



BNP PARIBAS
法国巴黎银行

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world

2025 Information Disclosure Report

BNP Paribas (China) Ltd.



<https://china.bnpparibas.com/>

Annual Information Disclosure Report 2025 of BNP Paribas (China) Ltd.

BNP Paribas (China) Limited
17/F, Shanghai Tower , No. 479, Lujiazui Ring Road, Shanghai, PRC
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This report was prepared in accordance with the ‘Administrative Measures of Information Disclosure of Commercial Banks’

It is composed of the following contents:

I Basic Information of the Institution

II Financial Situation

III Risk Management

PART I: RISK SITUATION

**PART II: RISK MANAGEMENT
CAPABILITY**

IV Corporate Governance

V Annual Significant Events

VI Capital Adequacy Ratio Situation

VII Liability Quality Management

VIII Corporate Social Responsibility

I. Basic Information of the Institution

BNP Paribas (China) Limited is a wholly foreign-funded subsidiary bank solely owned by BNP Paribas S.A. and incorporated in the PRC in accordance with the PRC Company Law, the law of the PRC on Commercial Banks, the Regulation of the PRC for the Administration of Foreign-funded Banks, the Detailed Rules for Implementing the Regulation of the PRC on the Administration of Foreign-funded Banks and other applicable laws and regulations.

In 1992, BNP Paribas S.A. and Industrial and Commercial Bank of China (ICBC) established a joint stock bank – The International Bank of Paris and Shanghai. In 2003, the joint stock bank was transformed into a wholly foreign-funded bank and renamed to BNP Paribas (China) Limited.

Currently, according to the approval, BNP Paribas (China) Limited is headquartered at Room 1701-1708, 17 Floor and Room 1804-1807, 18 Floor, No. 479 Lujiazui Ring Road, Shanghai Pilot Free Trade Zone, and has three branches located in Beijing, Tianjin and Guangzhou.

Branch locations:

BNP Paribas (China) Limited Beijing Branch
Units 01-04, 22-26, 16th Floor, Building 1,
No. 1 Jianguomenwai Street, Chaoyang District
Beijing 100004, P.R.C
Tel:+86 (10) 6535 0888
Fax:+86 (10) 6505 3687

BNP Paribas (China) Limited Tianjin Branch
Unit 1102, 11/F, Tower 2, The Exchange Tower,
189 Nanjing Road, Tianjin 300050, P.R.C
Tel: +86 (22) 2318 7000
Fax:+86 (22) 2330 3347

BNP Paribas (China) Limited Guangzhou Branch
RM10-11, 48/F, CTF Finance Centre,
No. 6 Zhujiang East Road, Tianhe District
Guangzhou 510623, P.R.C
Tel: +86 (20) 3813 9200
Fax:+86 (20) 3813 9201

The whistle blow and complaint phone number is: +86 21 2896 2529 (9:00-18:00, Monday through Friday).

The registered capital of BNP Paribas (China) Limited is RMB 8,711,347,906, with no change in 2025. Mr. Paul Yang had been appointed as the Chairman of the Board of

Directors and the Legal Representative of BNP Paribas (China) Limited and Mr. CG Lai had been appointed as Chief Executive of BNP Paribas (China) Limited.

According to the approval, the business scope of BNP Paribas (China) Limited is as follows:

Banking business (including without limitation

1. Taking deposits from the public;
2. Granting short-term, medium-term and long-term loans;
3. Handling the acceptance and discounting of negotiable instruments;
4. Issuing and redeeming as an agent and underwriting government bonds;
5. Buying and selling government bonds, financial bonds and foreign currency denominated securities other than shares;
6. Providing letter of credit services and guarantees;
7. Handling domestic and overseas settlements;
8. Buying and selling foreign exchange and acting as an agent for purchase and sale of foreign exchange;
9. Acting as collection and payment agent as well as acting as an insurance agent;
10. Engaging in interbank lending;
11. Engaging in bank card business;
12. Providing safe deposit box services;
13. Providing creditworthiness investigations and consultancy services;
14. Other business approved by the Banking Regulatory and Supervisory Authority of the State Council.);

Securities investment fund custodian business;

Other business as approved by the relevant supervisor or other authority.

II. Financial Situation

BNP PARIBAS (CHINA) LIMITED

Audited Financial Statements

31 December 2025

Important Notice

The attached financial statements have been translated from the statutory financial statements prepared in accordance with Chinese accounting standards for business enterprises established in the People's Republic of China. In the event of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

BNP PARIBAS (CHINA) LIMITED

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Auditors' Report

Ernst & Young Hua Ming (2026) Shen Zi No 70057548_B01
BNP PARIBAS (CHINA) LIMITED

To the Board of Directors of BNP PARIBAS (CHINA) LIMITED,

(I) Opinion

We have audited the financial statements of BNP Paribas (China) Limited (hereinafter referred to as "the Bank"), which comprise the balance sheet as at 31 December 2025, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the Bank's financial position as at 31 December 2025 and the Bank's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

(II) Basis for Opinion

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

(III) Responsibilities of the management and those charged with governance for the financial statements

The management of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Report (continued)

Ernst & Young Hua Ming (2026) Shen Zi No 70057548_B01
BNP PARIBAS (CHINA) Limited

(IV) Auditor's responsibilities for the audit of the financial statements

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

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

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

Auditors' Report (continued)

Ernst & Young Hua Ming (2026) Shen Zi No 70057548_B01
BNP PARIBAS (CHINA) Limited

**(IV) Auditor's responsibilities for the audit of the financial statements
(continued)**

- (5) Evaluate the overall presentation, including the disclosures, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Yang, Yiying

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant

Jiang, Bei

Beijing, the People's Republic of China

Chinese Certified Public Accountant

April 10, 2026

BNP PARIBAS (CHINA) LIMITED
BALANCE SHEET
31 December 2025
(Unless otherwise stated, expressed in Renminbi Yuan)

