



中国农业银行

AGRICULTURAL BANK OF CHINA

**AGRICULTURAL BANK OF
CHINA LIMITED**

中國農業銀行股份有限公司

2025 Pillar 3 Report

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1. Introduction

In accordance with the *Rules on Capital Management of Commercial Banks* (NFRA [2023] No. 4) and relevant regulations, 2025 Pillar 3 Report of Agricultural Bank of China Limited was prepared and disclosed.

The report includes the overview of risk management, key prudential regulatory metrics and risk-weighted assets, composition of capital and TLAC, linkages between financial statements and regulatory exposures, remuneration, credit risk, counterparty credit risk, securitisation, market risk, operational risk, interest rate risk in the banking book, macroprudential regulatory measures, leverage ratio, and liquidity risk.

The Bank sets up a sound disclosure governance structure, in which an effective internal control procedure is approved by the Board of Directors and implemented by the Senior Management to reasonably review the disclosure content, in order to ensure the accuracy and reliability of the Pillar 3 disclosures. On March 30th 2026, the Board of Directors of the Bank reviewed and approved this report in the 2nd meeting of 2026.

2. Overview of risk management, key prudential regulatory metrics and risk-weighted assets

2.1 KM1: Key prudential regulatory metrics at consolidated level

In millions of RMB, except for percentages

		a	b	c	d	e
		31 December 2025	30 September 2025	30 June 2025	31 March 2025	31 December 2024
Available capital (amounts)						
1	Common Equity Tier 1 (CET1) capital, net	2,748,493	2,730,958	2,670,203	2,630,004	2,582,305
2	Tier 1 capital, net	3,218,268	3,160,522	3,134,761	3,129,568	3,081,864
3	Total capital, net	4,448,690	4,350,753	4,194,394	4,167,738	4,112,653
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	24,812,801	24,471,018	24,041,565	23,425,598	22,603,866
4a	Total risk-weighted assets (before the capital floor)	24,812,801	24,471,018	24,041,565	23,425,598	22,603,866
Capital adequacy ratio						
5	CET 1 ratio (%)	11.08%	11.16%	11.11%	11.23%	11.42%
5a	CET 1 ratio (%) (before the capital floor)	11.08%	11.16%	11.11%	11.23%	11.42%
6	Tier 1 ratio (%)	12.97%	12.92%	13.04%	13.36%	13.63%
6a	Tier 1 ratio (%) (before the capital floor)	12.97%	12.92%	13.04%	13.36%	13.63%
7	Total capital ratio (%)	17.93%	17.78%	17.45%	17.79%	18.19%
7a	Total capital ratio (%) (before the capital floor)	17.93%	17.78%	17.45%	17.79%	18.19%
Additional CET 1 buffer requirements						
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements (%) ¹	1.50%	1.50%	1.50%	1.50%	1.00%
11	Total of bank CET1 specific buffer requirements (%) (8+9+10)	4.00%	4.00%	4.00%	4.00%	3.50%
12	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	6.08%	6.16%	6.11%	6.23%	6.42%

		a	b	c	d	e
		31 December 2025	30 September 2025	30 June 2025	31 March 2025	31 December 2024
Leverage ratio						
13	Adjusted on- and off-balance sheet assets	51,220,819	50,234,071	48,872,637	46,990,822	45,291,360
14	Leverage ratio (%) ²	6.28%	6.29%	6.41%	6.66%	6.80%
14a	Leverage ratio a (%) ³	6.28%	6.29%	6.41%	6.66%	6.80%
14b	Leverage ratio b (%) ⁴	6.35%	6.34%	6.50%	6.71%	6.81%
14c	Leverage ratio c (%) ⁵	6.35%	6.34%	6.50%	6.71%	6.81%
Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA)	9,728,146	8,741,375	8,258,643	8,325,778	8,251,837
16	Total net cash outflows	7,288,522	6,703,590	6,166,765	6,280,443	6,297,518
17	LCR (%)	133.50%	130.25%	133.92%	132.57%	131.03%
Net stable funding ratio						
18	Total available stable funding	32,794,267	32,572,822	31,558,416	31,111,614	29,802,242
19	Total required stable funding	24,791,558	24,489,265	24,170,442	23,595,297	22,877,044
20	NSFR (%)	132.28%	133.01%	130.57%	131.86%	130.27%

Notes: 1. Line 10, the Group was listed among the Bucket 2 of the global systemically important banks in November 2023 and is required to meet the additional capital of 1.5% by 1 January 2025 according to the regulatory requirements.

2. Line 14, leverage ratio includes the impact of any applicable temporary exemption of central bank reserves.

3. Line 14a, leverage ratio a refers to the leverage ratio excluding the impact of any applicable temporary exemption of central bank reserves.

4. Line 14b, leverage ratio b refers to the leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for daily balances of securities financing transaction (SFT) within the most recent quarter.

5. Line 14c, leverage ratio c refers to the leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for daily balances of SFT within the most recent quarter.

2.2 KM2: Key prudential regulatory metrics – TLAC requirements (at resolution group level)

		<i>In millions of RMB, except for percentages</i>			
		a	b	c	d
		31 December 2025	30 September 2025	30 June 2025	31 March 2025
1	Total Loss Absorbing Capacity (TLAC) available	5,219,002	5,092,524	4,875,431	4,803,374
2	Total RWA at the level of the resolution group	24,812,801	24,471,018	24,041,565	23,425,598
3	TLAC as a percentage of RWA ¹ (row 1 / row 2)	21.03%	20.81%	20.28%	20.50%
4	Adjusted on- and off-balance sheet assets at the level of the resolution group	51,220,819	50,234,071	48,872,637	46,990,822
5	TLAC as a percentage of adjusted on- and off-balance sheet assets (row 1 / row 4)	10.19%	10.14%	9.98%	10.22%

Notes: 1. Line 3, in accordance with the *Rules on Total Loss Absorbing Capacity of Global Systemically Important Banks*, a G-SIB shall meet both the external TLAC risk-weighted ratio requirement of no less than 16% and a capital buffer of 4% (including a conservation buffer of 2.5% and Bank G-SIB additional requirements of 1.5%), for a total of 20%.

2.3 OVA: Bank risk management approach

In line with the principle of comprehensive coverage, whole-process management and overall participation, the Bank integrates elements including risk appetite, policies and rules, organisational system, tools and models, data systems, and risk culture for timely identification, measurement, assessment, monitoring, reporting, control or mitigating of major substantive risks in business operation, so as to ensure effective risk management in decision-making, implementation and supervision in the whole Bank.

Risk Appetite

Risk appetite is a term that refers to the levels and types of risks acceptable to and tolerable for the Bank as determined by the Board of Directors of the Bank in order to achieve the strategic targets of the Bank, which depends on the expectations and constraints of our major stakeholders, external operating environment and actual conditions of the Bank.

The Bank's risk appetite is approved by the Board of Directors, and based on regulatory requirements and the Bank's actual business operation and management, and set quantitative indicators for major substantive risks. All business lines, branches and subsidiaries take effective measures to transmit and implement risk appetite requirements into business operation and management, ensuring the coordination between business operations and risk management.

We generally adopt a moderate risk appetite, with a consistent focus on risk prevention and control as the eternal theme of financial work. We ensure both development and security, adhere to the principle of law-compliant and stable operations, proactively give play to our functional role, seek to maintain consistency in security, profitability, and liquidity, as well as a balance among capital, risks, and returns. We are neither aggressive nor conservative in the level of risk bearing. Through undertaking an appropriate level of risk and adopting effective management, we seek to achieve reasonable returns, maintain sufficient risk provisions and capital adequacy to cover risk losses, uphold bottom-line thinking, and firmly hold the bottom line of preventing systemic financial risks. The Bank continuously improves the risk management system, strengthens the implementation of risk management measures, and enhances the foresight, comprehensiveness, and proactivity of risk prevention and control. We maintain good regulatory ratings and external ratings, providing assurance for realizing our strategic objectives and business plans.

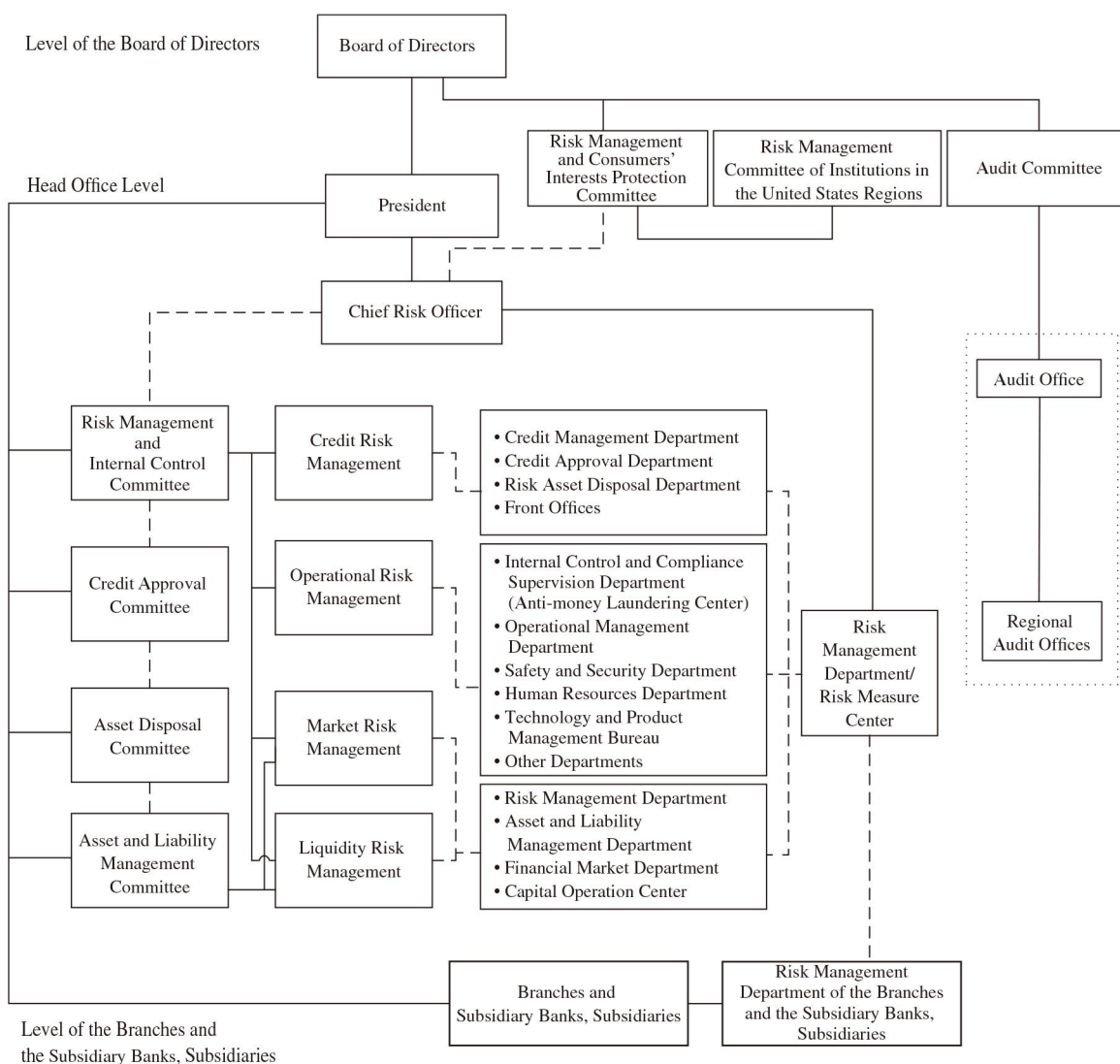
Risk Governance Framework

The Board of Directors assumes the ultimate responsibility for risk management. The Risk Management and Consumers' Interests Protection Committee, the Audit Committee and the Risk Management Committee of Institutions in the United States Regions under the Board of Directors of the Bank perform the relevant risk management functions, consider the key risk management issues and supervise and evaluate the establishment of risk management system and the risk condition of the Bank.

