitments in relation to initial public offering of A shares	Others	China Post Group Corporation Limited	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	June 18, 2019	Long-term	Yes	Yes
		Directors and senior management of the Bank	Commitments to take remedial measures for the dilution on immediate return	June 18, 2019	Long-term	Yes	Yes
		The Bank	Commitments to take remedial measures for the dilution on immediate return	June 18, 2019	Long-term	Yes	Yes
	Competing business resolution	China Post Group Corporation Limited	Commitment in relation to refraining from competing business	October 10, 2019	Long-term	Yes	Yes
	Resolution of title defects including lands	China Post Group Corporation Limited	Letter of confirmation on matters in relation to land and real estate injected into Postal Savings Bank of China Co., Ltd.	August 27, 2019	Long-term	Yes	Yes
	Connected transaction resolution	China Post Group Corporation Limited	Commitment in relation to reducing and regulating connected transactions	November 6, 2019	Long-term	Yes	Yes
Commitments in relation to non-public issuance of A shares in 2021	Subscription and lock-up of shares	China Post Group Corporation Limited	Commitment in relation to further clarifying the number of proposed subscription to A shares in the non-public issuance of Postal Savings Bank of China Co., Ltd.	February 5, 2021	5 years since share acquisition after the non-public issuance of A shares	Yes	Yes
Commitments in relation to non-public issuance of A shares in 2023	Subscription and lock-up of shares	China Mobile Communications Group Co., Ltd.	Commitment in relation to subscribing for new shares of Postal Savings Bank of China Co., Ltd.	February 24, 2023	5 years since share acquisition after the non-public issuance of A shares	Yes	Yes
Commitments in relation to the issuance of A shares to specific subscribers in 2025	Subscription and lock-up of shares	Ministry of Finance of the PRC	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years since share acquisition after issuance of A shares to specific subscribers	Yes	Yes
Commitments in relation to the issuance of A shares to specific subscribers in 2025	Subscription and lock-up of shares	China Mobile Communications Group Co., Ltd.	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years since share acquisition after issuance of A shares to specific subscribers	Yes	Yes
Commitments in relation to the issuance of A shares to specific subscribers in 2025	Subscription and lock-up of shares	China State Shipbuilding Corporation Limited	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years since share acquisition after issuance of A shares to specific subscribers	Yes	Yes

Material Legal Proceedings and Arbitration

During the reporting period, there were no legal proceedings or arbitration with a material impact on the business operation of the Bank.

As at the end of the reporting period, the aggregate claim amount in outstanding major litigation or arbitration cases where the Bank was involved as a defendant or arbitration respondent, each with a claim amount of over RMB10 million, was approximately RMB1,188 million. Corresponding expected liabilities have been accrued for these matters, and the Bank considers that these pending cases will not have any material adverse impact on the business, financial position or operating results of the Bank.

Major Asset Acquisition, Disposal and Merger

During the reporting period, apart from the merger of YOU+ BANK, which was approved by the NFRA, the Bank did not carry out any other major asset acquisition, disposal or merger activities.

Significant Contracts and Their Performance

Material Custody, Sub-contract and Lease

During the reporting period, the Bank had not held on custody to a material extent or entered into any material subcontract or lease arrangement in respect of assets of other companies, and no other company had held on custody to a material extent or entered into any material sub-contract or lease arrangement in respect of the Bank's assets.

Material Guarantees

The Bank's guarantee business is an off-balance sheet business in the ordinary course of its business. During the reporting period, the Bank did not have any other material guarantee that needs to be disclosed except for the financial guarantee services within the business scope as approved by the PBOC and the NFRA. The Bank did not enter into any guarantee contract in violation of laws, administrative regulations, and the resolution procedures for external guarantees stipulated by the CSRC.

Material Events Concerning Entrusting Other Persons for Cash Management or Entrusted Loans

During the reporting period, no such material events concerning entrusting other persons for cash management or entrusted loans occurred in the Bank.

Credibility

During the reporting period, there were no cases in which the Bank and its controlling shareholder failed to perform obligations under effective legal judgments of courts in major litigation cases, and there were no cases in which the debts of a relatively large amount were due and unpaid.

Appropriation of Funds by Controlling Shareholder and Other Related Parties for Non-operating Purposes

During the reporting period, there was no appropriation of the Bank's funds by controlling shareholder and other related parties for non-operating purposes. The auditor has issued the Special Explanation about Appropriation of Funds for Non-operating Purposes and the Flow Funds involving Related Parties for 2025 of Postal Savings Bank of China Co., Ltd.

Significant Events

Pledge of Assets

For details relating to the pledge of assets of the Bank as of the end of the reporting period, please refer to "Notes to the Consolidated Financial Statements – 42.2 Collateral".

Penalties Imposed on the Bank and Its Directors, Supervisors, Senior Management Members and Controlling Shareholder

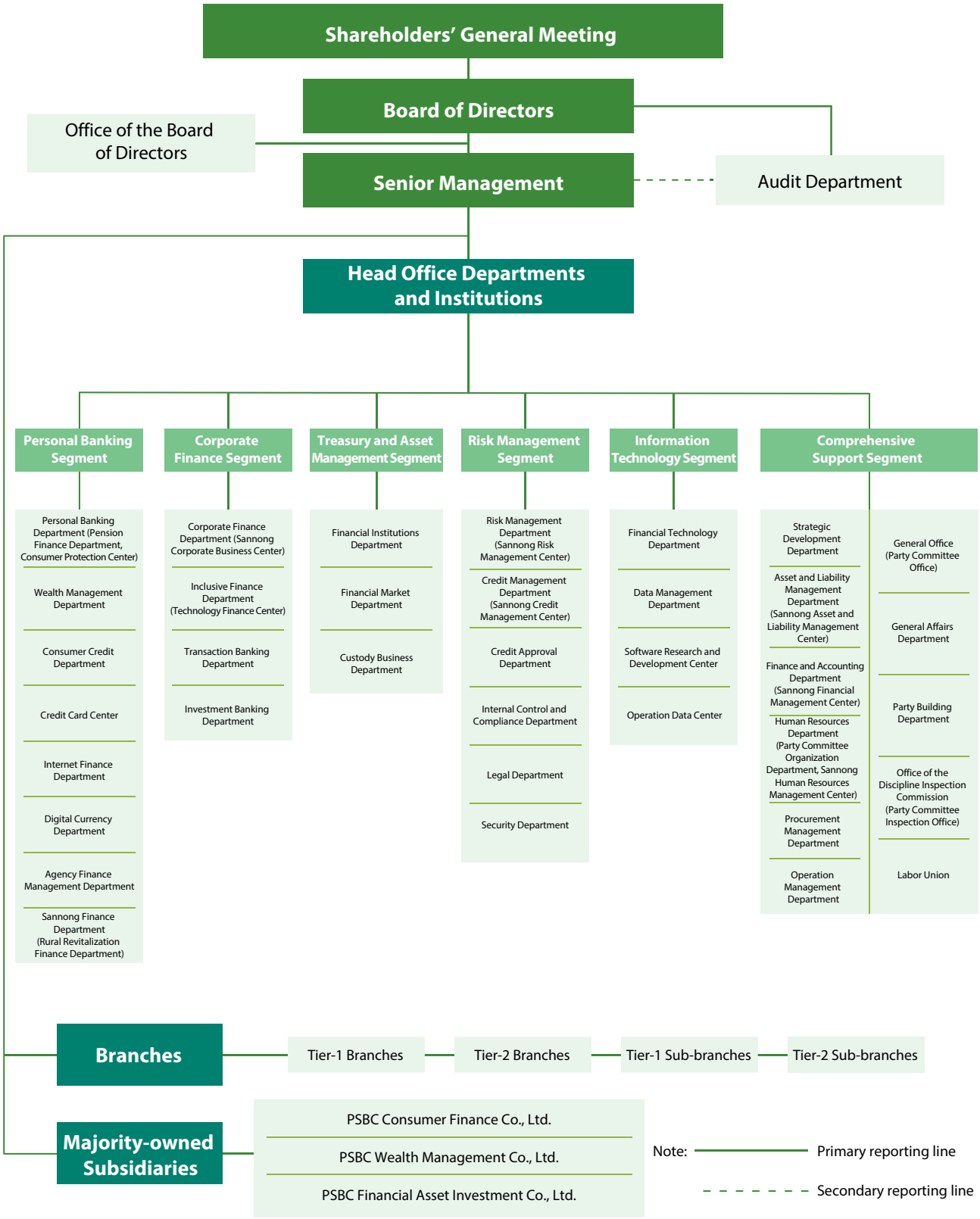
During the reporting period, neither the Bank nor any of its controlling shareholder, Directors, Supervisors or senior management members was subject to investigation, criminal punishment or material administrative penalty due to suspected crime, or investigation, administrative penalties or regulatory measures by the CSRC due to suspected violation of laws and regulations, or disciplinary actions by stock exchanges. Neither the controlling shareholder, Directors, Supervisors, nor senior management members of the Bank were subject to detention or other compulsory measures by the competent authorities due to suspected violation of laws, discipline and regulations, which affected their duty performance.

Other Significant Events

On July 16, 2025, the Board of Directors of the Bank considered and approved the plan to invest RMB10 billion to establish a financial asset investment company. On October 21, 2025, the NFRA approved the establishment of a financial asset investment company by the Bank. On March 16, 2026, the NFRA approved the commencement of business of the Bank's subsidiary, PSBC Investment.

For details of other significant events disclosed by the Bank pursuant to regulatory requirements during the reporting period, please refer to the announcements published by the Bank.

Organizational Structure



PSBC Chongqing Branch assisted the improvement and expansion of cultural and tourism consumption in the Lesser Three Gorges of Wushan.

Financial Statements and Others

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Scan the QR code to watch the PSBC documentary "Revisit Tashi"

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Postal Savings Bank of China Co., Ltd.
(A joint stock limited liability company incorporated in the People's Republic of China)

Opinion

We have audited the consolidated financial statements of Postal Savings Bank of China Co., Ltd. (the "Bank") and its subsidiaries (the "Group") set out on pages 253 to 429, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT

Key audit matters (continued)

Expected credit losses for loans and advances to customers and other debt instruments at amortised cost

See Note 3.2.7(3) "Impairment of financial instruments", Note 4.1 "Measurement of the expected credit loss allowance", Note 20 "Loans and advances to customers", Note 21.4 "Financial assets measured at amortized cost" and Note 27 "Movements of allowance for impairment loss" for details.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2025, the gross carrying amount of loans and advances to customers measured at amortized cost is RMB8,730,422 million, against which loss allowances of RMB207,442 million are recognised; the gross carrying amount of loans and advances to customers measured at fair value through other comprehensive income is RMB917,894 million, against which loss allowances of RMB1,177 million are recognised; the gross carrying amount of other debt instruments measured at amortised cost is RMB17,264 million, against which loss allowances of RMB11,255 million are recognised. The Group uses an expected credit loss ("ECL") model to measure the loss allowance for loans and advances to customers and other debt instruments at amortised cost in accordance with International Financial Reporting Standard 9, Financial instruments.	Our audit procedures to assess ECLs for loans and advances to customers and other debt instruments at amortised cost included the following: • with the assistance of KPMG's IT audit specialists, understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, lending and monitoring of loans and advances to customers and other debt instruments at amortised cost, the credit risk staging process and the measurement of ECLs for loans and advances to customers and other debt instruments at amortised cost. • with the assistance of KPMG's financial risk specialists, assessing the appropriateness of the ECL model for determining the loss allowance for loans and advances to customers and other debt instruments at amortised cost and the appropriateness of the key parameters and assumptions in the model, which included credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information and other adjustments, and assessing the appropriateness of related key management judgement.

INDEPENDENT AUDITOR'S REPORT

Key audit matters (continued)

Expected credit losses for loans and advances to customers and other debt instruments at amortised cost

See Note 3.2.7(3) "Impairment of financial instruments", Note 4.1 "Measurement of the expected credit loss allowance", Note 20 "Loans and advances to customers", Note 21.4 "Financial assets measured at amortized cost" and Note 27 "Movements of allowance for impairment loss" for details.

The Key Audit Matter	How the matter was addressed in our audit
The determination of loss allowance and thus ECLs for loans and advances to customers and other debt instruments at amortized cost is subject to the application of a number of key parameters and assumptions, including the credit risk staging, probability of default, loss given default, exposure at default, adjustments for forward-looking information and other adjustment factors. Extensive management judgment is involved in the selection of those parameters and the application of the assumptions. We identified the determination of ECLs for loans and advances to customers and other debt instruments at amortized cost as a key audit matter because of the inherent uncertainty and significant management judgement involved and its significance to the financial results and capital of the Group.	• assessing the completeness and accuracy of key data used in the ECL model. We compared the total balance of the loans and advances to customers and other debt instruments at amortised cost used by the Group to assess the loss allowance with the general ledger to check the completeness of the data. We also selected samples to compare information of loans and advances to customers and other debt instruments at amortised cost with the underlying agreements and other related documentation. In addition, we checked the accuracy of key external data by comparing them with public sources. • for key parameters used in the ECL model which were derived from system generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. In addition, we involved KPMG's IT audit specialists to assess the accuracy of the loans and advances' overdue information on a sample basis.

INDEPENDENT AUDITOR'S REPORT

Key audit matters (continued)

Expected credit losses for loans and advances to customers and other debt instruments at amortised cost

See Note 3.2.7(3) "Impairment of financial instruments", Note 4.1 "Measurement of the expected credit loss allowance", Note 20 "Loans and advances to customers", Note 21.4 "Financial assets measured at amortized cost" and Note 27 "Movements of allowance for impairment loss" for details.

The Key Audit Matter	How the matter was addressed in our audit
	• evaluating the reasonableness of the Group's assessment on whether the credit risk of the loans and advances customers and other debts instruments at amortised cost have, or have not, increased significantly since initial recognition and whether the loans and advances to customers and other debt instruments at amortised cost are credit-impaired by selecting risk-based samples. We analyzed the asset portfolios by industry sectors to select samples in industries more vulnerable to the current economic situation and borrowers with specific characteristics. For selected samples, we checked overdue status, made enquiries of the credit managers about the borrowers' business operations, checked borrowers' financial information and researched market information about borrowers' businesses, to assess the credit risk of the borrower, and the reasonableness of credit risk stage.

INDEPENDENT AUDITOR'S REPORT

Key audit matters (continued)

Expected credit losses for loans and advances to customers and other debt instruments at amortised cost

See Note 3.2.7(3) "Impairment of financial instruments", Note 4.1 "Measurement of the expected credit loss allowance", Note 20 "Loans and advances to customers", Note 21.4 "Financial assets measured at amortized cost" and Note 27 "Movements of allowance for impairment loss" for details.

The Key Audit Matter	How the matter was addressed in our audit
	• for loans and advances to customers and other debt instruments measured at amortized cost that are credit-impaired, we selected samples to evaluate the forecasted future cash flows prepared by the Group based on financial information of borrowers and guarantors, collateral valuations, other available information and possible future factors together with discount rates in supporting the computation of loss allowance. • assessing the calculation accuracy of ECLs for loans and advances to customers and other debt instruments at amortized cost on a sample basis. • performing retrospective review of ECL model components and significant assumptions to assess whether the results indicate possible management bias on loss estimation. • assessing the reasonableness of the disclosures in the financial statements in relation to ECL for loans and advances to customers and other debt instruments at amortized cost against applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT

Key audit matters (continued)

Agency fees related to Agency Banking Transactions with China Post Group Corporation Limited

See Note 40.3.1(1) "Agency banking services from China Post Group" for details.

The Key Audit Matter	How the matter was addressed in our audit
The Group operates its business through both directly-operated outlets and agency outlets owned by China Post Group Corporation Limited, the Group's parent entity. In accordance with the Framework Agreement on Entrusted and Agency Banking Services of Agency Outlets ("Framework Agreement") signed between the Bank and China Post Group Corporation Limited, agency outlets can provide deposits taking, financial settlement, financial agency and other services under the name of the Bank ("Agency Banking Transactions"), and the Group pays agency fees to China Post Group Corporation Limited for these services. The agency outlets operate on a large business scale and are a significant component of the Group's service network. In 2025, deposit agency fee and others amounted to RMB113,450 million, fees for agency sales and other commissions and fees for agency savings settlement amounted to RMB6,734 million and RMB4,405 million respectively. We identified the agency fees related to Agency Banking Transactions with China Post Group Corporation Limited as a key audit matter because its unique nature and the amounts of Agency Banking Transactions with China Post Group Corporation Limited are significant to the Group.	Our procedures in relation to agency fees related to Agency Banking Transactions with China Post Group Corporation Limited included the following: • understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting related to Agency Banking Transactions. • inspecting the Framework Agreement and performing a substantive analytical procedure on deposit agency fee, by using the aggregated amount of deposits of agency outlets and the corresponding scaled fee rate, setting an expected value for deposit agency fee, and comparing the expected value with the book amount of the deposit agency fee. • obtaining confirmation directly from China Post Group Corporation Limited regarding the amount of agency fees incurred in current year. • assessing the reasonableness of the disclosures in the financial statements in relation to agency fees related to Agency Banking Transactions with China Post Group Corporation Limited against applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Lok Man.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	2025	2024
Interest income	5	**480,903**	508,243
Interest expense	5	**(199,283)**	(222,120)
Net interest income	5	**281,620**	286,123
Fee and commission income	6	**43,424**	40,753
Fee and commission expense	6	**(14,059)**	(15,471)
Net fee and commission income	6	**29,365**	25,282
Net trading gains	7	**3,038**	4,185
Net gains on investment securities	8	**22,297**	29,559
Net gains on derecognition of financial assets measured at amortized cost		**19,569**	3,058
Share of results of associates		**29**	25
Net other operating gains	9	**(52)**	901
Operating income		**355,866**	349,133
Operating expenses	10	**(224,715)**	(226,096)
Credit impairment losses	12	**(32,922)**	(28,423)
Impairment losses on other assets		**(8)**	(22)
Profit before income tax		**98,221**	94,592
Income tax expenses	13	**(10,598)**	(7,876)
Net profit		**87,623**	86,716
Net profit attributable to:			
Equity holders of the Bank		**87,404**	86,479
Non-controlling interests		**219**	237

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	2025	2024
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of retirement benefit obligations	37.3	**58**	(63)
Share of other comprehensive income of associates, net of related income tax	37.3	**15**	30
Changes in fair value of equity instrument investments measured at fair value through other comprehensive income	37.3	**15**	141
Subtotal		**88**	108
Item that may be reclassified subsequently to profit or loss			
Net (losses)/gains on investments in financial assets measured at fair value through other comprehensive income	37.3	**(3,735)**	5,079
Share of other comprehensive income of associates, net of related income tax	37.3	**(13)**	–
Subtotal		**(3,748)**	5,079
Total comprehensive income for the year		**83,963**	91,903
Total comprehensive income attributable to:			
Equity holders of the Bank		**83,744**	91,666
Non-controlling interests		**219**	237
Basic and diluted earnings per share (in RMB Yuan)	14	**0.73**	0.81

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	As at December 31, 2025	As at December 31, 2024
Assets			
Cash and deposits with central bank	15	**1,319,171**	1,314,703
Deposits with banks and other financial institutions	16	**391,408**	262,476
Placements with banks and other financial institutions	17	**413,827**	348,017
Derivative financial assets	18	**3,604**	6,661
Financial assets held under resale agreements	19	**510,890**	229,842
Loans and advances to customers	20	**9,440,874**	8,684,144
Financial investments			
Financial assets measured at fair value through profit or loss	21.1	**959,654**	1,024,165
Financial assets measured at fair value through other comprehensive income-debt instruments	21.2	**704,440**	668,812
Financial assets measured at fair value through other comprehensive income-equity instruments	21.3	**5,616**	4,637
Financial assets measured at amortized cost	21.4	**4,688,443**	4,306,513
Interests in associates	23	**764**	733
Property and equipment	24	**62,310**	60,250
Deferred tax assets	25	**65,425**	61,185
Other assets	26	**115,641**	112,772
Total assets		**18,682,067**	17,084,910
Liabilities			
Borrowings from central bank	28	**27,184**	26,138
Deposits from banks and other financial institutions	29	**189,271**	135,599
Placements from banks and other financial institutions	30	**56,135**	47,299
Derivative financial liabilities	18	**4,671**	7,199
Financial assets sold under repurchase agreements	31	**255,400**	194,524
Customer deposits	32	**16,541,716**	15,287,541
Income tax payable		**275**	192
Debt securities issued	33	**251,284**	241,980
Deferred tax liabilities	25	**17**	57
Other liabilities	34	**193,769**	112,732
Total liabilities		**17,519,722**	16,053,261

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	As at December 31, 2025	As at December 31, 2024
Equity			
Share capital	35.1	**120,095**	99,161
Other equity instruments			
Perpetual bonds	35.2	**149,996**	199,986
Capital reserve	36	**271,697**	162,681
Other reserves	37	**333,016**	304,498
Retained earnings		**285,342**	263,343
Equity attributable to equity holders of the Bank		**1,160,146**	1,029,669
Non-controlling interests		**2,199**	1,980
Total equity		**1,162,345**	1,031,649
Total equity and liabilities		**18,682,067**	17,084,910

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

Approved and authorized for issue by the Board of Directors on 27 March 2026.

Zheng Guoyu	Yao Hong
(On behalf of Board of Directors)	(On behalf of Board of Directors)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in millions of RMB unless otherwise stated)

		Attributable to equity holders of the Bank									
			Other equity instruments		Other reserves						
	Notes	Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other comprehensive income	Retained earnings	Subtotal	Non-controlling interests	Total equity
As at 1 January 2025		99,161	199,986	162,681	75,540	219,887	9,071	263,343	1,029,669	1,980	1,031,649
Net profit for the year		-	-	-	-	-	-	87,404	87,404	219	87,623
Other comprehensive income for the year	37.3	-	-	-	-	-	(3,660)	-	(3,660)	-	(3,660)
Total comprehensive income for the year		-	-	-	-	-	(3,660)	87,404	83,744	219	83,963
Issuance of ordinary shares		20,934	-	109,028	-	-	-	-	129,962	-	129,962
Issuance of perpetual bonds	35.2	-	30,000	(2)	-	-	-	-	29,998	-	29,998
Redemption of perpetual bonds		-	(79,990)	(10)	-	-	-	-	(80,000)	-	(80,000)
Appropriation to surplus reserve	37.1	-	-	-	8,617	-	-	(8,617)	-	-	-
Appropriation to general reserve	37.2	-	-	-	-	23,567	-	(23,567)	-	-	-
Dividends declared to ordinary shareholders	38	-	-	-	-	-	-	(26,066)	(26,066)	-	(26,066)
Distribution to perpetual bonds holders	38	-	-	-	-	-	-	(7,161)	(7,161)	-	(7,161)
Others		-	-	-	-	-	(6)	6	-	-	-
As at 31 December 2025		120,095	149,996	271,697	84,157	243,454	5,405	285,342	1,160,146	2,199	1,162,345

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in millions of RMB unless otherwise stated)

		Attributable to equity holders of the Bank									
			Other equity instruments		Other reserves						
	Notes	Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other comprehensive income	Retained earnings	Subtotal	Non-controlling interests	Total equity
As at 1 January 2024		99,161	169,986	162,682	67,010	201,696	5,034	249,304	954,873	1,743	956,616
Net profit for the year		–	–	–	–	–	–	86,479	86,479	237	86,716
Other comprehensive income for the year	37.3	–	–	–	–	–	5,187	–	5,187	–	5,187
Total comprehensive income for the year		–	–	–	–	–	5,187	86,479	91,666	237	91,903
Issuance of perpetual bonds	35.2	–	30,000	(3)	–	–	–	–	29,997	–	29,997
Appropriation to surplus reserve	37.1	–	–	–	8,530	–	–	(8,530)	–	–	–
Appropriation to general reserve	37.2	–	–	–	–	18,191	–	(18,191)	–	–	–
Dividends declared to ordinary shareholders	38	–	–	–	–	–	–	(40,527)	(40,527)	–	(40,527)
Distribution to perpetual bonds holders	38	–	–	–	–	–	–	(6,342)	(6,342)	–	(6,342)
Realized gain of equity instrument investments measured at fair value through other comprehensive income	21.3	–	–	–	–	–	(1,144)	1,144	–	–	–
Others		–	–	2	–	–	(6)	6	2	–	2
As at 31 December 2024		99,161	199,986	162,681	75,540	219,887	9,071	263,343	1,029,669	1,980	1,031,649

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in millions of RMB unless otherwise stated)

	2025	2024
Cash flows from operating activities		
Profit before income tax	**98,221**	94,592
Adjustments for:		
Amortization of intangible assets and other assets	**2,500**	686
Depreciation of property and equipment, and right-of-use assets	**9,108**	10,700
Impairment loss on assets	**32,930**	28,445
– Credit impairment losses	**32,922**	28,423
– Impairment losses on other assets	**8**	22
Interest income arising from financial investments	**(139,718)**	(141,737)
Interest expense arising from debt securities issued	**6,774**	5,471
Net gains on investment securities	**(41,866)**	(32,617)
Unrealized exchange losses/(gains)	**590**	(1,271)
Share of results of associates	**(29)**	(25)
Net gains from disposal of property and equipment and other assets	**(22)**	(19)
Subtotal	**(31,512)**	(35,775)
Net (increase)/decrease in operating assets		
Deposits with central bank	**(20,826)**	32,441
Deposits with banks and other financial institutions	**(121,371)**	(73,001)
Placements with banks and other financial institutions	**(43,875)**	(36,335)
Financial assets measured at fair value through profit or loss	**51,980**	25,212
Financial assets held under resale agreements	**(4,953)**	52,529
Loans and advances to customers	**(792,065)**	(796,135)
Other operating assets	**(3,208)**	(46,940)
Subtotal	**(934,318)**	(842,229)
Net increase/(decrease) in operating liabilities		
Borrowings from central bank	**1,054**	(7,643)
Deposits from banks and other financial institutions	**53,663**	40,153
Placements from banks and other financial institutions	**9,119**	(12,924)
Financial assets sold under repurchase agreements	**60,437**	(78,981)
Customer deposits	**1,283,579**	1,327,559
Other operating liabilities	**(18,073)**	10,909
Subtotal	**1,389,779**	1,279,073
Net cash flows from operating activities before tax	**423,949**	401,069
Income tax paid	**(11,890)**	(3,793)
Net cash generated from operating activities	**412,059**	397,276
Cash flows from operating activities include:		
Interest received	**356,864**	382,189
Interest paid	**(221,101)**	(213,540)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts in millions of RMB unless otherwise stated)

	Notes	2025	2024
Cash flows from investing activities			
Cash received from disposal/redemption of financial investments		**1,784,365**	1,616,561
Cash received from income arising from financial investments		**168,998**	142,168
Cash received from disposal of property and equipment, intangible assets and other long-term assets		**359**	123
Cash paid for purchase of financial investments		**(2,115,897)**	(2,218,901)
Cash paid for purchase of property and equipment, intangible assets and other long-term assets		**(13,759)**	(20,350)
Net cash used in investing activities		**(175,934)**	(480,399)
Cash flows from financing activities			
Cash received from issuance of ordinary shares		**130,000**	–
Cash received from issuance of perpetual bonds		**30,000**	30,000
Cash received from issuance of debt securities		**263,997**	241,956
Cash paid for dividends and interests		**(36,468)**	(37,648)
Cash paid for issuance of perpetual bonds		**(2)**	(3)
Cash paid for issuance of ordinary shares		**(6)**	–
Cash paid for repayment of perpetual bonds		**(80,000)**	–
Cash paid for repayment of debt securities		**(258,100)**	(261,160)
Cash paid to repay principal and interest of lease liabilities		**(3,677)**	(3,923)
Net cash generated from/(used in) financing activities		**45,744**	(30,778)
Effect of exchange rate changes on cash and cash equivalents		**(243)**	89
Net increase/(decrease) in cash and cash equivalents		**281,626**	(113,812)
Balance of cash and cash equivalents at the beginning of the year		**339,415**	453,227
Balance of cash and cash equivalents at the end of the year	39	**621,041**	339,415

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in millions of RMB unless otherwise stated)

1 General information

Postal Savings Bank of China Co., Ltd. (the "Bank") is a commercial bank controlled by China Post Group Corporation Limited ("China Post Group"). The Bank, originally known as Postal Savings Bank of China Company Limited (the "Company"), was established on March 6, 2007 through restructuring of the postal savings system.

In 2011, with the approval from the Ministry of Finance (the "MOF") of the People's Republic of China (the "PRC") and the former China Banking and Insurance Regulatory Commission (the former "CBIRC"), the Bank was restructured into a joint-stock bank.

On September 28, 2016 and December 10, 2019, the Bank was listed on The Stock Exchange of Hong Kong Limited and The Shanghai Stock Exchange respectively.

The Bank, as approved by the former CBIRC, holds a financial institution license of the PRC (No. B0018H111000001) and approved by and obtained its business license with unified social credit code 9111000071093465XC from the Beijing Municipal Administration for Market Regulation. The address of the Bank's registered office is No. 3 Jinrong Street, Xicheng District, Beijing, the PRC.

The Bank and its subsidiaries (the "Group") conduct their operating activities in the PRC, and the principal activities include: personal and corporate financial services, treasury operations and other business activities as approved by the National Financial Regulatory Administration (the "NFRA").

As at December 31, 2025, the Bank had a total of 36 tier-one branches and 326 tier-two branches across the PRC.

The information of the Bank's subsidiaries is set out in Note 22.

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

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

2 Application of new and amendments to IFRS Accounting Standards

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

In the current year, the Group has applied the following new and amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), for the first time, which are mandatorily effective for the Group's annual period beginning on or after January 1, 2025 for the preparation of the Group's consolidated financial statements:

Amendments to IAS 21	The effects of changes in foreign exchange rates – Lack of exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability.

Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The directors of the Bank anticipate that the application of all the amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in millions of RMB unless otherwise stated)

3 Basis of preparation of consolidated financial statements and material accounting policies

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the IASB ("IFRS Accounting Standards"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. Please refer to Note 45.8(2) for description of fair value hierarchy.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies

3.2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and entities (including structured entities, Note 41) controlled by the Bank and its subsidiaries. Control is achieved when the Bank:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Bank and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries and all structured entities to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in millions of RMB unless otherwise stated)

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.1 Basis of consolidation (continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes:

- restricted activities;
- a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;
- insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and
- financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks.

Management applies its judgement to determine whether the Group is acting as agent or principal in relation to the structured entities ("SEs") in which the Group acts as an asset manager. In assessing whether the Group is acting as agent or principal, the Group considers factors such as scope of the asset manager's decision making authority, rights held by other parties, remuneration to which it is entitled, and exposure to variability of returns by other arrangements (such as direct investments).

3.2.2 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate of the Group. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.3 Income recognition

(1) Interest income

Interest income is calculated and recognized in accordance with relevant policies specified in Note 3.2.7(2).

(2) Fee and commission income

Fee and commission income is recognized when the Group fulfils its performance obligations either over time or at a point in time when a customer obtains the control right of relevant services.

If the revenue is recognized over time, the Group recognizes revenue in accordance with the progress towards complete satisfaction of a performance obligation, mainly including consultants fee, custodian business fee income, etc. If a performance obligation is not satisfied over time, it is satisfied at a point in time. The Group recognizes revenue at a point in time at which a customer obtains control of the promised services, mainly including insurance agency service fee, settlement and clearing fee, bond underwriting income, etc.

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

When another party is involved in providing services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the Group is a principal) or to arrange for those services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified service before that service is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified service by another party. In this case, the Group does not control the specified service provided by another party before that service is transferred to the customer. When the Group acts as an agent, it recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified services to be provided by the other party.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in millions of RMB unless otherwise stated)

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.4 Foreign currencies transactions

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated at the rates prevailing on the date when the fair value is determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

3.2.5 Taxation

Income tax expense comprises current and deferred tax.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognized in other comprehensive income or directly in equity, respectively.

(1) Current tax

Current income tax includes the expected tax payable on the taxable income for the period at applicable tax rates, and any adjustments to tax payable in respect of prior periods.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.5 Taxation (continued)

(2) Deferred tax

Deferred tax is recognized on temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognizes a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in millions of RMB unless otherwise stated)

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.6 Employee benefits

Employee benefits are all forms of consideration given and other relevant expenditures incurred by the Group in exchange for services rendered by employees or for termination of the employment contracts. These benefits include short-term employee benefits, retirement benefits and early retirement benefits.

(1) Short-term employee benefits

Short-term employee benefits include wages, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, as well as labour union fees and employee education expenses.

In the reporting period in which an employee has rendered services, the Group recognizes the short-term employee benefits payable for those services as a liability with a corresponding increase in the expenses.

(2) Retirement benefits

The Group's retirement benefits include defined contribution plans and defined benefit plans. Under defined contribution plans, the Group makes fixed contributions into a separate fund and will have no legal or constructive obligation to make further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods. All other retirement plans are classified as defined benefit plans.