ASSETS:	Note V	2025	2024
Cash and due from the Central Bank	1	3,711,456,090.25	5,442,207,304.18
Precious metals		145,988,713.45	61,507,736.61
Deposits with banks and other financial institutions	2	2,501,276,248.31	691,312,607.59
Placements with banks and other financial institutions	3	5,841,876,387.53	6,040,912,636.27
Derivative financial assets	4	10,046,251,581.78	15,915,760,382.59
Financial assets purchased under resale agreements	5	1,531,370,471.62	1,441,208,893.53
Loans and advances	6	13,783,699,498.70	17,726,224,250.95
Financial investments:			
Held-for-trading financial assets	7	12,672,457,401.07	10,103,337,049.65
Debt investments	8	833,356,644.64	936,393,573.60
Other debt investments	9	7,616,971,887.46	8,457,171,587.15
Fixed assets	10	38,620,266.11	46,879,106.64
Right-of-use assets	11	106,546,789.05	110,433,605.48
Intangible assets	12	41,556,005.38	41,989,721.27
Deferred tax assets	13	227,717,030.46	193,417,052.55
Other assets	14	<u>2,473,646,255.47</u>	<u>4,037,252,898.14</u>
TOTAL ASSETS		<u><u>61,572,791,271.28</u></u>	<u><u>71,246,008,406.20</u></u>

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

BNP PARIBAS (CHINA) LIMITED
BALANCE SHEET (continued)
31 December 2025
(Unless otherwise stated, expressed in Renminbi Yuan)

LIABILITIES	Note V	2025	2024
Due to the Central Bank	15	208,300,700.00	269,030,637.50
Due to banks and other financial institutions	16	2,968,460,136.57	5,309,076,143.51
Placements from banks and other financial institutions	17	2,720,227,122.22	231,736,763.84
Derivative financial liabilities	4	9,876,189,133.97	14,907,487,148.24
Financial assets sold under repurchase agreements	18	2,976,624,068.01	1,800,072,014.81
Customer deposits	19	24,462,811,314.67	26,604,354,442.35
Payable to employees	20	178,072,804.35	170,640,333.09
Tax payable	21	56,124,882.32	100,204,281.23
Bonds payable	22	5,119,756,725.04	7,333,350,012.18
Lease liabilities	23	130,798,019.25	133,873,544.98
Accrued liabilities	24	15,549,288.48	8,387,903.24
Other liabilities	25	<u>1,807,671,284.06</u>	<u>3,378,376,359.02</u>
TOTAL LIABILITIES		<u>50,520,585,478.94</u>	<u>60,246,589,583.99</u>
<u>SHAREHOLDERS' EQUITY:</u>			
Paid-in capital	27	8,711,347,906.00	8,711,347,906.00
Other comprehensive income	28	5,738,673.72	47,675,597.05
Surplus reserve	29	745,802,909.61	701,073,609.96
General reserve	30	659,373,016.67	659,373,016.67
Retained earnings	31	<u>929,943,286.34</u>	<u>879,948,692.53</u>
TOTAL SHAREHOLDERS' EQUITY		<u>11,052,205,792.34</u>	<u>10,999,418,822.21</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>61,572,791,271.28</u>	<u>71,246,008,406.20</u>

The financial statements have been signed by:

President

Vice President

Chief Financial Officer

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

BNP PARIBAS (CHINA) LIMITED
INCOME STATEMENT
Year 2025
(Unless otherwise stated, expressed in Renminbi Yuan)

	Note V	2025	2024
Operating income		<u>1,261,228,315.77</u>	<u>1,456,969,845.37</u>
Net interest income	32	315,936,285.24	290,876,274.32
Interest income	32	859,512,728.20	1,068,098,138.65
Interest expense	32	543,576,442.96	777,221,864.33
Net fee and commission income	33	441,006,625.38	380,036,984.93
Fee and commission income	33	553,914,464.11	463,897,277.05
Fee and commission expense	33	112,907,838.73	83,860,292.12
Investment gains	34	405,441,743.98	252,063,576.43
Fair value (losses)/gains	35	(92,796,122.05)	73,380,817.17
Foreign exchange gains	36	191,123,295.00	459,797,445.82
Loss on disposal of assets	37	(233,674.39)	(2,461.37)
Other income		<u>750,162.61</u>	<u>817,208.07</u>
Operating expenses		<u>760,139,514.43</u>	<u>1,003,626,187.30</u>
Tax and surcharges		6,221,477.80	12,867,077.67
General and administrative expenses	38	844,275,648.87	901,688,062.87
Credit impairment (reversals)/losses	39	(91,854,014.29)	87,571,922.25
Other expenses		<u>1,496,402.05</u>	<u>1,499,124.51</u>
Operating profit		501,088,801.34	453,343,658.07
Add: Non-operating income		1,648,364.40	9,620.84
Less: Non-operating expenses		<u>26,601.67</u>	<u>99,808.08</u>
Profit before tax		502,710,564.07	453,253,470.83
Less: Income tax expenses	40	<u>55,417,567.61</u>	<u>61,510,022.58</u>
Net profit		<u>447,292,996.46</u>	<u>391,743,448.25</u>
Classified by going concern assumption:			
- Net profit from continuing operation		<u>447,292,996.46</u>	<u>391,743,448.25</u>
After-tax net other comprehensive income	28	<u>(41,936,923.33)</u>	<u>35,883,255.43</u>
Including: Other comprehensive income that will be reclassified to profit or loss			
- Changes in fair value of other debt investments		(41,978,033.92)	36,022,825.15
- Provision for other debt investments		<u>41,110.59</u>	<u>(139,569.72)</u>
TOTAL COMPREHENSIVE INCOME		<u><u>405,356,073.13</u></u>	<u><u>427,626,703.68</u></u>