The Senior Management is the organiser and executor of risk management of the Bank. Under the Senior Management, we have various risk management committees with different functions, including the Risk Management and Internal Control Committee, Credit Approval Committee, Asset and Liability Management Committee and Asset Disposal Committee. Among them, the Risk Management and Internal Control Committee is primarily responsible for organising and coordinating risk and compliance management across the Bank, considering and approving material risk management and compliance management issues.

The Chief Risk Officer of the Bank is to lead the construction of a comprehensive risk management system and the implementation of the Basel Capital Accord, coordinate the establishment of the Bank's organisational structure for risk management, review the implementation of the risk management strategies and risk appetite, review major risk management policies and rules, promote the establishment and improvement of risk management information system and data quality control mechanism, and lead the reporting of the Bank's comprehensive risk management to the Board of Directors and its special committees.

Based on the principle of "overall coverage", we have established the "matrix" risk management organisational system and the "Three Lines of Defense" for risk management comprising the risk bearing departments, risk management departments and internal audit departments.



Risk Culture

The Bank adheres to the risk management philosophy of "emphasizing risk, acknowledging risk, examining risk, and controlling risk", always placing risk prevention and control in a more prominent position. We clearly define the risk management responsibilities of each institution, department, and position, ensuring the implementation of risk management responsibilities and guiding all levels of the Bank to integrate risk management requirements into the entire business operation and management process. The Bank establishes a sound risk accountability and due diligence exemption mechanism that ensures alignment of authority and responsibility with integrated incentives and

constraints, thereby fostering a sound risk management ecosystem characterized by taking on responsibility, collaborative governance, maintaining integrity and breaking new ground.

The Bank continuously strengthens the development of its risk culture, promoting good risk awareness among all employees. "Non-compliance poses risks and safety brings benefits" is emphasized to encourage employees to strictly comply with laws and regulations, adhere to the principles of risk management, market rules, and professional ethics, operate prudently with steadfastness, and firmly hold the bottom line of preventing systemic financial risks, thereby safeguarding financial security and realizing the Bank's value.

Risk Measurement System

The Bank faces individual risks such as credit risk, market risk, operational risk, liquidity risk, etc.. The Bank has established a series of risk measurement and assessment methods to measure various risks. For risks that can be quantified, the Bank establishes models to measure risks in accordance with regulatory requirements such as the *Rules on Capital Management of Commercial Banks*. For risks that are difficult to quantify, the Bank establishes special risk assessment mechanisms.

Risk Reporting

The Bank continuously improves its risk reporting system across the Bank to align with its business model and risk profile, and regularly submits comprehensive risk management reports and other individual risk analysis reports to the Board of Directors and the Senior Management. The comprehensive risk management reports submitted to the Board of Directors and the Senior Management cover various risks, including the Group's credit risk, market risk, operational risk, and liquidity risk, effectively meeting the need of users for risk management and decision-making.

Stress Testing

The Bank continuously improves its stress testing working mechanism, optimizes scenario settings, upgrades model methods, strengthens data governance, and reinforces system support, thereby establishing a stress testing system that covers all of the on-and off-balance sheet assets, key risk categories, and specific asset portfolios across the Bank. The Bank employs a combination of methods such as statistical analysis, reference to historical scenarios and expert assessment to scientifically set stress scenarios of economic conditions, market fluctuations, or stress events of varying severity, reasonably reflecting the current trends and potential developments of the

macroeconomic and financial environments. In terms of stress testing methodologies, the Bank flexibly selects scenario analysis, sensitivity analysis, and reverse stress testing, based on different risk categories, testing subjects, and analytical objectives, and leverages statistical modeling techniques to estimate the impact of stress scenarios on asset quality, profit and loss, RWA, capital, and liquidity.

The Bank continuously promotes the application of stress testing in key areas, including strategic decision-making, business planning, risk appetite setting, internal capital adequacy and liquidity assessments, as well as the implementation of risk mitigation measures and contingency plans. Stress testing is gradually becoming an important strategic analysis and risk management tool, effectively boosting the foresight and proactivity of risk management and enhancing the capabilities of the Bank's risk management.

Risk Management Policies and Systems

The Bank has established a hierarchically clear, scientifically applicable and comprehensive risk management policy and system framework, encompassing basic policies and systems, management measures and regulations, operational procedures and implementation rules for risk management. This framework helps effectively identify, measure, assess, monitor, report, control, or mitigate the overall risks, thereby achieving coordinated management and control of the overall risk level.

Internal Capital Adequacy Assessment Method and Process

The overall framework of the Bank's Internal Capital Adequacy Assessment Process (ICAAP) primarily includes ICAAP governance, risk assessment, ICAAP stress testing, capital planning, internal capital adequacy assessment and reporting. In accordance with the *Rules on Capital Management of Commercial Banks*, the Bank has established an ICAAP mechanism that conforms to our characteristics, building and improving the governance structure and assessment framework of the internal capital adequacy assessment process. Based on a comprehensive risk assessment, the capital requirements of major risks are quantified and aggregated, and the matching of the capital and risk is further assessed through internal capital adequacy stress testing, establishing capital constraint to achieve the organic integration of risk, capital, and business. During the reporting period, the Bank continued to improve ICAAP by optimising risk assessment standards, enhancing stress testing sensitivity, strengthening the capital management reporting mechanism, completing the 2025 internal

capital adequacy assessment, and conducting special audits, thereby effectively enhancing capital and risk management across the Bank.

Capital Planning and Capital Adequacy Ratio Management Plan

In accordance with the *Rules on Capital Management of Commercial Banks*, the Bank formulated the capital planning and capital adequacy ratio management plan to ensure that the target capital level aligns with business development strategies, risk appetite, risk management levels, and external operating environments. During the reporting period, the Bank implemented *the Capital Plan for 2025-2027 of Agricultural Bank of China Limited* with good performance, meeting the target during the planning period and annual capital adequacy ratio management plan. The Bank optimised and improved the capital management mechanisms and systems, deepened the transmission and application of regulatory concepts, advanced intensive and refined capital management in a solid manner, with continued improvement in capital management effectiveness, which significantly enhances the strategic support capability for the Bank's high-quality development, with capital adequacy levels consistently meeting regulatory requirements.

2.4 OV1: Overview of risk-weighted assets

The Bank measured the capital adequacy ratios in accordance with the *Rules on Capital Management of Commercial Banks*, adopted the foundation internal ratings-based (IRB) approach for non-retail exposure and advanced IRB approach for retail exposure to measure credit RWA, standardised approach to measure credit RWA uncovered by IRB approach, and standardised measurement approach to measure market risk RWA, and standardised measurement approach to measure operational risk RWA.

In millions of RMB

		a	b	c
		RWA		Minimum capital requirements ¹
		31 December 2025	30 September 2025	31 December 2025
1	Credit risk	23,131,290	22,833,782	1,850,503
2	Credit risk (excluding counterparty credit risk, credit valuation adjustment risk, asset management products in banking book, and securitisation exposures in banking book)	23,043,889	22,747,914	1,843,511
3	Of which: standardised approach	8,110,782	8,081,072	648,862
4	Of which: risk exposures that arise during the clearing of securities, commodities, and foreign exchange transactions	-	-	-
5	Of which: amounts below the thresholds for deduction	430,084	418,991	34,407
6	Of which: foundation internal ratings-based approach	12,742,271	12,588,749	1,019,382
7	Of which: supervisory slotting approach	-	-	-
8	Of which: advanced internal ratings-based approach	2,190,836	2,078,093	175,267
9	Counterparty credit risk	34,206	36,551	2,736
10	Of which: standardised approach	34,206	36,551	2,736
11	Of which: current exposure method	-	-	-
12	Of which: other approaches	-	-	-
13	Credit valuation adjustments risk	8,218	8,698	657
14	Asset management products in banking book	42,070	37,484	3,366
15	Of which: look-through approach	5,859	3,992	469
16	Of which: mandate-based approach	35,892	33,364	2,871
17	Of which: 1250% risk weight applied	796	770	64
	Of which: leverage adjustment	(477)	(642)	(38)
18	Securitisation exposures in banking book ²	2,907	3,135	233

		a	b	c
		RWA		Minimum capital requirements ¹
		31 December 2025	30 September 2025	31 December 2025
19	Of which: securitisation internal ratings-based approach	-	-	-
20	Of which: securitisation external ratings-based approach	-	228	-
21	Of which: securitisation standardised approach	2,907	2,907	233
	Of which: 1250% risk weight applied	-	-	-
22	Market risk	178,926	149,472	14,314
23	Of which: standardised approach	178,926	149,472	14,314
24	Of which: internal model approach	-	-	-
25	Of which: simplified standardised approach	-	-	-
26	Capital requirement for switch between trading book and banking book	-	-	-
27	Operational risk	1,502,585	1,487,764	120,207
28	Additional adjustment due to application of capital floor	-	-	
29	Total	24,812,801	24,471,018	1,985,024

Notes: 1. Column c, minimum capital requirements: the required Pillar 1 capital at the end of the reporting period is equal to the amount of RWA multiplied by 8%.

2. Line 18, the RWA for securitisation exposures in banking book includes the balances of lines 19, 20, 21, "1250% risk weight applied", and the adjustments subject to regulatory cap. The adjustments subject to regulatory cap correspond to lines 19, 20, 21, and "1250% risk weight applied" according to the measurement method.

3. Composition of capital and TLAC

3.1 CCA: Main features of regulatory capital instruments and other TLAC eligible instruments

For the main features of relevant capital instruments on December 31, 2025, refer to: <http://www.abchina.com.cn/en/investor-relations/pillar3/InstrumentFeatures/>.

3.2 CC1: Composition of regulatory capital

In millions of RMB, except for percentages

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		31 December 2025	
Common Equity Tier 1 capital			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	523,409	d+e
2	Retained earnings	2,171,422	g+h+i
2a	Surplus reserve	330,750	g
2b	General reserve	570,105	h
2c	Retained profits	1,270,567	i
3	Accumulated other comprehensive income (and other reserves)	74,388	f
4	Common share capital issued by subsidiaries (amount allowed in group CET1)	-	j
5	Common Equity Tier 1 capital before regulatory adjustments	2,769,219	
Common Equity Tier 1 capital: regulatory adjustments			
6	Prudent valuation adjustments	-	
7	Goodwill (net of related tax liability)	9,540	c
8	Other intangibles other than land use rights (net of related tax liability)	11,186	a-b
9	Net deferred tax assets relying on future profitability and arising from operating losses	-	
10	Cash flow reserves formed by hedging items not measured at fair value	-	

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		31 December 2025	
11	Shortfall of provisions to expected losses	-	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets (net of related tax liability)	-	
15	Directly or indirectly held common stocks of this bank	-	
16	Cross-holdings in Common Equity Tier 1 capital between banks or between other financial institutions through agreements	-	
17	The amount to be deducted from non-significant minority investments in Common Equity Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
18	The amount to be deducted from significant minority investments in Common Equity Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
19	The amount to be deducted from other net deferred tax assets that rely on future profitability	-	
20	The amount to be deducted from the non-deducted portion of Common Equity Tier 1 capital in significant minority capital investments in unconsolidated financial institutions and other net deferred tax assets that rely on future profitability (amount exceeding the 15% threshold)	-	
21	Of which: significant minority investments in the Common Equity Tier 1 capital of financial entities	-	
22	Of which: net deferred tax assets rely on future profitability	-	
23	Total of other items that should be deducted from Common Equity Tier 1 capital	-	
24	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
25	Total regulatory adjustments to Common Equity Tier 1	20,726	
26	Common Equity Tier 1 capital, net	2,748,493	
Additional Tier 1 capital			
27	Directly issued qualifying additional Tier 1 instruments plus related stock surplus	470,000	
28	Of which: classified as equity	470,000	
29	Of which: classified as liabilities	-	
30	Additional Tier 1 instruments issued by subsidiaries (amount allowed in group AT1)	-	k
31	Additional Tier 1 capital before regulatory adjustments	470,000	