The Group's retirement benefits are primarily the payments for basic pensions, unemployment insurance, annuity scheme and supplementary retirement benefits, among which, basic pensions, unemployment insurance and annuity scheme are defined contribution plans and supplementary retirement benefits is defined benefit plan. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions. Forfeited contributions in respect of unvested benefits of employees leaving the Group's employment cannot be used to reduce ongoing contributions.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.6 Employee benefits (continued)

(2) Retirement benefits (continued)

Basic pension and unemployment insurance

Pursuant to the relevant laws and regulations of the PRC, the Group participated in the social insurance system established and managed by government organizations. The Group makes contributions to basic pension insurance plans and unemployment insurance based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance and unemployment insurance contributions are charged to profit or loss as the related services are rendered by the employees.

Annuity Scheme

In addition to the statutory pension schemes, the Group's employees also participate in the annuity scheme set up by the Group under Annuity Scheme of Postal Savings Bank of China Co., Ltd. (the "Annuity Scheme") in accordance with the corporate annuity regulations stipulated by the government. The annuity contributions are paid by the Group with reference to its employees' gross salaries, and are charged to profit or loss as the related services are rendered by the employees. The Group has no further obligation if the Annuity Scheme does not have sufficient assets for the payment of any retirement benefits to employees funded by the Annuity Scheme.

Supplementary retirement benefits

The Group gives supplementary retirement benefits to retired employees who are qualified on or before December 31, 2010. The supplementary retirement benefits include supplementary pensions and supplementary medical benefits. The retirement benefits plan falls under defined benefit plan, and is usually determined by one or several factors such as age, length of service and compensation.

The liabilities recognized in relation to the above defined benefit pension plan in the consolidated statement of financial position are the present value of defined benefit liabilities at the end of reporting period. The present value of defined benefit liability is based on the expected future cash outflow which is discounted with interest yield of government bonds with similar duration. The estimate of future cash outflows is affected by various assumptions, including inflation rate of pension and medical benefits as well as other factors. The actuarial gains or losses arising from supplemental retirement benefit are included in other comprehensive income when incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025
(All amounts in millions of RMB unless otherwise stated)

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.6 Employee benefits (continued)

(3) Early retirement benefits

Early retirement benefits have been paid to those employees who accept voluntary retirement before the normal retirement date, as approved by management. The related benefit payments are made from the date of early retirement to the normal retirement date.

The accounting treatment of the Group's early retirement benefits is in accordance with termination benefits in IAS 19. The liabilities are recognized for the early retirement benefit payments from the date of early retirement to the normal retirement date when the criteria for recognition as termination benefit are met with a corresponding charge in profit or loss. Differences arising from changes in assumptions and estimates of the present value of the liabilities are recognized in the profit or loss when incurred.

3.2.7 Financial Instruments

(1) Classification of financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following three types on the basis of the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets:

- Amortized cost;
- Fair value through other comprehensive income ("FVTOCI") and;
- Fair value through profit or loss ("FVTPL").

The business model reflects how the Group manages the financial assets in order to generate cash flows. The business model determines whether the cash flow of financial assets managed by the Group is derived from contractual cash flows, sales of financial assets or both. Factors considered by the Group in determining the business model of a group of financial assets include how the cash flows for these financial assets were collected in the past, how the asset's performance was assessed and reported to key management personnel, how the risks were assessed and managed, and the way the business managers were compensated.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(1) Classification of financial instruments (continued)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest on the principal amount outstanding ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial assets are classified as financial assets measured at FVTPL.

Derivatives embedded in hybrid contracts that contain financial asset hosts are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortized cost or fair value as appropriate.

Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- the assets are managed within a business model whose objective is to collect contractual cash flows;
- the contractual terms of the financial assets specify that cash flows arising on specified dates are solely payments of principal and interest on the outstanding principal.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(1) Classification of financial instruments (continued)

Financial assets measured at FVTOCI

Financial assets measured at FVTOCI include debt instruments and equity instruments.

Financial assets are classified as debt instruments measured at FVTOCI when they are not designated at FVTPL and both of the following conditions are met:

- the assets are managed within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial assets specify that cash flows arising on specified dates are solely payments of principal and interest on the outstanding principal.

At the date of initial recognition of a financial asset, the Group may designate an equity investment, which is not held for trading, as financial assets measured at FVTOCI, and recognize dividend income in accordance with the relevant policies specified in Note 3.2.7(2). Once the designation is made, it cannot be revoked.

Financial assets measured at FVTPL

Financial assets measured at FVTPL include financial assets designated as at FVTPL and other financial assets mandatorily measured at FVTPL. The Group classifies the financial assets other than those measured at amortized cost and measured at FVTOCI as financial assets measured at FVTPL.

At initial recognition, the Group may designate financial assets as financial assets measured at FVTPL if the designation can eliminate or significantly reduce accounting mismatch. Once the designation is made, it cannot be revoked.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(1) Classification of financial instruments (continued)

Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL include financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

A financial liability is classified as held for trading if it:

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

Financial liabilities are designated at FVTPL upon initial recognition when one of the following conditions is met:

- the designation can eliminate or significantly reduce accounting mismatch; or
- the formal written file of the Group's risk management or investment strategy have clearly stated that the financial liability portfolio, or the portfolio of financial assets and financial liabilities, are managed, evaluated and reported to key management personnel on the basis of fair value. Once the designation is made, it cannot be revoked.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(1) Classification of financial instruments (continued)

Financial liabilities measured at amortized cost

The Group classifies all financial liabilities as subsequently measured at amortized cost, except for:

- financial liabilities measured at FVTPL;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts and commitments to provide a loan at a below-market interest rate.

Financial liabilities measured at amortized cost comprise borrowings from central bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, customer deposits, debt securities issued and other financial liabilities.

(2) Measurement of financial instruments

Initial recognition

Financial assets purchased or sold in regular ways are recognized on the trade-date, the date on which the Group commits to purchase or sell the assets. Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities measured at FVTPL, any related directly attributable transaction costs are recognized immediately 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.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(2) Measurement of financial instruments (continued)

Subsequent measurement

Subsequent measurement of financial instruments depends on the categories:

Financial assets and liabilities measured at amortized cost

The amortized cost of the financial assets or financial liabilities is determined at initial recognition after being adjusted as follows:

- deducting the principal repaid;
- adding or deducting the cumulative amortization of any difference between the amount at initial recognition and the amount at the maturity date using the effective interest rate method;
- deducting any loss allowance (solely for financial assets).

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant periods. The effective interest rate is the interest rate used to discount the estimated future cash flows of financial assets or financial liabilities over the estimated duration to the carrying amount (i.e. the amortized cost before any impairment allowance) of the financial assets or to the amortized cost of the financial liabilities. The expected credit losses are not considered in calculation, while the transaction costs, premiums or discounts, and fees paid or received that are integral to the effective interest rate are covered.

Interest income is calculated by applying the effective interest rate to the carrying amount of a financial asset, with the following exceptions:

- a purchased or originated credit-impaired ("POCI") financial asset, whose interest income is calculated since initial recognition by applying the credit-adjusted effective interest rate to its amortized cost;
- a financial asset that is not a POCI financial asset but has subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to its amortized cost. If, in a subsequent period, the credit quality of the financial asset is improved so that it is no longer credit-impaired and the improvement in credit quality can be related objectively to a certain event occurring after the application of the above-mentioned rule, then the interest income can again be calculated by applying the effective interest rate to its gross amount.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(2) Measurement of financial instruments (continued)

Subsequent measurement (continued)

Financial assets measured at FVTOCI

Debt instruments

Interest income calculated using the effective interest rate method, impairment and foreign exchange gains and losses are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income.

Interest income derived from these financial assets is included in and disclosed as "interest income" using the effective interest rate method.

When the financial assets are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to profit or loss for the current period.

Equity instruments

Where an equity investment not held for trading is designated as a financial asset measured at FVTOCI, the changes in fair value of the financial asset are recognized in other comprehensive income. When the financial asset is derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings. The dividend income on the investment is recognized in profit or loss only when the Group's right to receive payment of the dividends is established.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(2) Measurement of financial instruments (continued)

Subsequent measurement (continued)

Financial assets measured at FVTPL

Financial assets measured at FVTPL are measured at fair value with all gains or losses recognized in the profit or loss for the current period.

Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL are measured at fair value with all gains or losses recognized in the profit or loss for the current period, unless in the case of financial liabilities designated at FVTPL, where gains or losses are treated as follows:

- changes in the fair value of such financial liabilities resulting from the changes in the Group's own credit risk are recognized in other comprehensive income;

- other changes in fair value of such financial liabilities are recognized in profit or loss for the current period. If the accounting of changes in the credit risk of the financial liabilities will create or enlarge accounting mismatches in profit or loss, the Group shall recognize all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss for the current period.

When the liabilities designated at FVTPL are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings.

Equity instruments

An equity instrument refers to a contract that evidences a residual interest in the assets of the Group after deducting all liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Ordinary shares, preference shares and perpetual bonds issued by the Group, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(3) Impairment of financial instruments

For debt instruments carried at amortized cost and FVTOCI and exposure arising from credit commitments and financial guarantee contract, the Group assesses the expected credit losses of financial assets with the forward-looking information.

ECL are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, i.e., all cash shortfalls, discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group measures ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money;
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(3) Impairment of financial instruments (continued)

At the reporting date, the Group assesses whether there is a significant increase in the credit risk of its financial instruments since their initial recognition, and calculates the impairment allowance and recognizes the ECL and changes as follows:

- The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. Irrespective of whether the Group assesses the credit losses of its financial instruments on an individual basis or collectively in a group, any increase or reversal of the allowance for credit losses shall be recognized in the profit or loss for the current period as impairment losses or gains;

- If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month (or the expected lifetime when it is shorter than 12 months) ECL. Irrespective of whether the Group assesses the credit losses of its financial instruments on an individual basis or collectively in a group, any increase or reversal of the allowance for credit losses shall be recognized in the profit or loss for the current period as impairment losses or gains.

For financial assets that are measured at amortized cost, the loss allowance is recognized in profit or loss by adjusting their carrying amount. For debt instruments that are measured at FVTOCI, the loss allowance is recognized in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments.

If the Group has measured the loss allowance for a financial instrument other than POCI financial assets at an amount equal to lifetime expected credit losses in the previous reporting period, however it is determined that at the current reporting date the credit risk on the financial instruments has no longer increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month (or the expected lifetime when it is shorter than 12 months) ECL at the current reporting date and the amount of ECL reversed is recognized in profit or loss.

At the reporting date, the Group only recognizes the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance for POCI financial assets. At each reporting date, the Group recognizes the amount of the changes in lifetime expected credit losses in profit or loss as an impairment gain or loss.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(4) Modification of financial instruments

In some cases, the Group may renegotiate or otherwise modify the contractual cash flows of financial instruments. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a "new" asset at fair value and recalculates a new effective interest rate for the asset. Differences in the carrying amount are also recognized in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross amount based on the revised cash flows of the financial asset and recognizes a modification gain or loss in profit or loss. The new gross amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

(5) Derecognition of financial instruments

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the financial asset has been transferred, and the Group transfers substantially all the risks and rewards of the ownership of the financial asset to the transferee; or
- the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but it does not retain control of the transferred asset.

Where the financial asset has been transferred, if the Group neither transfers nor retains substantially all the risks and rewards of the ownership and the Group retains the control over the transferred financial asset, the financial assets and relevant liabilities shall be recognized to the extent of the Group's continuing involvement in the assets.

The Group writes off a financial asset when there is evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. The write-off constitutes a derecognition event.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.7 Financial Instruments (continued)

(5) Derecognition of financial instruments (continued)

Financial liabilities

A financial liability (or part of it) is derecognized when the obligation under the liability is discharged, cancelled or expired.

(6) Offsetting a financial asset and a financial liability

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

(7) Resale and repurchase agreements

Amounts for purchase of financial assets under resale agreements are accounted for under "Financial assets held under resale agreements". Amounts from sale of financial assets under repurchase agreements are accounted for under "Financial assets sold under repurchase agreements".

The financial asset held under resale agreements are presented at their carrying amount, net of allowance for impairment loss. The cash received from financial assets sold under repurchase agreements are accounted for a liability and presented at their carrying amount. Relevant interest income and expense are recognized at accrual basis.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.8 Property and equipment

Property and equipment are recognized by the Group when the economic benefits are expected to be received and their costs can be measured reliably. The purchased or newly-built property and equipment are initial recognized at their cost at the time of addition. Property and equipment injected by China Post Group during the establishment and joint-stock restructuring of the Group are recognized at the value determined by the state-owned assets management department.

Property and equipment including buildings held for use in the supply of services, or for administrative purpose (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any. When the costs attributable to the land use rights cannot be measured reliably and separated from that of the building at inception, the costs are included in the cost of buildings and recorded in property and equipment.

Depreciation is recognized as a component of operating expenses so as to recognize the consumption of the economic value of property and equipment (other than construction in progress), less their estimated residual value, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual value and depreciation rates are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives, estimated residual value rates and annual depreciation rates of each category of property and equipment are as follows:

Categories	Estimated useful lives	Estimated residual value rates	Annual depreciation rates
Buildings	10-30 years	5%	3.17%-9.50%
Electronic equipment	3-5 years	5%	19.00%-31.67%
Motor vehicles	4-8 years	5%	11.88%-23.75%
Office equipment and other	5 years	5%	19.00%

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.8 Property and equipment (continued)

Properties in the course of construction for supply of services or administrative purposes are carried at cost, as construction in progress, less any impairment loss. The costs comprise construction cost, installation cost, borrowing costs that are eligible for capitalisation and other costs necessary for preparing the property and equipment for their intended use. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

The assets' estimated residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continuing use. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in net other operating gains. Property and equipment's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

3.2.9 Land use rights

Land use rights are classified in other assets and amortized over the respective lease periods, which range from 10 to 40 years. The land use right injected by China Post Group during the establishment and joint-stock restructuring of the Group are initially measured at the value determined by the state-owned assets management department.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.10 Intangible assets

Intangible assets include software and other intangible assets, which are initially measured at cost.

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment loss. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortized, but are subject to annual impairment assessment.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset are recognized in profit or loss when the asset is derecognized.

3.2.11 Impairment of non-financial assets

Property and equipment, investment properties, construction in progress, right-of-use assets and intangible assets with finite useful lives, among others, are tested for impairment if there is any indication that the assets may be impaired as at the end of the reporting period. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and impairment loss are recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognized on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate cash inflows that are largely independent of the cash flows from other assets or groups of assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount had no impairment loss been recognized. Any reversal of an impairment loss is recognized immediately in profit or loss.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.12 Cash and cash equivalents

Cash and cash equivalents are short-term and highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash and cash equivalents include cash and assets with original maturity of three months or less, deposits with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements and some of short-term debt securities.

3.2.13 Precious metals

Precious metals that are related to the Group's trading activities are initially recognized at fair value, with changes in fair value arising from re-measurement recognized directly in profit or loss in the period in which they arise.

The Group records the precious metals received as an asset. A liability to return the amount of precious metals deposited is also recognized. The precious metals deposited from its customers in the Group are measured at fair value both on initial recognition and in subsequent measurement.

3.2.14 Dividend distribution

Dividend distribution of ordinary share to the Bank's shareholders is recognized as a liability in the Bank's financial statements when the dividends are approved by the Bank's shareholders. Dividend distribution of preference share is recognized as a liability when the dividends are approved by the Bank's Board of Directors.

3.2.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3.2.16 Fiduciary activities

The Group's fiduciary business refers to services for customers in accordance with custody agreements signed by the Group and securities investment funds, insurance companies, trust companies and other institutions. The Group fulfils its fiduciary duty and receives relevant fees and commissions in accordance with these agreements, and does not take up any risks and rewards related to the assets under custody, which are recorded as off-balance sheet items.

The Group conducts entrusted lending arrangements for its customers. Under the terms of entrusted loan arrangements, the Group grants loans to borrowers, as an intermediary, according to the instructions (including but not limited to the counterparties, purposes, amounts, interest rates and repayment schedules of the entrust loan) of its customers who are the lenders providing funds for the entrusted loans. The Group is responsible for the arrangement and collection of the entrusted loans and receives a commission for the services rendered. As the Group does not assume the economic risks and rewards of the entrusted loans and the funding for the corresponding entrusted funds, they are not recognized as assets and liabilities of the Group.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.17 Financial guarantee contracts and loan commitments

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument.

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

- The amount of expected credit loss under Note 3.2.7(3); and
- The premium received on initial recognition less income recognized in accordance with the principles of IFRS 15.

Loan commitments are commitments provided by the Group to the customers to grant loans under the established contract terms during certain period.

The impairment allowance of loan commitments provided by the Group is measured using ECL models. The Group has not provided any commitment to provide loans at a below market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

The expected credit losses of loan commitment and financial guarantee contracts are recognized as a provision and presented in other liabilities.

3.2.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events but is not recognized because it is not probable that an outflow of economic resources will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

A contingent liability is not recognized but disclosed. The Group's contingent liabilities are disclosed in Note 42 "Contingent liabilities and commitments".

A provision is recognized when it meets the criteria as set forth in Note 3.2.15 "Provisions".

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.19 Lease

(1) Identifying a lease

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

- Whether there is an identified asset in a contract. An identified asset is typically identified by being explicitly or implicitly specified in a contract. A capacity or other portion of an asset that is not physically distinct is not an identified asset, unless it represents substantially all of the capacity of the asset. The Group does not have the right to use an identified asset if the lessor has the substantive right to substitute the asset throughout the period of use;

- the right to obtain substantially all of the economic benefits from use of the identified asset;

- the right to direct the use of an identified asset.

For a contract that is, or contains, a lease, the Group does not elect to separate non-lease components from lease components, instead, it accounts for each lease component and any associated non-lease components as a single lease component.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.19 Lease (continued)

(2) The Group as a lessee

At the commencement date, the Group recognizes a right-of-use asset and a lease liability. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date; any initial direct costs incurred by the Group; an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset; less any lease incentives received.

The Group uses the straight-line method to accrue depreciation for the right-of-use assets in the period from the beginning of the lease term to the end of the service life or the lease term, whichever is shorter. The estimated service life of the right-of-use asset is determined based on the same method as the estimated service life of the real estate and equipment. The carrying amount of the right-of-use asset is adjusted for any remeasurement of the lease liability. In addition, the impairment loss (if any) of the right-of-use assets is recognized on a regular basis.

At the commencement date, the Group recognizes and measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments need to be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the incremental borrowing rate of lessee. Generally, the Group uses the incremental borrowing rate as the discount rate.

The lease payments comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivables;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price of a purchase or an extension option if the Group is reasonably certain to exercise that option;
- the payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.19 Lease (continued)

(2) The Group as a lessee (continued)

The Group remeasures the lease liability by discounting the revised lease payments, if there is a change in future lease payments resulting from a change in an index or a rate, or if there is a change in the assessments about whether to exercise an option about purchase, extension or termination.

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

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for leases of low-value assets. The Group recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

When the lease changes and the following conditions are met at the same time, the Group treats it as a separate lease for accounting treatment:

- The lease change expands the scope of the lease by adding the right to use one or more leased assets;

- The increased consideration is equivalent to the stand-alone price of the expanded part of the lease scope after adjustment according to the contract.

When the lease change is not treated as a separate lease, the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate. If the lease modifications decrease the scope or term of the lease, the Group correspondingly decreases the carrying amount of the right-of-use asset and recognizes the relevant gains or losses from the partial or full termination of the lease as the current profit or loss. If other lease changes cause the lease liability to be remeasured, the Group adjusts the carrying amount of the right-of-use asset accordingly.

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3 Basis of preparation of consolidated financial statements and material accounting policies (continued)

3.2 Material accounting policies (continued)

3.2.19 Lease (continued)

(3) The Group as a lessor

The group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When the group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described in Note 3.2.19(2), then the group classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note 3.2.7. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases is recognised as income using the straight-line method over the lease term. Variable lease payments not included in lease receipts are recognised as income as they are earned.

3.2.20 Segment analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Relevant committees led by the President of the Bank (the "President") allocate resources to and assesses the performance of the operating segments based on periodically reviewing this analysis. The Group's reportable segments are determined based on its operating segments while taking full consideration of various factors such as products and services, geographical location and regulatory environment related to the daily operation business of the management. Operating segments meeting the same qualifications are aggregated into a single reportable segment.

The same accounting policies as adopted in preparation of the Group's financial statements are used for segment reporting.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and disclosed amounts of assets and liabilities, income and expenses. Actual results in the future may differ from those disclosed as a result of the use of estimates and assumptions about future conditions.

4.1 Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets at amortized cost and FVTOCI requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements involved in applying the accounting requirements for measuring ECL, include:

- Segmentation of portfolios sharing similar credit risk characteristics, application of appropriate models and determination of relevant key measurement parameters;
- Criteria for determining significant increase in credit risk or becoming credit-impaired;
- Application of economic indexes, macroeconomic scenarios and weightings for forward-looking measurement;
- Management overlay adjustments for significant uncertain factors not covered in the models;
- The forecasted cash flows for loans and advances to customers and other debt instruments measured at amortized cost classified into stage 3 which are considered individually significant.

Detailed information about the judgements and estimates made by the Group is set out in Note 45.3 Credit risk.

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4 Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Fair value of financial instruments

The Group uses valuation techniques to estimate the fair value of financial instruments that are not quoted in an active market. Valuation techniques include the use of recent prices of transaction between knowledgeable, willing parties, observable prices of similar financial instruments, discounted cash flows analysis with risk adjusted, as well as pricing models that are commonly used in the market. To the extent practical, models for the valuation of derivatives and other financial instruments use observable market data, such as interest yield curves and foreign exchange rates. However areas such as credit risk (both own and counterparty's), volatilities and correlations require management to make estimates. Fair value calculated using valuation techniques are verified based on the industry practice and currently observable prices of same or similar financial instruments in the market.

The Group, through regular review and approval procedures, reviews the assumptions and market expectations adopted by the valuation techniques, including the examination of assumptions and pricing factors of models, changes in assumptions of models, properties of market parameters, whether the market is active or not, adjustment factors of fair value which are not covered by models, and the consistency of valuation techniques between periods. Valuation techniques are regularly reviewed through validity tests and updated to reflect the market various at the end of the reporting period where appropriate.

4.3 Income taxes

In the ordinary course of the Group's business, there are certain transactions and activities for which there are uncertainties concerning their ultimate tax treatment. In accordance with the current tax laws and regulations as well as the policies applicable to the Group from competent government authorities in the previous years, the Group makes tax estimates on the implementation of new tax laws and regulations as well as events involving uncertainties in tax treatment. In calculating its income tax liabilities, the Group makes significant judgements. Where the final outcome of these tax matters is different from the amounts initially recorded, such differences will affect the current income tax and deferred income tax provisions in the period during which such a determination is made.

4.4 Control over structured entities

Where the Group acts as asset manager or investor of structured entities, the Group makes judgement on whether it controls the structured entities. The principle of control includes three factors: (i) power over investees; (ii) exposure or right to the variable returns of investees, and (iii) ability to affect those returns through its power over the investees. If evidence shows that the factors of the control change, the Group reassesses whether it has control on the investees. When performing this assessment, the Group considers several factors including, among other things, the scope of its decision-making authority over the structured entities, the rights held by other parties, the remuneration to which it is entitled in accordance with the related agreements for the assets management services, the Group's exposure to variability of returns from other interests (such as direct investment) that it holds in the structured entities.

5 Net interest income

	2025	2024
Interest income		
Deposits with central bank	**20,069**	20,252
Deposits with banks and other financial institutions	**6,638**	5,879
Placements with banks and other financial institutions	**8,720**	10,236
Financial assets held under resale agreements	**6,231**	5,418
Loans and advances to customers	**299,527**	324,721
Including: Personal loans and advances	**168,408**	196,880
Corporate loans and advances	**131,119**	127,841
Financial investments		
Financial assets measured at FVTOCI-debt instruments	**15,414**	14,153
Financial assets measured at amortized cost	**124,304**	127,584
Subtotal	**480,903**	508,243
Interest expense		
Borrowings from central bank	**(446)**	(540)
Deposits from banks and other financial institutions	**(2,963)**	(1,886)
Placements from banks and other financial institutions	**(1,462)**	(1,686)
Financial assets sold under repurchase agreements	**(4,056)**	(2,320)
Customer deposits	**(183,582)**	(210,217)
Debt securities issued	**(6,774)**	(5,471)
Subtotal	**(199,283)**	(222,120)
Net interest income	**281,620**	286,123
Included in interest income		
Interest income from listed investments	**132,056**	130,206
Interest income from unlisted investments	**7,662**	11,531

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6 Net fee and commission income

		2025	2024
Agency service business	(1)	**8,440**	9,229
Bank cards business		**10,431**	10,593
Settlement and clearing	(2)	**9,991**	9,947
Wealth management		**5,373**	3,951
Investment banking	(3)	**4,596**	3,318
Custody business		**1,423**	1,255
Others		**3,170**	2,460
Fee and commission income		**43,424**	40,753
Fee and commission expense	(4)	**(14,059)**	(15,471)
Net fee and commission income		**29,365**	25,282

(1) Fee and commission income from agency service business mainly includes fee and commission income from bancassurance, distribution of fund products, government bonds underwriting, and collection and payment services.

(2) Fee and commission income from settlement and clearing refers to income derived from settlement and clearing services the Group provided to customers, including fee and commission derived from electronic payment services, corporate settlement services, and personal settlement services.

(3) Fee and commission income from investment banking refers to income derived from underwriting and distributing bonds and securities, asset securitization, syndicated loan, and advisory services.

(4) Fee and commission expense is expense incurred for agency and settlement services, including those paid to China Post Group for agency services (Note 40.3.1(1)).

7 Net trading gains

	2025	2024
Debt securities and funds	**2,683**	4,417
Derivatives and others	**355**	(232)
Total	**3,038**	4,185

8 Net gains on investment securities

	2025	2024
Net gain from financial assets measured at FVTPL	**19,099**	27,236
Net gain from financial assets measured at FVTOCI	**3,198**	2,323
Total	**22,297**	29,559

9 Net other operating gains

	2025	2024
Government subsidies	**99**	651
Leasing income	**103**	100
Net losses on foreign exchanges	**(591)**	(374)
Other	**337**	524
Total	**(52)**	901

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10 Operating expenses

		2025	2024
Deposit agency fee and others (Note 40.3.1(1))		**113,450**	117,814
Staff costs (including emoluments of directors, supervisors and senior management)	(1)	**64,827**	64,045
Depreciation and amortization		**11,605**	11,386
Taxes and surcharges	(2)	**2,959**	2,616
Auditor's remuneration		**30**	32
Other expenses	(3)	**31,844**	30,203
Total		**224,715**	226,096

(1) Staff costs (including emoluments of directors, supervisors and senior management)

	2025	2024
Short-term employee benefits		
Wages and salaries, bonuses, allowance and subsidies	**42,360**	41,742
Housing funds	**4,895**	4,763
Social security contributions	**3,857**	3,777
Including: Medical insurance	**3,695**	3,621
Maternity insurance	**68**	65
Work injury insurance	**94**	91
Staff welfare	**3,087**	2,982
Labour union funds and employee education funds	**1,386**	1,678
Others	**69**	48
Subtotal	**55,654**	54,990
Defined contribution plans		
Basic pensions	**5,740**	5,640
Annuity scheme	**3,235**	3,237
Unemployment insurance	**164**	155
Subtotal	**9,139**	9,032
Supplementary retirement benefits and early retirement benefits	**34**	23
Total	**64,827**	64,045

(2) Taxes and surcharges mainly include urban construction tax, educational surcharges, property tax, land use tax, vehicle and vessel use tax and stamp duty, etc.

(3) For the year ended December 31, 2025, the rental expenses of short-term leases and low value asset leases included in other expenses were RMB871 million (for the year ended December 31, 2024: RMB812 million).

11 Emoluments of directors and supervisors

11.1 Details of the directors and supervisors' emoluments are as follows:

Name	2025				
	Fees RMB thousand	Remuneration RMB thousand	Contribution to pension scheme RMB thousand	Benefits in kind RMB thousand	Total RMB thousand
Chairman					
Zheng Guoyu (鄭國雨) [i]	–	–	–	–	–
Executive Directors					
Lu Wei (盧葦) [ii]	–	–	–	–	–
Yao Hong (姚紅)	–	547	208	99	854
Non-executive Directors					
Liu Xin'an (劉新安) [iii]	–	–	–	–	–
Zhang Xuanbo (張宣波) [iii]	–	–	–	–	–
Liu Ruigang (劉瑞鋼) [iii] [iv]	–	–	–	–	–
Chen Xue (陳雪) [iii] [v]	–	–	–	–	–
Hu Yuting (胡宇霆) [iii]	–	–	–	–	–
Ding Xiangming (丁向明) [iii]	–	–	–	–	–
Yu Mingxiong (余明雄) [iii]	–	–	–	–	–
Independent Non-executive Directors					
Wen Tiejun (溫鐵軍)	348	–	–	–	348
Chung Shui Ming Timpson (鍾瑞明)	348	–	–	–	348
Pan Yingli (潘英麗)	348	–	–	–	348
Tang Zhihong (唐志宏)	348	–	–	–	348
Hong Xiaoyuan (洪小源)	348	–	–	–	348
Yang Yong (楊勇) [vi]	211	–	–	–	211
Pu Yonghao (浦永灝) [vii]	–	–	–	–	–
Directors and Supervisors resigned					
Liu Jianjun (劉建軍) [viii]	–	–	–	–	–
Han Wenbo (韓文博) [ix]	–	–	–	–	–
Chen Donghao (陳東浩) [x]	–	–	–	–	–
Chen Yuejun (陳躍軍) [xi]	–	370	139	67	576
Bai Jianjun (白建軍) [xii]	300	–	–	–	300
Chen Shimin (陳世敏) [xii]	300	–	–	–	300
Li Yue (李躍) [xii] [xiii]	–	–	–	–	–
Gu Nannan (谷楠楠) [xii] [xiii]	–	–	–	–	–
Total [xiv]	2,551	917	347	166	3,981

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11 Emoluments of directors and supervisors (continued)

11.1 Details of the directors and supervisors' emoluments are as follows: (continued)

(i) Mr. Zheng Guoyu, Chairman and Non-executive Director of the Bank, served and received remuneration at China Post Group, the controlling shareholder of the Bank, and did not receive remuneration from the Bank.

(ii) On February 13, 2026, Mr. Lu Wei obtained the qualification approval from the National Financial Regulatory Administration to serve as Executive Director and President of the Bank, and did not receive remuneration from the Bank in 2025.

(iii) Non-executive Directors Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Liu Ruigang, Ms. Chen Xue, Mr. Hu Yuting, Mr. Ding Xiangming and Mr. Yu Mingxiong did not receive remuneration from the Bank.

(iv) On October 25, 2024, the 2024 first extraordinary general meeting of the Bank elected Mr. Liu Ruigang as a Non-executive Director of the Bank. Mr. Liu Ruigang has served as a Non-executive Director of the Bank since May 23, 2025. The term of office of Mr. Liu Ruigang as a Non-executive Director of the Bank is three years.

(v) On October 9, 2025, the 2025 second extraordinary general meeting of the Bank elected Ms. Chen Xue as a Non-executive Director of the Bank. Ms. Chen Xue has served as a Non-executive Director of the Bank since December 29, 2025. The term of office of Ms. Chen Xue as a Non-executive Director of the Bank is three years.

(vi) On January 22, 2025, the 2025 first extraordinary general meeting of the Bank elected Mr. Yang Yong as an Independent Non-executive Director of the Bank. Mr. Yang Yong has served as an Independent Non-executive Director of the Bank since May 23, 2025. The term of office of Mr. Yang Yong as an Independent Non-executive Director of the Bank is three years.

(vii) On April 17, 2025, the 2024 annual general meeting of the Bank elected Mr. Pu Yonghao as an Independent Non-executive Director of the Bank. Mr. Pu Yonghao has served as an Independent Non-executive Director of the Bank since January 13, 2026. The term of office of Mr. Pu Yonghao as an Independent Non-executive Director of the Bank is three years. Mr. Pu Yonghao did not receive remuneration from the Bank in 2025.

(viii) According to the announcement of the Bank on December 26, 2025, Mr. Liu Jianjun will no longer serve as Executive Director and President of the Bank as he reached the statutory retirement age. Mr. Liu Jianjun worked and received remuneration in China Post Group, the controlling shareholder of the Bank, but did not receive remuneration in the Bank.

(ix) According to the announcement of the Bank on October 30, 2025, Mr. Han Wenbo will no longer serve as a Non-executive Director of the Bank due to work adjustments. Mr. Han Wenbo did not receive remuneration from the Bank.

11 Emoluments of directors and supervisors (continued)

11.1 Details of the directors and supervisors' emoluments are as follows: (continued)

(x) According to the announcement of the Bank on May 28, 2025, Mr. Chen Donghao will no longer serve as a Non-executive Director since May 23, 2025 due to the expiry of his term of office. Mr. Chen Donghao did not receive remuneration from the Bank.