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

BNP PARIBAS (CHINA) LIMITED
STATEMENT OF CHANGES IN EQUITY
Year 2025
(Unless otherwise stated, expressed in Renminbi Yuan)

2025

	Paid-in Capital	Other Comprehensive Income	Surplus Reserve	General Reserve	Retained Earnings	Total
1. Balance as at 1 January 2025	<u>8,711,347,906.00</u>	<u>47,675,597.05</u>	<u>701,073,609.96</u>	<u>659,373,016.67</u>	<u>879,948,692.53</u>	<u>10,999,418,822.21</u>
2. Movements during the year	-	(41,936,923.33)	44,729,299.65	-	49,994,593.81	52,786,970.13
(1) Net Profit	-	-	-	-	447,292,996.46	447,292,996.46
(2) Profit distribution Appropriation to surplus reserve	-	-	44,729,299.65	-	(44,729,299.65)	-
(3) Other comprehensive income	-	(41,936,923.33)	-	-	-	(41,936,923.33)
(4) Dividends distribution to investors	-	-	-	-	(352,569,103.00)	(352,569,103.00)
3. Balance as at 31 December 2025	<u>8,711,347,906.00</u>	<u>5,738,673.72</u>	<u>745,802,909.61</u>	<u>659,373,016.67</u>	<u>929,943,286.34</u>	<u>11,052,205,792.34</u>

The accompanying notes to financial statements form an integral part of these financial statement

BNP PARIBAS (CHINA) LIMITED
STATEMENT OF CHANGES IN EQUITY (continued)
Year 2025
(Unless otherwise stated, expressed in Renminbi Yuan)

2024

	Paid-in Capital	Other Comprehensive Income	Surplus Reserve	General Reserve	Retained Earnings	Total
1. Balance as at 1 January 2024	<u>8,711,347,906.00</u>	<u>11,792,341.62</u>	<u>661,899,265.13</u>	<u>659,373,016.67</u>	<u>1,054,879,589.11</u>	<u>11,099,292,118.53</u>
2. Movements during the year	-	35,883,255.43	39,174,344.83	-	(174,930,896.58)	(99,873,296.32)
(1) Net Profit	-	-	-	-	391,743,448.25	391,743,448.25
(2) Profit distribution	-	-	39,174,344.83	-	(39,174,344.83)	-
Appropriation to surplus reserve	-	-	39,174,344.83	-	(39,174,344.83)	-
(3) Other comprehensive income	-	35,883,255.43	-	-	-	35,883,255.43
(4) Dividends distribution to investors	-	-	-	-	(527,500,000.00)	(527,500,000.00)
3. Balance as at 31 December 2024	<u>8,711,347,906.00</u>	<u>47,675,597.05</u>	<u>701,073,609.96</u>	<u>659,373,016.67</u>	<u>879,948,692.53</u>	<u>10,999,418,822.21</u>

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

BNP PARIBAS (CHINA) LIMITED
STATEMENT OF CASH FLOWS
Year 2025
(Unless otherwise stated, expressed in Renminbi Yuan)

	Note V	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net decrease in deposits with the Central Bank		563,633,297.72	-
Net increase in placements from banks and other financial institutions		2,489,971,200.00	-
Net decrease in placements with banks and other financial institutions		2,050,000,000.00	2,230,000,000.00
Net cash received from settlement of derivative financial instruments		1,230,701,469.81	-
Net increase in due to banks and other financial institutions		-	2,025,404,755.22
Net increase in financial assets sold under repurchase agreements		1,176,500,000.00	-
Net decrease in loans and advances		4,003,214,334.26	-
Net increase in customer deposits		-	8,056,789,656.11
Cash received from interest, service fee and commission		961,431,758.31	988,254,680.09
Cash received from other operating activities		<u>2,238,210,496.08</u>	<u>2,823,936,790.73</u>
Sub-total of cash inflows from operating activities		<u>14,713,662,556.18</u>	<u>16,124,385,882.15</u>
Net cash paid for settlement of derivative financial instruments		-	(637,819,903.35)
Net increase in loans and advances		-	(4,816,315,368.68)
Net decrease in placements from banks and other financial institutions		-	(1,010,783,000.00)
Net decrease in due to banks and other financial institutions		(2,339,766,467.51)	-
Net increase in financial assets held-for-trading		(2,190,758,822.17)	(4,297,509,568.70)
Net increase in deposits with the Central Bank		-	(395,583,914.13)
Net decrease in due to the Central Bank		(60,000,000.00)	(31,800,000.00)
Net decrease in financial assets sold under repurchase agreements		-	(1,977,623,000.00)
Net decrease in customer deposits		(2,118,077,401.31)	-
Payments made for interest, service fee and commission		(529,715,900.15)	(767,345,416.68)
Cash paid to and on behalf of employees		(477,373,689.00)	(484,717,209.46)
Cash paid for all types of taxes		(161,750,532.59)	(64,754,297.65)
Cash paid for other operating activities		<u>(2,574,083,580.21)</u>	<u>(816,712,876.04)</u>
Sub-total of cash outflows from operating activities		<u>(10,451,526,392.94)</u>	<u>(15,300,964,554.69)</u>
Net cash inflows from operating activities	41	<u>4,262,136,163.24</u>	<u>823,421,327.46</u>

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

BNP PARIBAS (CHINA) LIMITED
STATEMENT OF CASH FLOWS (continued)
Year 2025
(Unless otherwise stated, expressed in Renminbi Yuan)