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		31 December 2025	
Additional Tier 1 capital: regulatory adjustments			
32	Directly or indirectly investment in own Additional Tier 1 instruments	-	
33	Cross-holdings in Additional Tier 1 capital between banks or between other financial institutions through agreements	-	
34	The amount to be deducted from non-significant minority investments in the Additional Tier 1 capital of banking financial and insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant minority investments in the Additional Tier 1 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	225	
36	Total of other items that should be deducted from the Additional Tier 1 capital	-	
37	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
38	Total regulatory adjustments to Additional Tier 1 capital	225	
39	Additional Tier 1 capital, net	469,775	
40	Tier 1 capital, net	3,218,268	
Tier 2 capital			
41	Directly issued qualifying Tier 2 instruments plus related stock surplus	694,944	
42	Tier 2 instruments issued by subsidiaries (amount allowed in group Tier 2)	-	
43	Excess loss provisions	535,616	
44	Tier 2 capital before regulatory adjustments	1,230,560	
Tier 2 capital: regulatory adjustments			
45	Directly or indirectly investment in own Tier 2 instruments	-	
46	Cross-holdings in Tier 2 capital and other TLAC liabilities between banks or between other financial institutions through agreements	-	
47	The amount to be deducted from non-significant minority investments in Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
47a	Deductible amount from TLAC liability in non-significant investment in unconsolidated financial institutions (applicable only to globally systemically important banks)	-	
48	The amount to be deducted from significant minority investments in Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	138	

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
			31 December 2025
48a	Deductible amount from TLAC liability in significant investments in unconsolidated financial institutions (applicable only to globally systemically important banks)	-	
49	Total other items that should be deducted from Tier 2 capital	-	
50	Total regulatory adjustments to Tier 2 capital	138	
51	Tier 2 capital, net	1,230,422	
52	Total regulatory capital, net	4,448,690	
53	Total risk-weighted assets	24,812,801	
Capital ratios and buffers			
54	CET 1 ratio	11.08%	
55	Tier 1 ratio	12.97%	
56	Total capital ratio	17.93%	
57	Institution-specific buffer requirement (%)	4.00%	
58	Of which: capital conservation buffer requirement	2.50%	
59	Of which: bank-specific countercyclical buffer requirement	0.00%	
60	Of which: bank G-SIB and/or D-SIB additional requirements	1.50%	
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements (%)	6.08%	
National minima			
62	National minimum Common Equity Tier 1 ratio	5.00%	
63	National minimum Tier 1 ratio	6.00%	
64	National minimum total capital ratio	8.00%	
Amounts below the thresholds for deduction			
65	Non-significant minority investments in the capital of other unconsolidated financial institutions	168,495	
65a	Non-significant investments in the capital and other TLAC liabilities of other unconsolidated financial institutions (applicable only to globally systemically important banks)	55,668	
66	Significant minority investments in the capital of other unconsolidated financial institutions	6,784	
67	Other net deferred tax assets relying on the profits of banks (net of deferred tax liability)	149,747	
Applicable caps on the inclusion of provisions in Tier 2			
68	Excess loss provisions accrued subject to standardised approach	172,500	

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		31 December 2025	
69	Excess loss provisions eligible for inclusion in Tier 2 capital under the standardised approach	101,100	
70	Excess loss provisions accrued subject to IRB approach	465,554	
71	Excess loss provisions eligible for inclusion in Tier 2 capital under the IRB approach	434,516	

3.3 CC2: Reconciliation of regulatory capital to balance sheet

The differences between the balance sheet under accounting consolidation and that under regulatory consolidation are shown in the table below.

<i>In millions of RMB</i>				
		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
31 December 2025				
Assets				
1	Cash and balances with central banks	2,801,985	2,801,985	
2	Deposits with banks and other financial institutions	456,883	436,335	
3	Precious metals	204,662	204,662	
4	Placements with and loans to banks and other financial institutions	548,381	548,381	
5	Derivative financial assets	33,515	33,515	
6	Financial assets held under resale agreements	1,564,991	1,563,143	
7	Loans and advances to customers	26,178,354	26,178,354	
8	Financial investments	16,321,315	16,111,973	
9	Financial assets at fair value through profit or loss	556,994	500,953	
10	Debt instrument investments at amortized cost	11,799,270	11,782,563	
11	Other debt instrument and other equity investments at fair value through other comprehensive income	3,965,051	3,828,457	
12	Investment in associates and joint ventures	19,820	22,649	
13	Property and equipment	148,157	147,415	
14	Construction in progress	8,357	8,355	
15	Intangible assets	28,853	28,582	a
	Of which: Land use rights	17,396	17,396	b
16	Goodwill	10,921	9,540	c
17	Deferred tax assets	150,040	150,037	
18	Other assets	308,440	317,096	
19	Total assets	48,784,674	48,562,022	
Liabilities				
20	Borrowings from central banks	1,127,471	1,127,471	
21	Deposits from banks and other financial institutions	6,037,759	6,049,759	

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
31 December 2025				
22	Placements from banks and other financial institutions	351,561	351,561	
23	Financial liabilities at fair value through profit or loss	33,509	33,509	
24	Derivative financial liabilities	45,044	45,044	
25	Financial assets sold under repurchase agreements	1,453,842	1,441,128	
26	Due to customers	32,649,947	32,649,947	
27	Staff costs payable	94,646	94,253	
28	Taxes payable	11,354	11,342	
29	Dividends payable	18,433	18,433	
30	Provisions	25,528	25,528	
31	Debt securities issued	3,263,887	3,260,246	
32	Deferred tax liabilities	1,458	290	
33	Other liabilities	426,864	211,957	
34	Total liabilities	45,541,303	45,320,468	
Equity				
35	Ordinary shares	349,983	349,983	d
36	Other equity instruments	470,000	470,000	
37	Of which: Preference shares	80,000	80,000	
38	Perpetual bonds	390,000	390,000	
39	Capital reserve	173,426	173,426	e
40	Other comprehensive income	69,956	74,388	f
41	Surplus reserve	330,932	330,750	g
42	General reserve	570,282	570,105	h
43	Retained profits	1,272,603	1,270,567	i
44	Non-controlling interests	6,189	2,335	
	Of which: Amounts includable in Common Equity Tier 1 capital	-	-	j
	Of which: Amounts includable in Additional Tier 1 capital	-	-	k
45	Total equity	3,243,371	3,241,554	

In accordance with regulatory requirements, compared with the scope of financial consolidation, the scope of regulatory consolidation does not include controlling insurance subsidiaries and commercial and industrial enterprises, and the major differences in insurance subsidiaries are as follows:

Company name	Business type	Included in financial consolidation or not	Included in regulatory consolidation or not
ABC Life Insurance Co., Ltd.	Insurance	Yes	No

Notes: For details of ABC Life Insurance Co., Ltd., please refer to the 2025 Annual Report of Agricultural Bank of China Limited.

3.4 TLAC1: TLAC composition for G-SIBs (at resolution group level)

In millions of RMB, except for percentages

		a
		Amounts
		31 December 2025
Regulatory capital elements of TLAC and adjustments		
1	Common Equity Tier 1 capital (CET1)	2,748,493
2	Additional Tier 1 capital (AT1) before TLAC adjustments	469,775
3	Deduction items of TLAC (if applicable)	-
4	AT1 instruments eligible under the TLAC framework	469,775
5	Tier 2 capital before TLAC adjustments	1,230,422
6	Amortised portion of Tier 2 instruments where remaining maturity > 1 year	-
7	Deduction items of TLAC (if applicable)	-
8	Tier 2 instruments eligible under the TLAC framework	1,230,422
9	TLAC arising from regulatory capital	4,448,690
Non-regulatory capital elements of TLAC		
10	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	149,992
11	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	
12	Of which: amount eligible as TLAC after application of the caps	
13	Eligible ex ante commitments to recapitalise a G-SIB in resolution	620,320
14	TLAC arising from non-regulatory capital instruments before adjustments	770,312
Non-regulatory capital elements of TLAC: adjustments		
15	TLAC before deductions	5,219,002
16	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)	N/A
17	Deduction of investments in own other TLAC liabilities	-
18	Other adjustments to TLAC	-
19	TLAC after deductions	5,219,002
Risk-weighted assets and adjusted on- and off-balance sheet assets for TLAC purposes		
20	Total risk-weighted assets adjusted as permitted under the TLAC regime	24,812,801
21	Adjusted on- and off-balance sheet assets	51,220,819
TLAC ratios and buffers		
22	TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	21.03%
23	TLAC (as a percentage of adjusted on- and off-balance sheet assets)	10.19%
24	CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	5.03%
25	Institution-specific buffer requirement (%)	4.00%

		a
		Amounts
26	Of which: capital conservation buffer requirement	2.50%
27	Of which: bank specific countercyclical buffer requirement	0.00%
28	Of which: higher loss absorbency requirement	1.50%

3.5 TLAC2: Material subgroup entity – creditor ranking at legal entity level

The Group currently has no material subgroup entity that has issued internal TLAC instruments.

3.6 TLAC3: Resolution entity – creditor ranking at legal entity level

In millions of RMB

		31 December 2025					
		Creditor ranking					Sum Of 1 to 5
		1	2	3	4	5	
		(most junior)				(most senior)	
1	Description of creditor ranking (free text)	Ordinary shares	Preference shares	Undated Capital Bonds	Tier 2 capital bonds	TLAC non-capital bonds	
2	Total capital and liabilities net of credit risk mitigation	523,340	79,899	389,988	694,944	149,992	1,838,163
3	Subset of row 2 that are excluded liabilities	-	-	-	-	-	-
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)	523,340	79,899	389,988	694,944	149,992	1,838,163
5	Subset of row 4 that are potentially eligible as TLAC	523,340	79,899	389,988	694,944	149,992	1,838,163
6	Subset of row 5 with 1 year $\leq$ residual maturity < 2 years	-	-	-	-	-	-
7	Subset of row 5 with 2 years $\leq$ residual maturity < 5 years	-	-	-	-	103,995	103,995
8	Subset of row 5 with 5 years $\leq$ residual maturity < 10 years	-	-	-	431,964	15,999	447,963
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	262,980	29,998	292,978
10	Subset of row 5 that is perpetual securities	523,340	79,899	389,988	-	-	993,227

4. Linkages between financial statements and regulatory exposures

4.1 LIA: Explanations of differences between accounting and regulatory exposure amounts

In accordance with regulatory requirements, compared with the scope of financial consolidation, the scope of regulatory consolidation does not include controlling insurance subsidiaries and commercial and industrial enterprises. The main differences between the Bank's regulatory risk exposure values and the carrying values in the financial statements mainly include those caused by off-balance sheet items and impairment provisions.

Valuation System

In accordance with accounting standards and relevant regulatory requirements, for financial instruments with active markets, the Bank uses market prices as the best basis for their fair value determination. For financial instruments without market prices, the Bank uses discounted values or other valuation formulas to determine their valuation of financial instruments based on available market data (such as interest rates, exchange rates, and volatilities). The Bank has standardised the responsibilities, internal controls and methodological processes of accounting valuations, establishing an effective governance structure and control procedures to ensure the objectivity, accuracy, and consistency of valuations. The Bank has established a multi-level accounting valuation price verification system, acquiring the market data needed for valuation and verifying the valuation parameters such as the market data. The Bank uses cross-platform valuation robots to scan market data, identify anomalies, and issue alerts. A valuation fluctuation monitoring mechanism classified by accounting categories is established to logically validate valuation results, trace and verify the completeness and accuracy of prices. On key reporting dates, the integrity and accuracy of prices are verified based on the cross-checking by the valuation robots, with a focus on abnormal valuation fluctuations.

Insurance Subsidiary Information

In accordance with the *Rules on Capital Management of Commercial Banks*, insurance companies are not included in the scope of regulatory consolidation. In calculating the consolidated capital adequacy ratio, the Bank deducts its equity investment in insurance companies in accordance with applicable regulatory requirements. Any undeducted portion is treated as equity investment in insurance subsidiaries in the calculation of credit risk-weighted assets. The surplus reserve of

insurance subsidiaries is not included in the Bank's calculation of the consolidated capital adequacy ratio.