(xi) According to the announcement of the Bank on September 23, 2025, Mr. Chen Yuejun will no longer serve as a Supervisors of the Bank due to reaching the statutory retirement age.

(xii) On December 11, 2025, since the Amendments to the Articles of Association of Postal Savings Bank of China were approved and took effect, the Bank shall cease to have a Board of Supervisors, and Mr. Bai Jianjun, Mr. Chen Shimin, Mr. Li Yue, and Mr. Gu Nannan no longer serve as Supervisors of the Bank.

(xiii) The Employee Supervisor of the Bank does not receive salary as an Employee Supervisor, and the salary received in accordance with the employee salary system of the Bank has not been counted.

(xiv) The total remuneration of some Directors and Supervisors of the Bank in 2025 has not been finalized on the date of approval of the consolidated financial statements, but it is expected that the remuneration not accrued will not have a significant impact on the financial statements of the Group and the Bank in 2025. The total amount of such remuneration will be disclosed after confirmation.

The Executive Directors' emoluments shown above were only for their services in connection with the management of the affairs of the Bank and the Group. The Independent Non-executive Directors' and the Supervisors' emoluments shown above were only for their services as Directors and Supervisors of the Bank.

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11 Emoluments of directors and supervisors (continued)

11.1 Details of the directors and supervisors' emoluments are as follows: (continued)

Name	2024				
	Fees RMB thousand	Remuneration RMB thousand	Contribution to pension scheme RMB thousand	Benefits in kind RMB thousand	Total RMB thousand
Chairman					
Zheng Guoyu (鄭國雨) [i]	–	–	–	–	–
Executive Directors					
Liu Jianjun (劉建軍) [ii]	–	–	–	–	–
Yao Hong (姚紅)	–	1,650	229	96	1,975
Non-executive Directors					
Han Wenbo (韓文博) [iii]	–	–	–	–	–
Chen Donghao (陳東浩) [iii]	–	–	–	–	–
Liu Xin'an (劉新安) [iii] [iv]	–	–	–	–	–
Zhang Xuanbo (張宣波) [iii] [iv]	–	–	–	–	–
Hu Yuting (胡宇霆) [iii] [iv]	–	–	–	–	–
Ding Xiangming (丁向明) [iii]	–	–	–	–	–
Yu Mingxiong (余明雄) [iii] [iv]	–	–	–	–	–
Independent Non-executive Directors					
Wen Tiejun (溫鐵軍)	460	–	–	–	460
Chung Shui Ming Timpson (鍾瑞明)	460	–	–	–	460
Pan Yingli (潘英麗)	440	–	–	–	440
Tang Zhihong (唐志宏)	460	–	–	–	460
Hong Xiaoyuan (洪小源) [v]	99	–	–	–	99
Supervisors					
Chen Yuejun (陳躍軍)	–	1,728	242	96	2,066
Bai Jianjun (白建軍)	300	–	–	–	300
Chen Shimin (陳世敏)	300	–	–	–	300
Li Yue (李躍) [vi]	–	–	–	–	–
Gu Nannan (谷楠楠) [vi]	–	–	–	–	–
Directors and Supervisors resigned					
Wei Qiang (魏強) [vii]	–	–	–	–	–
Huang Jie (黃杰) [vii]	–	–	–	–	–
Liu Yue (劉悅) [vii]	–	–	–	–	–
Hu Xiang (胡湘) [viii]	367	–	–	–	367
Zhao Yongxiang (趙永祥) [ix]	–	–	–	–	–
Total [x]	2,886	3,378	471	192	6,927

11 Emoluments of directors and supervisors (continued)

11.1 Details of the directors and supervisors' emoluments are as follows: (continued)

(i) On February 13, 2025, Mr. Zheng Guoyu obtained the qualification approval from the National Financial Regulatory Administration to serve as the Chairman and Non-executive Director of the Bank, and did not receive remuneration from the Bank in 2024.

(ii) Mr. Liu Jianjun, Executive Director and President, worked and received remuneration in China Post Group, the controlling shareholder of the Bank, did not receive remuneration in the Bank.

(iii) Mr. Han Wenbo, Mr. Chen Donghao, Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Hu Yuting, Mr. Ding Xiangming and Mr. Yu Mingxiong, Non-executive Directors, did not receive remuneration from the Bank.

(iv) On June 28, 2024, the 2023 annual general meeting of the Bank elected Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Hu Yuting and Mr. Yu Mingxiong as Non-executive Directors of the Bank. Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Hu Yuting and Mr. Yu Mingxiong have served as Non-executive Directors of the Bank since September 10, 2024. The term of office of Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Hu Yuting and Mr. Yu Mingxiong as Non-executive Directors of the Bank is three years.

(v) On June 28, 2024, the 2023 annual general meeting of the Bank elected Mr. Hong Xiaoyuan as an independent Non-executive Director of the Bank. Mr. Hong Xiaoyuan has served as an Independent Non-executive Director of the Bank since October 12, 2024. The term of office of Mr. Hong Xiaoyuan as an Independent Non-executive Director of the Bank is three years.

(vi) As an Employee Supervisor, the Employee Supervisor of the Bank does not receive salary, and the salary received in accordance with the employee salary system of the Bank has not been counted.

(vii) According to the announcement of the Bank on September 11, 2024, Mr. Wei Qiang, Mr. Huang Jie and Mr. Liu Yue ceased to serve as Independent Non-executive Directors of the Bank since September 10, 2024.

(viii) According to the announcement of the Bank on October 15, 2024, Mr. Hu Xiang ceased to serve as the independent Non-executive Director of the Bank since October 12, 2024.

(ix) Mr. Zhao Yongxiang submitted his resignation to the Bank on March 8, 2024 and resigned as the Shareholder Representative Supervisor of the Bank. Mr. Zhao Yongxiang did not receive salary from the Bank.

(x) The total remuneration of Directors and Supervisors of the Bank in 2024 has been approved by the Third Extraordinary General Meeting of the Bank in 2025.

The Executive Directors' emoluments shown above were only for their services in connection with the management of the affairs of the Bank and the Group. The Independent Non-executive Directors' and the Supervisors' emoluments shown above were only for their services as Directors and Supervisors of the Bank.

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11 Emoluments of directors and supervisors (continued)

11.2 Five highest paid individuals

For the years ended December 31, 2025 and 2024, the five highest paid individuals did not include any member of the directors or supervisors. The emoluments of the five highest paid individuals in the Group are as follows:

	2025 RMB thousand	2024 RMB thousand
Remunerations paid	**9,405**	11,806
Contribution to pension schemes	**837**	1,003
Benefits in kind	**463**	480
Total	**10,705**	13,289

The number of these individuals, whose emoluments fell within the following bands, is as follows:

	2025 Number of employees	2024 Number of employees
RMB1,500,001 – RMB2,000,000	**–**	–
RMB2,000,001 – RMB2,500,000	**5**	3
RMB2,500,001 – RMB3,000,000	**–**	1
RMB3,000,001 – RMB3,500,000	**–**	1
RMB3,500,001 – RMB4,000,000	**–**	–

11 Emoluments of directors and supervisors (continued)

11.3 Benefits and interests of directors, supervisors and their connected entities

(i) The Group enters into credit transactions with certain directors, supervisors or certain corporates and connected entities controlled by the directors or supervisors in general commercial terms in the ordinary course of business. For the years ended December 31, 2025 and 2024, the balance of loans and advances from the Group to the directors, supervisors or certain controlled corporates and connected entities of the directors or supervisors was not significant. The Group did not provide any guarantee or security to the directors, supervisors or certain controlled corporates and connected entities of the directors or supervisors in respect of their loans, quasi-loans or credit transactions.

(ii) For the years ended December 31, 2025 and 2024, no emolument was paid by the Group to any of the directors, supervisors, senior management or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office. Except for the annuity scheme and pension scheme, other retirement benefits for directors or supervisors were not significant, and there were no consideration provided to third parties for making available directors' or supervisors' services; and none of the directors or supervisors forfeited fees or had material interests, whether directly or indirectly, in any material transactions, arrangements or contracts in relation to the Group's business for the years ended December 31, 2025 and 2024.

12 Credit impairment losses

	2025	2024
Deposits with banks and other financial institutions	**(460)**	(551)
Placements with banks and other financial institutions	**(263)**	230
Financial assets held under resale agreements	**(262)**	(105)
Loans and advances to customers	**32,434**	30,016
Financial investments		
Financial assets measured at FVTOCI	**611**	(189)
Financial assets measured at amortized cost	**814**	(4,047)
Credit commitments	**(1,153)**	1,914
Other financial assets	**1,201**	1,155
Total	**32,922**	28,423

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13 Income tax expenses

	2025	2024
Current income tax	**13,638**	7,858
Deferred income tax (Note 25(1))	**(3,040)**	18
Total	**10,598**	7,876

Corporate income tax is mainly calculated at 25% of estimated taxable profit. PSBC Consumer Finance Co., Ltd. applies a preferential tax rate of 15% for high-tech enterprises. Pre-tax deductible items of corporate income tax are governed by the relevant regulations of the PRC.

Reconciliation of income tax expenses and profit before income tax are as follows:

	2025	2024
Profit before income tax	**98,221**	94,592
Income tax expenses calculated at the statutory tax rate of 25%	**24,555**	23,648
Tax effect of income with non-taxable, tax reduction and deduction of interest for tax purpose	**(21,695)**	(19,584)
Tax effect of expenses not deductible for tax purpose	**7,821**	3,902
Effect of different tax rates of certain subsidiary	**(83)**	(90)
Income tax expenses	**10,598**	7,876

The Group's interest income from central and local government bonds and income from the distribution of securities investment funds are exempted from corporate income tax in accordance with the tax law; and the interest income from bonds issued by Ministry of Railways and micro loans to farmers enjoy reduction in corporate income tax; according to the Notice of the Ministry of Finance and the State Administration of Taxation on corporate income tax policy of special bond interest income of Postal Savings Bank of China (CS [2015] No. 150), the interest income from special bonds issued by China Development Bank and Agricultural Development Bank of China can enjoy reduction in corporate income tax charge.

14 Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the corresponding years.

	2025	2024
Net profit attributable to equity holders of the Bank	**87,404**	86,479
Less: Net profit for the year attributable to perpetual bonds holders of the Bank	**7,161**	6,342
Net profit attributable to ordinary shareholders of the Bank	**80,243**	80,137
Weighted average number of ordinary shares in issue (in millions)	**110,517**	99,161
Basic and diluted earnings per share (in RMB Yuan)	**0.73**	0.81

There are no potential diluted ordinary shares of the Bank in 2025 and 2024, so the diluted earnings per share is the same as the basic earnings per share.

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15 Cash and deposits with central bank

		As at December 31, 2025	As at December 31, 2024
Cash		**44,078**	46,478
Statutory reserve with central bank	(1)	**1,233,700**	1,211,769
Surplus reserve with central bank	(2)	**38,333**	52,266
Fiscal deposits with central bank		**3,060**	4,190
Total		**1,319,171**	1,314,703

(1) Statutory reserve with central bank is mainly the general reserve deposited with the People's Bank of China (hereinafter referred to as the "central bank" or the "PBOC") by the Group in accordance with the relevant regulations, and cannot be used for daily operating activities. As at December 31, 2025, the ratio of the Bank for RMB deposits statutory reserve was 7.50% (December 31, 2024: 8.00%), whereas the ratio for foreign currency deposits was 4.00% (December 31, 2024: 4.00%).

(2) Surplus reserve with central bank mainly represents deposits placed with central bank for settlement and clearing of interbank transactions.

16 Deposits with banks and other financial institutions

	As at December 31, 2025	As at December 31, 2024
Deposits with domestic banks	**387,969**	260,284
Deposits with other domestic financial institutions	**514**	284
Deposits with overseas banks	**3,179**	2,622
Gross amount	**391,662**	263,190
Allowance for impairment loss	**(254)**	(714)
Carrying amount	**391,408**	262,476

The collateral received in connection with deposits with banks and other financial institutions is disclosed in "Note 42.2 Contingent liabilities and commitments – Collateral". As at December 31, 2025 and 2024, the Group did not have any netting agreements or similar arrangements with counterparties.

17 Placements with banks and other financial institutions

	As at December 31, 2025	As at December 31, 2024
Placements with domestic banks	**86,787**	39,767
Placements with other domestic financial institutions	**328,176**	305,311
Deposits with overseas banks	**–**	4,338
Gross amount	**414,963**	349,416
Allowance for impairment loss	**(1,136)**	(1,399)
Carrying amount	**413,827**	348,017

18 Derivative financial assets and liabilities

The Group enters into derivative contracts of foreign exchange rate, interest rate and precious metal, which are primarily related to trading, asset and liability management, and customer driven transactions.

The contractual/notional amount and fair value of the derivative financial instruments held by the Group as at the end of the reporting period are set out in the following tables. The contractual/notional amounts of derivative financial instruments provide a basis for comparison with fair value of instruments recognized on the consolidated statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The fair value of derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates, or market prices of precious metals relative to their terms. The aggregate fair value of derivative financial assets and liabilities can fluctuate significantly over different periods.

	As at December 31, 2025			As at December 31, 2024		
	Contractual/ Notional amounts	Assets	Liabilities	Contractual/ Notional amounts	Assets	Liabilities
Analyzed by types of contracts						
Exchange rate contracts	**400,319**	**1,628**	**(1,781)**	277,915	3,487	(3,719)
Interest rate contracts	**517,010**	**1,827**	**(2,016)**	424,720	3,089	(3,357)
Precious metal contracts	**8,471**	**149**	**(859)**	8,123	85	(117)
Other contracts	**20**	**–**	**(15)**	11	–	(6)
Total	**925,820**	**3,604**	**(4,671)**	710,769	6,661	(7,199)

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19 Financial assets held under resale agreements

	As at December 31, 2025	As at December 31, 2024
Analyzed by type of collateral		
Debt securities	**462,119**	184,761
Bills	**49,140**	45,712
Gross amount	**511,259**	230,473
Allowance for impairment loss	**(369)**	(631)
Carrying amount	**510,890**	229,842

The collateral received in connection with the purchase of financial assets under resale agreement is disclosed in "Note 42.2 Contingent liabilities and commitments – Collateral". As at December 31, 2025 and 2024, the Group did not have any netting agreements or similar arrangements with counterparties.

20 Loans and advances to customers

20.1 Loans and advances to customers by types

		As at December 31, 2025	As at December 31, 2024
Loans and advances to customers			
– Measured at amortized cost	(1)	**8,522,980**	7,898,469
– Measured at FVTOCI	(2)	**917,894**	785,675
Total		**9,440,874**	8,684,144

20 Loans and advances to customers (continued)

20.1 Loans and advances to customers by types (continued)

(1) Loans and advances to customers measured at amortized cost

	As at December 31, 2025	As at December 31, 2024
Personal loans and advances		
Consumer loans	**3,016,046**	2,995,999
– Residential mortgage loans	**2,373,341**	2,382,146
– Other consumer loans	**642,705**	613,853
Personal small and micro loans	**1,619,112**	1,537,363
Credit cards overdrafts and others	**209,427**	238,221
Subtotal	**4,844,585**	4,771,583
Corporate loans and advances		
– Loans	**3,885,173**	3,355,105
– Discounted bills	**664**	839
Subtotal	**3,885,837**	3,355,944
Gross amount of loans and advances to customers measured at amortized cost	**8,730,422**	8,127,527
Less: Allowance for impairment loss of loans and advances to customers measured at amortized cost		
– Stage 1	**92,008**	132,782
– Stage 2	**35,865**	23,116
– Stage 3	**79,569**	73,160
Carrying amount of loans and advances to customers measured at amortized cost	**8,522,980**	7,898,469

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20 Loans and advances to customers (continued)

20.1 Loans and advances to customers by types (continued)

(2) Loans and advances to customers measured at FVTOCI

	As at December 31, 2025	As at December 31, 2024
Corporate loans and advances		
– Loans	**387,802**	294,058
– Discounted bills	**530,092**	491,617
Loans and advances to customers measured at FVTOCI	**917,894**	785,675

20.2 Detailed information regarding loans and advances to customers by geographical region, industries, types of collateral and overdue situation is set out in Note 45.3.4.

20 Loans and advances to customers (continued)

20.3 Loans and advances to customers by allowance for impairment loss

	As at December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross amount of loans and advances to customers measured at amortized cost	**8,475,374**	**163,429**	**91,619**	**8,730,422**
Allowance for impairment loss of loans and advances to customers measured at amortized cost	**(92,008)**	**(35,865)**	**(79,569)**	**(207,442)**
Carrying amount of loans and advances to customers measured at amortized cost	**8,383,366**	**127,564**	**12,050**	**8,522,980**
Loans and advances to customers measured at FVTOCI	**917,869**	**25**	**–**	**917,894**
Allowance for impairment loss of loans and advances to customers measured at FVTOCI	**(1,176)**	**(1)**	**–**	**(1,177)**

	As at December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross amount of loans and advances to customers measured at amortized cost	7,959,402	87,698	80,427	8,127,527
Allowance for impairment loss of loans and advances to customers measured at amortized cost	(132,782)	(23,116)	(73,160)	(229,058)
Carrying amount of loans and advances to customers measured at amortized cost	7,826,620	64,582	7,267	7,898,469
Loans and advances to customers measured at FVTOCI	785,675	–	–	785,675
Allowance for impairment loss of loans and advances to customers measured at FVTOCI	(772)	–	–	(772)

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20 Loans and advances to customers (continued)

20.4 The following tables illustrate the changes in the gross amount of loans and advances to customers:

(1) Personal loans and advances to customers measured at amortized cost

Personal loans and advances to customers measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2025	**4,643,400**	**67,357**	**60,826**	**4,771,583**
Transfers:				
Transfer to stage 1	**7,746**	**(6,912)**	**(834)**	**–**
Transfer to stage 2	**(108,023)**	**108,998**	**(975)**	**–**
Transfer to stage 3	**(42,033)**	**(13,502)**	**55,535**	**–**
Financial assets derecognized or settled during the year	**(1,705,919)**	**(26,323)**	**(23,637)**	**(1,755,879)**
New financial assets originated or purchased	**1,851,271**	**–**	**–**	**1,851,271**
Write-offs	**–**	**–**	**(22,390)**	**(22,390)**
Gross amount as at December 31, 2025	**4,646,442**	**129,618**	**68,525**	**4,844,585**

Personal loans and advances to customers measured at amortized cost	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2024	4,399,038	21,287	49,923	4,470,248
Transfers:				
Transfer to stage 1	4,638	(3,187)	(1,451)	–
Transfer to stage 2	(66,191)	67,225	(1,034)	–
Transfer to stage 3	(43,433)	(6,748)	50,181	–
Financial assets derecognized or settled during the year	(1,666,292)	(11,220)	(17,118)	(1,694,630)
New financial assets originated or purchased	2,015,640	–	–	2,015,640
Write-offs	–	–	(19,675)	(19,675)
Gross amount as at December 31, 2024	4,643,400	67,357	60,826	4,771,583

20 Loans and advances to customers (continued)

20.4 The following tables illustrate the changes in the gross amount of loans and advances to customers: (continued)

(2) Corporate loans and advances to customers measured at amortized cost

Corporate loans and advances to customers measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2025	**3,316,002**	**20,341**	**19,601**	**3,355,944**
Transfers:				
Transfer to stage 1	**316**	**(316)**	**–**	**–**
Transfer to stage 2	**(25,809)**	**26,518**	**(709)**	**–**
Transfer to stage 3	**(8,170)**	**(5,059)**	**13,229**	**–**
Financial assets derecognized or settled during the year	**(1,386,519)**	**(7,673)**	**(1,963)**	**(1,396,155)**
New financial assets originated or purchased	**1,933,112**	**–**	**–**	**1,933,112**
Write-offs	**–**	**–**	**(7,064)**	**(7,064)**
Gross amount as at December 31, 2025	**3,828,932**	**33,811**	**23,094**	**3,885,837**

Corporate loans and advances to customers measured at amortized cost	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2024	2,897,761	25,830	17,606	2,941,197
Transfers:				
Transfer to stage 1	8,897	(8,890)	(7)	–
Transfer to stage 2	(12,605)	13,161	(556)	–
Transfer to stage 3	(8,479)	(1,560)	10,039	–
Financial assets derecognized or settled during the year	(1,190,478)	(8,200)	(3,601)	(1,202,279)
New financial assets originated or purchased	1,620,906	–	–	1,620,906
Write-offs	–	–	(3,880)	(3,880)
Gross amount as at December 31, 2024	3,316,002	20,341	19,601	3,355,944

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20 Loans and advances to customers (continued)

20.4 The following tables illustrate the changes in the gross amount of loans and advances to customers: (continued)

(3) Loans and advances to customers measured at FVTOCI

Loans and advances to customers measured at FVTOCI	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2025	**785,675**	**–**	**–**	**785,675**
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	**(25)**	**25**	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the year	**(785,675)**	**–**	**–**	**(785,675)**
New financial assets originated or purchased	**917,894**	**–**	**–**	**917,894**
Write-offs	–	–	–	–
Gross amount as at December 31, 2025	**917,869**	**25**	**–**	**917,894**

Loans and advances to customers measured at FVTOCI	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2024	737,415	33	–	737,448
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the year	(737,415)	(33)	–	(737,448)
New financial assets originated or purchased	785,675	–	–	785,675
Write-offs	–	–	–	–
Gross amount as at December 31, 2024	785,675	–	–	785,675

20 Loans and advances to customers (continued)

20.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers

(1) Personal loans and advances to customers measured at amortized cost

Personal loans and advances to customers measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	**65,016**	**17,766**	**55,121**	**137,903**
Transfers:				
Transfer to stage 1	**2,449**	**(1,776)**	**(673)**	**–**
Transfer to stage 2	**(8,655)**	**9,316**	**(661)**	**–**
Transfer to stage 3	**(4,771)**	**(5,791)**	**10,562**	**–**
Changes of ECL arising from transfer of stages	**(1,751)**	**11,460**	**31,811**	**41,520**
Financial assets derecognized or settled during the year	**(32,986)**	**(7,719)**	**(17,577)**	**(58,282)**
New financial assets originated or purchased	**31,263**	**–**	**–**	**31,263**
Remeasurement	**(4,072)**	**(94)**	**2,067**	**(2,099)**
Write-offs	**–**	**–**	**(22,390)**	**(22,390)**
Loss allowance as at December 31, 2025	**46,493**	**23,162**	**58,260**	**127,915**

Personal loans and advances to customers measured at amortized cost	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2024	85,587	7,582	47,033	140,202
Transfers:				
Transfer to stage 1	2,016	(1,056)	(960)	–
Transfer to stage 2	(5,564)	6,212	(648)	–
Transfer to stage 3	(5,204)	(2,830)	8,034	–
Changes of ECL arising from transfer of stages	(1,358)	11,115	32,907	42,664
Financial assets derecognized or settled during the year	(37,602)	(3,109)	(13,242)	(53,953)
New financial assets originated or purchased	43,571	–	–	43,571
Remeasurement	(16,430)	(148)	1,672	(14,906)
Write-offs	–	–	(19,675)	(19,675)
Loss allowance as at December 31, 2024	65,016	17,766	55,121	137,903

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20 Loans and advances to customers (continued)

20.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers (continued)

(2) Corporate loans and advances to customers measured at amortized cost

Corporate loans and advances to customers measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	**67,766**	**5,350**	**18,039**	**91,155**
Transfers:				
Transfer to stage 1	**99**	**(99)**	**–**	**–**
Transfer to stage 2	**(3,314)**	**3,884**	**(570)**	**–**
Transfer to stage 3	**(2,162)**	**(1,534)**	**3,696**	**–**
Changes of ECL arising from transfer of stages	**(76)**	**7,250**	**7,052**	**14,226**
Financial assets derecognized or settled during the year	**(35,986)**	**(1,230)**	**(459)**	**(37,675)**
New financial assets originated or purchased	**32,082**	**–**	**–**	**32,082**
Remeasurement	**(12,894)**	**(918)**	**615**	**(13,197)**
Write-offs	**–**	**–**	**(7,064)**	**(7,064)**
Loss allowance as at December 31, 2025	**45,515**	**12,703**	**21,309**	**79,527**

Corporate loans and advances to customers measured at amortized cost	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2024	72,653	5,109	15,684	93,446
Transfers:				
Transfer to stage 1	1,474	(1,467)	(7)	–
Transfer to stage 2	(1,487)	1,926	(439)	–
Transfer to stage 3	(1,974)	(146)	2,120	–
Changes of ECL arising from transfer of stages	(1,036)	993	5,731	5,688
Financial assets derecognized or settled during the year	(42,419)	(679)	(1,747)	(44,845)
New financial assets originated or purchased	44,474	–	–	44,474
Remeasurement	(3,919)	(386)	577	(3,728)
Write-offs	–	–	(3,880)	(3,880)
Loss allowance as at December 31, 2024	67,766	5,350	18,039	91,155

20 Loans and advances to customers (continued)

20.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers (continued)

(3) Loans and advances to customers measured at FVTOCI

Loans and advances to customers measured at FVTOCI	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	**772**	**–**	**–**	**772**
Transfers:				
Transfer to stage 1	**–**	**–**	**–**	**–**
Transfer to stage 2	**(1)**	**1**	**–**	**–**
Transfer to stage 3	**–**	**–**	**–**	**–**
Changes of ECL arising from transfer of stages	**–**	**–**	**–**	**–**
Financial assets derecognized or settled during the year	**(772)**	**–**	**–**	**(772)**
New financial assets originated or purchased	**1,177**	**–**	**–**	**1,177**
Remeasurement	**–**	**–**	**–**	**–**
Write-offs	**–**	**–**	**–**	**–**
Loss allowance as at December 31, 2025	**1,176**	**1**	**–**	**1,177**

Loans and advances to customers measured at FVTOCI	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2024	818	1	–	819
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Changes of ECL arising from transfer of stages	–	–	–	–
Financial assets derecognized or settled during the year	(818)	(1)	–	(819)
New financial assets originated or purchased	772	–	–	772
Remeasurement	–	–	–	–
Write-offs	–	–	–	–
Loss allowance as at December 31, 2024	772	–	–	772

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21 Financial investments

21.1 Financial assets measured at fair value through profit or loss

	As at December 31, 2025	As at December 31, 2024
Debt securities		
– Listed outside Hong Kong	**74,542**	67,625
– Unlisted	**990**	52
Subtotal	**75,532**	67,677
Interbank certificates of deposits		
– Listed outside Hong Kong	**65,367**	119,104
– Unlisted	**8,854**	6,671
Subtotal	**74,221**	125,775
Asset-backed securities		
– Listed outside Hong Kong	**7,960**	3,149
Fund investments		
– Unlisted	**791,009**	825,356
Trust investment plans and asset management plans		
– Unlisted	**8,877**	45
Wealth management products issued by financial institutions		
– Unlisted	**1,239**	1,029
Equity instruments		
– Listed outside Hong Kong	**5**	235
– Unlisted	**811**	899
Subtotal	**816**	1,134
Total	**959,654**	1,024,165

The above investments listed outside Hong Kong Special Administrative Region ("SAR") are mainly traded in China Interbank Bond Market.

21 Financial investments (continued)

21.1 Financial assets measured at fair value through profit or loss (continued)

Analyzed by types of issuers	As at December 31, 2025	As at December 31, 2024
Debt securities		
– Government	**2,129**	2,516
– Financial institutions	**61,121**	50,596
– Corporates	**12,282**	14,565
Subtotal	**75,532**	67,677
Interbank certificates of deposits		
– Financial institutions	**74,221**	125,775
Asset-backed securities		
– Financial institutions	**7,960**	3,149
Fund investments		
– Financial institutions	**791,009**	825,356
Trust investment plans and asset management plans		
– Financial institutions	**8,877**	45
Wealth management products issued by financial institutions		
– Financial institutions	**1,239**	1,029
Equity instruments		
– Financial institutions	**11**	5
– Corporates	**805**	1,129
Subtotal	**816**	1,134
Total	**959,654**	1,024,165

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21 Financial investments (continued)

21.2 Financial assets measured at fair value through other comprehensive income-debt instruments

	As at December 31, 2025	As at December 31, 2024
Debt securities		
– Listed in Hong Kong	**7,810**	1,828
– Listed outside Hong Kong	**653,986**	665,075
– Unlisted	**5,443**	1,003
Subtotal	**667,239**	667,906
Interbank certificates of deposits		
– Listed outside Hong Kong	**35,584**	–
– Unlisted	**1,617**	906
Total	**704,440**	668,812

The above debt instruments listed outside Hong Kong SAR are mainly traded in China Interbank Bond Market.

Analyzed by types of issuers	As at December 31, 2025	As at December 31, 2024
Debt securities		
– Government	**240,168**	308,090
– Financial institutions	**380,071**	280,494
– Corporates	**47,000**	79,322
Subtotal	**667,239**	667,906
Interbank certificates of deposits		
– Financial institutions	**37,201**	906
Total	**704,440**	668,812

21 Financial investments (continued)

21.2 Financial assets measured at fair value through other comprehensive income-debt instruments (continued)

The following tables illustrate the changes in the loss allowance of financial assets measured at fair value through other comprehensive income-debt instruments:

Financial assets measured at fair value through other comprehensive income-debt instruments	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	**1,017**	**–**	**100**	**1,117**
Transfers:				
Transfer to stage 1	**–**	**–**	**–**	**–**
Transfer to stage 2	**(61)**	**61**	**–**	**–**
Transfer to stage 3	**–**	**–**	**–**	**–**
Changes of ECL arising from transfer of stages	**–**	**601**	**–**	**601**
Financial assets derecognized or settled during the year	**(481)**	**–**	**–**	**(481)**
New financial assets originated or purchased	**573**	**–**	**–**	**573**
Remeasurement	**(82)**	**–**	**–**	**(82)**
Loss allowance as at December 31, 2025	**966**	**662**	**100**	**1,728**

Financial assets measured at fair value through other comprehensive income-debt instruments	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2024	1,206	–	100	1,306
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the year	(273)	–	–	(273)
New financial assets originated or purchased	259	–	–	259
Remeasurement	(175)	–	–	(175)
Loss allowance as at December 31, 2024	1,017	–	100	1,117

During the year ended December 31, 2025, the change of gross amount transferred from stage 1 to stage 2 for the Group's financial assets measured at FVTOCI-debt instruments was RMB967 million (2024: nil).

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21 Financial investments (continued)

21.3 Financial assets measured at fair value through other comprehensive income-equity instruments

	As at December 31, 2025	As at December 31, 2024
Equity instruments		
– Unlisted	**5,616**	4,637

Analyzed by types of issuers:	As at December 31, 2025	As at December 31, 2024
Equity instruments		
– Financial institutions	**4,252**	4,237
– Corporates	**1,364**	400
Total	**5,616**	4,637

The Group designates part of non-trading equity investments as financial assets measured at FVTOCI-equity instruments. During the year ended December 31, 2025, the Group recognized RMB70,061.5 thousand dividend income for such equity investments (2024: RMB74,598.5 thousand).

During the year ended December 31, 2025, the Group did not dispose any equity instruments (2024: RMB3,278 million). No accumulative gains on disposal, net of tax, have been transferred from other comprehensive income to retained earnings (2024: RMB1,144 million).

21 Financial investments (continued)

21.4 Financial assets measured at amortized cost

		As at December 31, 2025	As at December 31, 2024
Debt securities			
– Listed in Hong Kong		**34,491**	40,318
– Listed outside Hong Kong		**4,168,133**	3,545,950
– Unlisted	(1)	**136,597**	324,067
Subtotal		**4,339,221**	3,910,335
Interbank certificates of deposits			
– Listed outside Hong Kong		**175,717**	249,309
– Unlisted		**91,826**	44,336
Subtotal		**267,543**	293,645
Asset-backed securities			
– Listed outside Hong Kong		**86,580**	96,331
– Unlisted		**527**	1,811
Subtotal		**87,107**	98,142
Debt financing plans			
– Unlisted		**–**	1,451
Other debt instruments			
– Unlisted	(2)	**17,264**	24,823
Gross amount		**4,711,135**	4,328,396
Allowance for impairment loss		**(22,692)**	(21,883)
Carrying amount		**4,688,443**	4,306,513

The above investments listed outside Hong Kong SAR are mainly traded in China Interbank Bond Market.

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21 Financial investments (continued)

21.4 Financial assets measured at amortized cost (continued)

(1) Unlisted debt securities included RMB long-term special financial bonds issued by China Development Bank and Agricultural Development Bank of China in 2015. As at December 31, 2025, the carrying amount of these special financial bonds was RMB85,502 million, with original maturity of 15 to 20 years (December 31, 2024: the carrying amount was RMB274,127 million, with original maturity of 10 to 20 years).

(2) Other debt instruments mainly include trust investment plans and asset management plans, etc.