	Note V	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received from recovery of investments		908,131,623.13	-
Cash received from investment income		157,601,824.77	285,536,566.41
Cash received from disposals of fixed assets, intangible assets and other long-term assets		<u>70,291.60</u>	<u>6,869.28</u>
Sub-total of cash inflows from investing activities		<u>1,065,803,739.50</u>	<u>285,543,435.69</u>
Cash paid for investments		-	(206,759,025.07)
Cash paid for purchase of fixed assets, intangible assets and other long-term assets		<u>(30,927,467.19)</u>	<u>(30,222,448.96)</u>
Sub-total of cash outflows from investing activities		<u>(30,927,467.19)</u>	<u>(236,981,474.03)</u>
Net cash inflows from investing activities		<u>1,034,876,272.31</u>	<u>48,561,961.66</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from bond issuance and negotiable certificates of deposit		<u>2,065,310,272.60</u>	<u>7,379,125,025.54</u>
Sub-total of cash inflows from financing activities		<u>2,065,310,272.60</u>	<u>7,379,125,025.54</u>
Repayment of bond issuance and negotiable certificates of deposit		(4,374,500,000.00)	(4,304,384,000.00)
Repayment of lease liabilities		(32,379,452.24)	(31,659,581.26)
Cash paid for attributable dividends		<u>(352,569,103.00)</u>	<u>(527,500,000.00)</u>
Subtotal of cash outflows from financing activities		<u>(4,759,448,555.24)</u>	<u>(4,863,543,581.26)</u>
Net cash (outflows)/inflows from financing activities		<u>(2,694,138,282.64)</u>	<u>2,515,581,444.28</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		<u>13,599,416.94</u>	<u>1,094,015.51</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	41	2,616,473,569.85	3,388,658,748.91
Add: Cash and cash equivalents at beginning of the year		<u>7,282,626,811.59</u>	<u>3,893,968,062.68</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	41	<u>9,899,100,381.44</u>	<u>7,282,626,811.59</u>

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

I. GENERAL INFORMATION

BNP Paribas (China) Limited (“the Bank”) was set up as a foreign invested bank incorporated in Shanghai, the People’s Republic of China (“the PRC”) and wholly owned by BNP Paribas S.A. (“BNP Paribas”). On 15 August 2007, the China Banking Regulatory Commission (“CBRC”, now referred to as the National Financial Regulatory Administration, “NFRA”), approved BNP Paribas’s plan to transform the original branches in China into a separately funded wholly foreign-owned bank of BNP Paribas - BNP Paribas (China) Limited and its branches.

In accordance with the approval from the preparatory group of China Banking and Insurance Regulatory Commission Shanghai Branch on 12 December 2018 regarding the increase of registered capital of the Bank (Hu Yin Bao Jian (Chou) Fu [2018] No. 208), the Bank increased its registered capital to RMB 8,711,347,906.00 equivalent in freely convertible currencies. Based on shareholder meeting held on 26 March 2020 and board resolution, the Bank distributed profits in 2019 of RMB 383,792,706.12 to its shareholder, BNP Paribas, which are used to increase paid-in capital in the Bank. By 26 March 2020, the Bank has transferred RMB 383,792,706.12 of audited undistributed profits as of 31 December 2019 into paid-in capital. After capital injection, paid-in capital of the Bank is RMB 8,711,347,906.00. For detailed information of the actual contribution by investors, please refer to Note V, 27.

The principal activities of the Bank are the provisions of foreign currency business and RMB business as approved by the regulator under Article 29 of the Administration Regulations on Foreign Invested Banks of the People’s Republic of China (“the Administration Regulations”).

As of 31 December 2025, the Bank consisted of Head Office of BNP Paribas (China) Limited, the Beijing Branch, the Tianjin Branch and the Guangzhou Branch. Head office of the Bank is in Shanghai, with registered address located in Room 1701-1708, 17 Floor and Room 1804-1807, 18 Floor, No. 479 Lujiazui Ring Road, Shanghai Pilot Free Trade Zone.

The Bank’s parent company is BNP Paribas.

II. Preparation basis of the financial statements

The financial statements have been prepared in accordance with Accounting Standards for Business Enterprises - Basic Standards and specific accounting standards, implementation guidance, interpretations and other relevant provisions issued subsequently by the Ministry of Finance (the "MOF") (collectively referred to as "ASBEs").

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

Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present truly and completely the financial positions of the Bank as at 31 December 2025, and the financial performance and the cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

III. Material accounting policies and estimates

The financial information presented in the 2025 annual financial statements was prepared based on the following material accounting policies and significant estimates under the Accounting Standards for Business Enterprises.

1. Accounting year

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

2. Functional currency

The Bank's functional and presentation currency is Renminbi ("RMB"). These financial statements are presented in RMB and all amounts are stated in RMB, unless otherwise stated.

3. Cash and cash equivalents

Cash comprises the Bank's cash on hand and bank deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

III. Material accounting policies and estimates (continued)

4. Precious metals

Precious metals comprise gold. Precious metals acquired by the Bank for trading purposes are initially measured at fair value and subsequent changes in fair value are recorded in the profit or loss.

5. Foreign currency transactions and foreign currency translation

The Bank translates foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded, on initial recognition in the functional currency using the spot exchange rates prevailing at the dates of transactions, except for capital contributions in foreign currencies by investors, where they are recorded using the spot exchange rates prevailing at the dates of transactions. Monetary items denominated in foreign currencies are translated at the spot exchange rates ruling at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of those relating to foreign currency borrowings specifically for the construction and acquisition of qualifying assets, which are capitalised in accordance with the guidance for capitalisation of borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on initial recognition, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognized when the Bank becomes a party to the contractual provisions of the financial instrument.

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Bank's balance sheet) when:

- (1) the rights to receive cash flows from the financial assets have expired; or
- (2) the Bank has transferred its rights to receive cash flows from the financial asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

III. Material accounting policies and estimates (continued)

6. Financial instruments (continued)

Recognition and derecognition of financial instruments (continued)

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in profit or loss.