5. Remuneration

5.1 REMA: Remuneration policy

Nomination and Remuneration Committee under the Board of Directors

At the end of 2025, the Bank's Nomination and Remuneration Committee under the Board of Directors was composed of eight directors, including Executive Director Mr. WANG Zhiheng, Non-executive Directors Ms. ZHOU Ji, Mr. LI Wei, and Independent Non-executive Directors Mr. JU Jiandong, Mr. WU Liansheng, Mr. WANG Changyun, Ms. ZHUANG Yumin, and Mr. ZHANG Qi. Mr. JU Jiandong is the Chairman of the Nomination and Remuneration Committee under the Board of Directors.

The primary duties of the Nomination and Remuneration Committee are to formulate selection and appointment standards and review procedures of the Bank's relevant directors, chairman and members of relevant special committees under the Board of Directors and the Senior Management members, and submit them to the Board of Directors for decision; conduct preliminary reviews and make recommendations to the Board of Directors on the qualifications and conditions of relevant directors, the President, the Board Secretary, and the Vice President, as well as other Senior Management members nominated by the President; make recommendations to the Board of Directors on the relevant candidates for directors and the President; make recommendations to the Board of Directors on the removal of relevant directors and the dismissal of Senior Management personnel; and nominate the chairman and members of other relevant special committees under the Board of Directors; listen to reports on the training plans for the Senior Management members and key backup talent; propose remuneration distribution plans based on the performance assessments of directors and the Senior Management members, and submit such plans to the Board of Directors for review; review the policies and basic management systems of human resources and remuneration submitted by the Senior Management, and submit them to the Board of Directors for decision and oversee the implementation of relevant policies and basic management systems; address other matters as stipulated by laws, administrative regulations, departmental rules, and the regulations of the securities regulatory authority where the Bank's shares are listed, as well as authorized by the Board of Directors.

In 2025, the Nomination and Remuneration Committee under the Board of Directors held 7 meetings.

Determination and Distribution of Remuneration

The Bank formulates and adjusts the remuneration policy in strict accordance with relevant laws and regulations, regulatory requirements, and requirements under the corporate governance of the Bank. In order to attract, retain and incentivise employees, the Bank implements a position-based wage system on the principles that the salary and bonus are determined based on positions, capabilities and performance and vary with positions, continuously improves the remuneration system in line with the operational and management needs of a modern commercial bank. The employee remuneration policy applies to all contract employees of the Bank, whereby the employees' pay levels are determined based on such factors as position value, short-term and long-term performance.

The Bank reasonably determines the remuneration of employees of risk and compliance departments. The remuneration standard is linked with such factors as employees' personal ability, performance appraisal, without direct relation to their supervisory businesses in order to maintain independence.

Remuneration and Risks

The Bank establishes a sound remuneration distribution mechanism that reflects both current performance and covers responsibilities for long-term risk. The Bank established a performance-based salary deferred payment and recall system for employees who assume responsibilities for material risks and have a material impact on the Bank's risk profile. Having considered the actual performance and time-lag risks, part of the payment would be made after expiry of the deferred payment period, thereby linking the employees' current and long-term responsibilities and contributions with the development and time-lag risk of the Bank. If significant losses of risk exposures are incurred within their sphere of responsibility during their employment, the Bank can recall part or all of performance-related remuneration paid in relevant period and stop further payments.

Remuneration and Performance

In compliance with the requirements by national authorities, the Bank establishes a remuneration system based on the performance of the Bank and the performance appraisal, among others. According to the remuneration management system, the remuneration of the Bank's institutions is associated with the operating results of the institutions, the appraisal results and other factors, and the remuneration of employees is associated with factors such as performance appraisal results of the

institutions and individuals. The performance appraisal of the Bank includes the assessment on the performance indicator, risk indicator and other indicators of sustainable development, reflecting long-term performance and risk profile in aggregate. According to the performance appraisal results, the Bank adjusts the pay level by means of salary distribution, deferred payment and other forms.

Variable Remuneration

The Bank's variable remuneration primarily comprises of performance-based pay (including deferred payment, etc.), which is paid in cash. Variable remuneration is allocated based on factors including the current and long-term contributions of employees and risk profile. If a cut of a performance-based pay, deferred payment and the like is applicable under relevant rules and stipulations, the variable remuneration shall be adjusted accordingly.

6. Credit risk

6.1 CRA: General qualitative information about credit risk

Credit Risk Management Framework

Credit risk refers to the risk of loss to the Bank as a result of a debtor's (or counterparty's) default or a reduction in its credit rating or performance capability. The Bank's credit risk mainly lies in the loan portfolio, investment portfolio, guarantee business and various other on- and off-balance sheet credit risk exposures. The Bank has established processes for the identification, measurement, monitoring, reporting, control, and mitigation of credit risk to achieve effective credit risk management. The Bank's objectives of credit risk management are to adhere to its risk appetite, and assume appropriate level of credit risk and earn returns commensurate with respective risks assumed based on the requirements of balancing capital, risk, and return, as well as lower and control the loss for risk as a result of the default of obligator or counterparty, or the downgrading of credit ratings or the weakening of contractual capability.

The Bank authorises the branches to conduct business and delegation according to the risk management capability of the branches, and all businesses undertaking credit risk shall be conducted in accordance with procedures and permissions. The Bank designs and implements the credit business process based on credit scale, complexity and risk characteristics on the basic principles of "separation of the checking process with the actual lending, restriction of authority, symmetry of right and responsibility, clearness and high-efficiency". The Bank establishes a hierarchical management system. The Bank determines the customer managing bank based on customer marketing maintenance and requirements of risk management. The customer department of the customer management bank conducts daily management of customers. Credit management departments and risk management departments at all levels supervise and control customer risks, oversee the post-lending management of business departments, until the loan recovers. If loans or other assets become non-performing, the risk asset disposal department manages the disposal of such non-performing assets using various methods and in accordance with prescribed procedures and authorities.

Policies and Limits of Credit Risk Management

The Bank has gradually established a sound credit risk management policy system, based on the

needs of business development and comprehensive risk management, including credit risk management measures of credit reviewing and approval, limit management, internal rating, credit authority, credit management, collateral management, post-lending management, risk classification, disposal and write-offs, etc. to make sure each risk management activity complying with regulations. The Bank continuously clarifies and perfects the specific management measures and operation procedures of each business, product, customer operation and other matters for each department and business line, ensuring that the credit risk management policy system is comprehensively implemented.

Based on factors such as national macroeconomic and industry policies, regulatory requirements, the Bank's operational strategy and risk appetite, the Bank has established a "three-in-one policy" system, which includes annual credit policy guidelines, industry-specific credit policies and regional credit policies, clearly defining the credit risk management strategy. The Bank has also established a credit risk limit management system, including industry-specific credit limit management.

Organisational Structure of Credit Risk Management

The structure of our credit risk management mainly comprises the Board of Directors and its Risk Management and Consumers' Interests Protection Committee, the Senior Management and its Risk Management and Internal Control Committee, Credit Approval Committee, Asset Disposal Committee, as well as the Credit Management Department, Credit Approval Department, Risk Asset Disposal Department, Risk Management Department, Internal Control and Compliance Supervision Department, Audit Department, and various front offices.

Relationship Between Credit Risk Management, Risk Control, Compliance and Internal Audit Department

The Bank has established "three lines of defense" in credit risk management. The departments that assume credit risks, such as the Financial Market Department, Corporate Banking Department, Investment Banking Department, Inclusive Finance Division, Big Client Department, Institutional Banking Department, Retail Loan Department, Private Banking Department, County Area Policy and Business Innovation Department, County Area Corporate Banking Department, Rural Households Banking Department, International Banking Department, Internet Banking Department, Risk Asset Disposal Department and Credit Card Centre, are the "first line of defense" in credit risk management, responsible for managing credit risks within their respective lines of business. The

Credit Management Department, Risk Management Department, Credit Approval Department, Internal Control and Compliance Supervision Department and others form the "second line of defense", guiding and supervising the credit risk management activities of the first line of defense. The Internal Audit Department is the "third line of defense", supervising and evaluating the adequacy and effectiveness of credit risk management of the first and second lines of defense.

Credit Risk Reporting

In line with comprehensive risk management needs, credit risk analysis reports are prepared regularly, incorporated into the comprehensive risk management report, and submitted to the Board of Directors and Senior Management in accordance with relevant requirements. The Bank has established a mechanism for reporting significant credit risk information related to corporate customers, requiring all tier-1 branches and subsidiaries with operations to report major credit risk information for large corporate customers within their jurisdiction to the Head Office in a timely manner, and to report to the Senior Management when necessary.

6.2 CR5-2: Standardised approach – Credit risk exposure and credit conversion factor (categorized by risk weight)

In millions of RMB, except for coefficients

	Risk weight	a	b	c	d
		31 December 2025			
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF	Exposure (post-CCF and post-CRM)
1	Less than 40%	18,156,722	184,680	59.96%	18,227,190
2	40-70%	1,210,425	529,636	95.12%	1,706,617
3	75%	3,312,035	763,315	11.53%	3,297,091
4	85%	60,489	35,778	43.16%	72,678
5	90-100%	1,784,710	729,620	51.40%	2,060,082
6	105-130%	16,031	49,633	1.05%	15,743
7	150%	22,199	1,641	18.59%	22,132
8	250%	311,130	-	-	311,130
9	400%	3,969	-	-	3,969
10	1250%	24,829	-	-	24,829
11	Total exposures	24,902,539	2,294,303	47.68%	25,741,461

6.3 CRE: Qualitative disclosures related to IRB models

Model Management System

The Bank has established and continuously improved the model management mechanism and processes, ensuring that model development, validation and auditing are independent from each other. The Senior Management is responsible for approving internal rating models. The Risk Management Department's model development unit is responsible for the development, monitoring and optimisation of internal rating models, and an independent model validation unit is established to validate the models. The customer and business departments use the models for ratings and apply the model results to business management. The information management departments and technology departments provide data and technical support for model implementation. The audit departments are responsible for auditing the models and reporting to the Board of Directors.

Model Reporting

The Bank continuously monitors the operation of the internal rating system and reports to the Senior Management, conducting regular internal rating system validations and reporting to the Board of Directors. Relevant reports include governance of ratings, rating distributions and migrations, rating processes and overrides, as well as the risk differentiation capability, accuracy, and stability of rating models, etc..

Foundation IRB Models

In 2014, the Bank received approval from the former CBRC to implement the non-retail foundation internal ratings-based approach at the Head Office and domestic branch levels, covering corporate risk exposures and financial institutions risk exposures. The regulatory authority approved a total of 31 probability of default (PD) models for the Bank, including 26 corporate rating models and 5 financial institutions rating models.

The Bank's non-retail PD model is used to measure the probability of default on the Bank's debt by non-retail customers within the next year. The model is based on years of default data, fully reflecting long-term and cross-cycle characteristics. It employs statistical methods commonly used in the industry, such as logistic regression, and categorises different models based on customer risk characteristics and industry attributes. The model comprehensively considers both systemic risk factors and individual risk factors, with different models selecting different indicators to reflect the default risk characteristics of customers. For low-default portfolios such as financial institutions, the

Bank adopts the external benchmark method to establish PD models. The Bank's non-retail PD strictly adheres to regulatory minimum requirements.

Advanced IRB Models

In 2014, the Bank received approval from the former CBRC to implement the retail advanced internal rating method at the Head Office and domestic branch levels by constructing risk pools to estimate PD, loss given default(LGD) and exposure at default(EAD), covering residential mortgage exposures, retail qualifying revolving and other retail exposures. The regulatory authority approved the Bank's 7 risk pool models, including 3 PD models, 3 LGD models and 1 credit conversion factor model.