Analyzed by types of issuers:	As at December 31, 2025	As at December 31, 2024
Debt securities		
– Government	**2,472,537**	1,704,448
– Financial institutions	**1,738,936**	2,067,656
– Corporates	**127,748**	138,231
Subtotal	**4,339,221**	3,910,335
Interbank certificates of deposits		
– Financial institutions	**267,543**	293,645
Asset-backed securities		
– Financial institutions	**87,107**	98,142
Debt financing plans		
– Corporates	**–**	1,451
Other debt instruments		
– Financial institutions	**17,264**	24,823
Gross amount	**4,711,135**	4,328,396
Allowance for impairment loss	**(22,692)**	(21,883)
Carrying amount	**4,688,443**	4,306,513

21 Financial investments (continued)

21.4 Financial assets measured at amortized cost (continued)

The following tables illustrate the changes in the gross amount of financial assets measured at amortized cost:

Financial assets measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2025	**4,309,091**	**2,193**	**17,112**	**4,328,396**
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	**(2,735)**	**2,735**	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the year	**(1,045,473)**	**(820)**	**(285)**	**(1,046,578)**
New financial assets originated or purchased	**1,429,317**	–	–	**1,429,317**
Gross amount as at December 31, 2025	**4,690,200**	**4,108**	**16,827**	**4,711,135**

Financial assets measured at amortized cost	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2024	3,990,574	6,001	17,561	4,014,136
Transfers:				
Transfer to stage 1	125	(125)	–	–
Transfer to stage 2	–	195	(195)	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the year	(707,816)	(3,878)	(254)	(711,948)
New financial assets originated or purchased	1,026,208	–	–	1,026,208
Gross amount as at December 31, 2024	4,309,091	2,193	17,112	4,328,396

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21 Financial investments (continued)

21.4 Financial assets measured at amortized cost (continued)

The following tables illustrate the changes in the loss allowance of financial assets measured at amortized cost:

Financial assets measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	**3,953**	**818**	**17,112**	**21,883**
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	**(151)**	**151**	–	–
Transfer to stage 3	–	–	–	–
Changes of ECL arising from transfer of stages	–	**1,986**	–	**1,986**
Financial assets derecognized or settled during the year	**(1,509)**	**(399)**	**(285)**	**(2,193)**
New financial assets originated or purchased	**1,405**	–	–	**1,405**
Remeasurement	**(289)**	**(94)**	–	**(383)**
Exchange rate changes	**(6)**	–	–	**(6)**
Loss allowance as at December 31, 2025	**3,403**	**2,462**	**16,827**	**22,692**

Financial assets measured at amortized cost	Year ended December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2024	6,030	2,339	17,557	25,926
Transfers:				
Transfer to stage 1	3	(3)	–	–
Transfer to stage 2	–	195	(195)	–
Transfer to stage 3	–	–	–	–
Changes of ECL arising from transfer of stages	(2)	(145)	–	(147)
Financial assets derecognized or settled during the year	(2,526)	(1,460)	(254)	(4,240)
New financial assets originated or purchased	1,355	–	–	1,355
Remeasurement	(911)	(108)	4	(1,015)
Exchange rate changes	4	–	–	4
Loss allowance as at December 31, 2024	3,953	818	17,112	21,883

22 Investment in subsidiaries

The entities in consolidation scope are mainly subsidiaries established by the Bank.

The Bank	As at December 31, 2025	As at December 31, 2024
Investment cost	**10,115**	15,115

Name of entities		Place of incorporation/ registration year of and operations	Registered capital RMB	Nature of business	Percentage of equity interest	Proportion of voting rights	Year of establishment
PSBC Consumer Finance Co., Ltd.*	(1)	Guangzhou, Guangdong Province, PRC	3 billion	Consumer finance	70.50%	70.50%	2015
PSBC Wealth Management Co., Ltd.*	(2)	Beijing, PRC	8 billion	Asset management	100.00%	100.00%	2019

* These subsidiaries incorporated in PRC are all limited liability companies.

(1) On November 19, 2015, the Bank, together with other investors, jointly sponsored the establishment of PSBC Consumer Finance Co., Ltd. ("PSBC Consumer Finance"). PSBC Consumer Finance mainly engages in following businesses: granting personal consumer loans; accepting deposits from domestic shareholders and their domestic subsidiaries; borrowing from domestic financial institutions; authorized issuance of financial bonds; placements with/from domestic banks and other financial institutions; consumer financing advisory and agency services; agency sales of consumer loans related insurance products, investments in fixed income securities and other businesses as approved by the NFRA. As at December 31, 2025, the Bank owned 70.50% in the equity interest and voting rights of PSBC Consumer Finance (December 31, 2024: 70.50%).

(2) On December 3, 2019, the Bank obtained formal approval issued by the former CBIRC (《關於中郵理財有限責任公司開業的批覆》) for the commencement of business operation of PSBC Wealth Management Co., Ltd. ("PSBC Wealth Management"). On December 18, 2019, PSBC Wealth Management was officially incorporated. PSBC Wealth Management mainly engages in the following businesses: public issuing wealth management products to unspecified general investors, carrying out investment and management of properties entrusted by investors; non-public issuing wealth management products to eligible investors, carrying out investment and management of assets entrusted by investors; financial advising and consulting services in relation to wealth management; and other businesses as approved by the NFRA. As at December 31, 2025, the Bank owned 100.00% in the equity interest and voting rights of PSBC Wealth Management (December 31, 2024: 100.00%).

(3) On December 16, 2021, the Bank obtained formal approval issued by the former CBIRC (《關於中郵郵惠萬家銀行有限責任公司開業的批覆》) for the commencement of business operation of YOU+ BANK Co., Ltd. ("YOU+ BANK"). On January 7, 2022, YOU+ BANK was officially incorporated. YOU+ BANK mainly engages in the following businesses: taking public deposits, mainly from individuals, small and micro enterprises; granting short-term, medium-term and long-term loans to individuals, small and micro enterprises; processing domestic and foreign settlement through electronic channels; processing electronic bill acceptance and discounting; issuance of financial bonds; buying and selling government bonds and financial bonds; conducting interbank placements; purchasing and selling foreign exchange, or acting as an agent thereof; operating bank card business; acting as an agent for receipts and payments and agency insurance business; other businesses as approved by the NFRA. As at December 31, 2024, the Bank owned 100.00% in the equity interest and voting rights of YOU+ BANK.

Pursuant to the Merger and Absorption Agreement entered by the Bank and YOU+ BANK and "NFRA's Approval for the Merger by Absorption of YOU+ BANK by Postal Savings Bank of China Co., Ltd." (《國家金融監督管理總局關於中國郵政儲蓄銀行股份有限公司吸收合併中郵郵惠萬家銀行有限責任公司的批覆》), the Bank absorbed and merged its wholly owned subsidiary, YOU+ BANK and assumed the assets, liabilities, businesses, and employees of YOU+ BANK on December 29, 2025. As at December 29, 2025, the book value of the total assets of YOU+ BANK was RMB10,974 million, and the book value of the total liabilities was RMB6,998 million.

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23 Interests in associates

	As at December 31, 2025	As at December 31, 2024
Investment in an associate	**764**	733

On March 22, 2022, Guomin Pension Insurance Co., Ltd. (hereinafter referred to as "Guomin Pension") was incorporated with registered capital of RMB11.38 billion and the Bank's subsidiary, PSBC Wealth Management owned equity interest of Guomin Pension. The Group holds 5.71% of the equity interest and the voting rights, and could appoint directors and has right to participate in the financial and operational decisions of Guomin Pension. The directors of the Bank conclude that the Group only has significant influence over Guomin Pension and therefore it is classified as an associate of the Group.

24 Property and equipment

	Buildings	Electronic equipment	Motor vehicles	Office equipment and others	Construction in progress	Total
Cost						
As at January 1, 2025	**73,654**	**12,441**	**1,413**	**6,565**	**14,163**	**108,236**
Increases	**295**	**831**	**87**	**549**	**6,792**	**8,554**
Transfer from investment properties	**2**	**–**	**–**	**–**	**–**	**2**
Transfer from construction in progress	**2,800**	**3,117**	**–**	**38**	**(5,955)**	**–**
Decreases	**(420)**	**(346)**	**(22)**	**(400)**	**(713)**	**(1,901)**
As at December 31, 2025	**76,331**	**16,043**	**1,478**	**6,752**	**14,287**	**114,891**
Accumulated depreciation						
As at January 1, 2025	**(31,240)**	**(10,608)**	**(1,077)**	**(5,061)**	**–**	**(47,986)**
Charge for the year	**(3,610)**	**(1,309)**	**(110)**	**(491)**	**–**	**(5,520)**
Transfer from investment properties	**(2)**	**–**	**–**	**–**	**–**	**(2)**
Disposals	**273**	**253**	**21**	**380**	**–**	**927**
As at December 31, 2025	**(34,579)**	**(11,664)**	**(1,166)**	**(5,172)**	**–**	**(52,581)**
Carrying amount						
As at January 1, 2025	**42,414**	**1,833**	**336**	**1,504**	**14,163**	**60,250**
As at December 31, 2025	**41,752**	**4,379**	**312**	**1,580**	**14,287**	**62,310**

24 Property and equipment (continued)

	Buildings	Electronic equipment	Motor vehicles	Office equipment and others	Construction in progress	Total
Cost						
As at January 1, 2024	67,368	14,633	1,348	4,570	11,081	99,000
Increases	594	389	146	2,285	10,389	13,803
Transfer from investment properties	24	–	–	–	–	24
Transfer from construction in progress	5,942	90	–	25	(6,057)	–
Decreases	(274)	(2,671)	(81)	(315)	(1,250)	(4,591)
As at December 31, 2024	73,654	12,441	1,413	6,565	14,163	108,236
Accumulated depreciation						
As at January 1, 2024	(27,937)	(11,429)	(1,003)	(3,411)	–	(43,780)
Charge for the year	(3,370)	(1,588)	(151)	(1,948)	–	(7,057)
Transfer from investment properties	(19)	–	–	–	–	(19)
Disposals	86	2,409	77	298	–	2,870
As at December 31, 2024	(31,240)	(10,608)	(1,077)	(5,061)	–	(47,986)
Carrying amount						
As at January 1, 2024	39,431	3,204	345	1,159	11,081	55,220
As at December 31, 2024	42,414	1,833	336	1,504	14,163	60,250

As at December 31, 2025, the Group was still in the process of obtaining ownership certificates of certain properties, with cost amounted to RMB2,148 million (December 31, 2024: RMB2,269 million), while carrying amount was RMB1,446 million (December 31, 2024: RMB1,576 million).

The management of the Group believed the above mentioned properties did not have any material adverse effect on the Group's business operations, operating performance and financial position.

All buildings of the Group were located outside Hong Kong SAR.

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25 Deferred taxes

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The following is the analysis of the deferred tax balances.

	As at December 31, 2025	As at December 31, 2024
Deferred tax assets	**65,425**	61,185
Deferred tax liabilities	**(17)**	(57)
Total	**65,408**	61,128

(1) The following are the movements and major deferred tax assets and liabilities recognized:

	Allowance for Impairment loss	Staff cost accrued but not paid	Fair value changes of financial instruments	Provisions	Right-of-use assets	Lease liabilities and others	Total
As at January 1, 2025	**64,573**	**3,365**	**(8,393)**	**780**	**(2,488)**	**3,291**	**61,128**
Charge/(Credit) to profit or loss	**2,913**	**123**	**(161)**	**5**	**(371)**	**531**	**3,040**
Charge/(Credit) to other comprehensive income	**(254)**	**–**	**1,494**	**–**	**–**	**–**	**1,240**
As at December 31, 2025	**67,232**	**3,488**	**(7,060)**	**785**	**(2,859)**	**3,822**	**65,408**
As at January 1, 2024	62,811	3,291	(5,500)	1,041	(2,461)	3,322	62,504
Charge/(Credit) to profit or loss	1,703	74	(1,476)	(261)	(27)	(31)	(18)
Charge/(Credit) to other comprehensive income	59	–	(1,417)	–	–	–	(1,358)
As at December 31, 2024	64,573	3,365	(8,393)	780	(2,488)	3,291	61,128

25 Deferred taxes (continued)

(2) Deferred tax assets and liabilities and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

	As at December 31, 2025		As at December 31, 2024	
	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)
Deferred tax assets				
Allowance for impairment loss	**271,999**	**67,232**	261,197	64,573
Staff cost accrued but not paid	**13,964**	**3,488**	13,471	3,365
Provisions	**3,138**	**785**	3,119	780
Fair value changes of financial instruments	**1,317**	**329**	578	144
Lease liabilities and others	**15,744**	**3,909**	13,528	3,373
Total	**306,162**	**75,743**	291,893	72,235
Deferred tax liabilities				
Fair value changes of financial instruments	**(29,557)**	**(7,389)**	(34,148)	(8,537)
Right-of-use assets and others	**(12,039)**	**(2,946)**	(10,512)	(2,570)
Total	**(41,596)**	**(10,335)**	(44,660)	(11,107)
Net value	**264,566**	**65,408**	247,233	61,128

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26 Other assets

		As at December 31, 2025	As at December 31, 2024
Deferred expenses		**33,515**	34,621
Right-of-use assets	(1)	**13,284**	11,692
Amounts pending for settlement and clearing		**24,173**	32,676
Intangible assets	(2)	**8,011**	6,663
Interest receivable		**7,041**	6,004
Continuing involvement assets (Note 43.3)		**3,917**	4,450
Other accounts receivable		**3,965**	3,946
Receivable of fee and commission		**3,500**	3,636
Precious metals		**8,832**	2,714
Prepaid expenses		**962**	987
Low-value consumables		**167**	257
Foreclosed assets		**43**	57
Others		**9,885**	6,670
Gross amount		**117,295**	114,373
Allowance for impairment loss		**(1,654)**	(1,601)
Net value		**115,641**	112,772

26 Other assets (continued)

(1) Right-of-use assets

	Properties	Land use rights	Total
Cost			
As at January 1, 2025	**19,160**	**2,603**	**21,763**
Additions	**6,014**	**2**	**6,016**
Disposals	**(4,659)**	**(36)**	**(4,695)**
As at December 31, 2025	**20,515**	**2,569**	**23,084**
Accumulated depreciation/amortization			
As at January 1, 2025	**(9,188)**	**(883)**	**(10,071)**
Provided for the year	**(3,529)**	**(59)**	**(3,588)**
Disposals	**3,840**	**19**	**3,859**
As at December 31, 2025	**(8,877)**	**(923)**	**(9,800)**
Carrying amount			
As at January 1, 2025	**9,972**	**1,720**	**11,692**
As at December 31, 2025	**11,638**	**1,646**	**13,284**

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26 Other assets (continued)

(1) Right-of-use assets (continued)

	Properties	Land use rights	Total
Cost			
As at January 1, 2024	18,968	2,613	21,581
Additions	4,360	–	4,360
Disposals	(4,168)	(10)	(4,178)
As at December 31, 2024	19,160	2,603	21,763
Accumulated depreciation/amortization			
As at January 1, 2024	(8,962)	(831)	(9,793)
Provided for the year	(3,584)	(59)	(3,643)
Disposals	3,358	7	3,365
As at December 31, 2024	(9,188)	(883)	(10,071)
Carrying amount			
As at January 1, 2024	10,006	1,782	11,788
As at December 31, 2024	9,972	1,720	11,692

(2) Intangible assets of the Group mainly include computer software which is amortized within 10 years.

27 Movements of allowance for impairment loss

	Notes	Year ended December 31, 2025					
		Beginning balance	Current year (reversal)/ accrual	Current year recoveries	Write-off and transfer-out/ disposal	Exchange rate changes and others	Year end balance
Deposits with banks and other financial institutions	16	**714**	**(460)**	**–**	**–**	**–**	**254**
Placements with banks and other financial institutions	17	**1,399**	**(263)**	**–**	**–**	**–**	**1,136**
Financial assets held under resale agreements	19	**631**	**(262)**	**–**	**–**	**–**	**369**
Loans and advances to customers	20	**229,830**	**32,434**	**6,150**	**(59,892)**	**97**	**208,619**
Financial assets measured at fair value through other comprehensive income-debt instruments	21.2	**1,117**	**611**	**–**	**–**	**–**	**1,728**
Financial assets measured at amortized cost	21.4	**21,883**	**814**	**1**	**–**	**(6)**	**22,692**
Foreclosed assets	26	**19**	**8**	**–**	**(10)**	**–**	**17**
Other assets	26	**1,582**	**1,201**	**157**	**(1,302)**	**(1)**	**1,637**
Total		**257,175**	**34,083**	**6,308**	**(61,204)**	**90**	**236,452**

	Notes	Year ended December 31, 2024					
		Beginning balance	Current year (reversal)/ accrual	Current year recoveries	Write-off and transfer-out/ disposal	Exchange rate changes and others	Year end balance
Deposits with banks and other financial institutions	16	1,265	(551)	–	–	–	714
Placements with banks and other financial institutions	17	1,169	230	–	–	–	1,399
Financial assets held under resale agreements	19	736	(105)	–	–	–	631
Loans and advances to customers	20	234,467	30,016	5,406	(40,044)	(15)	229,830
Financial assets measured at fair value through other comprehensive income-debt instruments	21.2	1,306	(189)	–	–	–	1,117
Financial assets measured at amortized cost	21.4	25,926	(4,047)	–	–	4	21,883
Foreclosed assets	26	28	22	–	(31)	–	19
Other assets	26	1,509	1,155	112	(1,194)	–	1,582
Total		266,406	26,531	5,518	(41,269)	(11)	257,175

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28 Borrowings from central bank

	As at December 31, 2025	As at December 31, 2024
Borrowings from central bank	**27,184**	26,138

As at December 31, 2025 and 2024, borrowings from central bank were special lendings issued by the PBOC.

29 Deposits from banks and other financial institutions

	As at December 31, 2025	As at December 31, 2024
Deposits from domestic banks	**53,289**	59,024
Deposits from other domestic financial institutions	**135,982**	76,575
Total	**189,271**	135,599

30 Placements from banks and other financial institutions

	As at December 31, 2025	As at December 31, 2024
Placements from domestic banks	**55,604**	45,641
Placements from overseas banks	**531**	1,658
Total	**56,135**	47,299

31 Financial assets sold under repurchase agreements

	As at December 31, 2025	As at December 31, 2024
Analyzed by type of collateral:		
Debt securities	**241,998**	177,177
Bills	**13,402**	17,347
Total	**255,400**	194,524

The collateral pledged under repurchase agreement is disclosed in "Note 42.2 Contingent liabilities and commitments – Collateral".

32 Customer deposits

	As at December 31, 2025	As at December 31, 2024
Demand deposits		
Personal	**3,382,409**	3,239,491
Corporate	**877,203**	904,244
Subtotal	**4,259,612**	4,143,735
Time deposits		
Personal	**11,309,417**	10,389,047
Corporate	**969,553**	752,003
Subtotal	**12,278,970**	11,141,050
Other deposits	**3,134**	2,756
Total	**16,541,716**	15,287,541

As at December 31, 2025, customer deposits received by the Group included pledged deposits of RMB147,149 million (December 31, 2024: RMB97,042 million).

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33 Debt securities issued

		As at December 31, 2025	As at December 31, 2024
Debt securities issued		**122,342**	122,339
Including: 10-year tier-2 capital bonds at a fixed interest rate (issued in August 2021)	(1)	**50,614**	50,614
15-year tier-2 capital bonds at a fixed interest rate (issued in August 2021)	(2)	**10,134**	10,133
10-year tier-2 capital bonds at a fixed interest rate (issued in March 2022)	(3)	**36,013**	36,012
15-year tier-2 capital bonds at a fixed interest rate (issued in March 2022)	(4)	**5,153**	5,152
15-year tier-2 capital bonds at a fixed interest rate (issued in May 2023)	(5)	**20,428**	20,428
Financial securities issued	(6)	**24,998**	13,739
Interbank certificates of deposits issued	(7)	**103,944**	105,902
Total		**251,284**	241,980

(1) In August 2021, upon the approval from the former CBIRC and the PBOC, the Group issued RMB50 billion of 10-year tier-2 capital bonds at a fixed coupon rate of 3.44%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in August 2026 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.44% from August 2026 onward.

(2) In August 2021, upon the approval from the former CBIRC and the PBOC, the Group issued RMB10 billion of 15-year tier-2 capital bonds at a fixed coupon rate of 3.75%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in August 2031 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.75% from August 2031 onward.

33 Debt securities issued (continued)

(3) In March 2022, upon the approval from the former CBIRC and the PBOC, the Group issued RMB35 billion of 10-year tier-2 capital bonds at a fixed coupon rate of 3.54%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in March 2027 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.54% from March 2027 onward.

(4) In March 2022, upon the approval from the former CBIRC and the PBOC, the Group issued RMB5 billion of 15-year tier-2 capital bonds at a fixed coupon rate of 3.74%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in March 2032 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.74% from March 2032 onward.

(5) In May 2023, upon the approval from the former CBIRC and the PBOC, the Group issued RMB20 billion of 15-year tier 2 capital bonds at a fixed coupon rate of 3.39%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in May 2033 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.39% from May 2033 onward.

The above-mentioned tier-2 capital bonds contain a write-down feature, which allows the Group to write down the entire principal of the bonds when a regulatory triggering event occurs as stipulated in the offering documents and not to pay any outstanding interests payable that have been accumulated. These tier-2 capital bonds meet the relevant criteria of the former CBIRC and are qualified as tier-2 capital instruments.

(6) In March 2023, upon the approval from the former CBIRC and the PBOC, the Bank issued RMB5 billion of 3-year green financial bonds at a fixed coupon rate of 2.79%, with interests paid annually. The bonds matured in March 2026, the Bank repaid the bond in March 2026. In March 2023, the Bank issued RMB5 billion of 3-year special bonds for small and micro enterprises loans at a fixed coupon rate of 2.80%, with interests paid annually. The bonds matured in March 2026, the Bank repaid the bond in March 2026. In June 2025, upon the approval from the NFRA and the PBOC, the Bank issued RMB5 billion of 3-year green financial bonds at a fixed coupon rate of 1.62%, with interests paid annually. In August 2025, the Bank issued RMB3 billion of 5-year technology innovation financial bonds at a fixed coupon rate of 1.82%, with interests paid annually, and RMB2 billion of 3-year technology innovation financial bonds at a floating coupon rate of 1.80%, with interests paid quarterly.

In July 2024, upon the approval from the NFRA and the PBOC, the Bank's subsidiary, PSBC Consumer Finance, issued RMB2 billion of 3-year financial bonds at a fixed coupon rate of 2.10%, with interests paid annually. In September 2024, the Bank's subsidiary, PSBC Consumer Finance, issued RMB1.5 billion of 3-year financial bonds at a fixed coupon rate of 2.17%, with interests paid annually. In June 2025, the Bank's subsidiary, PSBC Consumer Finance, issued RMB1.5 billion of 3-year financial bonds at a fixed coupon rate of 1.90%, with interests paid annually.

(7) For the year ended December 31, 2025, the total face value of outstanding interbank certificates of deposit amounted to RMB104.81 billion, with fixed coupon rate of 1.60%-3.88% and an original maturity of 3 month to 1 year (December 31, 2024, the total face value of outstanding interbank certificates of deposit amounted to RMB106.54 billion, with fixed coupon rate of 1.60%-1.87% and an original maturity of 1 month to 1 year).

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34 Other liabilities

		As at December 31, 2025	As at December 31, 2024
Employee benefits payable	(1)	**26,298**	24,105
Payables for agency services		**12,547**	15,382
Dividends payable		**14,772**	14,646
Provisions	(2)	**8,667**	9,802
Lease liabilities	(3)	**10,878**	9,222
Amount pending for settlement and clearing		**6,911**	6,219
Continuing involved liabilities (Note 43.3)		**3,917**	4,450
VAT and other taxes payable		**4,214**	3,522
Contract liabilities		**1,982**	2,161
Payables to China Post Group and other related parties (Note 40.3.1(4))		**337**	2,001
Payable for construction cost		**770**	969
Exchange transaction payables		**689**	720
Others		**101,787**	19,533
Total		**193,769**	112,732

(1) Employee benefits payable

		2025			
		Balance at the beginning of the year	Increase in current year	Decrease in current year	Balance at the end of the year
Wages and salaries, bonus, allowance and subsidies		**20,981**	**43,470**	**(41,378)**	**23,073**
Staff welfare		**110**	**3,093**	**(3,032)**	**171**
Social security contributions		**202**	**3,922**	**(3,904)**	**220**
Including: Medical insurance		**199**	**3,756**	**(3,738)**	**217**
Maternity insurance		**2**	**71**	**(71)**	**2**
Work injury insurance		**1**	**95**	**(95)**	**1**
Housing funds		**22**	**4,998**	**(5,000)**	**20**
Labour union funds and employee education funds		**1,655**	**1,386**	**(1,269)**	**1,772**
Defined contribution plans		**437**	**9,258**	**(9,276)**	**419**
Including: Basic pensions		**74**	**5,855**	**(5,853)**	**76**
Unemployment insurance		**4**	**168**	**(167)**	**5**
Annuity scheme		**359**	**3,235**	**(3,256)**	**338**
Supplementary retirement benefits and early retirement benefits	(i)	**698**	**(45)**	**(30)**	**623**
Others		**–**	**69**	**(69)**	**–**
Total		**24,105**	**66,151**	**(63,958)**	**26,298**

34 Other liabilities (continued)

(1) Employee benefits payable (continued)

		2024			
		Balance at the beginning of the year	Increase in current year	Decrease in current year	Balance at the end of the year
Wages and salaries, bonus, allowance and subsidies		20,654	42,822	(42,495)	20,981
Staff welfare		88	2,994	(2,972)	110
Social security contributions		240	3,838	(3,876)	202
Including: Medical insurance		237	3,678	(3,716)	199
Maternity insurance		2	68	(68)	2
Work injury insurance		1	92	(92)	1
Housing funds		25	4,850	(4,853)	22
Labour union funds and employee education funds		1,327	1,678	(1,350)	1,655
Defined contribution plans		447	9,138	(9,148)	437
Including: Basic pensions		91	5,741	(5,758)	74
Unemployment insurance		3	159	(158)	4
Annuity scheme		353	3,238	(3,232)	359
Supplementary retirement benefits and early retirement benefits	(i)	650	78	(30)	698
Others		–	48	(48)	–
Total		23,431	65,446	(64,772)	24,105

(i) Supplementary retirement benefits and early retirement benefits

The retirement benefit obligations of the Group refer to supplementary benefits for retirees and early-retirees recognized in the consolidated statement of financial position using the projected unit credit method as follows:

	As at December 31, 2025	As at December 31, 2024
Balance at the beginning of year	**698**	650
Interest expenses	**12**	17
Gain or loss from actuarial calculation	**(57)**	61
– Credit to profit or loss	**1**	(2)
– Charge to other comprehensive income	**(58)**	63
Benefits paid	**(30)**	(30)
Balance at the end of year	**623**	698

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34 Other liabilities (continued)

(1) Employee benefits payable (continued)

(i) Supplementary retirement benefits and early retirement benefits (continued)

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at December 31, 2025	As at December 31, 2024
Discount rate used for retirement benefit plan	**2.00%**	1.75%
Discount rate used for early retirement benefit plan	**1.50%**	1.25%
Annual growth rates of average medical expenses	**8.00%**	8.00%
Annual growth rates of retiree expenses	**3% and 0%**	3% and 0%
Annual growth rates of early-retiree expenses	**6%,3% and 0%**	6%,3% and 0%
Normal retirement age		
– Male	**60-63**	60-63
– Female	**55-58、50-55**	55-58、50-55

As at December 31, 2025 and 2024, the future mortality rate assumption was based on the China Life Insurance Mortality Table (2010-2013) issued on December 28, 2016, which was the statistical information publicly available in China.

(2) Provisions

		January 1, 2025	Current year accrual/ (reversal)	Current year payment	Current year exchange rate changes	December 31, 2025
ECL provisions on guarantee and commitments	(i)	**6,683**	**(1,153)**	**–**	**(1)**	**5,529**
Litigation and others	(ii)	**3,119**	**24**	**(5)**	**–**	**3,138**
Total		**9,802**	**(1,129)**	**(5)**	**(1)**	**8,667**

		January 1, 2024	Current year accrual/ (reversal)	Current year payment	Current year exchange rate changes	December 31, 2024
ECL provisions on guarantee and commitments	(i)	4,767	1,914	–	2	6,683
Litigation and others	(ii)	4,163	(899)	(145)	–	3,119
Total		8,930	1,015	(145)	2	9,802

34 Other liabilities (continued)

(2) Provisions (continued)

(i) ECL provisions on guarantee and commitments

	As at December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Provision as at December 31, 2025	**5,415**	**114**	**–**	**5,529**

	As at December 31, 2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Provision as at December 31, 2024	6,517	114	52	6,683

(ii) As at December 31, 2025 and 2024, the Group established accruals for unsettled litigations and claims according to the best estimation for a variety of risk events and outflow of economic benefits.

(3) Lease liabilities

	As at December 31, 2025	As at December 31, 2024
Within 1 month	**236**	234
1 to 3 months	**391**	474
3 to 12 months	**2,276**	2,392
1 to 2 years	**2,510**	2,330
2 to 5 years	**3,721**	3,306
Over 5 years	**2,682**	1,597
Contractual undiscounted cash flows of lease liabilities	**11,816**	10,333
Carrying amount of lease liabilities	**10,878**	9,222

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35 Share capital and other equity instruments

35.1 Share capital

	As at December 31, 2025		As at December 31, 2024	
	Number of shares (million shares)	Face value	Number of shares (million shares)	Face value
Domestically listed (A shares)	**100,239**	**100,239**	79,305	79,305
Listed overseas (H shares)	**19,856**	**19,856**	19,856	19,856
Total	**120,095**	**120,095**	99,161	99,161

A shares refer to ordinary shares listed domestically that are subscribed and traded in RMB, and H shares are shares that are approved to be listed in Hong Kong and denominated in RMB, but subscribed and traded in Hong Kong dollars. All H shares and A shares issued by the Bank are ordinary shares with a face value of RMB1.00 per share and enjoy equal rights.

On December 23, 2011, in accordance with the Approval by the MOF on the State-owned Equity Management Plan of Postal Savings Bank of China Co., Ltd. (Cai Jin (2011) No. 181), China Post Group was the exclusive promoter of the Bank. 45 billion promoter's shares were established and paid-in capital of the Bank amounted to RMB45 billion. In December 2013 and December 2014, China Post Group increased the capital of the Bank by RMB2 billion and RMB10 billion respectively.

On December 8, 2015, in accordance with the Approval of the former CBIRC on Capital Increase and the Introduction of Strategic Investors by Postal Savings Bank of China (Yinjianfu [2015] No. 662), the former CBIRC agreed the Bank's non-public offering of no more than 11,604 million shares. After the capital increase, the Bank's total shares increased to 68,604 million.

On September 28, 2016, the Bank was listed on The Stock Exchange of Hong Kong Limited. In the same year, the over-allotment option was exercised and the total shares of the Bank increased to 81,031 million.

35 Share capital and other equity instruments (continued)

35.1 Share capital (continued)

Approved by the former CBIRC through the Initial Public Offering of A Shares by the Postal Savings Bank of China Co., Ltd and amendment of the Articles of Association (Yinbaojianfu [2019] No.565) and approved by the China Securities Regulatory Commission through the Approval of Postal Savings Bank of China Co., Ltd.'s Initial Public Offering *(CSRC License [2019] No. 1991).* The Bank completed the initial public offering of 5,172 million A shares (excluding over-allotment) in December 2019. The face value of A shares was RMB1.00 per share, and the issue price was RMB5.50 per share. The net proceeds raised were RMB28,001 million, of which the share capital was RMB5,172 million and the capital reserve was RMB22,829 million. After initial public offering of A shares, the total shares of the Bank increased to 86,203 million.

The joint lead underwriters exercised the over-allotment option in January 2020. The over-allotment issued 776 million A shares at a face value of RMB1.00, and the issue price was RMB5.50 per share. The net proceeds raised were RMB4,205 million, of which the share capital was RMB776 million and the capital reserve was RMB3,429 million. After execution of the over-allotment, the total shares of the Bank increased to 86,979 million.

The Bank completed the private offering of 5,405 million of A shares in March 2021 to its controlling shareholders. The face value of A shares was RMB1.00, and the issue price was RMB5.55 per share. The net proceeds raised were RMB29,985 million, of which the share capital was RMB5,405 million and capital reserve was of RMB24,580 million. After the private offering of A shares, the total shares of the Bank increased to 92,384 million.

The Bank completed the private offerings of 6,777 million of A shares in March 2023 to China Mobile Communications Group Co., Ltd. The face value of A shares was RMB1.00, and the issue price was RMB6.64 per share. The net proceeds raised were RMB44,980 million, of which the share capital was RMB6,777 million and capital reserve was of RMB38,203 million. After the private offering of A shares, the total shares of the Bank increased to 99,161 million.

The Bank completed the private offerings of 20,934 million of A shares in June 2025 to MOF, China Mobile Communications Group Co., Ltd and China State Shipbuilding Group Co., Ltd. The face value of A shares was RMB1.00, and the issue price was RMB6.21 per share. The net proceeds raised were RMB129,962 million, of which the share capital was RMB20,934 million and capital reserve was of RMB109,028 million. After the private offering of A shares, the total shares of the Bank increased to 120,095 million.