Purchases or sales of financial assets are recognized and derecognized, as applicable, using trade date accounting. Purchase or sale of financial assets represents a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned. The trade date is the date that the Bank committed to purchase or sell a financial asset.

Classification and measurement of financial assets

The Bank's financial assets are classified at initial recognition according to the Bank's corporate business model for managing financial assets and the contractual cash flow characteristics of the financial assets: financial assets at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss ("FVTPL"). All the related financial assets affected are reclassified when, and only when, the Bank changes the business model for managing the financial assets.

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or do not take into account financing components of less than one year are initially measured at transaction price.

For financial assets at fair value through profit or loss, the related transaction costs are charged directly to profit or loss for the current period, and for other categories of financial assets related transaction costs are charged to their initial recognition amounts.

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost

Financial assets are classified as financial assets carried at amortized cost if both of the following conditions are met: the business model for managing the financial asset is to collect the contractual cash flows; and the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. Interest income is recognized on such financial assets using the effective interest method, with any gain or loss arising from derecognition, modification or impairment charged to profit or loss for the current period.

III. Material accounting policies and estimates (continued)

6. Financial instruments (continued)

Financial assets at fair value through other comprehensive income

Financial assets are classified into financial assets at fair value through other comprehensive income when both of the following conditions are satisfied: The business model is to collect both the contractual cash flows and cash flows arising from the sale of assets; the cash flows on specific date are solely payments of principal and interest on the principal amount outstanding according to the agreement of the financial assets. Their interest income is recognized using the effective interest rate method. A gain or loss arising from a change in the fair value is recognized as other comprehensive income, except for interest income, credit impairment losses and foreign exchange gains or losses, which are recognized in profit or loss. The gain or loss recognized in other comprehensive income will be reversed and recognized in profit or loss when the financial assets are derecognized.

Financial assets at fair value through profit or loss

Financial assets other than financial assets at amortized cost and financial assets at fair value through other comprehensive income as described above are classified as financial assets at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement and all changes in fair value are recognized in profit or loss for the current period except for the derivatives designated as hedging instruments.

Classification and measurement of financial liabilities

Except for financial guarantee contracts, the Bank's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or financial liabilities measured at amortised cost. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to financial liabilities measured at amortised cost are included in the initial recognition amounts.

Subsequent measurement of financial liabilities is based on their classification:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss on initial recognition. Financial liabilities held for trading (including derivative financial instruments that are financial liabilities) are subsequently measured at fair value, with all changes in fair value recognized in profit or loss except for the derivatives designated as hedging instruments. For financial liabilities designated as at fair value through profit or loss, they are subsequently measured at fair value, with changes in fair value recognized in profit or loss, except for those arising from changes in the Bank's own credit risk, which are recognized in other comprehensive income; if the inclusion of changes in fair value arising from changes in the Bank's own credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, the Bank recognizes all changes in fair value (including the amount of the effect of changes in its own credit risk) in profit or loss for the current period.

III. Material accounting policies and estimates (continued)

6. Financial instruments (continued)

Financial liabilities at fair value through profit or loss (continued)

A financial liability may be designated as at FVTPL upon initial recognition if: (1) such designation eliminates or significantly reduces accounting mismatch; (2) the Bank makes management and performance evaluation on a fair value basis for a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities, in accordance with the Bank's formally documented risk management or investment strategy, and reports to key management personnel on that basis; (3) the qualified hybrid contract that contains embedded derivatives.

Financial liabilities at amortized cost

For such financial liabilities, the effective interest method is applied and the subsequent measurement is made at amortized cost.

Impairment of financial instruments

The Bank impairs financial assets measured at amortized cost, commitments and financial guarantee contracts on the basis of expected credit losses ("ECL") and recognizes a loss allowance.

For receivables without significant financing components, the Bank applies a simplified measurement approach and measures the loss allowance at an amount equal to the ECL over the life of the asset.

Other than the financial assets, commitments and financial guarantee contracts are subject to the simplified approach, the Bank assesses at each balance sheet date whether there has been a significant increase in credit risk since initial recognition and, if there has been no significant increase in credit risk since initial recognition, the financial instruments are included in Stage I. The Bank measures the allowance for losses at an amount equal to the ECL over the next 12 months and calculates interest income based on the carrying amount and effective interest rate. If the credit risk has increased significantly since initial recognition, but no credit impairment has occurred, the financial instruments are included in Stage II, the Bank measures the allowance for losses at an amount equivalent to the ECL over the lifetime of the financial instruments and calculates the interest income based on the carrying balance and the effective interest rate. If credit impairment occurs after initial recognition, the financial instruments are included in Stage III, the Bank measures the provision for loss at an amount equivalent to the ECL over the lifetime of the financial instruments and calculates interest income at amortized cost and the effective interest rate.

III. Material accounting policies and estimates (continued)

6. Financial instruments (continued)

Impairment of financial instruments (continued)

At each balance sheet date, the Bank assesses whether the credit risk of the relevant financial instruments has increased significantly since initial recognition. The Bank compares the risk of a default occurring of a single financial instrument or a group of financial instruments with similar credit risk characteristics as at the balance sheet date with the risk of a default as at the date of initial recognition, to determine changes in the risk of a default occurring of the financial instrument in the expected lifetime. For financial instruments with only low credit risk at the balance sheet date, the Bank assumes that the credit risk has not increased significantly since initial recognition.

The factors reflected by the Bank's measurement of ECL of financial instruments include: unbiased probability weighted average amount recognized by assessing a series of possible results; time value of money; reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

A financial asset becomes credit impaired when one or more events occur that have an adverse effect on the expected future cash flows of the financial asset.