The Bank's PD model is used to predict the likelihood of default on retail loans within the next year, categorised by loan type, aging, rating, and other risk characteristics. Based on years of data, the PD fully reflects the effects of risk maturity and cross-cycle characteristics. The LGD model predicts the extent of losses due to retail loan defaults, categorised by loan type, collateral status and other risk characteristics. The LGD is based on the corresponding collection periods for different loan types and considers adjustments for economic downturn periods. The credit conversion factor model is used to predict the expected drawdown ratio when off-balance sheet portions of revolving retail loans default, allowing for the measurement of exposure at default (EAD). The credit conversion factor model pools categorised by credit utilization, repayment behavior, and other risk characteristics. The Bank's retail risk parameters strictly adhere to regulatory minimum requirements.

The Bank continuously strengthens internal rating management and governance of underlying data, standardises model usage, and rigorously follows rating processes to enhance the prudence of rating results, ensuring that the PD represented by ratings are higher than the actual default rates. The Bank strengthens rating monitoring, continuously improving the sensitivity of ratings and the timeliness of default recognition. Through these measures, the internal rating system of the Bank operates smoothly, with high model differentiation capability, good accuracy and stability.

At the end of 2025, for the Bank, the proportion of EAD covered by non-retail foundation IRB approach to the total EAD was 37.31%, and the proportion of credit RWA measured by non-retail foundation IRB approach to the total credit RWA was 55.30%; the proportion of EAD covered by retail advanced IRB approach to the total EAD was 13.03%, and the proportion of credit RWA measured by retail advanced IRB approach to the total credit RWA was 9.51%.

6.4 CR6: IRB – Credit risk exposures by portfolio and probability of default range

As of December 31, 2025, the risk exposures covered by foundation IRB by interval of PD are shown in the table below.

In millions of RMB, except for coefficients, number of obligors, and maturity

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	31 December 2025											
	Original on-balance sheet gross exposure	Off-balance sheet exposures (pre-CCF)	Average CCF	EAD post CRM and post-CCF	Average PD (EAD Weighted)	Number of obligors	Average LGD	Average maturity (year)	RWA	RWA density	EL	Provisions
Risk exposure category Financial institutions												
[0.00,0.15)	3,330,078	42,031	39.63%	3,346,734	0.07%	256	46.55%	2.30	1,025,841	30.65%	1,051	
[0.15,0.25)	32,908	140	40.00%	32,964	0.24%	9	45.27%	0.97	11,867	36.00%	36	
[0.25,0.50)	220,509	7,173	51.64%	224,213	0.36%	46	45.02%	1.69	137,266	61.22%	363	
[0.50,0.75)	453,993	26,606	28.20%	461,497	0.63%	128	44.47%	1.18	336,790	72.98%	1,295	
[0.75,2.50)	215,359	25,396	18.67%	220,099	1.02%	152	44.17%	1.32	204,660	92.99%	976	
[2.50,10.00)	5,146	448	38.88%	5,321	4.61%	20	45.00%	2.09	7,075	132.98%	73	
[10.00,100.00)	105	-	-	105	15.72%	1	45.00%	2.50	282	268.63%	8	
100(default)	365	-	-	365	100.00%	1	45.00%	2.50	-	-	281	
Sub-total	4,258,463	101,794	32.26%	4,291,298	0.21%	613	46.11%	2.09	1,723,781	40.17%	4,083	28,428
Risk exposure category Corporate												
[0.00,0.15)	1,991,341	511,328	16.83%	2,077,387	0.09%	749	39.90%	2.50	507,507	24.43%	726	
[0.15,0.25)	451,294	145,782	32.26%	498,316	0.24%	179	39.83%	2.50	222,640	44.68%	480	
[0.25,0.50)	894,190	383,631	37.13%	1,036,642	0.39%	913	39.54%	2.50	574,605	55.43%	1,578	
[0.50,0.75)	1,955,746	1,056,483	28.88%	2,260,858	0.63%	6,954	38.23%	2.50	1,499,688	66.33%	5,680	

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	31 December 2025											
	Original on-balance sheet gross exposure	Off-balance sheet exposures (pre-CCF)	Average CCF	EAD post CRM and post-CCF	Average PD (EAD Weighted)	Number of obligors	Average LGD	Average maturity (year)	RWA	RWA density	EL	Provisions
[0.75,2.50)	6,064,193	2,690,549	26.23%	6,769,956	1.55%	32,697	37.69%	2.50	5,784,595	85.45%	39,586	
[2.50,10.00)	1,911,591	537,699	34.35%	2,096,264	4.51%	31,728	35.78%	2.50	2,203,504	105.12%	32,672	
[10.00,100.00)	126,987	26,537	83.99%	149,274	31.17%	2,714	32.09%	2.50	195,957	131.27%	15,962	
100(default)	159,127	2,706	33.39%	160,030	100.00%	1,207	36.33%	2.50	29,994	18.74%	111,982	
Sub-total	13,554,469	5,354,715	27.91%	15,048,727	2.84%	77,141	37.94%	2.50	11,018,490	73.22%	208,666	589,101
Of which:												
Risk exposure category Corporate – Specialised Lending												
[0.00,0.15)	174,929	34,066	2.76%	175,869	0.10%	103	39.94%	2.50	47,619	27.08%	73	
[0.15,0.25)	30,287	18,009	7.98%	31,724	0.24%	21	40.00%	2.50	14,291	45.05%	31	
[0.25,0.50)	236,396	84,555	3.53%	239,382	0.40%	167	39.96%	2.50	137,361	57.38%	379	
[0.50,0.75)	774,335	366,472	3.24%	786,204	0.63%	1,422	39.85%	2.50	548,227	69.73%	1,938	
[0.75,2.50)	990,877	585,668	2.44%	1,005,157	1.43%	2,876	39.09%	2.50	903,408	89.88%	5,591	
[2.50,10.00)	141,653	58,132	2.80%	143,280	4.09%	733	38.89%	2.50	173,173	120.86%	2,384	
[10.00,100.00)	13,112	413	1.45%	13,118	24.64%	38	36.33%	2.50	17,562	133.88%	2,028	
100(default)	10,924	688	41.54%	11,210	100.00%	39	35.12%	2.50	1,178	10.51%	7,986	
Sub-total	2,372,513	1,148,003	2.91%	2,405,944	1.70%	5,399	39.45%	2.50	1,842,819	76.59%	20,410	80,571
Total (all exposures)	17,812,932	5,456,509	27.99%	19,340,025	2.26%	77,754	39.75%	2.41	12,742,271	65.89%	212,749	617,529

As of December 31, 2025, the risk exposures covered by advanced IRB by PD interval are shown in the table below.

In millions of RMB, except for coefficients, number of obligors, and maturity

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	31 December 2025											
	Original on-balance sheet gross exposure	Off-balance sheet exposures (pre-CCF)	Average CCF	EAD post CRM and post-CCF	Average PD (EAD Weighted)	Number of obligors ¹	Average LGD	Average maturity (year)	RWA	RWA density	EL	Provisions
Risk exposure category Retail – Residential mortgage exposures												
[0.00,0.15)	-	-	-	-	-	-	-	-	-	-	-	
[0.15,0.25)	14,445	71	10.00%	14,453	0.19%	33,614	21.95%	-	1,275	8.82%	6	
[0.25,0.50)	3,174,142	532	25.02%	3,174,273	0.40%	7,599,425	24.97%	-	552,233	17.40%	3,194	
[0.50,0.75)	870,331	26	14.08%	870,335	0.50%	1,430,649	27.89%	-	197,843	22.73%	1,221	
[0.75,2.50)	479,249	14,686	13.09%	481,171	1.03%	1,473,934	25.44%	-	163,502	33.98%	1,274	
[2.50,10.00)	124,419	303	24.60%	124,494	5.21%	310,246	25.62%	-	110,422	88.70%	1,671	
[10.00,100.00)	100,370	5	32.72%	100,372	39.50%	236,058	26.10%	-	131,795	131.31%	10,472	
100(default)	43,799	4	23.16%	43,800	100.00%	94,961	43.41%	-	55,658	127.07%	19,016	
Sub-total	4,806,755	15,627	13.71%	4,808,898	2.33%	11,178,887	25.74%	-	1,212,728	25.22%	36,854	112,162
Risk exposure category Retail–qualifying revolving (QRRE)												
[0.00,0.15)	27,446	464,170	39.21%	209,453	0.10%	62,327,008	65.52%	-	8,606	4.11%	137	
[0.15,0.25)	17,756	123,027	45.92%	74,253	0.15%	6,307,032	69.60%	-	4,535	6.11%	78	
[0.25,0.50)	22,421	101,500	54.82%	78,060	0.34%	6,739,211	71.39%	-	9,507	12.18%	190	
[0.50,0.75)	36,868	115,825	64.13%	111,144	0.70%	7,176,596	75.23%	-	25,372	22.83%	587	
[0.75,2.50)	81,401	107,163	66.85%	153,037	1.79%	7,971,641	80.53%	-	75,586	49.39%	2,221	
[2.50,10.00)	46,663	17,470	66.95%	58,358	5.60%	3,889,959	85.09%	-	66,682	114.26%	2,790	
[10.00,100.00)	17,767	3,766	61.20%	20,073	34.09%	1,479,169	82.81%	-	37,392	186.28%	5,461	
100(default)	5,872	-	-	5,872	100.00%	279,857	86.26%	-	5,563	94.75%	5,065	

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale (%)	31 December 2025											
	Original on-balance sheet gross exposure	Off-balance sheet exposures (pre-CCF)	Average CCF	EAD post CRM and post-CCF	Average PD (EAD Weighted)	Number of obligors ¹	Average LGD	Average maturity (year)	RWA	RWA density	EL	Provisions
Sub-total	256,194	932,921	48.67%	710,250	2.83%	96,170,473	73.61%	-	233,243	32.84%	16,529	22,594
Risk exposure category Retail—Other retail exposures												
[0.00,0.15)	-	-	-	-	-	-	-	-	-	-	-	
[0.15,0.25)	-	-	-	-	-	-	-	-	-	-	-	
[0.25,0.50)	97,029	141,184	10.24%	111,493	0.34%	1,992,643	48.52%	-	30,953	27.76%	185	
[0.50,0.75)	46,093	161	13.58%	46,115	0.52%	212,369	34.46%	-	12,186	26.43%	83	
[0.75,2.50)	822,253	231,677	10.70%	847,036	1.33%	6,347,199	50.02%	-	487,047	57.50%	5,707	
[2.50,10.00)	201,118	22,171	12.14%	203,809	4.29%	293,315	52.28%	-	160,682	78.84%	4,571	
[10.00,100.00)	10,510	130	12.19%	10,526	36.80%	62,502	49.70%	-	10,770	102.32%	1,949	
100(default)	18,479	274	12.09%	18,512	100.00%	125,251	57.05%	-	43,227	233.51%	10,561	
Sub-total	1,195,482	395,597	10.62%	1,237,491	3.48%	9,033,279	49.78%	-	744,865	60.19%	23,056	33,193
Total (all exposures)	6,258,431	1,344,145	37.07%	6,756,639	2.59%	116,382,639	35.18%	-	2,190,836	32.42%	76,439	167,949

Note: 1. Column f, retail risk exposure is disclosed on the basis of the number of debts.

7. Counterparty credit risk

7.1 CCRA: Qualitative disclosure related to counterparty credit risk

The Bank adopts the standardised approach to measure exposure at default (EAD) of counterparty credit risk; measures the counterparty credit risk-weighted assets covered by the non-retail foundation internal ratings-based approach based on self-estimated PD and regulatory given LGD, among other parameters. The standardised approach is used to measure counterparty credit risk-weighted assets for portions not covered by the IRB approach. The Bank takes into account counterparty credit risk and central counterparty credit risk in the allocation of economic capital limits.