As at December 31, 2025, the total number of ordinary shares of the Bank was 120,095 million, of which 33,116 million shares were restricted for sales and 86,979 million shares were unrestricted shares (As at December 31, 2024, the total number of ordinary shares of the Bank was 99,161 million, of which 12,182 million shares were restricted for sales and 86,979 million shares were unrestricted shares).

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35 Share capital and other equity instruments (continued)

35.2 Other equity instruments

(1) Perpetual bonds outstanding as at the end of the year

Outstanding financial instruments	Issue date	Classification	Initial interest rate	Issue price (RMB Yuan per unit)	Units (million)	Currency	Amount (RMB million)	Maturity date	Redemption/ impairment
Undated additional tier 1 capital bonds	March 19, 2021	Equity instrument	4.42%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	January 14, 2022	Equity instrument	3.46%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	October 13, 2023	Equity instrument	3.42%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	March 14, 2024	Equity instrument	2.73%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	February 19, 2025	Equity instrument	1.99%	100	300	RMB	30,000	No maturity date	No
Total proceeds							150,000		

The carrying amount of perpetual bonds issued by the Bank, net of related issuance fees, was RMB149,996 million as at December 31, 2025 (December 31, 2024: RMB199,986 million).

35 Share capital and other equity instruments (continued)

35.2 Other equity instruments (continued)

(1) Perpetual bonds outstanding as at the end of the year (continued)

The key terms are set out below:

(a) Conditional redemption rights

From the fifth anniversary since the issuance of the undated additional tier 1 capital bonds (the "Bonds"), the Bank may redeem full or part of the Bonds on each distribution payment date (including the fifth distribution payment date since the issuance). After the issuance, if the event that the Bonds no longer qualify as additional tier 1 capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations, the Bank may redeem the full but not part of the Bonds.

The exercise of the Bank's redemption right shall be subject to the consent of the NFRA and the satisfaction of the following preconditions: (1) the Bank shall use capital instruments of the same or better quality to replace the instruments to be redeemed, and such replacement shall only be carried out at conditions which are sustainable for the income capacity; (2) or the capital position of the Bank after the redemption right is exercised will remain well above the regulatory capital requirements of the NFRA.

(b) Subordination

The claims in respect of the Bonds will be subordinated to the claims of depositors, general creditors, and subordinated indebtedness that ranks senior to the Bonds; will rank in priority to all classes of shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds. If subsequent amendments to the PRC Enterprise Bankruptcy Law or relevant regulations are applicable to the subordination, such relevant laws and regulations shall prevail.

(c) Write-down/write-off clauses

Upon the occurrence of a non-viability trigger event, the Bank has the right to write down/write off in full or in part, without the need for consent from the holders of the Bonds, the principal amount of the Bonds. The amount of the write-down/write-off shall be determined by the ratio of the outstanding principal amount of the Bonds to the aggregate principal amount of all additional tier 1 capital instruments with the identical trigger event. A non-viability trigger event refers to the earlier of the following events: (1) the NFRA having decided that the Bank would become non-viable without a write-down/write-off; (2) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable. The write-down/write-off will not be restored.

The trigger event occurrence date refers to the date on which the NFRA or the relevant authority has decided a trigger event occurs, and has informed the Bank together with a public announcement of such trigger event.

Within two business days after the occurrence of the trigger event, the Bank shall make a public announcement and give notice to the holders of the Bonds on the amount, the calculation method thereof, together with the implementation date and procedures, of such write-down/write-off.

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35 Share capital and other equity instruments (continued)

35.2 Other equity instruments (continued)

(1) Perpetual bonds outstanding as at the end of the year (continued)

The key terms are set out below: (continued)

(d) Distribution rate

The distribution rate of the Bonds will be adjusted at defined intervals, with a distribution rate adjustment period every 5 years since the payment settlement date. In any distribution rate adjusted period, the distribution payments on the Bonds will be made at a prescribed fixed distribution rate. The distribution rate at the time of issuance will be determined by bookkeeping and centralized allocation. The distribution rate is determined by a benchmark rate plus a fixed spread.

(e) Distribution payment

The Bank shall have the right to cancel, in full or in part, distributions on the Bonds and any such cancellation shall not constitute an event of default. When exercising such right, the Bank will take into full consideration the interest of the holders of the Bonds. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. Cancellation of any distributions on the Bonds regardless in full or in part, will not impose any restrictions on the Bank, except in relation to dividend distributions on ordinary shares. Any cancellation of distributions on the Bonds regardless in full or in part, will require the deliberation by and approval from the shareholders' general meeting. The Bank shall give notice to the investors on such cancellation in a timely manner.

In the event a distribution cancellation of the Bonds, regardless in full or in part, the Bank shall not make any distribution to the ordinary shareholders from the next date following the resolution being approved in the shareholders' general meeting, until its decision to resume the distribution payments in full to the holders of the Bonds. The dividend stopper on ordinary shares will not compromise the Bank's discretion to cancel distributions, and will not impede the Bank from replenishing its capital.

Distributions on the Bonds shall only be paid out of distributable items, and will not be affected by the rating of the Bank, nor reset based on any change to such rating. The distributions on the Bonds are non-cumulative, namely, upon cancellation, any amount of distribution unpaid to the holders of the Bonds in the applicable period will not accumulate or compound to the subsequent distribution period thereafter. The Bonds do not have any step-up mechanism or any other incentive to redeem.

35 Share capital and other equity instruments (continued)

35.2 Other equity instruments (continued)

(2) Changes in outstanding perpetual bonds

Outstanding financial instruments	January 1, 2025		Current year (decreased)/increased		December 31, 2025	
	Units of the Bonds (million)	Carrying amount (RMB million)	Units of the Bonds (million)	Carrying amount (RMB million)	Units of the Bonds (million)	Carrying amount (RMB million)
Undated additional tier 1 capital bonds	**2,000**	**200,000**	**(500)**	**(50,000)**	**1,500**	**150,000**

Outstanding financial instruments	January 1, 2024		Current year increased/(decreased)		December 31, 2024	
	Units of the Bonds (million)	Carrying amount (RMB million)	Units of the Bonds (million)	Carrying amount (RMB million)	Units of the Bonds (million)	Carrying amount (RMB million)
Undated additional tier 1 capital bonds	1,700	170,000	300	30,000	2,000	200,000

(3) Equity attributable to the holders of equity instruments

Items	As at December 31, 2025	As at December 31, 2024
1. Total equity attributable to equity holders of the Bank	**1,160,146**	1,029,669
(1) Equity attributable to ordinary shareholders of the Bank	**1,010,150**	829,683
(2) Equity attributable to other equity holders of the Bank	**149,996**	199,986
Including: Net profit	**7,161**	6,342
Dividends/interests distributed	**(7,161)**	(6,342)
2. Total equity attributable to non-controlling interests	**2,199**	1,980
(1) Equity attributable to non-controlling interests of ordinary shares	**2,199**	1,980
(2) Equity attributable to non-controlling interests of other equity instruments	**–**	–

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36 Capital reserve

	As at December 31, 2025	As at December 31, 2024
Net asset revaluation appreciation from the Bank's joint stock restructuring	**3,437**	3,448
Share premium arising from strategic investors	**33,536**	33,536
Share premium arising from the Bank's initial public offering of H shares	**37,675**	37,675
Share premium arising from the Bank's initial public offering of A shares	**26,258**	26,258
Share premium arising from the Bank's private offering of A shares and issuance of A Shares to specific subscribers	**171,812**	62,783
Change of equity interest issuance of A shares in a subsidiary	**(11)**	(11)
Other capital reserve	**(1,010)**	(1,008)
Total	**271,697**	162,681

37 Other reserves

37.1 Surplus reserve

	2025	2024
At the beginning of year	**75,540**	67,010
Appropriations in current year	**8,617**	8,530
At the end of year	**84,157**	75,540

In accordance with The Company Law of the People's Republic of China (中華人民共和國公司法), and the Bank's Articles of Association, the Bank shall appropriate 10% of its net profit under Accounting Standards for Business Enterprises and relevant requirements for the current year to the statutory surplus reserve, and can cease appropriation when the statutory surplus reserve accumulates to more than 50% of the registered capital of the Bank.

37 Other reserves (continued)

37.2 General reserve

	2025	2024
At the beginning of year	**219,887**	201,696
Appropriations in current year	**23,567**	18,191
At the end of year	**243,454**	219,887

In accordance with the Administrative Measures for Provisioning of Financial Enterprises (金融企業準備金計提管理辦法) (Cai Jin [2012] No. 20) issued by the MOF, the Bank shall appropriate general reserve from its net profit for the purpose to cover any unidentified potential losses. The balance of general reserve shall be no less than 1.5% of risk assets at the end of the year.

Pursuant to the relevant regulatory requirements in the Chinese mainland, the Bank's subsidiaries also appropriate a certain amount of net profit as general reserve.

37.3 Other comprehensive income

(1) Other comprehensive income attributable to equity holders of the Bank in the consolidated statement of financial position

	Remeasurement of retirement benefit obligations	Net gains/ (losses) on investments in financial assets measured at FVTOCI	Share of other comprehensive income of associates, net of related income tax	Total
January 1, 2024	(298)	5,330	2	5,034
Movement during the year	(63)	4,070	30	4,037
December 31, 2024 and January 1, 2025	(361)	9,400	32	9,071
Movement during the year	**58**	**(3,726)**	**2**	**(3,666)**
December 31, 2025	**(303)**	**5,674**	**34**	**5,405**

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37 Other reserves (continued)

37.3 Other comprehensive income (continued)

(2) Other comprehensive income in the consolidated statement of profit or loss and other comprehensive income

	2025	2024
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement benefit obligations	**58**	(63)
Changes in fair value of equity instruments designated as at FVTOCI	**20**	188
Less: Income tax effect	**5**	47
Share of other comprehensive income of associates, net of related income tax	**15**	30
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates, net of related income tax	**(13)**	–
Changes in fair value of debt instruments measured at FVTOCI	**(3,414)**	7,452
Less: Amount transferred to profit or loss from other comprehensive income	**2,582**	444
Income tax effect	**(1,499)**	1,752
Credit losses of debt instruments measured at FVTOCI	**2,269**	(74)
Less: Amount transferred to profit or loss from other comprehensive income	**1,253**	162
Income tax effect	**254**	(59)
Net amount	**(3,660)**	5,187

38 Dividends and interests distribution

Upon the approval obtained in the 2025 Third Interim Shareholder's General Meeting, the Bank distributed RMB14,772 million (tax inclusive) of cash dividends for the period ended June 30, 2025 to all the ordinary shareholders whose names appeared on the register with RMB1.230 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on January 12, 2026 and the H shares cash dividends on February 13, 2026 respectively.

Upon the approval obtained in the 2024 Annual General Meeting, the Bank distributed RMB11,294 million (tax inclusive) of cash dividends for the year ended December 31, 2024 to all the ordinary shareholders whose names appeared on the register with RMB1.139 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on April 30, 2025 and the H shares cash dividends on May 22, 2025 respectively.

Upon the approval obtained in the 2024 Second Interim Shareholder's Meeting, the Bank distributed RMB14,646 million (tax inclusive) of cash dividends for the period ended June 30, 2024 to all the ordinary shareholders whose names appeared on the register with RMB1.477 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on January 8, 2025 and the H shares cash dividends on January 24, 2025 respectively.

Upon the approval obtained in the 2023 Annual General Meeting, the Bank distributed RMB25,881 million (tax inclusive) of cash dividends for the year ended December 31, 2023 to all the ordinary shareholders whose names appeared on the register with RMB2.610 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on July 11, 2024 and the H shares cash dividends on August 8, 2024 respectively.

In January 2025, the Bank paid RMB1,038 million interests to holders of perpetual bonds issued in the year 2022, the interest rate of which equalled to 3.46%. In March 2025, the Bank paid RMB5,097 million interests to holders of perpetual bonds issued in the year 2020, 2021 and 2024, the interest rates of which equalled to 3.69%, 4.42% and 2.73%. In October 2025, the Bank paid RMB1,026 million interests to holders of perpetual bonds issued in the year 2023, the interest rate of which equalled to 3.42%. The interests were calculated by the initial interest rates before the first reset date which were determined in accordance with the terms and conditions of the perpetual bonds.

In January 2024, the Bank paid RMB1,038 million interests to holders of perpetual bonds issued in the year 2022, the interest rate of which equalled to 3.46%. In March 2024, the Bank paid RMB4,278 million interests to holders of perpetual bonds issued in the year 2020 and 2021, the interest rates of which equalled to 3.69% and 4.42%. In October 2024, the Bank paid RMB1,026 million interests to holders of perpetual bonds issued in the year 2023, the interest rate of which equalled to 3.42%. The interests were calculated by the initial interest rates before the first reset date which were determined in accordance with the terms and conditions of the perpetual bonds.

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39 Cash and cash equivalents

For the purpose of presentation of the consolidated cash flow statements, cash and cash equivalents include the following balances with an original maturity within 3 months:

	As at December 31, 2025	As at December 31, 2024
Cash	**44,078**	46,478
Surplus reserve with central bank	**38,331**	52,264
Deposits with banks and other financial institutions	**13,370**	7,220
Placements with banks and other financial institutions	**35,284**	14,545
Financial assets held under resale agreements	**488,928**	213,188
Short-term debt securities	**1,050**	5,720
Total	**621,041**	339,415

40 Relationship and transactions with related parties

40.1 Information of the parent company

	Place of registration	Nature of business
China Post Group	Beijing, PRC	Domestic and international letter business, domestic and international express parcel business, distribution of newspapers, journals and books, stamp issuance, postal remittance service, confidential correspondence communication, postal financial business, postal logistics, e-commerce, various postal agent services, and other businesses stipulated by the state.

China Post Group is managed and supervised by the MOF on behalf of the State Council.

As at December 31, 2025 and 2024, the registered capital of China Post Group were RMB137,600 million.

As at December 31, 2025, China Post Group directly held 51.87 % of both the equity shares and voting rights in the Bank (As at December 31, 2024: 62.78%).

40 Relationship and transactions with related parties (continued)

40.2 Information of major related parties

Name of enterprise	Relationship with the Bank
MOF	Major shareholder of the Bank
China Mobile Communications Group Co., Ltd.	Major shareholder of the Bank
China State Shipbuilding Corporation Limited	Major shareholder of the Bank
Shanghai International Port (Group) Co., Ltd.	Major shareholder of the Bank
China Postal Express & Logistics Co., Ltd.	Company under the common control of China Post Group
China Post Life Insurance Co., Ltd.	Company under the common control of China Post Group
China Post Securities Co., Ltd.	Company under the common control of China Post Group
Shanghai Ule Network Technology Co., Ltd.	Company under the common control of China Post Group
China Post Technology Co., Ltd.	Company under the common control of China Post Group
Ningxia China Post Logistics Co., Ltd.	Company under the common control of China Post Group
Jiangsu Post and Telecommunication Printing Co., Ltd.	Company under the common control of China Post Group
China Post & Capital Fund Management Co., Ltd.	An associate of China Post Group
China UnionPay Co., Ltd.	Related party arising from connected persons of the Bank
Overseas Chinese Town Group Co., Ltd.	Related party arising from connected persons of the Bank

The Group's connected person include the Bank's directors, supervisors, senior executives and their direct relatives, as well as the Bank's controlling shareholders' directors, supervisors, senior executives and their direct relatives and other connected persons. The Group's other related parties include other related parties of China Post Group, other related parties of major shareholders of the Bank and other related parties arising from connected persons.

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40 Relationship and transactions with related parties (continued)

40.3 Related party transactions

For transactions between the Group and related parties in accordance with general commercial terms during normal business operations, the pricing principle is the same as that of independent third party transactions. For transactions other than normal banking business between the Group and related parties, the pricing principle shall be determined by both parties through negotiation in accordance with general commercial terms.

40.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates

(1) Agency banking services from China Post Group

In addition to conducting commercial banking services at its owned business locations, the Bank also engages China Post Group and its provincial branches as agents to provide certain commercial banking services at China Post Group's business locations where financial service licenses have been obtained. These commercial banking services mainly include: deposits taking; bank card (debit card) services, credit cards repayment processing services; electronic banking business, agency issuance, underwriting and redemption of government bonds; certification of personal deposits; agency sales of fund products and personal wealth management products, and other agency services.

In accordance with the Interim Administrative Measures for Institutional Agency of Postal Savings Bank of China Co., Ltd. (中國郵政儲蓄銀行代理營業機構管理暫行辦法) issued by the former CBIRC, all agency operations were provided by China Post Group under bases of fees determined in accordance with the Framework Agreement on Entrusted and Agency Banking Services of Agency Outlets (代理營業機構委託代理銀行業務框架協定, the "Framework Agreement") entered into between the Bank and China Post Group and its provincial branches.

For RMB deposit-taking services, the basis is computed based on the principle of "Fixed Rate, Scaled Fees Based on Deposit Types (固定費率、分檔計費)", i.e. different deposit agency fee rates are applicable to savings deposits with different maturities. The formula of calculating the scaled fees is as follows:

Monthly deposit agency fee costs at the relevant branch =Σ(aggregate amount of deposit for each type of deposit at the branch for the month × the respective deposit agency fee rate of the relevant type of deposit/365) - aggregate cash (including that in transit) at the relevant branch for the month× 1.5%/365.

The Bank pays deposit agency fee for agency RMB savings deposits received, net of cash reserves held by agency outlets and deposits in transit. The agency fee rates range from 0.000% to 1.943% since January 1, 2025.

40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(1) Agency banking services from China Post Group (continued)

To effectively manage the interest expenses and maintain a stable growth in deposit scale, the Bank has established relevant mechanisms to boost the deposit-taking, including the arrangements of cost sharing for floating interest rates of deposits as well as incentives for deposit-taking. The Bank and China Post Group have agreed that the amount of deposit incentive shall not be higher than the payment by China Post Group under the cost sharing mechanism for floating interest rates of deposits in any circumstances.

The agency foreign currency deposit-taking business is insignificant, as such the Bank and China Post Group apply market rates such as the composite interest rate of the China Interbank Foreign Currency Market to determine the agency fee.

For intermediary business services performed by agency outlets such as settlement and sales services, the agency fees are determined based on the income from agency services net of all direct taxes and expenses.

		2025	2024
Deposit agency fee and others	(i)	**113,450**	117,814
Fees for agency sales and other commissions	(ii)	**6,734**	6,426
Fees for agency savings settlement		**4,405**	6,085
Total		**124,589**	130,325

(i) For the year ended December 31, 2025, deposit agency fee (including RMB and foreign currency deposit-taking business) cost amounted to RMB118,535 million (2024: RMB120,132 million). The offsetting settlement amount of the Bank's relevant mechanisms to boost deposit-taking was -RMB5,085 million (2024: -RMB2,318 million). According to the netting arrangement between the Bank and China Post Group, deposit agency fee and other are settled and disclosed on a net basis.

(ii) The Bank firstly recognizes relevant fee and commission income (Note 6) in the consolidated statement of profit or loss and other comprehensive income, and the same amount of the fee and commission will be payable by the Bank to China Post Group following the principle of "fee payable to the entity providing the service (誰辦理誰受益)". Some agency income generated from sales for other insurance companies are settled with the Bank or directly with China Post Group according to the contract.

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40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(2) Operating lease with China Post Group and its related parties

(a) Lease buildings, ancillary equipment and other properties

As lessor	2025	2024
Buildings and other	**39**	48

As lessee	2025	2024
Buildings and other	**904**	909

(b) Right-of-use assets and lease liabilities recognized by accepting leases provided by China Post Group and its subsidiaries

	As at December 31, 2025	As at December 31, 2024
Right-of-use assets	**1,947**	653
Lease liabilities	**1,891**	619

40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(3) Other comprehensive services and transactions with China Post Group and its related parties

(a) Revenue from rendering other comprehensive services to China Post Group and its related parties

		2025	2024
Agency sales of insurance products	(i)	**587**	760
Comprehensive services rendered	(ii)	**198**	175
General office materials sold		**16**	35
Agency sales of precious metals		**18**	33
Total		**819**	1,003

(i) Agency sales of insurance products are income generated from agency service for China Post Life Insurance Co., Ltd. by directly-operated outlets of the Bank.

(ii) Comprehensive services rendered to China Post Group and its related parties include custody business, cash escort, equipment maintenance and other services.

(b) Expenditure from receiving other comprehensive services from China Post Group and its related parties

		2025	2024
Comprehensive services received	(i)	**1,110**	1,164
Marketing services received		**1,242**	1,228
Goods purchased		**762**	1,346
Philatelic items purchased and mailing services received		**95**	132
Total		**3,209**	3,870

(i) Comprehensive services received from China Post Group and its related parties include cash escorts and vaults, equipment maintenance, advertising, properties, training and other services.

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40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(4) Other transactions with China Post Group and its related parties

Balances		As at December 31, 2025	As at December 31, 2024
Assets			
Loans and advances to customers	(i)	**377**	132
Financial assets measured at FVTPL	(ii)	**1,543**	3,005
Financial assets measured at FVTOCI-debt instruments	(ii)	**117**	92
Financial assets measured at amortized cost	(ii)	**1,041**	1,041
Other assets		**4,587**	330
Liabilities			
Deposits from banks and other financial institutions	(i)	**2,037**	1,692
Customer deposits	(iii)	**13,335**	12,798
Other liabilities (Note 34)		**337**	2,001
Off-Balance Sheet Items			
Guarantees and letters of guarantee		**1**	–

Transactions		2025	2024
Interest income		**32**	13
Interest expense		**184**	529
Fee and commission income		**74**	90
Fee and commission expense		**12**	13
Net trading gains		**31**	–
Net gains on investment securities	(iv)	**8**	714

40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(4) Other transactions with China Post Group and its related parties (continued)

(i) As at December 31, 2025, loans and advances to customers were mainly with companies under the common control of China Post Group, deposits from banks and other financial institutions were mainly with companies under the common control of China Post Group (December 31, 2024, loans and advances to customers were mainly with companies under the common control of China Post Group, deposits from banks and other financial institutions were mainly with companies under the common control of China Post Group).

(ii) As at December 31, 2025, financial assets measured at FVTPL were mainly with China Post Group, financial assets measured at amortized cost were mainly with China Post Group and China Post Securities Co., Ltd., and debt instruments measured at FVTOCI were mainly with China Post Securities Co., Ltd. (December 31, 2024, financial assets measured at FVTPL and financial assets measured at amortized cost were mainly the balance of transactions with China Post Group and China Post Securities Co., Ltd., debt instruments measured at FVTOCI were mainly with China Post Securities Co., Ltd.).

(iii) As at December 31, 2025, RMB9,826 million of customer deposits were mainly with China Post Group (As at December 31, 2024: RMB9,042 million) while RMB3,509 million of customer deposits were mainly with associate and companies under the common control of China Post Group (As at December 31, 2024: RMB4,842 million). The interest rates of such customer deposits range from 0.05% to 1.65% as at December 31, 2025 (As at December 31, 2024: 0.10% to 2.75%).

(iv) As of December 31, 2024, net gains on investment securities were the transfer income realized by the Bank's transfer of part of the beneficial interest of the trusts and the beneficial interest of the asset management plan to China Post Capital Management Co., Ltd. in 2024. In 2024, the Bank transferred the trust beneficial interest of the fund share income right or the asset management plan beneficial interest of the share income right of nine underlying industrial funds and one industrial fund management company to China Post Capital Management Co., Ltd., a wholly-owned subsidiary of China Post Group, for the consideration of the assessment result by an independent valuer of RMB51,422,877.8 thousand recorded by the MOF. As of December 31, 2024, the transfer transaction has been completed.

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40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.2 Transactions with major shareholders of the Bank and their related parties

Balances		As at December 31, 2025	As at December 31, 2024
Assets			
Loans and advances to customers	(i)	**1,042**	330
Financial assets measured at FVTPL	(ii)	**2,129**	–
Financial assets measured at amortized cost	(ii)	**284,806**	–
Financial assets measured at FVTOCI-debt instruments	(ii)	**54,365**	–
Right-of-use assets		**5**	6
Other assets		**2**	5
Liabilities			
Customer deposits		**4,401**	3,313
Deposits from banks and other financial institutions		**2**	2
Lease liabilities		**5**	5
Other liabilities		**99**	71
Off-Balance Sheet Items	(iii)		
Bank acceptances		**137**	–
Guarantees and letters of guarantee		**3,856**	3,156
Letters of credit		**11**	–

40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.2 Transactions with major shareholders of the Bank and their related parties (continued)

Transactions	2025	2024
Interest income	**8,160**	16
Interest expense	**75**	70
Fee and commission income	**205**	143
Fee and commission expense	**1,030**	963
Net other operating gains	**2**	1
Net trading gains	**122**	–
Net gains on investment securities	**–**	6
Operating expenses	**712**	696

(i) As at December 31, 2025, loans and advances to customers were mainly with HKBN Group Limited. As at December 31, 2024, loans and advances to customers were mainly with China Shipbuilding Industry Equipment & Materials Group (Guangzhou) Co., Ltd.

(ii) As at December 31, 2025, financial assets measured at FVTPL, Financial assets measured at FVTOCI-debt instruments, Financial assets measured at amortized cost were mainly the balance of government bonds issued by the MOF directly held by the Group.

(iii) Redemption commitment for government bonds is disclosed in Note 42.3 Redemption commitment for government bond.

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40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.3 Transactions with related parties arising from the connected persons of the Bank

Balances		As at December 31, 2025	As at December 31, 2024
Assets			
Loans and advances to customers	(i)	**3,803**	3,852
Financial assets measured at amortized cost	(ii)	**1,030**	1,026
Financial assets measured at fair value through other comprehensive income-equity instruments	(iii)	**570**	570
Other assets		**27**	23
Liabilities			
Customer deposits	(iv)	**5,100**	6,093
Other liabilities		**14**	8

Transactions		2025	2024
Interest income		**103**	120
Interest expense		**140**	160
Fee and commission income	(v)	**3,077**	3,531
Fee and commission expense	(v)	**949**	1,135
Operating expenses		**41**	85

(i) As at December 31, 2025 and 2024, loans and advances to customers are mainly the balance of transactions with Overseas Chinese Town Group Co. Ltd.

(ii) As at December 31, 2025 and 2024, Financial assets measured at amortized cost were mainly with Overseas Chinese Town Group Co. Ltd.

(iii) As at December 31, 2025 and 2024, financial assets measured at FVTOCI-equity instruments were mainly with China UnionPay Co., Ltd.

(iv) As at December 31, 2025 and 2024, customer deposits were mainly with China UnionPay Co., Ltd.

(v) The net fee and commission income was mainly arising from the settlement and clearing with China UnionPay Co., Ltd. both during the year ended December 31, 2025 and 2024.

40 Relationship and transactions with related parties (continued)

40.3 Related party transactions (continued)

40.3.4 Transactions with connected persons of the Bank

Balances	As at December 31, 2025	As at December 31, 2024
Assets		
Loans and advances to customers	**67**	67
Other assets	**2**	3
Liabilities		
Customer deposits	**207**	225
Other liabilities	**2**	1
Off-Balance Sheet Items		
Unused credit card commitments	**62**	62

Transactions	2025	2024
Interest income	**2**	1
Interest expense	**2**	2

40.3.5 The Group and other government related entities

Other than related party transactions disclosed above and also in other relevant notes, a significant part of the Group's banking transactions are entered into with government authorities, agencies, subsidiaries and other entities under control of state. These transactions are entered into under normal commercial terms and conditions and mainly include provision of credit and guarantee, deposits, foreign exchange transactions, derivative product transactions, agency services, underwriting and distribution of bonds issued by government authorities, purchase, sales and redemption of securities issued by government authorities.

The Group considers that these transactions are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are government authorities, agencies, subsidiaries and other entities under control of state.

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40 Relationship and transactions with related parties (continued)

40.4 Key management personnel compensation

Key management personnel are those persons having authorities and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly, including directors, supervisors and senior executives.

	2025	2024
Key management personnel compensation	**8**	16

Part of the salary of key management personnel in 2025 will be paid after assessment; The salary of key management personnel in 2024 is the final salary after assessment.

41 Structured entities

41.1 Unconsolidated structured entities managed by the Group

Unconsolidated structured entities managed by the Group consist primarily of collective investment vehicles formed to issue and distribute wealth management products ("WMP vehicles") which are not subject to any guarantee by the Group in respect of the principal invested or yield to be paid ("non-principal-guaranteed WMPs"). The WMP vehicles invest in a range of fixed-yield assets, including money market instruments, debt securities and loan assets. As the manager of the WMPs, the Group invests, on behalf of its customers, the funds raised in the assets as described in the investment scheme related to each WMP and distributes the yield to investors based on product operation. The variable return earned by the Group under the non-principal-guaranteed WMPs is not significant, and therefore, these WMPs are not consolidated by the Group.

As at December 31, 2025 and 2024, the non-principal-guaranteed WMPs issued and managed by the Group amounted to RMB1,317,152 million and RMB1,022,530 million, respectively. The net fee and commission income from such activities was disclosed in Note 6.

As at December 31, 2025, the Group hold RMB1,239 million of non-principal-guaranteed WMPs issued and managed by the Group (December 31, 2024: RMB1,029 million).

41 Structured entities (continued)

41.2 Unconsolidated structured entities invested by the Group

The Group invests in unconsolidated structured entities issued and/or managed by other institutions, and records interest income, net trading gains and net gains on investment securities therefrom. These structured entities mainly comprise fund investments, trust investment plans, asset management plans, asset-backed securities and other debt instruments, etc. The nature and purpose of the structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of investment products to investors.

As at December 31, 2025 and 2024, the Group's maximum exposure to these unconsolidated structured entities was summarized in the table below:

	As at December 31, 2025		
	Financial assets measured at FVTPL	**Financial assets measured at amortized cost**	**Total**
Fund investments	**525,778**	**–**	**525,778**
Trust investment plans and asset management plans	**8,877**	**4,550**	**13,427**
Asset-backed securities	**7,960**	**85,916**	**93,876**
Total	**542,615**	**90,466**	**633,081**

	As at December 31, 2024		
	Financial assets measured at FVTPL	**Financial assets measured at amortized cost**	**Total**
Fund investments	762,525	–	762,525
Trust investment plans and asset management plans	45	12,788	12,833
Asset-backed securities	3,149	96,835	99,984
Total	765,719	109,623	875,342

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41 Structured entities (continued)

41.2 Unconsolidated structured entities invested by the Group (continued)

No open market information was readily available for the overall scale of those unconsolidated structured entities mentioned above.

For the year ended December 31, 2025 and 2024, the income from these unconsolidated structured entities earned by the Group was as follows:

	2025	2024
Interest income	**2,078**	3,679
Net gains on investment securities	**10,206**	25,691
Net trading gains	**34**	2
Net gains on derecognition of financial assets measured at amortized cost	**–**	27
Total	**12,318**	29,399

41.3 Consolidated structured entities held by the Group

Structured entities consolidated by the Group include certain asset management plans and WMPs issued, managed and/or invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

42 Contingent liabilities and commitments

42.1 Capital commitments

	As at December 31, 2025	As at December 31, 2024
Contracts signed but not executed	**5,141**	4,706

The Group's capital commitments are contracts signed but not executed, which mainly include purchase of property and equipment, and decoration projects.

42 Contingent liabilities and commitments (continued)

42.2 Collateral

Assets pledged as collaterals

Certain assets held by the Group were pledged as collaterals under repurchase agreements. Such transactions were conducted in accordance with normal business terms and conditions.

	As at December 31, 2025	As at December 31, 2024
Debt securities	**88,368**	110,006
Bills	**13,436**	17,395
Total	**101,804**	127,401

In addition, some of the debt securities held by the Group were pledged as collaterals for businesses other than repurchase agreements. As at December 31, 2025, the carrying amount of debt securities pledged as collaterals amounted to RMB162,108 million (December 31, 2024: RMB120,951 million).

Collaterals received

Collaterals under loans and advances to customers mainly include land use rights and buildings. The Group has not resold or re-pledged these collaterals which the owners of the pledged properties have not breached the contracts. As at December 31, 2025, the Group's exposure to credit-impaired loans and advances to customers covered by corresponding collateral was RMB45,908 million (December 31, 2024: RMB41,139 million).

Collaterals under certain deposits with banks mainly include bonds issued by Chinese government, local government or policy banks. The Group has not resold or re-pledged these collaterals which the owners of the pledged properties have not breached the contracts.

Financial assets held under resale agreements are mainly collateralized by debt securities and bills. As part of certain resale agreements, the Group obtains debt securities or bills from counterparts which could be resold or re-pledged as collaterals during the business operation of financial assets held under resale agreements from banks. As at December 31, 2025 and 2024, the Group did not obtain debt securities as collateral that can be resold or re-pledged from counterparties under the business. As at December 31, 2025, the Group did not obtain acceptable bills that can be resold or re-pledged (December 31, 2024: RMB28,354 million).