When the Bank no longer has a reasonable expectation of recovering all or part of the contractual cash flows from a financial asset, the Bank writes down the carrying amount of the financial asset directly.

Significant increase in credit risk

The Bank uses reasonable and supportable forward-looking information to assess whether the credit risk has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument at the balance sheet date with the risk of a default occurring on the financial instrument at the date of initial recognition. For loan commitments and financial guarantee contracts, the date that the Bank becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

III. Material accounting policies and estimates (continued)

6. Financial instruments (continued)

Impairment of financial instruments (continued)

Significant increase in credit risk (continued)

The following information is taken into account when assessing whether the credit risk has increased significantly:

- (1) Significant changes in internal price indicators resulting from changes in credit risk;
- (2) Significant changes in the rates or other terms of an existing financial instrument if the instrument was newly originated or issued at the balance sheet date (such as more stringent covenants, increased amounts of collateral or guarantees, or higher rate of return, etc.) ;
- (3) Significant changes in the external market indicators of credit risk of the same financial instrument or similar financial instruments with the same expected duration. These indicators include: credit spreads, credit default swap prices against borrower, length of time and extent to which the fair value of financial assets is less than their amortized cost, and other market information related to the borrower (such as the borrower's debt instruments or changes in the price of equity instruments);
- (4) An actual or expected significant change in the financial instrument's external credit rating;
- (5) An actual or expected decrease in the internal credit rating for the debtor;
- (6) Adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- (7) An actual or expected significant change in the operating results of the debtor;
- (8) Significant increase in the credit risk of other financial instruments issued by the same debtor;
- (9) Significant adverse changes in regulatory, economic, or technological environment of the debtor;
- (10) Significant changes in the value of collaterals or the quality of guarantees or credit enhancements provided by third parties, which are expected to reduce the debtor's economic motives to repay within the time limit specified in contract or affect the probability of default;
- (11) Significant change in the debtor's economic motives to repay within the time limit specified in contract;
- (12) Expected changes to loan contract, including the exemption or revision of contractual obligations, the granting of interest-free periods, the jump in interest rates, the requirement for additional collateral or guarantees, or other changes in the contractual framework for financial instruments that may result from the breach of contract;
- (13) Significant change in expected performance and repayment of the debtor;
- (14) Significant change in the method used by the Bank to manage the credit of financial instrument.

Irrespective of the outcome of the above assessment, the Bank presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due.

III. Material accounting policies and estimates (continued)

6. Financial instruments (continued)

Impairment of financial instruments (continued)

Significant increase in credit risk (continued)

At the balance sheet date, if the Bank determines that the financial instrument has only lower credit risk, the Bank assumes that the credit risk of such financial instrument has not increased significantly since initial recognition. The financial instrument is deemed as having lower credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flows obligations.

Credit-impaired financial assets

When an event or several events that are expected to have adverse impact on the future cash flows of the financial assets have occurred, the financial assets become credit-impaired. The evidences of credit impairment of financial assets include the following observable information:

- (1) Significant financial difficulty of the issuer or debtor;
- (2) Breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- (3) The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, have granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It is probable that the debtor will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor;
- (6) Purchase or originate a financial asset at a significant discount which reflects the fact of credit impairment.

Based on the Bank's internal credit risk management, the Bank considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Bank, in full (without taking into account any collaterals held by the Bank).

Irrespective of the outcome of the above assessment, the Bank presumes that an event of default on the financial instrument has occurred if the contractual payment of the financial instrument has been more than 90 days past due.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when the Bank currently has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

III. Material accounting policies and estimates (continued)

6. Financial instruments (continued)

Financial guarantee contracts

Financial guarantee contracts are those contracts that require issuer to pay a specified amount to the contract holder who has suffered a loss if a specified debtor is unable to pay its debt when due in accordance with the terms of the debt instruments. Financial guarantee contracts are measured at fair value on initial recognition, except for financial guaranteed contracts designated as financial liabilities at fair value through profit or loss, which are subsequently measured at the higher of (i) the ECL determined at the balance sheet date and (ii) the amount initially recognized less accumulated amortization determined in accordance with the revenue recognition standards.

Derivative financial instruments

The Bank uses derivative financial instruments. Derivative financial instruments are initially measured at fair value at the date the derivative transaction contract is entered into and are subsequently measured at their fair value. A derivative financial instrument with a positive fair value is recognized as an asset and a negative fair value is recognized as a liability.

Gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss for the current period, except when they relate to hedge accounting.

Transfer of financial assets

A financial asset is derecognized when the Bank has transferred substantially all the risks and rewards of the financial asset to the transferee. A financial asset is not derecognized when the Bank retains substantially all the risks and rewards of the financial asset.

When the Bank has neither transferred nor retained substantially all the risks and rewards of the financial asset, it is treated as follows (i) If control over the financial asset is relinquished, the financial asset is derecognized and the resulting assets and liabilities are recognized, (ii) if control over the financial asset is not relinquished, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset and the related liabilities are recognized accordingly.

Continuing involvement in a transferred financial asset is recognized to the extent of the lower of the carrying amount of the financial asset and the amount of the financial guarantee. The amount of the financial guarantee is the maximum amount of the consideration received that will be required to be repaid.

III. Material accounting policies and estimates (continued)

7. Financial assets purchased under resale agreements and financial assets sold under repurchase agreements

The financial assets to be repurchased on a certain future date are not derecognised in balance sheet. The amount received from sales of such assets (including interest) is stated as financial assets sold under repurchase agreements in balance sheet. The difference between selling price and repurchase price for the duration of the agreement is recognized as interest expense by adopting effective interest method.

The financial assets to be sold on a certain future date are not recognised in balance sheet. The amount paid for purchases of such assets (including interest) is stated as financial assets purchased under resale agreements in balance sheet. The difference between purchasing price and resale price at the duration of the agreement is recognized as interest expense by adopting effective interest method.