The Bank mainly accepts such collaterals as financial collaterals, accounts receivables, commercial and residential properties, other collaterals, and regularly updates catalogues of acceptable collaterals. The Bank tightens collateral risk control through such measures as tougher collateral access, prudent assessment on the value of collateral, improved competence of collateral management personnel and implementation of the accountability for collateral reassessment. The types of guarantors of the Bank are primarily corporates, other organizations or natural persons that have full civil capacity and the ability to pay off debts. The Bank continues to strengthen the management of its guarantor through enhancing guarantor access management and management policies for financing guarantee companies, etc. During the reporting period, the Bank, in accordance with regulatory requirements, continued to improve the policy and system framework for guarantee management, optimized business processes, enhanced collateral value assessment management, and improved the functionality of the guarantee management system.

The Bank conducts all derivative transactions under the framework of the International Swaps and Derivatives Association (ISDA) agreement and the National Association of Financial Market Institutional Investors (NAFMII) agreement for financial derivatives trading; securities financing transactions are conducted under the framework of the Global Master Repurchase Agreement (GMRA) and the China Interbank Market Bond Repurchase Trading Agreement. The Bank strictly implements counterparty admission management and risk assessment. For collateral management under derivative and repurchase transactions, the Bank adjusts collateral delivery thresholds, delivery frequency, and improves collateral quality based on the counterparty's credit rating through agreement terms and other methods to manage associated credit risks.

Wrong-way Risk refers to a situation where the probability of default of the same counterparty is

positively correlated with the risk exposure. It includes general wrong-way risk and specific wrong-way risk. General wrong-way risk occurs when the probability of default of a counterparty is positively correlated with general market risk factors (such as interest rates, exchange rates and commodities, etc.). Specific wrong-way risk occurs when the risk exposure of a specific counterparty is positively correlated with its probability of default.

The Bank currently sets reasonable counterparty admission standards and continuously monitors changes in the mark-to-market value of trades, effectively controlling the risk associated with counterparty defaults.

When the Bank's credit rating is downgraded, whether additional collateral needs to be provided to the counterparty is determined based on the terms of the signed agreement.

7.2 CCR1: Analysis of counterparty credit risk exposure by approach

In millions of RMB, except for coefficients

		a	b	c	d	e	f
		31 December 2025					
		Replacement cost (RC)	Potential future exposure (PFE)	Add-on factor of potential future exposure (Add-on)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	Standardised approach for counterparty credit risk (for derivatives)	17,730	65,210		1.4	116,116	30,416
2	Current Exposure Method (for derivatives)	-		-	1	-	-
3	Securities Financing Tradings					1,472,097	450
4	Total					1,588,213	30,866

8. Securitisation

8.1 SECA: Qualitative disclosure requirements related to securitisation exposures

Overview of Securitisation Business

Securitisation refers to the process that the originator packages its assets that are expected to generate cash flows in the future, and transfers the assets to a special purpose vehicle (SPV). The SPV then issues securities with different payment priorities and credit ratings, supported by the future cash flows of the underlying assets.

The Bank mainly participates in securitisation business as the originator, loan servicer and investor. As the originator, the Bank participates in the selection of underlying assets, the design of transaction structures, road-show activities, among others. As the loan servicer, the Bank provides services including post-lending management, the collection of principals and interests, fund transfer and information disclosure for the underlying assets.

Main Objectives of Securitisation Business

As the originator and loan servicer for securitisation, the Bank proactively adjusts the asset and liability structure, enriches risk management tools, promotes business transformation and mobilises non-performing assets. On the legal entity basis, the main risk undertaken by the Bank as the originator is the potential loss of its retained positions. Apart from the risk above, all other risks have been fully transferred to other entities through securitisation. In 2025, the Bank originated 10 securitisation businesses for credit assets, and all underlying assets in these businesses have been derecognised (removed from the balance sheet) on the legal entity basis. As of the end of 2025, securitisations originated by the Bank and still in their duration, had no early amortization.

As an investor in the assets-backed securities (ABS) market, the Bank obtains investment returns through purchasing and holding assets-backed securities, and bears relevant credit risk, market risk and liquidity risk. The investment amount is determined with reference to the annual investment strategy and risk and returns.

Accounting Policies

In the normal course of business, the Bank enters into securitisation transactions by selling credit assets to special purpose trust which issue asset-backed securities to investors.

The Bank may retain partial risks and returns in its transferred credit assets as it may hold a portion of subordinated tranches of the asset-backed securities in its asset securitisation business. The Bank will, according to the retention degree of risk and return, analyse and judge whether to terminate recognition of relevant credit assets. Those financial assets concerning the continuing involvement are recognised on the consolidated statement of financial position to the extent of the Bank's continuing involvement, while the others are derecognised. The extent of the Bank's continuing involvement is the extent to which the Bank is exposed to changes in the value of the transferred financial assets or the return from them.

External Rating Agencies Used for Securitisation Business

As the originator for securitisation, the external rating agencies used by the Bank include China Bond Rating Co., Ltd., China Lianhe Credit Rating Co., Ltd., CSCI Pengyuan Credit Rating Co., Ltd., and China Chengxin International Credit Rating Co., Ltd..

As an investor, the external rating agencies used by the Bank include Standard & Poor's, Fitch Ratings, and Moody's Corporation.

8.2 SEC1: Securitisation exposures in the banking book

In millions of RMB

		a	b	c	d	e	f	g	h	i	j	k	l
		31 December 2025											
		Bank acts as originator				Bank acts as sponsor				Bank acts as investor			
		Traditional	Of which, meet STC standard	Synthetic	Sub- total	Traditional	Of which, meet STC standard	Synthetic	Sub- total	Traditional	Of which, meet STC standard	Synthetic	Sub- total
1	Retail (total)	9,499	-	-	9,499	-	-	-	-	22,339	-	-	22,339
2	Of which: residential mortgage	9,465	-	-	9,465	-	-	-	-	22,339	-	-	22,339
3	Of which: credit card	30	-	-	30	-	-	-	-	-	-	-	-
4	Of which: other retail exposures	4	-	-	4	-	-	-	-	-	-	-	-
5	Of which: re- securitisation	-		-	-	-		-	-	-		-	-
6	Wholesale (total)	7	-	-	7	-	-	-	-	-	-	-	-
7	Of which: loans to corporates	7	-	-	7	-	-	-	-	-	-	-	-
8	Of which: commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-
9	Of which: lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e	f	g	h	i	j	k	l
		31 December 2025											
		Bank acts as originator				Bank acts as sponsor				Bank acts as investor			
		Traditional	Of which, meet STC standard	Synthetic	Sub-total	Traditional	Of which, meet STC standard	Synthetic	Sub-total	Traditional	Of which, meet STC standard	Synthetic	Sub-total
10	Of which: other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which: re-securitisation	-		-	-	-		-	-	-		-	-

8.3 SEC2: Securitisation exposures in the trading book

No trading-book assets of the Group are securitised.

9. Market risk

9.1 MRA: General qualitative disclosure requirements related to market risk

Market Risk Management Strategies and Processes

Market risk refers to the risk of loss in the on- and off-balance sheet businesses of banks as a result of an adverse change in market prices (interest rates, exchange rates, stock prices, and commodity prices, etc.). The major types of market risk that the Bank is exposed to are general interest rate risk, foreign exchange rate risk, and commodity price risk. The Bank's objectives of market risk management are to adhere to the risk appetite, identify, measure, monitor, control and report market risk of all trading and non-trading business activities, ensure that the level of market risk is controlled within a reasonable range.

The Bank formulates annual risk management strategies for financial market business based on external market changes and business operating conditions. These strategies define the entry criteria and specific management requirements for businesses such as bond trading and derivative trading. The Bank establishes market risk limits, and measures and monitors the limits through the market risk management system.

We classified all of the on-and off-balance sheet assets and liabilities into either the trading book or the banking book. The trading book includes the financial instruments, foreign exchange and commodities positions held by the Bank for trading or hedging against the risk of other items in the trading book. Any other positions are classified into the banking book. The Bank's current book classifications are all in compliance with the general assumption requirements. In 2025, the bond switches between the banking book and the trading book under the Bank's designated trading model were recognised by the National Financial Regulatory Administration. As at the end of 2025, the total fair value of the existing bonds involved in such book switches was RMB 4,639 million.

In 2025, the Bank's internal risk transfers occurred within the trading book. The Bank has established an internal risk transfer management mechanism, keeps written records of internal risk transfer transactions, and manages them in accordance with regulatory requirements.

Market Risk Management Functional Framework

The Bank's market risk management functional framework consists of the Board of Directors and its subordinate Risk Management and Consumers' Interests Protection Committee, the Senior

Management and its subordinate Risk Management and Internal Control Committee, the Risk Management Department, and the market risk-bearing departments (institutions).

The Asset and Liability Management Department, Financial Market Department and Capital Operation Center are the "first line of defense" in the Bank's market risk management. The Risk Management Department serves as the "second line of defense" and the leading management department. The Audit Office is the "third line of defense" in the Bank's market risk management.

Risk Reporting and Measurement System

The Bank continuously improves its market risk reporting system, refines the market risk report management policy, clarifies the management requirements for market risk analysis reports, market risk event reports, and material market risk event reports, strengthens daily monitoring and analysis of market risk, and regularly provides independent market risk analysis reports to the Board of Directors and Senior Management. The scope of market risk event reporting has been optimized, and trigger scenarios for market risk events across institutions have been further refined.

The Bank uses the standardised measurement approach to measure market RWA, with market risk capital measurement covering default risk, general interest rate risk, credit spread risk, equity risk in the trading book, as well as foreign exchange risk and commodity risk across the entire book.

9.2 MR1: Market risk under the standardised approach

In millions of RMB

		a
		31 December 2025
		Capital charge in SA
1	General interest rate risk	1,838
2	Equity risk	472
3	Commodity risk	3,515
4	Foreign exchange risk	4,961
5	Credit spread risk–non-securitisations	1,600
6	Credit spread risk–securitisations (non-correlation trading portfolio)	-
7	Credit spread risk–securitisation (correlation trading portfolio)	-
8	Default risk–non-securitisations	1,927
9	Default risk–securitisations (non-correlation trading portfolio)	-
10	Default risk–securitisations (correlation trading portfolio)	-
11	Residual risk add-on	1
12	Total	14,314

9.3 MR3: Market risk under the simplified standardised approach

The Group does not adopt the simplified standardised approach for the measurement of market risk capital.

10. Operational risk

10.1 ORA: General qualitative information on a bank's operational risk framework

Basic Policies and Management Requirements

In accordance with the regulatory policies, including the *Rules on Operational Risk Management of Banking and Insurance Institutions* issued by the National Financial Regulatory Administration, and within the framework of comprehensive risk management, the Bank has established an operational risk management system. Currently, the Bank's main systems related to operational risk management include the *Basic Policies for Operational Risk Management* and supporting policies for operational risk assessment, monitoring, reporting, classification and grading, loss data management and regulatory capital measurement. These policies form the basic framework for the Bank's operational risk management, clarifying the goals, principles, division of responsibilities, management processes, management methods and management safeguards for operational risk management.

Organisational Structure of Operational Risk Management and Internal Control

The Bank's Board of Directors assumes ultimate responsibility for operational risk management, while the Senior Management is responsible for implementing operational risk management. Special committees and the Chief Risk Officer are established under the Board of Directors and the Senior Management to strengthen professional leadership in operational risk management. Branches, departments directly engaged in business operations, and subsidiaries assume the primary responsibility for operational risk management, with the main responsible persons being the first-in-line responsible parties.

The Bank has established a "Three Lines of Defense" structure for operational risk management. The "first line of defense" includes business and management departments at all levels, who are the direct bearers and managers of operational risk, responsible for managing operational risks in their respective areas. The "second line of defense" includes departments responsible for leading operational risk management and measurement at all levels, providing guidance and supervision over the first line of defense's operational risk management. The "third line of defense" is the internal audit department, which supervises and evaluates the performance and effectiveness of the first and second lines of defense.

Risk Measurement System

In 2020, the Bank launched its operational risk measurement system, which includes the operational risk standardised approach measurement module and the loss data management module, achieving systematised and automated measurement and full-process management of loss data, with ongoing optimisation and upgrades. In 2025, the Bank rolled out the overseas version of the loss data management system in 13 overseas branches, realising full-process management of operational risk loss data collection and processing overseas. By integrating directly related financial detail data, certain account data can be automatically and in batches identified and generated into operational risk loss data by the system, thereby continuously improving the quality of loss data and the accuracy of measurement.