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42 Contingent liabilities and commitments (continued)

42.3 Redemption commitment for government bonds

The Group is entrusted by the MOF to underwrite certain treasury bonds. The investors of the treasury bonds have the right to redeem the bonds at any time prior to maturity and the Group is committed to honor such redemption requests. The MOF will not provide funding for the early redemption of these bonds on a back-to-back basis, but will settle the principal and interest upon maturity or regular settlement. The redemption price is the face value of the treasury bonds underwritten and sold plus unpaid interest in accordance with the terms of the early redemption arrangement.

As at December 31, 2025, the nominal value of treasury bonds the Group was obligated to redeem was RMB159,237 million (December 31, 2024: RMB141,703 million). The original maturities of these bonds range from 1 to 5 years. Management of the Group expects the amount of redemption before the maturity dates of these bonds will not be material.

42.4 Lawsuits and claims

The Group was involved in a number of lawsuits and claims during its normal course of business. As at December 31, 2025, provisions of RMB3,138 million were made by the Group (December 31, 2024: RMB3,119 million) based on court judgments or advice of legal counsel, and included in Note 34(2) Provisions. Management of the Group believes that the final result of these lawsuits and claims will not have a material impact on the financial position or operations of the Group.

42.5 Credit risk-weighted amounts for credit commitments

	As at December 31, 2025	As at December 31, 2024
Credit commitments	**303,411**	285,926

The credit risk-weighted amounts for credit commitments are based on positions of the counterparties and maturity characteristics of each type of contract, etc.

42 Contingent liabilities and commitments (continued)

42.6 Credit commitments

	As at December 31, 2025	As at December 31, 2024
Loan commitments		
– With an original maturity of less than 1 year	–	–
– With an original maturity of 1 year or above	**18,103**	27,543
Subtotal	**18,103**	27,543
Bank acceptances	**257,317**	186,026
Guarantees and letters of guarantee	**149,159**	123,816
Letters of credit	**175,982**	127,969
Unused credit card commitments	**485,823**	490,968
Total	**1,086,384**	956,322

Credit commitments of the Group mainly include unused limits for credit cards issued to customers and general credit facilities. These general credit facilities may be drawn in the form of loans or through the issuance of letters of credit, guarantees and letters of guarantee or bank acceptances.

As at December 31, 2025 and 2024, the credit risk exposure of the credit commitments was mainly in Stage 1.

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43 Transfers of financial assets

The Group enters into transactions during the normal course of business by which it transfers recognized financial assets to third parties or to special purpose trusts. In some cases these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognize the transferred assets.

43.1 Outright repurchase agreements

The Group has entered into the following repurchase agreements, and the recourse rights of the counterparties are not limited to the transferred assets. The Group does not derecognize financial assets transferred as collateral in connection with repurchase agreements.

	As at December 31, 2025	As at December 31, 2024
Carrying amount of the collateral	**169,462**	82,382
Financial assets sold under repurchase agreements	**(157,989)**	(77,229)

43.2 Securities lending transactions

Counterparties are allowed to sell or repledge securities lent under securities lending agreements in the absence of any default by the Group, but at the same time, they have an obligation to return such securities upon the maturity of the securities lending agreements. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. As at December 31, 2025, the carrying amount of debt securities lent to counterparties was RMB23,768 million (December 31, 2024: RMB64,109 million).

43 Transfers of financial assets (continued)

43.3 Credit assets securitization transactions

The Group enters into securitization transactions during the normal course of business by which it transfers credit assets to special purpose trusts which in turn issues asset-backed securities to investors. The Group may acquire some asset-backed securities and fund shares at the senior and subordinated tranche level. Accordingly, the Group may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognize the associated credit assets by evaluating the extent to which it transfers the risks and rewards of the assets.

With respect to the credit assets that are securitized and qualified for derecognition, the Group derecognizes the transferred credit assets in their entirety. For the year ended December 31, 2025, the face value at the date of transfer of the original credit assets was RMB31,450 million (2024: RMB16,992 million). As the Bank substantially transferred all the risks and rewards of these credit assets, the full amount of such securitized credit assets were derecognized.

In the cases that the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and for which the Group retains control, the Group recognizes an asset in the consolidated statement of financial position to the extent of the Group's continuing involvement in the transferred assets. The extent of the Group's continuing involvement is the extent of the risks and rewards exposed by the Group to the value changes of the transferred assets. For the year ended December 31, 2025, there were no new securitised credit assets in which the Group retained the continuing involvement (2024: nil). The carrying amount of the continuing involvement assets and the corresponding continuing involvement liabilities, which were recognized in other assets and other liabilities in the consolidated statement of financial position, were both RMB3,917 million as at December 31, 2025 (December 31, 2024: RMB4,450 million). The Group acts as a credit service provider of the special purpose trusts, manages the credit assets transferred to the special purpose trusts, and collects the corresponding fee as the loan asset manager. For the year ended December 31, 2025 and 2024, the Group did not provide any financial support to these special purpose trusts.

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44 Segment analysis

44.1 Operating segment

The Group manages the business from both a business and geographic perspective. From the business perspective, the Group provides services through four main operating segments listed below:

Personal banking

The personal banking segment covers the provision of financial products and services to individual customers. The products and services include savings deposit-taking, personal loans, credit cards and debit cards, payments and settlements, wealth management products and funds, insurance agency services, etc.

Corporate banking

The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include current account settlement, deposits, overdrafts, loans, trade related products and other credit facilities, foreign currency, and wealth management products, etc.

Treasury

This segment covers businesses including deposits and placements with banks and other financial institutions, interbank borrowings and lendings, repurchase and resale transactions, various debt instrument investments and equity instrument investment, etc. The issuance of bond securities also falls into this segment.

Others

This segment includes items that are not attributed to the above segments or cannot be allocated on a reasonable basis.

The management of the Group monitors operating results of each segment for the purposes of resource allocation and assessment of segment performance. The accounting policies of the operating segments are the same as the Group's accounting policies when preparing segment financial information.

44 Segment analysis (continued)

44.1 Operating segment (continued)

	Year ended December 31, 2025				
	Personal banking	Corporate banking	Treasury	Others	Total
Interest income from external customers	**173,938**	**131,681**	**175,284**	**–**	**480,903**
Interest expense to external customers	**(163,498)**	**(20,415)**	**(15,370)**	**–**	**(199,283)**
Intersegment net interest income/(expense)	**200,428**	**(40,676)**	**(159,752)**	**–**	**–**
Net interest income	**210,868**	**70,590**	**162**	**–**	**281,620**
Net fee and commission income	**16,495**	**9,245**	**3,625**	**–**	**29,365**
Net trading gains	**–**	**–**	**3,038**	**–**	**3,038**
Net gains on investment securities	**–**	**289**	**22,008**	**–**	**22,297**
Net gains on derecognition of financial assets measured at amortized cost	**5,330**	**–**	**14,239**	**–**	**19,569**
Net other operating gains	**176**	**(34)**	**(552)**	**358**	**(52)**
Share of results of associates	**–**	**–**	**–**	**29**	**29**
Operating expenses	**(174,788)**	**(28,695)**	**(20,381)**	**(851)**	**(224,715)**
Credit impairment losses	**(39,012)**	**7,222**	**(1,132)**	**–**	**(32,922)**
Impairment losses on other assets	**(8)**	**–**	**–**	**–**	**(8)**
Profit before income tax	**19,061**	**58,617**	**21,007**	**(464)**	**98,221**
Supplementary information					
Depreciation and amortization	**9,065**	**2,344**	**196**	**–**	**11,605**
Capital expenditures	**10,811**	**2,827**	**121**	**–**	**13,759**

	Year ended December 31, 2025				
	Personal banking	Corporate banking	Treasury	Others	Total
Segment assets	**5,244,812**	**4,565,453**	**8,805,613**	**764**	**18,616,642**
Deferred tax assets					**65,425**
Total assets					**18,682,067**
Segment liabilities	**(14,847,248)**	**(1,896,845)**	**(775,682)**	**70**	**(17,519,705)**
Deferred tax liabilities					**(17)**
Total liabilities					**(17,519,722)**
Supplementary information					
Credit commitments	**485,823**	**600,561**	**–**	**–**	**1,086,384**

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44 Segment analysis (continued)

44.1 Operating segment (continued)

	Year ended December 31, 2024				
	Personal banking	Corporate banking	Treasury	Others	Total
Interest income from external customers	202,921	127,842	177,480	–	508,243
Interest expense to external customers	(189,192)	(21,305)	(11,623)	–	(222,120)
Intersegment net interest income/(expense)	213,133	(45,544)	(167,589)	–	–
Net interest income	226,862	60,993	(1,732)	–	286,123
Net fee and commission income	15,099	6,986	3,197	–	25,282
Net trading gains	–	–	4,185	–	4,185
Net gains on investment securities	–	417	29,142	–	29,559
Net gains on derecognition of financial assets measured at amortized cost	2,943	–	115	–	3,058
Net other operating gains	762	106	(486)	519	901
Share of results of associates	–	–	–	25	25
Operating expenses	(178,505)	(26,692)	(21,456)	557	(226,096)
Credit impairment losses	(30,935)	(2,093)	4,605	–	(28,423)
Impairment losses on other assets	(22)	–	–	–	(22)
Profit before income tax	36,204	39,717	17,570	1,101	94,592
Supplementary information					
Depreciation and amortization	9,020	2,157	209	–	11,386
Capital expenditures	29,842	7,221	325	–	37,388

	Year ended December 31, 2024				
	Personal banking	Corporate banking	Treasury	Others	Total
Segment assets	5,193,893	3,914,978	7,914,121	733	17,023,725
Deferred tax assets					61,185
Total assets					17,084,910
Segment liabilities	(13,719,830)	(1,682,254)	(650,950)	(170)	(16,053,204)
Deferred tax liabilities					(57)
Total liabilities					(16,053,261)
Supplementary information					
Credit commitments	490,968	465,354	–	–	956,322

44 Segment analysis (continued)

44.2 Geographical segment

Geographical segments, as defined for management reporting purposes, are as follows:

- Head Office;
- "Yangtze River Delta": Shanghai Municipality, Jiangsu Province, Zhejiang Province and Ningbo;
- "Pearl River Delta": Guangdong Province, Shenzhen, Fujian Province and Xiamen;
- "Bohai Rim": Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province and Qingdao;
- "Central China" region: Shanxi Province, Henan Province, Hubei Province, Hunan Province, Anhui Province, Jiangxi Province and Hainan Province;
- "Western China" region: Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Xizang Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Autonomous Region and Xinjiang Autonomous Region;
- "Northeastern China" region: Liaoning Province, Heilongjiang Province, Jilin Province and Dalian.

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44 Segment analysis (continued)

44.2 Geographical segment (continued)

	Year ended December 31, 2025							
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Total
Interest income from external customers	188,557	62,605	44,841	44,229	71,385	55,676	13,610	480,903
Interest expense to external customers	(11,137)	(33,912)	(16,627)	(30,512)	(57,852)	(36,703)	(12,540)	(199,283)
Intersegment net interest income/(expense)	(204,600)	23,954	12,094	33,028	72,057	45,072	18,395	–
Net interest income	(27,180)	52,647	40,308	46,745	85,590	64,045	19,465	281,620
Net fee and commission income	649	5,101	4,694	6,050	6,583	5,043	1,245	29,365
Net trading gains	3,038	–	–	–	–	–	–	3,038
Net gains on investment securities	20,170	683	265	432	455	269	23	22,297
Net gains on derecognition of financial assets measured at amortized cost	14,641	1,387	1,331	234	1,011	798	167	19,569
Net other operating gains	(810)	125	175	98	197	128	35	(52)
Share of results of associates	–	–	–	29	–	–	–	29
Operating expenses	(18,578)	(32,023)	(22,876)	(30,933)	(60,346)	(44,620)	(15,339)	(224,715)
Credit impairment losses	30,166	(13,140)	(16,097)	(7,713)	(14,036)	(8,904)	(3,198)	(32,922)
Impairment losses on other assets	–	–	–	–	–	(8)	–	(8)
Profit before income tax	22,096	14,780	7,800	14,942	19,454	16,751	2,398	98,221
Supplementary information								
Depreciation and amortization	2,393	1,574	1,179	1,800	2,028	1,963	668	11,605
Capital expenditures	6,766	1,079	1,158	1,181	1,985	1,283	307	13,759

44 Segment analysis (continued)

44.2 Geographical segment (continued)

	Year ended December 31, 2025								
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Eliminations	Total
Segment assets	10,727,956	3,053,981	1,774,146	2,900,447	5,602,941	3,757,182	1,278,719	(10,478,730)	18,616,642
Deferred tax assets									65,425
Total assets									18,682,067
Segment liabilities	(9,698,185)	(3,041,873)	(1,763,803)	(2,874,228)	(5,588,153)	(3,744,621)	(1,277,523)	10,468,681	(17,519,705)
Deferred tax liabilities									(17)
Total liabilities									(17,519,722)
Supplementary information									
Credit commitments	485,823	130,816	105,999	142,441	113,535	92,725	15,045	–	1,086,384

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44 Segment analysis (continued)

44.2 Geographical segment (continued)

	Year ended December 31, 2024							
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Total
Interest income from external customers	190,753	66,243	48,056	47,554	80,329	59,147	16,161	508,243
Interest expense to external customers	(8,053)	(38,103)	(18,544)	(34,938)	(65,713)	(42,214)	(14,555)	(222,120)
Intersegment net interest income/(expense)	(214,437)	24,459	11,364	35,358	75,423	48,340	19,493	–
Net interest income	(31,737)	52,599	40,876	47,974	90,039	65,273	21,099	286,123
Net fee and commission income	316	4,371	4,178	5,299	5,561	4,382	1,175	25,282
Net trading gains	4,181	4	–	–	–	–	–	4,185
Net gains on investment securities	28,314	533	218	141	166	120	67	29,559
Net gains on derecognition of financial assets measured at amortized cost	340	585	580	334	606	509	104	3,058
Net other operating gains	(661)	241	260	150	278	575	58	901
Share of results of associates	–	–	–	25	–	–	–	25
Operating expenses	(17,787)	(32,140)	(23,084)	(31,163)	(60,943)	(45,025)	(15,954)	(226,096)
Credit impairment losses	36,432	(10,762)	(14,781)	(7,499)	(16,327)	(11,939)	(3,547)	(28,423)
Impairment losses on other assets	–	–	–	(4)	(1)	(10)	(7)	(22)
Profit before income tax	19,398	15,431	8,247	15,257	19,379	13,885	2,995	94,592
Supplementary information								
Depreciation and amortization	2,411	1,565	1,174	1,643	1,995	1,960	638	11,386
Capital expenditures	8,814	5,813	2,332	9,286	5,673	4,161	1,309	37,388

44 Segment analysis (continued)

44.2 Geographical segment (continued)

	Year ended December 31, 2024								
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Eliminations	Total
Segment assets	9,814,204	2,756,352	1,662,697	2,695,029	5,166,752	3,489,706	1,196,451	(9,757,466)	17,023,725
Deferred tax assets									61,185
Total assets									17,084,910
Segment liabilities	(8,909,665)	(2,738,938)	(1,652,206)	(2,669,556)	(5,152,567)	(3,478,572)	(1,194,498)	9,742,798	(16,053,204)
Deferred tax liabilities									(57)
Total liabilities									(16,053,261)
Supplementary information									
Credit commitments	490,968	104,770	75,977	124,546	78,071	69,928	12,062	–	956,322

45 Financial risk management

45.1 Overview

The Group adheres to a prudent and sound risk appetite and establishes management objectives for all major types of risks that align with the strategic positioning of the Bank Group, the Bank and its subsidiaries. With emphasis on prudent operations, the Group aims to assume moderate risks, balance appropriate scale, moderate pace and sound quality, and ensure that risk-adjusted returns and capital adequacy reach satisfactory levels.

The risks to which the Group is exposed to mainly include credit risk, market risk, interest rate risk in the banking book, liquidity risk and operational risk, etc.

This section describes the Group's position with respect to the above risk exposures, and the Group's objectives, policies and procedures in managing those risk exposures, as well as the Group's capital management.

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45 Financial risk management (continued)

45.2 Framework of financial risk management

The Group's Board of Directors assumes the ultimate responsibilities for comprehensive risk management, which include establishing risk culture, formulating and approving risk management strategies, setting and approving risk appetites and ensuring the establishment of risk limits, reviewing and approving major risk management policies and procedures, monitoring comprehensive risk management implemented by the senior management, reviewing comprehensive risk management reports, reviewing and approving the aggregation of risk data and the risk reporting framework, ensuring adequate resource support, regularly receiving thematic reports, and fully understanding and grasping the progress of the aggregation of risk data and risk reporting work, examining and approving disclosure of comprehensive risks and various significant risks, appointing the Chief Risk Officer or other senior management personnel to lead the comprehensive risk management efforts, and other duties related to risk management.

The Group's senior management assumes the responsibilities for implementation of comprehensive risk management and carrying out decisions of the Board of Directors, which includes setting up the operation and management structure in line with comprehensive risk management framework, clarifying division of responsibilities among functional departments, business departments and other departments under comprehensive risk management framework, establishing an operational mechanism with coordination and effective check and balance across departments, formulating clear implementation and accountability mechanism to ensure adequate communication and effective implementation of risk management strategies, risk appetites and risk limits, setting up risk limits according to risk appetite determined by the Board of Directors, including but not limited to levels such as industry, region, customer, and product. The Group's senior management is also responsible for formulating risk management policies and procedures, regular assessments, with adjustments when necessary, and establishing a risk data aggregation and reporting system covering all material risk areas, and assessing conditions of comprehensive risks and various important risk management with reports to the Board of Directors. In addition, it is the Group's senior management's responsibility to establish sound management information system and data quality control mechanism, and oversee violation of risk appetite, risk limits, and risk management policies and procedures, and deal with them under authorization of the Board of Directors, and assume other responsibilities from risk management perspective.

45.3 Credit risk

Credit risk refers to the risk of loss caused by the default or the deterioration of credit rating and repayment ability of the debtor or the counterparty.

The main sources of the Group's credit risk include: credit business, treasury business (including deposits and placements, resale agreement, debt securities issued by corporates and financial institutions, inter-bank investment, etc.), off-balance sheet credit business (including guarantee, commitment, etc.).

45 Financial risk management (continued)

45.3 Credit risk (continued)

The organizational structure of the Group on credit risk management is as follows: the Board of Directors takes the ultimate responsibilities for credit risk management, while the senior management undertaking the responsibilities for implementation of credit risk management, and for the implementation of resolutions approved by the Board of Directors on credit risk; Under the senior management, the Risk Management Committee and Credit Business Approval Committee are responsible for credit risk management and approving credit extension within the scope of authorization respectively; each business department shall bear the primary responsibility for credit risk mitigation, and implementation of policies, standards and procedures of credit risk management in its own field of business in accordance with the segregation of duties among different functions; departments of credit management, risk management, credit approval, internal control and compliance, legal affairs and others are responsible for the overall planning, upervision and review of credit risk management and mitigation, of which the Credit Management Department is the leading department of credit risk management, and the Internal Audit Department supervises each department's performance of duties in credit risk management independently and objectively.

(1) Loans and advances to customers, loan commitments and financial guarantees

The risk on loan portfolio refers to the risk of uncertain income or loan losses due to failure of a borrower to repay the principal and interest in full upon maturity of a loan. Given the loan portfolio is a major component of the Group’s assets, risk on the loan portfolio is considered as a principal credit risk.

(2) Debt securities and other debt instruments

Credit risks on debt securities and other debt instruments arising from changes in credit spreads, default rates, loss ratios and credit quality of underlying assets.

The Group adopts a prudent approach in making debt security investments by focusing on low-risk debt securities, including government bonds and bonds issued by financial institutions. Other debt instruments are mainly trust investment plans and assets management plans.

The Group established a risk evaluation system on the issuers of corporate bonds and other debt instruments, and performs ongoing post-lending monitoring on a timely basis.

(3) Interbank financing business

The Group manages the credit quality by considering the size, financial position and the internal and external credit rating of those banks and financial institutions.

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45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.1 Expected credit loss measurement

The Group has applied ECL models to measure the impairment of debt instruments measured at amortized cost and at FVTOCI, as well as credit commitments.

Based on whether a significant increase in credit risk has occurred since initial recognition of a financial instrument or becoming credit impaired, the Group will classify credit risk exposures into three stages to calculate the ECL.

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition, measured by the changes of default risk over their expected life. These changes have been determined by comparing the default risk at the end of the reporting period and at the date of initial recognition.

Stage 3 includes financial instruments that are credit-impaired.

The Group could assess impairment allowance through either the ECL models or discounted cash flow method.

The Group has incorporated forward-looking information for measuring ECL and constructed complicated models involving substantial management judgements and assumptions, mainly including the following:

- Grouping of risks;
- Significant increase in credit risk;
- Definition of default and credit-impaired;
- Descriptions of parameters, assumptions and estimation techniques;
- Forward-looking information;
- Management overlay;
- The estimated future cash flows for loans and advances to customers as well as financial investments which applied discounted cash flow method.

45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.1 Expected credit loss measurement (continued)

(1) Grouping of risks

For measurement of ECL, the credit risk exposures will be segmented based on similar credit risk characteristics. In determination of the portfolio segmentation of credit assets, the Group considers the type of borrower, type of product, and industry, etc. The segmentation of portfolio is regularly monitored and reviewed to ensure the appropriateness and reliability of credit risk segmentation.

(2) Significant Increase in credit risk (SICR)

At the end of each reporting period, the Group evaluates whether a SICR of related financial instruments has occurred since initial recognition, which mainly includes: impacts of regulation and operating environment, changes in internal and external credit rating, insolvency, business performance, loan contractual terms, etc. Based on individual financial instrument or financial instrument portfolios with similar credit risk characteristics, the Group determines changes of the default risk by comparing the risk at the end of each reporting period with that at the date of initial recognition.

The Group has set up both quantitative and qualitative standards according to the different features of credit risk associated with the financial assets as well as the current status of risk management initiatives. In determining whether a significant increase in credit risk of financial assets has occurred, the Group mainly considers whether the internal credit rating has been downgraded by more than a certain scale and has reached a certain threshold since initial recognition, whether there has been an adverse change of risk classification, and whether principal or interest has been more than 30 days past due, etc.

(3) Definition of default and credit-impaired

The Group considers a financial instrument as in default or being credit-impaired when it meets one or more of the following criteria, including whether principal or interest has been more than 90 days past due, and whether the risk classification of the credit risk exposure has been downgraded below a certain category or the internal credit rating has been downgraded below a certain threshold, etc.

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45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.1 Expected credit loss measurement (continued)

(4) Description of parameters, assumptions, and estimation techniques

ECL is measured on either a 12-month (12M) or lifetime basis depending on whether a SICR has occurred since initial recognition and whether an asset is considered being credit-impaired. ECL derived from the discounted value of the multiplication of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD).

Related definitions are as follows:

The PD represents the likelihood of a borrower breaching the contractual terms or defaulting on its financial obligation over a specific time, either the next 12 months, or the remaining lifetime of the obligation. The Group's PD has adopted the results of internal rating model, or for financial asset that does not use this model, historical analysis is adopted, where the historical default records are calculated by historical data of asset portfolios with similar credit risk characteristics, incorporating forward-looking information, to reflect the PD at a specific point in time under the current macroeconomic environment.

LGD refers to the ratio of the expected loss in the total amount of the loan portfolios, which is the extent of loss on a default. The Group's LGD is calculated by internal rating model. For financial asset that does not use this model, historical analysis is adopted, where the loss of default has been calculated over the next 12 months or over the remaining lifetime from the time of default. The assessment is on an individual basis by customer type, guarantee method, and historical non-performing loan collection experience, etc.

EAD refers to the total amount of on – and off-balance sheet exposures in the event of default.

The Group estimates PD, LGD and EAD of each portfolio in the future to calculate the ECL. The Group multiples the three and adjusts their expected life (such as default), and discount and aggregate the calculation result of each period to determine the ECL. The discount rate used in the ECL calculation is the effective rate or its approximate value.

The Group periodically monitors the related assumptions concerning the calculation of ECL and makes necessary updates and adjustments.

45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.1 Expected credit loss measurement (continued)

(5) Forward-looking information

The calculation of ECL incorporates forward-looking information. The Group performs historical analysis and has identified the key economic variables impacting credit risk and ECL for each portfolio, mainly including Gross Domestic Product ("GDP"), Consumer Price Index, Consumer Confidence Index, etc.

These economic variables and their associated impacts on PD and LGD vary by segmentation of portfolios. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "basic economic scenario") are made by the Group regularly, and the relationship between these economic variables and PD and LGD is identified through performing statistical regression analysis with the purpose of understanding the impact that the historical changes of these variables that might have on PD and LGD.

The Group has adopted three economic scenarios (Base, Upside and Downside) and applied weightings for them respectively, on the basis of a combination of the macroeconomic information, statistical analysis and expert judgement. As at December 31, 2025, the highest weighting is assigned to Base scenario, while weightings of Upside and Downside were not higher than 30% respectively.

As at December 31, 2025, the Group considers the macroeconomy by referring to the prediction of internal and external authoritative experts to determine the base scenario. Under the base scenario, the growth rate of GDP is predicted in the range of 4.5%-5.0%. Forecast 2026 GDP growth value under the upside and downside scenarios had been determined by moving up and down, by a certain degree, from the base scenario forecast.

The Group periodically reviews and monitors the appropriateness of the above assumptions, and makes necessary updates and adjustments.

Relatively substantial management judgements are involved in the weighting scheme of macroeconomic scenarios, macroeconomic forecasts, and significant increase in credit risk in ECL models. The variation of key inputs above will inevitably lead to changes in ECL as a result of model's inherent complexity. The Group has analyzed sensitivity of ECL model by considering the fluctuation of macroeconomic forecasts.

Assuming year-over-year growth in GDP, the core macroeconomic forecasting indicator, would increase or decrease by 10%, the absolute change rate of the balance of loss allowance as at December 31, 2025 would be no more than 5%.

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45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.1 Expected credit loss measurement (continued)

(6) Management Overlay

Taking into account inherent limitations of ECL models and temporary systematic risk factors, the Group has accrued additional loss allowance in response to potential risk and improved its risk compensation capability. The amount of management overlay adjustments was not material as compared to the total balance of loss allowance as at December 31, 2025.

(7) The estimated future cash flows for loans and advances to customers as well as financial investments which applied discounted cash flow method

At each measurement date, the Group projects the future cash inflows of each future period related to the financial assets. The cash flows are discounted and aggregated to determine the present value of the assets' future cash flows.

(8) Write-off policy

The Group writes off financial assets, in full or in part, when it has taken all necessary recovery efforts and is still not capable of reasonably expecting to recover partial or all the financial assets. The Group may write-off financial assets that are still subject to enforcement activities. The outstanding amounts of such assets written off during the year ended December 31, 2025 were RMB29,454 million (2024: RMB23,555 million).

(9) The modification of contractual cash flows

In order to minimize the credit loss, the Group may renegotiate the terms of the contract with borrowers that have deteriorated in financial position, or are unable to meet their original repayment schedule, which include concessions given by the Group that would not otherwise be granted to these borrowers for economic or legal reasons relating to their financial difficulties. Such contract modifications may include terms of loan, repayment schedule or interest rate. Based on the management's judgement of the borrowers' repayment possibility, the Group has formulated specific rescheduled loan policy and practice, and reviewed the policy continuously. Rescheduled loans should be reviewed with an observation period to reach the corresponding stage classification criteria, and the observation period should contain at least 2 consecutive repayment periods and not be less than 1 year. As at December 31, 2025, the amount of the rescheduled loans and advances to customers of the Group was RMB26,487 million (as at December 31, 2024: RMB22,379 million).

45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.2 Credit risk limit control and mitigation policy

In accordance with risk policies and limits, the risk management and business departments of the Group enhanced risk management policies and procedures to optimize business processes and monitor the implementation of risk control indicators.

To mitigate risks, the Group requires customers to provide collateral or guarantees when appropriate. The Group has established guidelines for the acceptability of specific types of collateral, and set up a collateral management system to standardize the collateral operation process. At the same time, the value, structure and legal documents of the collateral are regularly reviewed by the Group to ensure its validity and conform to market practices.

45.3.3 Credit risk exposures

(1) Maximum credit risk exposures

The table below presents the Group's maximum credit risk exposures before considering any collaterals or other credit enhancements as at December 31, 2025 and 2024 respectively. For on-balance sheet assets, the maximum credit risk exposures are presented at their net carrying amounts on the consolidated statement of financial position.