8. Fixed assets

The fixed assets can be recognized only when the economic benefits related to fixed assets are likely to flow into the Bank, and the cost of fixed assets can be measured reliably. Subsequent expenditure can be recognized as the cost of fixed assets when the recognition criteria set above is met, and the replaced carrying amount shall be derecognized. Otherwise, such expenditure is to be charged to the profit or loss or the cost of related assets in the period when it is incurred.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use. Depreciation is charged to profit or loss on a straight-line basis. And the respective estimated useful lives, estimated residual values and annual depreciation rates of fixed assets are set by the Bank considering the nature and usage of fixed assets.

	Estimated useful lives	Estimated residual value	Annual Depreciation rate
Office equipment	5 years	-	20%
Computer equipment	3-5 years	-	20%-33%

Residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each balance sheet date.

III. Material accounting policies and estimates (continued)

9. Intangible assets

Intangible assets of the Bank mainly comprise software.

An intangible asset is initially measured at cost. An intangible asset with a finite useful life is amortized using the straight-line method over its useful life when the asset is available for use. An intangible asset with an indefinite useful life is not amortized.

For an intangible asset with a finite useful life, the Bank reviews the useful life and amortization method at least at each year-end and makes changes if necessary.

10. Long-term prepayments

Long-term prepayments are various expenditures incurred but that should be allocated over the current and future periods of more than one year. Long-term prepayments are evenly amortized over expected beneficial period.

11. Impairment of assets

For assets excluding deferred income tax and financial assets, the Bank assesses impairment of assets as follows: The Bank assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, the Bank makes an estimate of the asset's recoverable amount and performs impairment test. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least at each year-end, irrespective of whether there is any indication that the asset may be impaired.

An asset's recoverable amount is the higher of its fair value less costs to sell and the present value of estimated future cash flows discounted. The Bank estimates the recoverable amount on the basis of individual asset; while recoverable amount of the individual asset is hard to estimate, the Bank determines the recoverable amount of the asset group that the individual asset belongs to. The recognition of the asset group is based on whether the main cash inflows to asset group are independent of other assets or groups of assets.

If the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by the Bank. The reduction is recognized as an impairment loss and recognized in the income statement for the current period. A provision for impairment loss of the asset is made accordingly.

Once an impairment loss is recognized, it shall not be reversed in a subsequent accounting period.

III. Material accounting policies and estimates (continued)

12. Employee benefits

Employee benefits refer to all forms of consideration given and other related expenditure incurred by the Bank other than share-based payments in exchange for services rendered by employees or termination of employment. Employee benefits include short-term salary, post-employment benefit, termination benefits and other long-term employee benefits.

Short-term employee benefits

Occurred short-term employee benefits are recognised as a liability in the accounting period in which an employee provides services, with a corresponding charge to profit or loss or cost of an asset.

Post-employment benefits (defined contribution plan)

The employees of the Bank participate in a pension scheme and unemployment insurance managed by the local government, the corresponding expenses shall be included in the cost of related assets or profit or loss.

Termination benefits

The Bank provides termination benefits to employees and recognises an employee benefits liability for termination benefits, with a corresponding charge to profit or loss, at the earlier of when the Bank can no longer withdraw the offer of those benefits resulting from an employment termination plan or a curtailment proposal and when the Bank recognises costs involving the payment of termination benefits.

13. Share-based payments

The Bank implements share-based payments for certain employees in key positions that is cash settled with the amount in line with equity shares of BNP Paribas.

The share-based payments shall be settled in cash upon the completion of vesting period. The Bank shall, at each balance sheet date during the vesting period, recognize the services received for the current period as related costs or expenses, with a corresponding increase in liabilities, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting.

Until the liability is settled, the Bank shall remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with any changes being recognised in profit or loss for the period.

III. Material accounting policies and estimates (continued)

14. Accrued liabilities

An obligation related to a contingency is recognized as accrued liabilities when all of the following conditions are satisfied:

- (1) The obligation is a present obligation of the Bank.
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation.
- (3) The amount of the obligation can be measured reliably.

The accrued liabilities are initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. The Bank reviews the carrying amount of the accrued liabilities at each balance sheet date and makes appropriate adjustments to reflect the current best estimate.

Off-balance sheet commitments that are subsequently measured with expected credit losses are listed in estimated liabilities.

15. Revenue from contracts with customers

The Bank recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer obtains control of the relevant goods or services. The acquisition of control of the relevant goods or services is defined as the ability to dominate the use of the goods or the provision of the services and to derive substantially all the economic benefits therefrom.

Interest income and expense

“Interest income” and “Interest expense” item in the income statement represent interest income and expense arising from financial assets measured at amortized cost and financial liabilities measured at amortized cost, etc. recognized under the effective interest method.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the accounting periods. The effective interest rate is the rate used to discount the estimated future cash flows of a financial asset or financial liability through its expected life to the carrying amount of the financial asset or the amortized cost of the financial liability. In determining the effective interest rate, the Bank estimates the expected cash flows considering all contractual terms of the financial asset or financial liability but does not take into account ECL. Fees, transaction costs and premiums or discounts paid or received by the Bank that are an integral part of the effective interest rate are taken into account in determining the effective interest rate.

III. Material accounting policies and estimates (continued)

15. Revenue from contracts with customers (continued)

For financial assets acquired or originated with credit impairment, the Bank determines interest income from initial recognition based on the amortized cost of the financial assets and the credit-adjusted effective interest rate. The credit-adjusted effective interest rate is the rate that discounts the estimated future cash flows through the expected life of an acquired or originated financial asset that is credit impaired to the amortized cost of that financial asset.