Operational Risk Reporting

The Bank analyses the operational risk management situation semiannually and includes it in the comprehensive risk management report, which is submitted for review by the Senior Management, the Board of Directors as required. The report includes the operational risk profile, progress in operational risk management, and next step work arrangement. For major operational risk events, the Bank promptly reports them to the Board of Directors and the Senior Management.

Risk Mitigation and Risk Transfer Measures

The Bank adheres to a prudent operational risk appetite and implements control and mitigation measures for the risks associated with business, products, processes, and related management activities. Internal control is used as an effective means of operational risk management, with basic internal control regulations established to create a sound internal control system. Continuous improvements are made to manage important operational risks, including case risk, information technology risk, legal risk, and outsourcing risk. For risks requiring mitigation, such as disasters and incidents, measures such as insurance purchases, outsourcing, or other means are employed to mitigate the risks. The Bank strengthens the internalization of external regulations, system building, and professional training, while actively fostering a culture of operational risk management.

10.2 OR3: Minimum required operational risk capital

		<i>In millions of RMB, except for multipliers</i>
		a
		31 December 2025
1	Business indicator component (BIC)	120,207
2	Internal loss multiplier (ILM)	1
3	Minimum required operational risk capital (ORC)	120,207
4	Operational risk RWA	1,502,585

11. Interest rate risk in the banking book

11.1 IRRBBA: Interest rate risk in the banking book (IRRBB) risk management objectives and policies

Interest rate risk in the banking book (IRRBB) refers to the risk that adverse changes in interest rate levels, maturity structures and other related factors will cause the economic value of the banking book and overall income to suffer losses. This risk mainly includes gap risk, benchmark risk, and optionality risk.

IRRBB Management and Measurement

The Bank incorporates IRRBB into the comprehensive risk management framework, establishing an IRRBB management system that aligns with the systemical importance, risk profile, and business complexity. A comprehensive governance structure for IRRBB has been built. The Bank strengthens its efforts to identify, measure, monitor, control, and mitigate IRRBB, ensuring that it is acceptable to and tolerable for the Bank.

The Bank adheres to a moderate risk appetite for IRRBB, and formulates management strategies based on risk appetite, risk profile, macroeconomic and market changes, and other factors. The Bank implements interest rate risk limit management, establishing a limit system that corresponds to the Bank's size, business complexity, capital adequacy and risk management capacity. The Bank monitors and reports indicators such as the maximum economic value of equity and net interest income change ratio on a quarterly basis to assess the sensitivity of IRRBB. Regular model validation of IRRBB is conducted, and the risk is also subject to internal audits.

The Bank regularly conducts stress tests on IRRBB and applies the results of these tests to the formulation of management strategies and policies. The interest rate shocks and stress scenarios include six standardised interest rate shock scenarios from the standardised measurement framework, such as parallel up, parallel down and shape changes of the yield curve. In addition, stress scenarios based on internal management needs and historical scenarios, as well as interest rate shock scenarios established in the internal capital adequacy assessment and recovery and resolution plan, based on macroeconomic indicators with different levels of stress, are also used.

The Bank primarily controls or mitigates IRRBB through structural adjustments, exposure hedging, and other methods. Specific actions include adjusting the IRRBB repricing term structure and pricing methods, adjusting investment portfolio duration, and utilising interest rate derivatives. The Bank

measures financial instruments in accordance with accounting standards and applies hedge accounting for transactions that meet the criteria for hedge accounting.

Main Models and Assumptions Used in IRRBB1

The important models and assumptions used in the Bank's internal measurement system are consistent with those disclosed in IRRBB1. These models and assumptions include: Δ EVE cash flow calculations incorporating commercial margin factors, with discounting using risk-free rate as required by the regulator; constructing volatility and stability rate models based on deposit characteristics and historical data to measure cash flow distributions for non-maturity deposits; calculating early repayment rates for fixed-rate loans and early withdrawal rates for time deposits based on historical data, and incorporating these into the IRRBB measurement; separately measuring IRRBB for currencies whose balances account for more than 5% of the Bank's banking book assets or liabilities, and summing the results in accordance with regulatory requirements.

In accordance with regulatory requirements, the Bank uses historical data of 10 years to determine the longest repricing maturity for non-maturity deposits. The average repricing maturity for retail deposits in trading accounts should not exceed 4.5 years, and for retail deposits in non-trading accounts, the average repricing maturity should not exceed 3.15 years. The average repricing maturity for wholesale deposits should not exceed 2 years.

11.2 IRRBB1: Quantitative information on IRRBB

As at December 31, 2025, the economic value of equity (EVE) changes and net interest income(NII) changes for the Bank's IRRBB are shown in the table below.¹

In millions of RMB

Period	Δ EVE ²		Δ NII ³	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Parallel up	466,466	428,061	101,735	85,909
Parallel down	(699,432)	(568,770)	(412,760)	(381,136)
Steepener	406,539	387,254		
Flattener	(346,712)	(314,968)		
Short rate up	(90,456)	(80,155)		
Short rate down	113,080	87,856		
Maximum	466,466	428,061	(412,760)	(381,136)
Period	31 December 2025		31 December 2024	
Tier 1 capital	3,131,020		2,991,056	

Notes: 1. The data in this table is based on the regulatory scope for legal entity.

2. For EVE changes, the scenarios in this table are consistent with the six standardised interest rate shock scenarios in the *Guidelines for Commercial Banks on Management of Interest Rate Risk in the Banking Book (Revised)*, where positive values represent losses. Commercial margin factors are included in the cash flow calculation, and the risk-free rate used for cash flow discounting is the treasury bond spot yield.

3. For NII changes, the parallel up scenario represents a 250 basis point parallel up shift in interest rates, and the parallel down scenario represents a 250 basis point parallel down shift in other rates, with deposit rates unchanged, where negative values represent losses. NII changes represent the difference in future interest income over a consecutive 12-month period.

4. Since the end of the previous reporting period, the Bank has not experienced any significant changes.

12. Macprudential regulatory measures

12.1 GSIB1: Global systemically important banks assessment indicators

Since its first inclusion in the list of global systemically important banks in 2014, the Group has annually disclosed the global systemically important banks assessment indicators. The results of the assessment indicators from 2014 to 2023 are available in the annual reports published on the website of the Bank: <https://www.abchina.com.cn/en/investor-relations/performance-reports/>.

The result of the assessment indicators of 2024 is available in the annual Pillar 3 report published on the website of the Bank: <https://www.abchina.com.cn/en/investor-relations/pillar3/AnnualReports/>.

The Group's global systemically important bank assessment indicators for the year 2025 are shown in the table below.

No.	Indicator category	Item	<i>In millions of RMB</i>
			31 December 2025
			Amount
1	International Activity	Cross-jurisdictional claims	1,077,567
2		Cross-jurisdictional liabilities	927,360
3	Size	Adjusted on- and off-balance sheet assets	51,464,649
4	Interconnectedness	Intra-financial system assets	2,405,245
5		Intra-financial system liabilities	6,478,937
6		Securities outstanding	6,330,465
7	Substitutability	Assets under custody	18,735,886
8		Payments activity	702,484,281
9		Underwritten transactions in debt and equity markets	3,789,510
10a		Fixed income securities trading volume	9,964,630
10b		Equity and other securities trading volume	414,422
11	Complexity	Notional amount of over-the-counter (OTC) derivatives	6,680,738
12		Level 3 assets	154,318
13		Trading and available-for-sale securities	569,342

13. Leverage ratio

13.1 LR1: Difference between leverage ratio regulatory exposure measure and accounting assets

		<i>In millions of RMB</i>
		a
		31 December 2025
1	Total consolidated assets as per published financial statements	48,784,674
2	Consolidated adjustments for accounting purposes but outside the scope of regulatory consolidation	(222,652)
3	Adjustment for fiduciary assets	-
4	Adjustment for derivative financial instruments	86,389
5	Adjustment for securities financing transactions	35,981
6	Adjustment for off-balance sheet items	2,558,122
7	Adjustment for securitisation transactions	-
8	Adjustment for unsettled financial assets	(744)
9	Adjustment for cash pooling	-
10	Adjustment for central bank reserve (if applicable)	-
11	Adjustment for prudent valuation and impairment provisions	-
12	Other adjustments	(20,951)
13	Adjusted on- and off-balance sheet assets	51,220,819

13.2 LR2: Leverage ratio

In millions of RMB, except for percentages

		a	b
		31 December 2025	30 September 2025
On-balance sheet exposures			
1	On-balance sheet assets (excluding derivatives and securities financing transactions)	47,948,593	47,231,730
2	Less: impairment provisions	(983,229)	(1,003,605)
3	Less: deductions from Tier 1 capital	(20,951)	(11,259)
	Adjustment for unsettled financial assets	(744)	(1,060)
4	Balance of adjusted on-balance sheet assets (excluding derivatives and securities financing transactions)	46,943,669	46,215,806
Derivative exposures			
5	Replacement cost associated with all derivatives (net of eligible margin and in consideration of the impact of bilateral netting agreement)	27,526	34,767
6	Add-on amounts for PFE associated with all derivatives transactions	93,003	100,375
7	Gross-up of collateral deducted from the balance sheet	-	-
8	Less: receivable assets resulting for cash variation margin	(625)	(691)
9	Less: derivative assets resulting from transactions with the central counterparty when providing client-cleared trade	-	-
10	Notional principal amount of written credit derivatives	-	-
11	Less: deductible amounts of written credit derivative assets	-	-
12	Balance of derivative assets	119,904	134,451
Securities financing transaction exposures			
13	Securities financing transaction assets for accounting purpose	1,563,143	1,660,706
14	Less: deductible amounts of securities financing transaction assets	-	-
15	Counterparty credit risk exposure for securities financing transaction	35,981	21,410
16	Securities financing transaction assets resulting from agent transaction	-	-
17	Balance of securities financing transaction assets	1,599,124	1,682,116
Other off-balance sheet exposures			
18	Off-balance sheet items	9,095,567	7,866,717
19	Less: adjusted for conversion to credit equivalent amounts	(6,516,280)	(5,643,928)
20	Less: impairment provisions	(21,165)	(21,091)
21	Balance of adjusted off-balance sheet items	2,558,122	2,201,698
Capital and total exposure			
22	Tier 1 capital, net	3,218,268	3,160,522
23	Adjusted on-and off-balance sheet assets	51,220,819	50,234,071

		a	b
		31 December 2025	30 September 2025
Leverage ratio			
24	Leverage ratio	6.28%	6.29%
24a	Leverage ratio a ¹	6.28%	6.29%
25	Minimum regulatory requirements for leverage ratio	4.00%	4.00%
26	Additional requirements for leverage ratio ⁶	0.75%	0.75%
Disclosure of mean values			
27	Quarterly average daily balance of securities financing transaction	990,023	1,252,324
27a	Quarter-end value of gross SFT assets	1,563,143	1,660,706
28	Adjusted on- and off-balance sheet assets a ⁴	50,647,699	49,825,689
28a	Adjusted on- and off-balance sheet assets b ⁵	50,647,699	49,825,689
29	Leverage ratio b ²	6.35%	6.34%
29a	Leverage ratio c ³	6.35%	6.34%

Notes: 1.Line 24a, leverage ratio a refers to the leverage ratio excluding the impact of any applicable temporary exemption of central bank reserves, being row 22/ (row 23+temporarily exempted central bank reserves).

2.Line 29, leverage ratio b refers to the leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets within the most recent quarter, being row 22/row 28.

3.Line 29a, leverage ratio c refers to the leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets within the most recent quarter, being row 22/row 28a.

4.Line 28, adjusted on- and off-balance sheet assets a is calculated by applying the temporary exemption of central bank reserves and the mean values for SFT assets within the most recent quarter.