	As at December 31, 2025	As at December 31, 2024
Deposits with central bank	**1,275,093**	1,268,225
Deposits with banks and other financial institutions	**391,408**	262,476
Placements with banks and other financial institutions	**413,827**	348,017
Derivative financial assets	**3,604**	6,661
Financial assets held under resale agreements	**510,890**	229,842
Loans and advances to customers	**9,440,874**	8,684,144
Financial investments		
Financial assets measured at FVTPL – debt instruments	**958,838**	1,023,031
Financial assets measured at FVTOCI – debt instruments	**704,440**	668,812
Financial assets measured at amortized cost	**4,688,443**	4,306,513
Other financial assets	**37,969**	45,246
Subtotal	**18,425,386**	16,842,967
Credit commitments	**1,086,384**	956,322
Total	**19,511,770**	17,799,289

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45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.4 Loans and advances to customers

(1) Loans and advances to customers by geographical region:

	As at December 31, 2025		As at December 31, 2024	
	Amount	Proportion	Amount	Proportion
Head Office	**232,043**	**2%**	344,895	4%
Central China	**2,318,268**	**24%**	2,168,479	24%
Yangtze River Delta	**2,124,522**	**22%**	1,840,445	21%
Western China	**1,753,028**	**18%**	1,579,873	18%
Bohai Rim	**1,546,375**	**16%**	1,422,923	16%
Pearl River Delta	**1,209,552**	**13%**	1,114,851	12%
Northeastern China	**464,528**	**5%**	441,736	5%
Total	**9,648,316**	**100%**	8,913,202	100%

(2) Loans and advances to customers by types:

	As at December 31, 2025		As at December 31, 2024	
	Amount	Proportion	Amount	Proportion
Personal loans and advances	**4,844,585**	**50%**	4,771,583	53%
Corporate loans and advances				
Including:				
Corporate loans	**4,272,975**	**44%**	3,649,163	41%
Discounted bills	**530,756**	**6%**	492,456	6%
Total	**9,648,316**	**100%**	8,913,202	100%

45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.4 Loans and advances to customers (continued)

(3) Loans and advances to customers by industries:

	As at December 31, 2025		As at December 31, 2024	
	Amount	Proportion	Amount	Proportion
Personal loans and advances				
Consumer loans				
– Residential mortgage loans	**2,373,341**	**25%**	2,382,146	27%
– Other consumer loans	**642,705**	**6%**	613,853	6%
Personal small and micro loans	**1,619,112**	**17%**	1,537,363	17%
Credit card overdrafts and others	**209,427**	**2%**	238,221	3%
Subtotal	**4,844,585**	**50%**	4,771,583	53%
Corporate loans and advances				
Transportation, storage and postal services	**829,327**	**9%**	830,416	10%
Manufacturing	**662,912**	**7%**	577,205	6%
Water conservancy, environmental and public facilities management	**444,503**	**5%**	303,444	3%
Leasing and commercial services	**396,265**	**4%**	277,904	3%
Wholesale and retail	**366,656**	**4%**	290,923	3%
Real estate	**347,818**	**4%**	308,590	4%
Financial services	**336,744**	**3%**	294,995	3%
Production and supply of electricity, heating, gas and water	**310,850**	**3%**	287,913	3%
Construction	**234,635**	**2%**	228,512	3%
Mining	**106,991**	**1%**	86,856	1%
Other industries	**236,274**	**2%**	162,405	2%
Subtotal	**4,272,975**	**44%**	3,649,163	41%
Discounted bills	**530,756**	**6%**	492,456	6%
Total	**9,648,316**	**100%**	8,913,202	100%

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45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.4 Loans and advances to customers (continued)

(4) Loans and advances to customers by types of collateral:

	As at December 31, 2025		As at December 31, 2024	
	Amount	Proportion	Amount	Proportion
Unsecured loans	**2,849,338**	**30%**	2,548,632	29%
Guaranteed loans	**1,092,870**	**11%**	805,421	9%
Loans secured by mortgages	**4,190,454**	**43%**	4,188,326	47%
Loans secured by pledges	**984,898**	**10%**	878,367	10%
Discounted bills	**530,756**	**6%**	492,456	5%
Total	**9,648,316**	**100%**	8,913,202	100%

(5) Overdue loans and advances to customers

Overdue loans and advances to customers by security types and overdue status are as follows:

	As at December 31, 2025				
	Overdue for 1 to 90 days (including 90 days)	Overdue for 91 days to 1 year (including 1 year)	Overdue for 1 to 3 years (including 3 years)	Overdue for over 3 years	Total
Unsecured loans	**12,463**	**16,196**	**4,979**	**1,088**	**34,726**
Guaranteed loans	**2,386**	**3,568**	**2,253**	**623**	**8,830**
Loans secured by mortgages	**29,123**	**32,258**	**17,054**	**3,139**	**81,574**
Loans secured by pledges	**111**	**277**	**67**	**55**	**510**
Total	**44,083**	**52,299**	**24,353**	**4,905**	**125,640**

	As at December 31, 2024				
	Overdue for 1 to 90 days (including 90 days)	Overdue for 91 days to 1 year (including 1 year)	Overdue for 1 to 3 years (including 3 years)	Overdue for over 3 years	Total
Unsecured loans	12,296	14,529	4,606	990	32,421
Guaranteed loans	2,153	3,181	1,756	656	7,746
Loans secured by mortgages	24,628	26,002	12,960	1,842	65,432
Loans secured by pledges	38	77	35	68	218
Total	39,115	43,789	19,357	3,556	105,817

45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.5 Debt instruments

(1) Credit quality of debt instruments

The table below represents the carrying amounts of financial assets at amortized cost and financial assets measured at FVTOCI – debt instruments:

	As at December 31, 2025			
	Stage 1 (i)	**Stage 2**	**Stage 3**	**Total**
Financial assets measured at FVTOCI – debt instruments	**703,552**	**888**	**–**	**704,440**
Financial assets measured at amortized cost	**4,686,797**	**1,646**	**–**	**4,688,443**
Total	**5,390,349**	**2,534**	**–**	**5,392,883**

	As at December 31, 2024			
	Stage 1 (i)	**Stage 2**	**Stage 3**	**Total**
Financial assets measured at FVTOCI – debt instruments	668,812	–	–	668,812
Financial assets measured at amortized cost	4,305,138	1,375	–	4,306,513
Total	4,973,950	1,375	–	4,975,325

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45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.5 Debt instruments (continued)

(1) Credit quality of debt instruments (continued)

(i) Debt instruments of stage 1

	As at December 31, 2025		
The types of debt instruments	Financial assets at FVTOCI	Financial assets at amortized cost	Total
Debt securities-by types of issuers:			
Government	**240,168**	**2,472,537**	**2,712,705**
Financial institutions	**380,071**	**1,737,551**	**2,117,622**
Corporates	**46,112**	**121,378**	**167,490**
Interbank certificates of deposits	**37,201**	**267,543**	**304,744**
Asset-backed securities	**–**	**86,081**	**86,081**
Other debt instruments	**–**	**5,110**	**5,110**
Gross amount	**703,552**	**4,690,200**	**5,393,752**
Less: Allowance for impairment loss	**–**	**3,403**	**3,403**
Carrying amount of debt instruments at stage 1	**703,552**	**4,686,797**	**5,390,349**

45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.5 Debt instruments (continued)

(1) Credit quality of debt instruments (continued)

(i) Debt instruments of stage 1 (continued)

	As at December 31, 2024		
The types of debt instruments	Financial assets at FVTOCI	Financial assets at amortized cost	Total
Debt securities-by types of issuers:			
Government	308,090	1,704,448	2,012,538
Financial institutions	280,494	2,066,271	2,346,765
Corporates	79,322	134,371	213,693
Interbank certificates of deposits	906	293,645	294,551
Asset-backed securities	–	97,116	97,116
Other debt instruments	–	11,789	11,789
Debt financing plans	–	1,451	1,451
Gross amount	668,812	4,309,091	4,977,903
Less: Allowance for impairment loss	–	3,953	3,953
Carrying amount of debt instruments at stage 1	668,812	4,305,138	4,973,950

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45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.5 Debt instruments (continued)

(2) Debt instruments analyzed by credit rating

The Group adopts a credit rating approach to manage the credit risk of the debts instruments held. The ratings are based on the ratings from major rating agencies where the issuers of the debt instruments are located. The amounts of debts instruments analyzed by rating as at the end of the reporting period are as follows:

	As at December 31, 2025					
	Unrated	AAA	AA	A	Below A	Total
Government bonds	352,313	2,358,019	3,648	854	–	2,714,834
Bonds issued by financial institutions	1,755,256	404,761	2,411	8,626	9,074	2,180,128
Corporate bonds	88,182	82,633	3,308	9,378	3,529	187,030
Interbank certificates of deposits	378,965	–	–	–	–	378,965
Asset-backed securities	721	93,846	–	–	500	95,067
Fund investments	791,009	–	–	–	–	791,009
Trust investment plans and asset management plans	8,877	–	–	–	–	8,877
Wealth management products issued by financial institutions	1,239	–	–	–	–	1,239
Other debt instruments	17,264	–	–	–	–	17,264
Total	3,393,826	2,939,259	9,367	18,858	13,103	6,374,413

45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.5 Debt instruments (continued)

(2) Debt instruments analyzed by credit rating (continued)

	As at December 31, 2024					
	Unrated	AAA	AA	A	Below A	Total
Government bonds	740,529	1,271,394	2,643	488	–	2,015,054
Bonds issued by financial institutions	2,049,028	325,951	1,458	11,056	11,253	2,398,746
Corporate bonds	103,834	111,339	1,579	12,571	2,795	232,118
Interbank certificates of deposits	415,243	5,083	–	–	–	420,326
Asset-backed securities	25,155	75,577	59	–	500	101,291
Debt financing plans	1,451	–	–	–	–	1,451
Fund investments	825,356	–	–	–	–	825,356
Trust investment plans and asset management plans	45	–	–	–	–	45
Wealth management products issued by financial institutions	1,029	–	–	–	–	1,029
Other debt instruments	24,823	–	–	–	–	24,823
Total	4,186,493	1,789,344	5,739	24,115	14,548	6,020,239

Unrated debt instruments held by the Group are bonds issued by the Chinese government, policy banks, interbank certificates of deposits, fund investments and other debt instruments such as trust investment plans and asset management plans issued by financial institutions, the principal and income of which are mainly guaranteed by financial institutions or third party companies, or secured by bills and other financial assets as collateral.

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45 Financial risk management (continued)

45.3 Credit risk (continued)

45.3.6 Concentration of credit risk

The credit risk exposure of financial assets mainly concentrates in the mainland of China.

45.4 Market risk

Market risk refers to the risk of losses in the on- and off-balance sheet businesses arising from adverse movements in market prices (including interest rate, exchange rate, stock price and commodity price).

The Group adopts a centralized approach during the market risk management process, including identification, measurement, monitoring and mitigation of the market risk. The Group has established basic policies and procedures for the management of market risk, separation of banking and trading books, and valuation of financial assets. The Group applies such policies and procedures to identify, measure, monitor and mitigate market risks on both banking book and trading book respectively.

The Group is also exposed to market risk on its derivative investments on behalf of customers that are hedged through back-to-back transactions with other financial institutions.

The Group uses exposure analysis, profit or loss analysis, sensitivity analysis, scenario analysis, value at risk (VaR), and stress testing and other methods to manage the market risk and control the risk exposure within an acceptable range.

Foreign exchange rate risk

The tables below present the Group's exposures that were subject to changes in exchange rates as at December 31, 2025 and 2024 respectively. The Group's RMB exposures were included in the table for comparison. The financial assets and liabilities and off-balance sheet credit commitments were stated at their carrying amounts in RMB equivalent.

The major currency of the Group for daily operation is RMB. Other currencies used by the Group include United States Dollars (USD), Euro (EUR), Hong Kong Dollars (HKD) and U.K. Pound Sterling (GBP), etc.

45 Financial risk management (continued)

45.4 Market risk (continued)

Foreign exchange rate risk (continued)

	As at December 31, 2025			
	RMB	USD (RMB equivalent)	Other currencies (RMB equivalent)	Total
Cash and deposits with central bank	1,316,789	2,188	194	1,319,171
Deposits with banks and other financial institutions	381,874	8,419	1,115	391,408
Placements with banks and other financial institutions	408,646	5,181	–	413,827
Derivative financial assets	1,827	1,613	164	3,604
Financial assets held under resale agreements	510,890	–	–	510,890
Loans and advances to customers	9,433,217	6,240	1,417	9,440,874
Financial assets measured at FVTPL	958,237	1,417	–	959,654
Financial assets measured at FVTOCI-debt instruments	698,724	1,101	4,615	704,440
Financial assets measured at FVTOCI-equity instruments	5,616	–	–	5,616
Financial assets measured at amortized cost	4,647,817	39,504	1,122	4,688,443
Other financial assets	35,883	2,086	–	37,969
Total financial assets	18,399,520	67,749	8,627	18,475,896
Borrowings from central bank	27,184	–	–	27,184
Deposits from banks and other financial institutions	189,271	–	–	189,271
Placements from banks and other financial institutions	51,197	4,938	–	56,135
Derivative financial liabilities	2,031	1,796	844	4,671
Financial assets sold under repurchase agreements	243,178	12,222	–	255,400
Customer deposits	16,519,021	18,858	3,837	16,541,716
Debt securities issued	249,897	1,387	–	251,284
Other financial liabilities	147,523	342	(7)	147,858
Total financial liabilities	17,429,302	39,543	4,674	17,473,519
Net on-balance sheet position	970,218	28,206	3,953	1,002,377
Net notional amount of derivative financial instruments	10,771	(820)	(10,849)	(898)
Credit commitments	1,061,737	20,056	4,591	1,086,384

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45 Financial risk management (continued)

45.4 Market risk (continued)

Foreign exchange rate risk (continued)

	As at December 31, 2024			
	RMB	USD (RMB equivalent)	Other currencies (RMB equivalent)	Total
Cash and deposits with central bank	1,311,354	3,043	306	1,314,703
Deposits with banks and other financial institutions	258,146	3,613	717	262,476
Placements with banks and other financial institutions	339,246	8,771	–	348,017
Derivative financial assets	3,106	3,532	23	6,661
Financial assets held under resale agreements	229,842	–	–	229,842
Loans and advances to customers	8,675,061	7,398	1,685	8,684,144
Financial assets measured at FVTPL	1,024,165	–	–	1,024,165
Financial assets measured at FVTOCI-debt instruments	665,500	2,590	722	668,812
Financial assets measured at FVTOCI-equity instruments	4,637	–	–	4,637
Financial assets measured at amortized cost	4,259,447	46,181	885	4,306,513
Other financial assets	44,934	312	–	45,246
Total financial assets	16,815,438	75,440	4,338	16,895,216
Borrowings from central bank	26,138	–	–	26,138
Deposits from banks and other financial institutions	135,599	–	–	135,599
Placements from banks and other financial institutions	44,288	3,011	–	47,299
Derivative financial liabilities	3,480	3,713	6	7,199
Financial assets sold under repurchase agreements	187,395	–	7,129	194,524
Customer deposits	15,249,859	33,540	4,142	15,287,541
Debt securities issued	241,980	–	–	241,980
Other financial liabilities	68,144	438	47	68,629
Total financial liabilities	15,956,883	40,702	11,324	16,008,909
Net on-balance sheet position	858,555	34,738	(6,986)	886,307
Net notional amount of derivative financial instruments	2,926	(2,908)	(161)	(143)
Credit commitments	933,624	18,264	4,434	956,322

45 Financial risk management (continued)

45.4 Market risk (continued)

Exchange rate sensitivity analysis

The table below indicates the potential effect of appreciation or depreciation of USD spot and forward exchange rate against RMB by 5% on net profit of the Group.

	Increase/(Decrease) in net profit	
Exchange rate changes	As at December 31, 2025	As at December 31, 2024
5% of appreciation of USD against RMB	**275**	509
5% of depreciation of USD against RMB	**(275)**	(509)

The impact on the net profit arises from the effects of fluctuation in RMB exchange rate on the net positions of foreign monetary assets and liabilities. The effect on the net profit is based on the assumption that the Group's net foreign currency at the end of the reporting period remains unchanged. The Group mitigates its foreign currency risk through active management of its foreign exchange exposures, based on the management expectation of future foreign currency fluctuation. Therefore the above sensitivity analysis may differ from the actual situation.

45.5 Interest rate risk in the banking book

Interest rate risk in banking book refers to the risk that causes losses to the economic value of books and overall earnings of banks due to adverse changes in interest rates and maturity structure, etc. The interest rate risk in the Group's banking book mainly arises from the mismatch between the repricing periods of assets and liabilities as well as the inconsistent changes in their pricing basis.

The Group measures the gap between assets and liabilities caused by repricing dates and maturity dates mismatch through using repricing gap analysis, and makes adjustments to refine the structure and bridge the interest rate risk gap by assessing potential changes of interest rates.

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45 Financial risk management (continued)

45.5 Interest rate risk in the banking book (continued)

Sensitivity analysis on net interest income

The sensitivity analysis on net interest income is based on changes in interest rates with the assumption that all interest rates move by the same margin and the structure of financial assets and financial liabilities held at the period end remains unchanged, and does not take changes in customer behaviour, prime interest rates or any prepayment options on debt securities into consideration. On the assumption that the RMB yield and foreign currency yield move in parallel, the Group calculates changes of net interest income in the coming year.

The table below shows the potential impact on the Group's net interest income by an upward or a downward parallel shift of interest rates by 100 basis points. The actual circumstances may differ from the assumptions so that the impact on the net interest income as shown in the following analysis may be different from the actual outcome.

	(Decrease)/Increase in net interest income	
	As at December 31, 2025	As at December 31, 2024
Upward parallel shift of 100 bps for yield curves	**(23,313)**	(27,367)
Downward parallel shift of 100 bps for yield curves	**23,313**	27,367

45 Financial risk management (continued)

45.5 Interest rate risk in the banking book (continued)

Interest rate repricing gap analysis

The Group's interest rate exposures are as follows. The financial assets and financial liabilities at the end of the reporting period were stated at their carrying amounts based on the earlier of their repricing date or contractual maturity date.

	As at December 31, 2025						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Cash and deposits with central bank	1,269,306	–	–	–	–	49,865	1,319,171
Deposits with banks and other financial institutions	59,804	90,235	237,880	–	–	3,489	391,408
Placements with banks and other financial institutions	44,599	45,661	239,546	83,219	–	802	413,827
Derivative financial assets	–	–	–	–	–	3,604	3,604
Financial assets held under resale agreements	471,815	24,781	13,969	–	–	325	510,890
Loans and advances to customers	3,075,047	1,626,436	4,008,497	699,489	13,740	17,665	9,440,874
Financial assets measured at FVTPL	17,646	10,537	63,080	21,728	42,941	803,722	959,654
Financial assets measured at FVTOCI-debt instruments	41,151	87,861	136,770	316,661	115,029	6,968	704,440
Financial assets measured at FVTOCI-equity instruments	–	–	–	–	–	5,616	5,616
Financial assets measured at amortized cost	113,926	183,956	584,783	1,874,908	1,873,143	57,727	4,688,443
Other financial assets	–	–	–	–	–	37,969	37,969
Total financial assets	5,093,294	2,069,467	5,284,525	2,996,005	2,044,853	987,752	18,475,896
Borrowings from central bank	452	7,376	18,865	–	–	491	27,184
Deposits from banks and other financial institutions	188,659	–	305	230	–	77	189,271
Placements from banks and other financial institutions	9,694	11,019	35,077	–	–	345	56,135
Derivative financial liabilities	–	–	–	–	–	4,671	4,671
Financial assets sold under repurchase agreements	105,353	121,765	27,410	–	–	872	255,400
Customer deposits	5,780,279	3,287,949	5,643,067	1,683,756	–	146,665	16,541,716
Debt securities issued	–	13,563	102,379	12,676	119,993	2,673	251,284
Other financial liabilities	217	361	2,096	5,736	2,469	136,979	147,858
Total financial liabilities	6,084,654	3,442,033	5,829,199	1,702,398	122,462	292,773	17,473,519
Interest rate risk gap	(991,360)	(1,372,566)	(544,674)	1,293,607	1,922,391	694,979	1,002,377

The data set out in the above table includes trading book data.

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45 Financial risk management (continued)

45.5 Interest rate risk in the banking book (continued)

Interest rate repricing gap analysis (continued)

	As at December 31, 2024						
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
Cash and deposits with central bank	1,260,371	–	–	–	–	54,332	1,314,703
Deposits with banks and other financial institutions	32,591	58,488	168,837	–	–	2,560	262,476
Placements with banks and other financial institutions	44,517	48,030	186,855	68,071	–	544	348,017
Derivative financial assets	–	–	–	–	–	6,661	6,661
Financial assets held under resale agreements	173,548	46,472	9,591	–	–	231	229,842
Loans and advances to customers	3,078,464	982,941	3,978,604	604,195	19,405	20,535	8,684,144
Financial assets measured at FVTPL	31,734	28,328	79,542	15,817	39,435	829,309	1,024,165
Financial assets measured at FVTOCI-debt instruments	19,306	42,786	146,976	306,259	146,001	7,484	668,812
Financial assets measured at FVTOCI-equity instruments	–	–	–	–	–	4,637	4,637
Financial assets measured at amortized cost	57,470	82,534	606,955	1,894,254	1,605,725	59,575	4,306,513
Other financial assets	–	–	–	–	–	45,246	45,246
Total financial assets	4,698,001	1,289,579	5,177,360	2,888,596	1,810,566	1,031,114	16,895,216
Borrowings from central bank	1,633	4,819	19,040	–	–	646	26,138
Deposits from banks and other financial institutions	135,209	–	300	20	–	70	135,599
Placements from banks and other financial institutions	8,297	11,671	26,815	–	–	516	47,299
Derivative financial liabilities	–	–	–	–	–	7,199	7,199
Financial assets sold under repurchase agreements	105,025	85,241	4,101	–	–	157	194,524
Customer deposits	5,540,590	3,031,515	5,269,001	1,272,914	–	173,521	15,287,541
Debt securities issued	–	44,289	61,612	13,495	119,992	2,592	241,980
Other financial liabilities	209	423	2,134	5,030	1,425	59,408	68,629
Total financial liabilities	5,790,963	3,177,958	5,383,003	1,291,459	121,417	244,109	16,008,909
Interest rate risk gap	(1,092,962)	(1,888,379)	(205,643)	1,597,137	1,689,149	787,005	886,307

The data set out in the above table includes trading book data.

45 Financial risk management (continued)

45.6 Liquidity risk

Liquidity risk refers to the risk of failure to obtain sufficient funds by commercial banks at a reasonable cost in a timely manner to repay matured debts, fulfill other payment obligations, and meet other financial needs of normal operation. Liquidity risk may arise from the following events or factors: significant adverse changes in market liquidity, withdrawal of customers' deposits, loan drawdown by customers, default of debtors, excessive maturity mismatch between assets and liabilities, difficulty in liquidating assets, weakened financing ability, operating losses and risks associated with the affiliates, etc.

The main objective of liquidity risk management of the Group is to effectively identify, measure, monitor and control liquidity risk via the establishment of a scientific and comprehensive liquidity risk management system, and to ensure that the liquidity demand is satisfied and its payment obligation to external parties is fulfilled at a reasonable cost without delay under the normal operation scenario and the stress scenario. The Group adheres to a prudent and sound liquidity risk management strategy, proactively assesses changes in both internal and external conditions, reasonably manages the overall amount, structure and pace of its fund raising and utilization, and strikes a balance among safety, liquidity and profitability. The Group, in accordance with requirements of regulatory policies, changes in external environment as well as the characteristics of its business, has formulated liquidity risk management policies such as those on limit management, intraday liquidity management, stress testing, and contingency plans. It manages the liquidity risk of the Group in a centralized manner and clarifies that its affiliates assume primary responsibilities for their liquidity management.

The Group conducted liquidity risk stress testing on a quarterly basis to test the risk tolerance under stress scenarios, and constantly improved stress testing methods based on regulatory and internal management requirements. During the reporting period, the stress testing results indicated that the Group could pass the minimum viability test under various stress scenario assumptions.

The Group's liabilities were stable, as its major source of funds was retail deposits. Its assets were highly liquid, with a relatively large proportion of high-quality qualified bonds. During the reporting period, all liquidity regulatory indicators of the Group operated normally. Its overall liquidity was sufficient, secured, and under control.

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45 Financial risk management (continued)

45.6 Liquidity risk (continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities

	As at December 31, 2025								
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
Cash and deposits with central bank	-	82,411	192	1,097	692	19	-	1,234,760	1,319,171
Deposits with banks and other financial institutions	-	13,343	47,217	91,471	239,377	-	-	-	391,408
Placements with banks and other financial institutions	-	-	44,738	45,972	239,898	83,219	-	-	413,827
Derivative financial assets	-	-	353	493	1,048	1,710	-	-	3,604
Financial assets held under resale agreements	-	-	471,996	24,872	14,022	-	-	-	510,890
Loans and advances to customers	30,434	-	491,581	694,253	2,515,792	2,085,019	3,623,795	-	9,440,874
Financial assets measured at FVTPL	-	192,253	45,623	61,930	184,467	240,029	234,536	816	959,654
Financial assets measured at FVTOCI-debt instruments	-	-	27,630	49,862	140,409	371,494	115,045	-	704,440
Financial assets measured at FVTOCI-equity instruments	-	-	-	-	-	-	-	5,616	5,616
Financial assets measured at amortized cost	-	-	62,528	131,297	592,329	1,978,730	1,923,559	-	4,688,443
Other financial assets	2,487	29,560	467	2,985	525	839	-	1,106	37,969
Total financial assets	32,921	317,567	1,192,325	1,104,232	3,928,559	4,761,059	5,896,935	1,242,298	18,475,896
Borrowings from central bank	-	-	460	7,482	19,242	-	-	-	27,184
Deposits from banks and other financial institutions	-	188,731	-	-	307	233	-	-	189,271
Placements from banks and other financial institutions	-	-	9,756	11,127	35,252	-	-	-	56,135
Derivative financial liabilities	-	-	430	871	1,427	1,943	-	-	4,671
Financial assets sold under repurchase agreements	-	-	105,471	122,435	27,494	-	-	-	255,400
Customer deposits	-	4,355,260	1,453,406	3,331,832	5,686,679	1,714,539	-	-	16,541,716
Debt securities issued	-	-	-	12,950	103,665	14,676	119,993	-	251,284
Other financial liabilities	-	15,976	114,449	4,751	3,132	6,744	2,469	337	147,858
Total financial liabilities	-	4,559,967	1,683,972	3,491,448	5,877,198	1,738,135	122,462	337	17,473,519
Net liquidity	32,921	(4,242,400)	(491,647)	(2,387,216)	(1,948,639)	3,022,924	5,774,473	1,241,961	1,002,377

45 Financial risk management (continued)

45.6 Liquidity risk (continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities (continued)

	As at December 31, 2024								
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
Cash and deposits with central bank	–	98,742	–	818	1,223	198	–	1,213,722	1,314,703
Deposits with banks and other financial institutions	–	7,201	25,879	59,429	169,967	–	–	–	262,476
Placements with banks and other financial institutions	–	–	44,646	48,381	186,911	68,079	–	–	348,017
Derivative financial assets	–	–	485	882	2,294	3,000	–	–	6,661
Financial assets held under resale agreements	–	–	173,649	46,587	9,606	–	–	–	229,842
Loans and advances to customers	27,938	–	314,596	471,899	2,612,238	1,885,647	3,371,826	–	8,684,144
Financial assets measured at FVTPL	–	268,579	58,781	46,227	358,538	117,846	173,060	1,134	1,024,165
Financial assets measured at FVTOCI-debt instruments	–	–	20,479	44,843	151,230	306,259	146,001	–	668,812
Financial assets measured at FVTOCI-equity instruments	–	–	–	–	–	–	–	4,637	4,637
Financial assets measured at amortized cost	–	–	68,731	101,558	635,145	1,895,345	1,605,734	–	4,306,513
Other financial assets	2,059	38,038	464	3,043	361	447	–	834	45,246
Total financial assets	29,997	412,560	707,710	823,667	4,127,513	4,276,821	5,296,621	1,220,327	16,895,216
Borrowings from central bank	–	–	1,660	4,889	19,589	–	–	–	26,138
Deposits from banks and other financial institutions	–	135,260	–	–	319	20	–	–	135,599
Placements from banks and other financial institutions	–	–	8,474	11,807	27,018	–	–	–	47,299
Derivative financial liabilities	–	–	605	1,111	2,245	3,238	–	–	7,199
Financial assets sold under repurchase agreements	–	–	105,059	85,359	4,106	–	–	–	194,524
Customer deposits	–	4,215,516	1,358,247	3,089,765	5,324,083	1,299,930	–	–	15,287,541
Debt securities issued	–	–	–	45,671	62,822	13,495	119,992	–	241,980
Other financial liabilities	–	12,628	38,577	6,701	3,270	5,852	1,425	176	68,629
Total financial liabilities	–	4,363,404	1,512,622	3,245,303	5,443,452	1,322,535	121,417	176	16,008,909
Net liquidity	29,997	(3,950,844)	(804,912)	(2,421,636)	(1,315,939)	2,954,286	5,175,204	1,220,151	886,307

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45 Financial risk management (continued)

45.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of non-derivative financial assets and financial liabilities by remaining maturities

The Group manages its inherent liquidity risk in the short term based on the expected undiscounted cash flows.

	As at December 31, 2025								
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
Non-derivative financial assets									
Cash and deposits with central bank	-	82,411	192	1,097	692	19	-	1,234,760	1,319,171
Deposits with banks and other financial institutions	-	13,343	47,243	91,831	241,790	-	-	-	394,207
Placements with banks and other financial institutions	-	-	44,763	47,337	241,869	85,389	-	-	419,358
Financial assets held under resale agreements	-	-	472,167	24,973	14,131	-	-	-	511,271
Loans and advances to customers	32,921	-	507,441	727,450	2,685,620	2,711,568	4,849,082	-	11,514,082
Financial assets measured at FVTPL	-	192,253	45,830	62,002	185,995	245,768	238,394	816	971,058
Financial assets measured at FVTOCI-debt instruments	-	-	28,102	51,076	148,178	394,620	123,448	-	745,424
Financial assets measured at FVTOCI-equity instruments	-	-	-	-	-	-	-	5,616	5,616
Financial assets measured at amortized cost	-	-	63,697	137,450	655,715	2,323,242	2,151,138	-	5,331,242
Other financial assets	-	29,560	467	2,985	525	839	-	1,106	35,482
Total non-derivative financial assets	32,921	317,567	1,209,902	1,146,201	4,174,515	5,761,445	7,362,062	1,242,298	21,246,911
Non-derivative financial liabilities									
Borrowings from central bank	-	-	460	7,507	19,425	-	-	-	27,392
Deposits from banks and other financial institutions	-	188,731	-	-	310	242	-	-	189,283
Placements from banks and other financial institutions	-	-	9,769	11,215	35,588	-	-	-	56,572
Financial assets sold under repurchase agreements	-	-	105,495	122,850	27,663	-	-	-	256,008
Customer deposits	-	4,355,260	1,454,380	3,339,159	5,731,273	1,774,288	-	-	16,654,360
Debt securities issued	-	-	-	13,098	105,955	32,371	133,181	-	284,605
Other financial liabilities	-	15,976	114,468	4,781	3,312	7,239	2,682	337	148,795
Total non-derivative financial liabilities	-	4,559,967	1,684,572	3,498,610	5,923,526	1,814,140	135,863	337	17,617,015
Net liquidity	32,921	(4,242,400)	(474,670)	(2,352,409)	(1,749,011)	3,947,305	7,226,199	1,241,961	3,629,896

45 Financial risk management (continued)

45.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of non-derivative financial assets and financial liabilities by remaining maturities (continued)

	As at December 31, 2024								
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
Non-derivative financial assets									
Cash and deposits with central bank	–	98,742	–	818	1,223	198	–	1,213,722	1,314,703
Deposits with banks and other financial institutions	–	7,201	26,046	60,040	172,565	–	–	–	265,852
Placements with banks and other financial institutions	–	–	44,787	49,626	189,849	70,704	–	–	354,966
Financial assets held under resale agreements	–	–	173,676	46,787	9,666	–	–	–	230,129
Loans and advances to customers	29,997	–	330,092	503,717	2,786,761	2,544,419	4,680,465	–	10,875,451
Financial assets measured at FVTPL	–	268,579	59,013	46,367	360,295	122,773	176,155	1,134	1,034,316
Financial assets measured at FVTOCI-debt instruments	–	–	20,575	45,243	156,176	331,566	154,785	–	708,345
Financial assets measured at FVTOCI-equity instruments	–	–	–	–	–	–	–	4,637	4,637
Financial assets measured at amortized cost	–	–	70,349	108,174	699,728	2,245,022	1,814,182	–	4,937,455
Other financial assets	–	38,038	464	3,043	361	447	–	834	43,187
Total non-derivative financial assets	29,997	412,560	725,002	863,815	4,376,624	5,315,129	6,825,587	1,220,327	19,769,041
Non-derivative financial liabilities									
Borrowings from central bank	–	–	1,662	4,905	19,800	–	–	–	26,367
Deposits from banks and other financial institutions	–	135,260	–	–	322	21	–	–	135,603
Placements from banks and other financial institutions	–	–	8,489	11,904	27,380	–	–	–	47,773
Financial assets sold under repurchase agreements	–	–	105,077	85,589	4,126	–	–	–	194,792
Customer deposits	–	4,215,516	1,359,391	3,098,539	5,378,981	1,354,823	–	–	15,407,250
Debt securities issued	–	–	–	46,156	64,938	30,725	137,380	–	279,199
Other financial liabilities	–	12,628	38,602	6,752	3,528	6,459	1,597	176	69,742
Total non-derivative financial liabilities	–	4,363,404	1,513,221	3,253,845	5,499,075	1,392,028	138,977	176	16,160,726
Net liquidity	29,997	(3,950,844)	(788,219)	(2,390,030)	(1,122,451)	3,923,101	6,686,610	1,220,151	3,608,315

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45 Financial risk management (continued)

45.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of derivative financial instruments by remaining maturities

Derivative financial instruments settled on a net basis

The fair value of the Group's derivative financial instruments that will be settled on a net basis are primarily related to changes in foreign exchange rates and interest rates. The tables below present the undiscounted contractual cash flows of the Group's net derivative positions based on their remaining contractual maturities:

	As at December 31, 2025							
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Interest rate derivative financial instruments	–	–	**(10)**	**(7)**	**(36)**	**(140)**	–	**(193)**
Foreign exchange rates derivative financial instruments	–	–	**29**	**14**	**15**	–	–	**58**
Total	–	–	**19**	**7**	**(21)**	**(140)**	–	**(135)**

	As at December 31, 2024							
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Interest rate derivative financial instruments	–	–	(9)	(4)	(72)	(187)	–	(272)

45 Financial risk management (continued)

45.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of derivative financial instruments by remaining maturities (continued)

Derivative financial instruments settled on a gross basis

The fair value of the Group's derivative financial instruments that will be settled on a gross basis are primarily related to changes in foreign exchange rates and interest rates. The tables below present the undiscounted contractual cash flows of the Group's gross derivative positions based on their remaining contractual maturities:

	As at December 31, 2025							
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Derivative financial instruments settled on a gross basis								
– Cash inflow	–	–	**43,179**	**58,127**	**188,219**	**9,514**	–	**299,039**
– Cash outflow	–	–	**(43,346)**	**(58,487)**	**(188,541)**	**(9,622)**	–	**(299,996)**
Total	–	–	**(167)**	**(360)**	**(322)**	**(108)**	–	**(957)**

	As at December 31, 2024							
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Derivative financial instruments settled on a gross basis								
– Cash inflow	–	–	61,391	66,368	151,785	6,615	–	286,159
– Cash outflow	–	–	(61,595)	(66,556)	(151,510)	(6,640)	–	(286,301)
Total	–	–	(204)	(188)	275	(25)	–	(142)

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45 Financial risk management (continued)

45.6 Liquidity risk (continued)

Credit commitments

The off-balance sheet items of the Group are listed in the following table by remaining contractual maturity, and the financial guarantees are listed in the notional amount according to the earliest contract expiration date:

	As at December 31, 2025			
	Within 1 year	1 to 5 years	Over 5 years	Total
Loan commitments	**2,584**	**12,876**	**2,643**	**18,103**
Bank acceptances	**257,317**	**–**	**–**	**257,317**
Guarantees and letters of guarantee	**82,745**	**57,903**	**8,511**	**149,159**
Letters of credit	**175,982**	**–**	**–**	**175,982**
Unused credit card commitments	**485,823**	**–**	**–**	**485,823**
Total	**1,004,451**	**70,779**	**11,154**	**1,086,384**

	As at December 31, 2024			
	Within 1 year	1 to 5 years	Over 5 years	Total
Loan commitments	12,600	13,632	1,311	27,543
Bank acceptances	186,026	–	–	186,026
Guarantees and letters of guarantee	58,632	57,201	7,983	123,816
Letters of credit	127,969	–	–	127,969
Unused credit card commitments	490,968	–	–	490,968
Total	876,195	70,833	9,294	956,322

45 Financial risk management (continued)

45.7 Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, employees and IT systems or from external events. The operational risks that the Group may be exposed to mainly include internal fraud, external fraud, employment rules and workplace safety, risks related to customers, products and business activities, damage to physical assets, risks related to IT systems, and risks related to execution, delivery and process management.

Guided by the operational risk appetite approved by the Board of Directors, the Group's senior management is mainly responsible for establishing and implementing the operational risk management policies and limits. The policies aim to continuously improve the internal control mechanism, reinforce the supervision and inspection framework, improve the information technology capability, enrich the basis of operation management, intensify monitoring reports, regulate staff behaviour, foster risk management culture and initiative awareness to regulations and ensure the security of business operation.

45.8 Fair value of financial instruments

Most of the balance sheet items of the Group are financial assets and financial liabilities. The fair value measurement of non-financial assets and non-financial liabilities will not have a significant impact on the Group's overall financial performance.

During the year ended December 31, 2025 and 2024, there were no assets or liabilities which were discontinued being measured at fair value by the Group.

(1) Valuation techniques, parameters and processes

The fair value of financial assets and financial liabilities is determined according to the following methods:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in an active market is determined by reference to the market price.
- For non-option derivative financial instruments, the fair value is determined by discounted cash flow analysis using the applicable yield curve within the term of the instrument.
- The fair value of other financial assets and financial liabilities is determined according to the generally accepted pricing model or the current market price observable for similar instruments based on the discounted cash flow analysis. If there is no observable market transaction price for similar instruments, the net assets or other valuation techniques are used for valuation, and the price is analyzed by the management.

The Group has established an independent valuation process for financial assets and financial liabilities to satisfy segregation of duties and relevant departments are respectively responsible for valuation, model validation and accounting treatment.

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45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(2) Fair value hierarchy

Financial instruments at fair value are classified into the following three levels of measurement hierarchy:

Level 1: Fair value is determined based on quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Where quoted prices are not available from open markets, the fair value of financial instruments is determined by valuation techniques.

(3) Financial assets and financial liabilities not measured at fair value on the statement of financial position

Financial assets and liabilities not measured at fair value mainly represent deposits with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers measured at amortized cost, financial assets measured at amortized cost, borrowings from central bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, customer deposits and debt securities issued.

45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(3) Financial assets and financial liabilities not measured at fair value on the statement of financial position (continued)

The tables below summarize the carrying amounts and the fair value of the financial assets measured at amortized cost and debt securities issued which are not set out in the statement of financial position.

	As at December 31, 2025				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortized cost	**4,688,443**	**4,816,039**	**–**	**4,690,467**	**125,572**
Financial liabilities					
Debt securities issued	**251,284**	**256,245**	**–**	**256,245**	**–**

	As at December 31, 2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortized cost	4,306,513	4,535,087	–	4,207,342	327,745
Financial liabilities					
Debt securities issued	241,980	250,365	–	250,365	–

Except for the financial assets and liabilities above, the fair value of other financial assets and financial liabilities not measured at fair value in the statement of financial position are determined using discounted future cash flows. There is no significant difference between their carrying amounts and fair value.

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45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position

The tables below summarize the fair value of the financial assets and financial liabilities measured at their fair value on the statement of financial position.

	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans and advances to customers				
– Measured at FVTOCI	–	**917,894**	–	**917,894**
Financial assets measured at FVTPL				
– Debt securities	–	**75,532**	–	**75,532**
– Interbank certificates of deposits	–	**74,221**	–	**74,221**
– Asset-backed securities	–	**7,766**	**194**	**7,960**
– Fund investments	–	**525,778**	**265,231**	**791,009**
– Trust investment plans and asset management plans	–	–	**8,877**	**8,877**
– Wealth management products issued by financial institutions	–	**1,239**	–	**1,239**
– Equity instruments	**5**	–	**811**	**816**
Subtotal	**5**	**684,536**	**275,113**	**959,654**
Derivative financial assets				
– Exchange rate derivatives	–	**1,628**	–	**1,628**
– Interest rate derivatives	–	**1,827**	–	**1,827**
– Precious metal derivatives	–	**149**	–	**149**
Subtotal	–	**3,604**	–	**3,604**
Financial assets measured at FVTOCI – debt instruments				
– Debt securities	–	**667,239**	–	**667,239**
– Interbank certificates of deposits	–	**37,201**	–	**37,201**
Subtotal	–	**704,440**	–	**704,440**
Financial assets measured at FVTOCI – equity instruments				
– Equity instruments	–	**1,539**	**4,077**	**5,616**
Total financial assets	**5**	**2,312,013**	**279,190**	**2,591,208**
Financial liabilities				
Derivative financial liabilities				
– Exchange rate derivatives	–	**(1,781)**	–	**(1,781)**
– Interest rate derivatives	–	**(2,016)**	–	**(2,016)**
– Precious metal derivatives	–	**(859)**	–	**(859)**
– Other derivatives	–	**(15)**	–	**(15)**
Subtotal	–	**(4,671)**	–	**(4,671)**
Other liabilities				
– Financial liabilities at FVTPL	–	**(2,959)**	–	**(2,959)**
Total financial liabilities	–	**(7,630)**	–	**(7,630)**

45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans and advances to customers				
– Measured at FVTOCI	–	785,675	–	785,675
Financial assets measured at FVTPL				
– Debt securities	–	67,677	–	67,677
– Interbank certificates of deposits	–	125,775	–	125,775
– Asset-backed securities	–	3,149	–	3,149
– Fund investments	–	658,785	166,571	825,356
– Trust investment plans and asset management plans	–	–	45	45
– Wealth management products issued by financial institutions	–	1,029	–	1,029
– Equity instruments	235	–	899	1,134
Subtotal	235	856,415	167,515	1,024,165
Derivative financial assets				
– Exchange rate derivatives	–	3,487	–	3,487
– Interest rate derivatives	–	3,089	–	3,089
– Precious metal derivatives	–	85	–	85
Subtotal	–	6,661	–	6,661
Financial assets measured at FVTOCI – debt instruments				
– Debt securities	–	667,906	–	667,906
– Interbank certificates of deposits	–	906	–	906
Subtotal	–	668,812	–	668,812
Financial assets measured at FVTOCI – equity instruments				
– Equity instruments	–	1,550	3,087	4,637
Total financial assets	235	2,319,113	170,602	2,489,950
Financial liabilities				
Derivative financial liabilities				
– Exchange rate derivatives	–	(3,719)	–	(3,719)
– Interest rate derivatives	–	(3,357)	–	(3,357)
– Precious metal derivatives	–	(117)	–	(117)
– Other derivatives	–	(6)	–	(6)
Subtotal	–	(7,199)	–	(7,199)
Other liabilities				
– Financial liabilities at FVTPL	–	(1,169)	–	(1,169)
Total financial liabilities	–	(8,368)	–	(8,368)

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(All amounts in millions of RMB unless otherwise stated)

45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

For financial instruments traded in active markets, the determination of fair value is based on quoted market prices. Where quoted prices are not available from open markets, the fair value of financial instruments is determined by valuation techniques.

Parameters used in valuation techniques mainly include debt securities prices, interest rates, exchange rates, equity prices, volatility level, correlation, pre-payment rate and counterparties' credit spread.

(a) Basis of determining the market price for recurring fair value measurements categorized within Level 1

Quoted prices are used for financial instruments with quoted prices in an active market.

(b) Valuation techniques, key parameters used for recurring fair value measurement categorized within Level 2

Financial investments

Financial investments using valuation techniques mainly consist of debt securities, interbank certificates of deposits, investment fund and equity instruments, etc. The fair value of RMB bonds and interbank certificates of deposits is determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd. The fair value of foreign currency bonds and interbank certificates of deposits is determined based on the valuation results of Bloomberg. The fair value of these bonds and interbank certificates of deposits is determined based on a valuation technique for which all significant inputs are observable market data. The fair value of the investment fund classified as Level 2 derived from the observable quoted price in market. The fair value of the equity instruments classified as Level 2 is measured by discounted cash flow method.

Derivatives

Derivatives using valuation techniques with market observable inputs are mainly foreign exchange forwards and swaps, interest rate swaps, cross currency interest rate swaps, and precious metals swaps, etc. The most frequently applied valuation techniques include discounted cash flow method and Black-Scholes model. The models incorporate various inputs including foreign exchange spot and forward rates, foreign exchange rate volatility, precious metal spot and forward price, interest rate yield curves, etc.

Loans and advances to customers

The loans and advances to customers involving valuation techniques are mainly trade financing and discounted bills. The fair value of these forfaiting and discounted bills is measured by discounted cash flow method.

Financial liabilities at FVTPL

The fair value of RMB bonds is determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd. The fair value of precious metal contract is mainly determined in accordance with the closing prices of the Shanghai Gold Exchange.

45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

(c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below:

			Unobservable inputs	
December 31, 2025	Fair value	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Financial assets				
Financial assets measured at FVTPL				
– Fund investments	**265,231**	**(i)**	**Net assets**	**Positive correlation**
– Trust investment plans and asset management plans	**8,877**	**(i)**	**Net assets**	**Positive correlation**
– Equity instruments	**811**	**(i)**	**Net assets**	**Positive correlation**
– Asset-backed securities	**194**	**(ii)**	**Discounted cash flow**	**Positive correlation**
Subtotal	**275,113**			
Financial assets measured at FVTOCI – equity instruments	**4,077**	**(i)**	**Net assets**	**Positive correlation**
Total	**279,190**			

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(All amounts in millions of RMB unless otherwise stated)

45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

(c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below: (continued)

			Unobservable inputs	
December 31, 2024	Fair value	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Financial assets				
Financial assets measured at FVTPL				
– Fund investments	166,571	(i)	Net assets	Positive correlation
– Trust investment plans and asset management plans	45	(i)	Net assets	Positive correlation
– Equity instruments	899	(i)	Net assets	Positive correlation
Subtotal	167,515			
Financial assets measured at FVTOCI – equity instruments	3,087	(i)	Net assets	Positive correlation
Total	170,602			

(i) The fair value of fund investments, trust investment plans and asset management plans, equity instruments measured at FVTPL, and equity instruments measured at FVTOCI are all determined using net asset method, where the significant unobservable inputs are the net assets.

(ii) For certain illiquid debt securities (mainly asset-backed securities), management uses valuation techniques to determine the fair value, including discounted cash flow analysis.

45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

(c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below: (continued)

Changes in Level 3 are analyzed below:

	2025	
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI-equity instruments
Balance at the beginning of the year	**167,515**	**3,087**
Increased	**111,050**	**960**
Settled	**(8,793)**	**–**
Total gains or losses recognized in		
– Profit or loss	**5,341**	**–**
– Other comprehensive income	**–**	**30**
Balance at the end of the year	**275,113**	**4,077**
Total unrealized gains in profit or loss	**6,452**	**–**

	2024	
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI-equity instruments
Balance at the beginning of the year	151,526	2,598
Increased	63,589	400
Settled	(50,845)	–
Total gains or losses recognized in		
– Profit or loss	3,245	–
– Other comprehensive income	–	89
Balance at the end of the year	167,515	3,087
Total unrealized gains in profit or loss	3,295	–

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45 Financial risk management (continued)

45.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

(d) Transfers between Levels

During the year ended December 31, 2025 and 2024, there were no changes of fair value hierarchies.

45.9 Capital management

The Group's capital management aims at meeting regulatory requirements, continuously improving the ability to mitigate risks and increasing returns on capital. Accordingly, the Group has set its capital adequacy objectives and employed various means and methods to meet its management objectives, including performance assessment against plans and budgets, and limit management; to ensure its capital management meets external regulatory, credit rating, risk compensation and shareholders' value requirements; help drive risk management across the Group; ensure a disciplinary expansion of its assets; and continually improve its business structure and operating models.

The Group has maintained a relatively fast pace of development in terms of business scale in recent years with an increase in the demand of capital accordingly. In order to ensure that the Group meets regulatory capital adequacy requirements and maximises returns to shareholders without compromising its risk management, the Group makes strong efforts to promote the establishment of capital constraints system, enhances the management of both total amount and structure of risk assets, and promotes the transformation of its business model towards a capital efficient one through the comprehensive use of several measurement tools such as capital planning, limit management, economic capital management and estimation of internal capital adequacy, in order to ensure that the capital adequacy ratios meet the risk coverage and regulatory requirements continuously.

In accordance with the Rules on Capital Management of Commercial Banks (《商業銀行資本管理辦法》) and the related provisions promulgated by the NFRA, and Additional Regulations Supervision on Systemically Important Banks (for Trial Implementation)(《系統重要性銀行附加監管規定(試行)》) issued by the PBOC and the former CBIRC, as at December 31, 2025, the Group's core tier 1 capital adequacy ratio should be 8.00%, tier 1 capital adequacy ratio should be 9.00%, and capital adequacy ratio should be 11.00% (as at December 31, 2024: 8.00%, 9.00% and 11.00%, respectively). During the year ended December 31, 2025, the Group continuously intensified the monitoring, analyzing and reporting of capital adequacy ratios, constantly optimized the risk asset structure, increases internal capital accumulation, and promoted the supplement of external capital, in order to ensure that the Group's capital adequacy ratio meets regulatory requirements and internal management needs.

45 Financial risk management (continued)

45.9 Capital management (continued)

The Group's regulatory capital as calculated according to the Rules on Capital Management of Commercial Banks (商業銀行資本管理辦法) promulgated by NFRA at December 31, 2025 and 2024 is as follows:

		As at December 31, 2025	As at December 31, 2024
CET1 capital adequacy ratio	(1)	**10.53%**	9.56%
Tier 1 capital adequacy ratio	(1)	**12.10%**	11.89%
Capital adequacy ratio	(1)	**14.52%**	14.44%
Common Equity Tier 1 capital		**1,011,489**	830,854
Common Equity Tier 1 capital: deductions	(2)	**(8,011)**	(6,663)
Net CET1 capital		**1,003,478**	824,191
Additional tier 1 capital		**150,175**	200,141
Net tier 1 capital		**1,153,653**	1,024,332
Tier 2 capital			
– Tier 2 capital instruments and related premium		**119,993**	119,991
– Valid portion of surplus provisions for loss		**110,269**	99,476
– Valid portion of minority interests		**356**	312
Net capital	(3)	**1,384,271**	1,244,111
Risk-weighted assets	(4)	**9,533,914**	8,617,743

(1) CET1 capital adequacy ratio is equal to net common equity tier 1 capital divided by risk-weighted assets; tier 1 capital adequacy ratio is equal to net tier 1 capital divided by risk-weighted assets; and capital adequacy ratio is equal to net capital divided by risk-weighted assets.

(2) Deductions from common equity tier 1 capital include other intangible assets (not including land use rights).

(3) Net capital is equal to total capital net of deductions from total capital.

(4) Risk-weighted assets include credit risk-weighted assets measured using the standardized approach, market risk-weighted assets measured mainly using the standardized approach, and operational risk-weighted assets measured using the standardized approach.

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46 Reconciliation of liabilities arising from financing activities

The table below summarizes the changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Debt securities issued Note 33	Dividends payable	Lease liabilities Note 34	Total
As at January 1, 2025	**241,980**	**14,646**	**9,222**	**265,848**
Financing cash flows	**2,530**	**(33,101)**	**(3,677)**	**(34,248)**
Non-cash changes				
Interest expenses	**6,774**	**–**	**189**	**6,963**
New leases entered	**–**	**–**	**6,014**	**6,014**
Leases termination	**–**	**–**	**(870)**	**(870)**
Dividends declared	**–**	**33,227**	**–**	**33,227**
As at December 31, 2025	**251,284**	**14,772**	**10,878**	**276,934**

	Debt securities issued Note 33	Dividends payable	Lease liabilities Note 34	Total
As at January 1, 2024	261,138	–	9,268	270,406
Financing cash flows	(24,629)	(32,223)	(3,923)	(60,775)
Non-cash changes				
Interest expenses	5,471	–	270	5,741
New leases entered	–	–	4,360	4,360
Leases termination	–	–	(753)	(753)
Dividends declared	–	46,869	–	46,869
As at December 31, 2024	241,980	14,646	9,222	265,848

47 Events after the end of the reporting period

Dividend distribution

On March 27, 2026, the Board of Directors proposed the following final profit distribution scheme for the year ended December 31, 2025. In accordance with the Company Law of the People's Republic of China (中華人民共和國公司法), Administrative Measures for Provisioning of Financial Enterprises (金融企業準備金計提管理辦法) and the Articles of Association and other relevant provisions: declaration of cash dividend of RMB0.953 per ten shares (tax included), totalling RMB11,445 million (tax included) to ordinary shareholders based on RMB120,095 million ordinary shares. The proposed profit distribution scheme is subject to the approval in the forthcoming Annual General Meeting for the year of 2025. Cash dividends will be distributed to all shareholders registered at the relevant date upon approval.

48 Reclassification of comparative figures

Certain comparative figures have been reclassified to conform to the current period presentation.

49 The statement of financial position of the Bank

	As at December 31, 2025	As at December 31, 2024
Assets		
Cash and deposits with central bank	**1,319,171**	1,314,176
Deposits with banks and other financial institutions	**391,791**	262,638
Placements with banks and other financial institutions	**423,213**	356,927
Derivative financial assets	**3,604**	6,661
Financial assets held under resale agreements	**515,129**	229,295
Loans and advances to customers	**9,369,694**	8,617,563
Financial investments		
Financial assets measured at fair value through profit or loss	**867,390**	1,014,956
Financial assets measured at fair value through other comprehensive income-debt instruments	**698,710**	662,897
Financial assets measured at fair value through other comprehensive income-equity instruments	**5,616**	4,637
Financial assets measured at amortized cost	**4,682,924**	4,295,269
Investment in subsidiaries	**10,115**	15,115
Property and equipment	**62,221**	60,124
Deferred tax assets	**64,332**	59,999
Other assets	**114,332**	111,542
Total assets	**18,528,242**	17,011,799

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49 The statement of financial position of the Bank (continued)

	As at December 31, 2025	As at December 31, 2024
Liabilities		
Borrowings from central bank	**27,184**	26,138
Deposits from banks and other financial institutions	**190,768**	137,023
Placements from banks and other financial institutions	**7,308**	4,719
Derivative financial liabilities	**4,671**	7,199
Financial assets sold under repurchase agreements	**255,400**	194,524
Customer deposits	**16,541,716**	15,279,400
Income tax payable	**254**	–
Debt securities issued	**246,564**	238,455
Other liabilities	**104,231**	102,505
Total liabilities	**17,378,096**	15,989,963
Equity		
Share capital	**120,095**	99,161
Other equity instruments		
Perpetual bonds	**149,996**	199,986
Capital reserve	**271,706**	162,690
Other reserves	**329,518**	301,218
Retained earnings	**278,831**	258,781
Total equity	**1,150,146**	1,021,836
Total equity and liabilities	**18,528,242**	17,011,799

Approved and authorized for issue by the Board of Directors on 27 March 2026.

Zheng Guoyu	**Yao Hong**
(On behalf of Board of Directors)	(On behalf of Board of Directors)

50 The statement of changes in equity of the Bank

		Other equity instruments		Other reserves				
	Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other comprehensive income	Retained earnings	Total equity
As at January 1, 2025	99,161	199,986	162,690	75,540	216,762	8,916	258,781	1,021,836
Net profit for the year	-	-	-	-	-	-	86,168	86,168
Other comprehensive income for the year	-	-	-	-	-	(3,567)	-	(3,567)
Total comprehensive income for the year	-	-	-	-	-	(3,567)	86,168	82,601
Issuance of ordinary shares	20,934	-	109,028	-	-	-	-	129,962
Issuance of perpetual bonds	-	30,000	(2)	-	-	-	-	29,998
Redemption of perpetual bonds	-	(79,990)	(10)	-	-	-	-	(80,000)
Appropriation to surplus reserve	-	-	-	8,617	-	-	(8,617)	-
Appropriation to general reserve	-	-	-	-	23,250	-	(23,250)	-
Dividends declared to ordinary shareholders	-	-	-	-	-	-	(26,066)	(26,066)
Dividends to perpetual bonds holders	-	-	-	-	-	-	(7,161)	(7,161)
Others	-	-	-	-	-	-	(1,024)	(1,024)
As at December 31, 2025	120,095	149,996	271,706	84,157	240,012	5,349	278,831	1,150,146

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50 The statement of changes in equity of the Bank (continued)

		Other equity instruments		Other reserves				
	Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other comprehensive income	Retained earnings	Total equity
As at January 1, 2024	99,161	169,986	162,693	67,010	198,910	4,991	245,591	948,342
Net profit for the year	–	–	–	–	–	–	85,297	85,297
Other comprehensive income for the year	–	–	–	–	–	5,069	–	5,069
Total comprehensive income for the year	–	–	–	–	–	5,069	85,297	90,366
Issuance of perpetual bonds	–	30,000	(3)	–	–	–	–	29,997
Appropriation to surplus reserve	–	–	–	8,530	–	–	(8,530)	–
Appropriation to general reserve	–	–	–	–	17,852	–	(17,852)	–
Dividends declared to ordinary shareholders	–	–	–	–	–	–	(40,527)	(40,527)
Dividends to perpetual bonds holders	–	–	–	–	–	–	(6,342)	(6,342)
Realized gain of equity instrument investments measured at fair value through other comprehensive income	–	–	–	–	–	(1,144)	1,144	–
As at December 31, 2024	99,161	199,986	162,690	75,540	216,762	8,916	258,781	1,021,836

Appendix: Supplementary Information

International Claims

The Group regards all claims on third parties outside the Chinese mainland and claims denominated in foreign currencies on third parties in the Chinese mainland as international claims.

International claims include loans and advances to customers, deposits with the central bank, deposits and placements with banks and other financial institutions, investments in debt securities and others.

A country or geographical region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

In RMB million

	As at December 31, 2025			
	Public sectors	Banks and other financial institutions	Non-bank private sectors	Total
Asia Pacific	18,371	125,998	34,727	179,096
– of which attributed to Hong Kong, China	13,235	28,949	16,410	58,594
Europe	123	32,001	11,513	43,637
North and South America	–	15,552	2,840	18,392
Other areas	332	–	75	407
Total	18,826	173,551	49,155	241,532

In RMB million

	As at December 31, 2024			
	Public sectors	Banks and other financial institutions	Non-bank private sectors	Total
Asia Pacific	8,664	78,503	32,003	119,170
– of which attributed to Hong Kong, China	4,951	19,282	13,182	37,415
Europe	–	22,951	8,099	31,050
North and South America	717	8,269	5,634	14,620
Other areas	341	–	–	341
Total	9,722	109,723	45,736	165,181

Disclosure of Assessment Indicators for Systemically Important Banks (SIBs)

Disclosure of Assessment Indicators for Domestic SIBs (D-SIBs)

According to the Measures for Assessment of Systemically Important Banks, all the D-SIB indicators of the Bank for the year ended December 31, 2024 are as follows:

In RMB ten thousand, unless otherwise stated

Level 1 Indicators	Level 2 Indicators		Indicator value
Size	On- and off-balance sheet assets after adjustments		1,791,651,739
Interconnectedness	Intra-financial system assets		455,423,410
	Intra-financial system liabilities		38,650,126
	Securities and other financing instruments issued		87,070,082
Substitutability	Payments settled via payment systems or correspondent banks		11,683,522,275
	Assets under custody		542,782,986
	Agency and consignment business		299,414,645
	Number of customers and number of domestic operating branches	Number of corporate customers	1,804,127
		Number of individual customers	854,519,075
		Number of domestic operating branches	10,244
Complexity	Derivatives		70,874,550
	Securities measured at fair value		26,076,709
	Assets of non-banking affiliates		8,624,159
	Wealth management business	Balance of non-principal guaranteed wealth management products issued by the Bank	2,329,761
		Balance of wealth management products issued by wealth management subsidiaries	99,969,181
	Overseas claims and debts		5,761,725

Note (1): Calculated upon the standards of the Measures for the Assessment of Systemically Important Banks (Yinfa [2020] No. 289), the data of some indicators differs from the data in the Annual Report.

Appendix: Supplementary Information

Disclosure of Assessment Indicators for Global SIBs (G-SIBs)

In RMB million

No.	Indicator Category	Item	2025
1	Global (cross-jurisdictional) activity	Cross-jurisdictional claims	66,593
2		Cross-jurisdictional liabilities	9,855
3	Size	Balance of adjusted on- and off-balance sheet assets	19,663,842
4	Interconnectedness	Intra-financial system assets	2,752,155
5		Intra-financial system liabilities	314,506
6		Securities and other financing instruments issued	1,040,338
7	Substitutability	Assets under custody	6,031,633
8		Payments settled via payment systems or correspondent banks	141,960,020
9		Underwritten transactions in debt and equity markets	635,370
10a		Trading volume of fixed-income securities	7,534,626
10b		Trading volume of equity and other securities	525
11	Complexity	Notional amount of over-the-counter derivatives	822,053
12		Level 3 assets	279,190
13		Trading and available-for-sale securities	397,744

Note (1): The above assessment indicators were calculated and disclosed in accordance with the G-SIB Assessment Reporting Instructions issued by the Basel Committee on Banking Supervision, which differed from the disclosure in the financial statements.

For more information on capital measurement and leverage ratio, please refer to the 2025 Pillar 3 Disclosure Report on Capital Management of Postal Savings Bank of China published by the Bank pursuant to the Rules on Capital Management of Commercial Banks.

List of Organizations

Tier-1 Branches

Beijing Branch

Address: Building No. 1, Third Yard, Huiji East Road, Tongzhou District, Beijing
Postal Code: 101100
Telephone: 010-89106196
Fax: 010-89109781

Tianjin Branch

Address: No. 121 Dagu North Road, Heping District, Tianjin
Postal Code: 300040
Telephone: 022-88588888
Fax: 022-88588858

Hebei Branch

Address: Building 1, Jiahe Square, No. 567 Zhongshan East Road, Chang'an District, Shijiazhuang, Hebei
Postal Code: 050000
Telephone: 0311-86683329
Fax: 0311-86160079

Shanxi Branch

Address: Building No. 1, No. 139 Pingyang Road, Taiyuan, Shanxi
Postal Code: 030001
Telephone: 0351-2112807
Fax: 0351-2112840

Inner Mongolia Branch

Address: Complex No. 2, Zone 8 of Juhaicheng, Dingxiang South Road, Saihan District, Hohhot City, Inner Mongolia Autonomous Region
Postal Code: 010010
Telephone: 0471-6924787
Fax: 0471-6263020

Liaoning Branch

Address: No. 72 Beizhan Road, Shenhe District, Shenyang, Liaoning
Postal Code: 110013
Telephone: 024-31927017
Fax: 024-31927000

Jilin Branch

Address: No. 3266 South Ring Road, Nanguan District, Changchun, Jilin
Postal Code: 130000
Telephone: 0431-81285030
Fax: 0431-88985924

Heilongjiang Branch

Address: No. 55 West 14th Street, Daoli District, Harbin, Heilongjiang
Postal Code: 150010
Telephone: 0451-87656792
Fax: 0451-86209997

Shanghai Branch

Address: No. 1080 Dongdaming Road, Hongkou District, Shanghai
Postal Code: 200082
Telephone: 021-35966539
Fax: 021-63293120

Jiangsu Branch

Address: Building 6, No. 399 Jiangdong Middle Road, Jianye District, Nanjing, Jiangsu
Postal Code: 210019
Telephone: 025-83797811
Fax: 025-83796099

Zhejiang Branch

Address: Building 6, Mingzhu International Business Center, No. 206 Wuxing Road, Shangcheng District, Hangzhou, Zhejiang
Postal Code: 310009
Telephone: 0571-87335016
Fax: 0571-85164911

Anhui Branch

Address: Block G, PSBC Hefei Base, No. 7389 Huizhou Avenue, Hefei, Anhui
Postal Code: 230092
Telephone: 0551-62256516
Fax: 0551-62256677

List of Organizations

Fujian Branch

Address: No. 101 Gutian Road, Gulou District, Fuzhou, Fujian
Postal Code: 350005
Telephone: 0591-85163105
Fax: 0591-83373480

Jiangxi Branch

Address: PSBC Building, No. 969 Shimao Road, Honggutan New District, Nanchang, Jiangxi
Postal Code: 330038
Telephone: 0791-88891101
Fax: 0791-86730610

Shandong Branch

Address: Building No. 6, Zone 4, Hanyu Financial Business Center, No. 7000 Jingshi Road, Gaoxin District, Jinan, Shandong
Postal Code: 250102
Telephone: 0531-58558790
Fax: 0531-58558780

Henan Branch

Address: No. 59 Huayuan Road, Jinshui District, Zhengzhou, Henan
Postal Code: 450008
Telephone: 0371-69199191
Fax: 0371-69199191

Hubei Branch

Address: No. 183 Yunxia Road, Jianghan District, Wuhan, Hubei
Postal Code: 430022
Telephone: 027-65778565
Fax: 027-85722512

Hunan Branch

Address: No. 489 Furong Middle Road Section 1, Kaifu District, Changsha, Hunan
Postal Code: 410001
Telephone: 0731-85988267
Fax: 0731-85988345

Guangdong Branch

Address: Fengyuan Building, No. 1-3 Tiyu West Road, Tianhe District, Guangzhou, Guangdong
Postal Code: 510620
Telephone: 020-38186880
Fax: 020-38186666

Guangxi Zhuang Autonomous Region Branch

Address: No. 6 Gehai Road, Liangqing District, Nanning, Guangxi Zhuang Autonomous Region
Postal Code: 530201
Telephone: 0771-5836014
Fax: 0771-5836013

Hainan Branch

Address: No. 1 Xisi Road, Dayingshan, Meilan District, Haikou, Hainan
Postal Code: 570203
Telephone: 0898-66556005
Fax: 0898-66788066

Chongqing Branch

Address: No. 5 Juxian Street, Liangjiang New Area, Chongqing
Postal Code: 400024
Telephone: 023-63859333
Fax: 023-63859222

Sichuan Branch

Address: No. 588 Tianfu Fourth Street, Gaoxin District, Chengdu, Sichuan
Postal Code: 610095
Telephone: 028-88619030
Fax: 028-88619020

Guizhou Branch

Address: North Tower 4, Financial City, Changling North Road, Guanshanhu District, Guiyang, Guizhou
Postal Code: 550081
Telephone: 0851-85208005
Fax: 0851-85258832

Yunnan Branch

Address: West Zone, Daguan Tianxia Radio & Television Cultural Community, No. 718 Xiyuan Road, Xishan District, Kunming, Yunnan
Postal Code: 650000
Telephone: 0871-63318155
Fax: 0871-63179485

Xizang Autonomous Region Branch

Address: Building No. 3, Agudunba Cultural Square, Chengguan District, Lhasa, Xizang Autonomous Region
Postal Code: 850013
Telephone: 0891-6911005
Fax: 0891-6911003

Shaanxi Branch

Address: Building T1, TusPark, No. 67 Keji 2nd Road, Gaoxin District, Xi'an, Shaanxi
Postal Code: 710075
Telephone: 029-88250021
Fax: 029-88602854

Gansu Branch

Address: No. 369 Qingyang Road, Chengguan District, Lanzhou, Gansu
Postal Code: 730030
Telephone: 0931-8429172
Fax: 0931-8429891

Qinghai Branch

Address: Building B, Qinghai Guotou Square, No. 32 Wenjing Street, Chengxi District, Xining, Qinghai
Postal Code: 810001
Telephone: 0971-8299172
Fax: 0971-8299178

Ningxia Hui Autonomous Region Branch

Address: No. 9 Jiefang West Road, Xingqing District, Yinchuan, Ningxia Hui Autonomous Region
Postal Code: 750001
Telephone: 0951-6920359
Fax: 0951-6920505

Xinjiang Uygur Autonomous Region Branch

Address: No. 239 Jiefang North Road, Urumqi, Xinjiang Uygur Autonomous Region
Postal Code: 830002
Telephone: 0991-2357992
Fax: 0991-2357988

Dalian Branch

Address: No. 40 Gangxing Road, Zhongshan District, Dalian, Liaoning
Postal Code: 116000
Telephone: 0411-66000066
Fax: 0411-66000099

Ningbo Branch

Address: Building No. 1, Yangfan Square, Gaoxin District, Ningbo, Zhejiang
Postal Code: 315010
Telephone: 0574-87950777
Fax: 0574-87950777

Xiamen Branch

Address: Commercial Building of Panji Center, No. 1 Lianyue Road, Siming District, Xiamen, Fujian
Postal Code: 361012
Telephone: 0592-2205134
Fax: 0592-2206124

Qingdao Branch

Address: No. 222 Yan'an 3rd Road, Shinan District, Qingdao, Shandong
Postal Code: 266071
Telephone: 0532-83886609
Fax: 0532-83877070

Shenzhen Branch

Address: Information Hub Building, Yitian Road, Futian District, Shenzhen, Guangdong
Postal Code: 518048
Telephone: 0755-22228000
Fax: 0755-22228002

List of Organizations

Majority-owned Subsidiaries

PSBC Consumer Finance Co., Ltd.

Address: 2/F, 8-12/F, 18/F, Talent Holdings Building,
No. 281 Linhe East Road, Tianhe District,
Guangzhou, Guangdong
Postal Code: 510610
Telephone: 020-22361163
Fax: 020-22361004

PSBC Wealth Management Co., Ltd.

Address: Building No. 6, Financial Street,
Xicheng District, Beijing
Postal Code: 100033
Telephone: 010-89621800
Fax: 010-89621830

PSBC Financial Asset Investment Co., Ltd.

Address: Building No. 6, Financial Street,
Xicheng District, Beijing
Postal Code: 100033
Telephone: 010-89100606
Fax: 010-89100889