5.Line 28a, adjusted on- and off-balance sheet assets b is calculated without application of any temporary exemption of central bank reserves and using the mean values for SFT assets within the most recent quarter.

6.Line 26, the Group was listed among the Bucket 2 of the global systemically important banks in November 2023, and is required to meet the additional leverage ratio of 0.75% by 1 January 2025 according to the regulatory requirements.

14. Liquidity risk

14.1 LIQA: Liquidity risk management

Liquidity Risk Management Governance Structure

The liquidity risk management governance structure of the Bank consists of a decision-making system, an execution system and a supervision system, among which, the decision-making system comprises the Board of Directors and its Risk Management and Consumers' Interests Protection Committee and the Senior Management; the execution system comprises liquidity management department, asset and liability business department, and information and technology department, etc.; and the supervision system comprises the Audit Office, the Internal Control and Compliance Supervision Department and the Legal Affairs Department. The aforesaid systems perform their respective decision-making, execution and supervision functions based on the division of responsibility.

Liquidity Risk Management Strategy and Policy

We adhere to a moderate liquidity management strategy. We formulate our liquidity risk management policy pursuant to the regulatory requirements, external macroeconomic environment, our business development, among others. We effectively maintain balance among liquidity, security and profitability, on condition of the guaranteed security of liquidity.

Liquidity Risk Management Methods

We pay close attention to changes in internal and external economic situation, continue to monitor our bank-wide liquidity condition, and strengthen the asset-liability matching management to mitigate risks related to mismatch of maturity. We improve the liquidity management mechanism by strengthening the monitoring, early warning, and overall allocation of liquidity position, and by enhancing the diversification and stability of sources of funding, to maintain a moderate reserve level and satisfy various payment demands. In addition, we continue to refine the functions of the liquidity management system and improve the level of our electronic management.

Liquidity Risk Management Objectives

The objectives of our liquidity risk management are to effectively identify, measure, monitor and report liquidity risk by establishing a scientific and refined liquidity risk management system, to

promptly fulfill the liquidity demands of assets, liabilities and off-balance sheet businesses, perform the external payment obligations, achieve an effective balance between capital efficiency and security of liquidity, and prevent the overall liquidity risk of the Group under normal business environment or under operational pressure.

Key Liquidity Risk Indicators

During the reporting period, the Bank arranged its maturing cash flows in a reasonable manner, and overall liquidity remained adequate, secure, and under control. As at the end of 2025, the Bank's RMB liquidity ratio was 97.01% and its foreign currency liquidity ratio was 164.41%, both of which met the regulatory requirements. In the fourth quarter of 2025, the average liquidity coverage ratio was 133.50%, representing an increase of 3.25 percentage points compared to the previous quarter. As at the end of 2025, the Bank's net stable funding ratio stood at 132.28%, with the numerator representing available stable funding of RMB 32,794,267 million and the denominator representing required stable funding of RMB 24,791,558 million.

Stress Testing

Based on the market condition and operation practice, we set liquidity risk stress testing scenarios fully considering various risk factors which may affect the liquidity. Stress testing was conducted on a quarterly basis. According to the testing results, under the prescribed stress scenarios, we could pass all the shortest survival period tests as required by regulatory authorities.

Main Factors Affecting Liquidity Risk

The major factors affecting liquidity risk include negative impacts of market liquidity, withdrawal of deposits by customers, drawing of loans by customers, imbalance between asset and liability structures, debtor's default, difficulty in asset realization, weakening financing ability, etc..

Liquidity Gap Analysis

The Bank's net position of liquidity is presented in the following table.

<i>In millions of RMB</i>		
Term	31 December 2025	31 December 2024
Past due	70,711	63,632
On demand	(15,282,505)	(15,102,538)
Within 1 month	372,770	937,829

Term	31 December 2025	31 December 2024
1 to 3 months	(2,218,960)	(2,247,351)
3 to 12 months	(2,047,847)	(1,385,454)
1 to 5 years	2,330,373	1,105,585
Over 5 years	17,117,573	17,469,784
No fixed maturity	2,651,806	2,143,829
Total	2,993,921	2,985,316

14.2 LIQ1: Liquidity coverage ratio

The *Rules on Liquidity Risk Management of Commercial Banks* requires that the liquidity coverage ratio of commercial banks should be no less than 100%. In addition, in accordance with the *Rules on Information Disclosure for Liquidity Coverage Ratio of Commercial Banks*, commercial banks are required to disclose liquidity coverage ratio information at the same frequency as that for financial reports, and starting from 2017, to disclose the simple arithmetic average of the liquidity coverage ratios based on daily data of every quarter and the number of daily data adopted in calculation of such average.

The Group calculates the liquidity coverage ratio in accordance with the *Rules on Liquidity Risk Management of Commercial Banks* and applicable statistical requirements. The daily average of liquidity coverage ratios of the Group for the 4th quarter of 2025 was 133.50%, and the number of daily data adopted in calculation of such average was 92. The high-quality liquid assets of the Group mainly include cash, excess reserves with the central bank able to be withdrawn under stress conditions, and bonds falling within the Level 1 and Level 2 assets as defined in the *Rules on Liquidity Risk Management of Commercial Banks*.

The averages of the liquidity coverage ratio and individual line items over the 4th quarter of 2025 are as follows:

<i>In millions of RMB, except for percentages</i>			
		a	b
		The 4th quarter of 2025	
		Total unweighted value	Total weighted value
High-quality liquid assets			
1	Total high-quality liquid assets		10,425,345
Cash outflows			
2	Retail deposits and deposits from small business customers	20,875,708	1,995,572
3	Of which: stable deposits	1,839,882	91,989
4	Of which: less stable deposits	19,035,826	1,903,583
5	Unsecured wholesale funding	14,341,460	7,283,271
6	Of which: operational deposits (excluding deposits in networks of cooperative banks)	4,023,645	1,349,769
7	Of which: non-operational deposits (all counterparties)	10,255,626	5,871,313
8	Of which: unsecured debt	62,189	62,189
9	Secured wholesale funding		3,694

		a	b
		The 4th quarter of 2025	
		Total unweighted value	Total weighted value
10	Additional requirements	2,362,271	532,451
11	Of which: outflows related to derivative exposures and other collateral requirements	359,845	359,845
12	Of which: outflows related to loss of funding on debt products	59	59
13	Of which: credit and liquidity facilities	2,002,367	172,547
14	Other contractual funding obligations	269,562	269,558
15	Other contingent funding obligations	5,209,305	19,282
16	Total cash outflows		10,103,828
Cash inflows			
17	Secured lending (including reverse repos and securities borrowing)	1,384,249	1,373,806
18	Inflows from fully performing exposures	2,077,711	1,045,493
19	Other cash inflows	396,007	396,007
20	Total cash inflows	3,857,967	2,815,306
			Total Adjusted Value
21	Total high-quality liquid assets (HQLA)		9,728,146
22	Total net cash outflows		7,288,522
23	Liquidity Coverage Ratio (%)		133.50%

14.3 LIQ2: Net stable funding ratio

According to the *Rules on Capital Management of Commercial Banks*, the net stable funding ratios of the latest two quarters need to be included in the Report.

The net stable funding ratio for the 4th quarter of 2025 and its particulars are shown in the table below.

In millions of RMB, except for percentages						
		a	b	c	d	e
		31 December 2025				
		Unweighted value by residual maturity				Weighted value
		No maturity	<6 months	6-12 months	≥ 1 year	
Available stable funds (ASF) item						
1	Capital	3,240,731	-	-	694,944	3,935,675
2	Regulatory capital	3,240,731	-	-	694,944	3,935,675
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	8,705,574	13,322,096	104	19	19,929,072
5	Stable deposits	2,081,125	-	-	-	1,977,069
6	Less stable deposits	6,624,449	13,322,096	104	19	17,952,003
7	Wholesale funding	6,394,477	12,428,115	1,357,646	1,869,288	8,606,566
8	Operational deposits	3,946,268	-	-	-	1,973,134
9	Other wholesale funding	2,448,209	12,428,115	1,357,646	1,869,288	6,633,432
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	264	1,061,859	204,463	243,134	322,954
12	NSFR derivative liabilities		22,412			
13	All other liabilities and equity not included above categories	264	1,061,859	204,463	220,722	322,954
14	Total ASF					32,794,267
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					1,676,824
16	Deposits held at other financial institutions for operational purposes	4,739	286,189	149,355	2,879	223,021
17	Performing loans and securities	2,430	8,200,812	4,062,848	16,922,281	19,844,207
18	Performing loans to financial institutions secured by Level 1 HOLA	-	3,505	-	166,606	167,132

		a	b	c	d	e
		31 December 2025				
		Unweighted value by residual maturity				Weighted value
		No maturity	<6 months	6-12 months	≥ 1 year	
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,192	1,962,532	292,529	92,111	532,934
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	19	5,982,571	3,575,379	10,815,640	13,948,796
21	Of which: with a risk weight of less than or equal to 35%	-	47,885	39,207	181,056	156,108
22	Performing residential mortgages	-	121,791	122,059	5,367,171	4,683,855
23	Of which: with a risk weight of less than or equal to 35%	-	3	4	828	542
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,219	130,413	72,881	480,753	511,490
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets	119,286	2,429,705	47,058	344,680	2,919,835
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				1,269	1,078
29	NSFR derivative assets				32,008	9,596
30	NSFR derivative liabilities before deduction of variation margin posted				8,827	1,765
31	All other assets not included in the above categories	119,286	2,429,705	47,058	311,403	2,907,396
32	Off-balance sheet items				7,979,971	127,671
33	Total RSF					24,791,558
34	Net stable fund ratio (%)					132.28%

The net stable funding ratio for the 3rd quarter of 2025 and its particulars are shown in the table below.

In millions of RMB, except for percentages

		a	b	c	d	e
		30 September 2025				
		Unweighted value by residual maturity				Weighted value
		No maturity	<6 months	6-12 months	≥ 1 year	
Available stable funds (ASF) item						
1	Capital	3,171,781	-	-	659,959	3,831,740
2	Regulatory capital	3,171,781	-	-	659,959	3,831,740
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers	8,489,799	13,129,810	69	26	19,558,379
5	Stable deposits	2,012,863	-	-	-	1,912,220
6	Less stable deposits	6,476,936	13,129,810	69	26	17,646,159
7	Wholesale funding	6,848,888	11,687,919	1,715,765	1,807,352	8,853,125
8	Operational deposits	4,466,045	-	-	-	2,233,022
9	Other wholesale funding	2,382,843	11,687,919	1,715,765	1,807,352	6,620,103
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	290	886,166	236,863	235,900	329,578
12	NSFR derivative liabilities		24,753			
13	All other liabilities and equity not included above categories	290	886,166	236,863	211,147	329,578
14	Total ASF					32,572,822
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					1,689,631
16	Deposits held at other financial institutions for operational purposes	6,053	247,889	128,601	-	191,272
17	Performing loans and securities	3,905	8,097,780	4,075,197	16,895,564	19,721,135
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	129,132	129,132
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	2,572	2,108,988	242,098	94,903	532,686
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs	25	5,735,695	3,627,814	10,753,056	13,798,142

		a	b	c	d	e
		30 September 2025				
		Unweighted value by residual maturity				Weighted value
		No maturity	<6 months	6-12 months	≥ 1 year	
21	Of which: with a risk weight of less than or equal to 35%	6	53,464	43,225	180,271	160,713
22	Performing residential mortgages	-	122,693	122,361	5,446,805	4,752,302
23	Of which: with a risk weight of less than or equal to 35%	-	3	3	48	34
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,308	130,404	82,924	471,668	508,873
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets	122,407	2,272,559	76,400	312,617	2,768,270
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				1,726	1,467
29	NSFR derivative assets				28,733	3,980
30	NSFR derivative liabilities before deduction of variation margin posted				49,108	9,822
31	All other assets not included in the above categories	122,407	2,272,559	76,400	282,158	2,753,001
32	Off-balance sheet items				7,018,106	118,957
33	Total RSF					24,489,265
34	Net stable fund ratio (%)					133.01%