For financial assets acquired or originated that are not credit impaired but become credit impaired in a subsequent period, the Bank determines interest income in the subsequent period based on the amortized cost of the financial asset and the effective interest rate.

Fee and commission income

The Bank receives fees and commissions for the provision of various services to customers. The fees and commissions charged for services rendered within a certain period are recognized in accordance with the progress of performance within the respective period, while other fees and commissions are recognized upon completion of the relevant transactions.

16. Deferred income tax

Deferred income tax is provided, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Temporary differences also include the differences between the book values and tax bases of items not recognized as assets or liabilities where the tax base can be determined according to the relevant tax regulations.

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

Where the taxable temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

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

Where the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

III. Material accounting policies and estimates (continued)

16. Deferred income tax (continued)

At the balance sheet date, deferred income tax assets and liabilities are measured by the Bank at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, according to the requirements of tax laws, and reflect the corresponding tax effect.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset when fulfilling of the following conditions:

- (1) A legally enforceable right exists to set off current tax assets against current tax liabilities.
- (2) The deferred tax assets and deferred tax liabilities are related to the income tax left on the same taxpayer by the same tax administrative department or are related to different taxpayers but, within each future period of reversal of important deferred tax assets and deferred tax liabilities, the taxpayers involved intend to settle current tax assets and current tax liabilities or acquire assets and liquidate liabilities at the same time.

17. Leases

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

As lessee

In addition to short-term leases and low-value asset leases, the Bank recognizes lease liabilities and right-of-use assets.

For a contract that contains a lease component and non-lease component(s), the Bank allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

III. Material accounting policies and estimates (continued)

17. Leases (continued)

As lessee (continued)

At the commencement date of the lease, the Bank recognises right-of-use assets. Right-of-use assets are initially measured at cost. The cost of the right-of-use assets comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date of the lease less any lease incentives received; (c) any initial direct cost incurred; and (d) estimates of costs incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the lease. The Bank remeasures the lease liabilities for the revision to the lease payments and adjusts the carrying amount of the right-of-use assets accordingly. The right-of-use assets are depreciated on a straight-line basis subsequently by the Bank. If the Bank is reasonably certain that the ownership of the underlying assets will be transferred to the Bank at the end of the lease terms, the Bank depreciates the assets from the commencement date to the end of the useful lives of the assets. Otherwise, the Bank depreciates the assets from the commencement date to the earlier of the end of the useful lives of the assets and the end of the lease terms.

At the commencement date of the lease, the Bank measures lease liabilities at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. The lease payments include fixed payments and in-substance fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for termination of a lease, if the lease term reflects the Bank exercising the option to terminate the lease. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those in the costs of the related assets as required. In addition, the Bank remeasures lease liabilities at the present value of the revised lease payments upon a change in any of the following: in-substance fixed payments, the amounts expected to be payable under residual value guarantees, the index or rate used to determine lease payments, or the assessment or exercise of the purchase option, the renewal option or the option to terminate the lease.

The Bank does not recognize the right-of-use assets and lease liabilities for short-term leases (leases with a lease term not exceeding 12 months) and low-value assets. The Bank recognizes lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis over the lease term.

III. Material accounting policies and estimates (continued)

18. Fair value measurement

For assets and liabilities measured and disclosed at fair value, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 inputs are unobservable inputs for the asset or liability.

At each balance sheet date, the Bank reassesses assets and liabilities which are measured at fair value on a recurring basis as to confirm whether there is transfer between different levels of the fair value hierarchy.

19. Entrusted business

The Bank acts as the client's trustee in entrusted business. Since the risk and benefit of the entrusted assets are beard by clients, those assets are not included in the balance sheet of the Bank.

Entrusted loans are a form of agency business in which the capital is provided by the client (trustor) and is loaned to the target borrower for specified uses, in specified amounts, over specified maturity periods and at a specified interest rate as instructed by the trustor through the Bank (the trustee), who grants, monitors, uses as well as helps retrieve the loan on the trustor's behalf. The client (trustor) bears the related risks. The Bank earns commission fee only.

20. Hedge accounting

For the purpose of hedge accounting, the Bank's hedges are classified as fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for currency risk) ;

At inception of a hedge relationship, the Bank formally designates and documents the hedge relationship, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Bank will assess the hedge effectiveness, which is the hedging instrument's effectiveness of the changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are assessed on an ongoing basis to determine that they actually have been highly effective throughout the accounting periods for which they were designated.

III. Material accounting policies and estimates (continued)

20. Hedge accounting (continued)

If the hedging instrument expires or is sold, terminated or exercised without rollover or replacement (as part of the hedging strategy) or when the hedging relationship is not consistent with the risk management objective as the risk management objective has changed or when the hedge no longer meets other criteria of the hedge accounting, the Bank will discontinue the hedge accounting.

If a hedging relationship ceases to meet the hedge effectiveness requirements due to the hedge ratio but the risk management objective of designating the hedging relationship remains unchanged, the hedging relationship is rebalanced by the Bank.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges

The gain or loss on the hedging instrument is recognised in profit or loss or other comprehensive income, if the hedging instrument hedges an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income. The gain or loss on the hedged item resulting from hedged exposures is recognised in profit or loss (or other comprehensive income, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income) and the carrying amount of the hedged item not measured at fair value is adjusted at the same time.

For fair value hedges relating to debt investments carried at amortised cost, the adjustment to the carrying amount is amortised through profit or loss over the remaining term of the hedge using the effective interest method. Amortisation using the effective interest method may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. In cases where a hedged item is a debt instrument measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item is amortised in the same manner and recognised in profit or loss, without adjusting the carrying amount of the hedged item. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

III. Material accounting policies and estimates (continued)

21. Material accounting judgment and estimates

The preparation of financial statements requires management to make judgments and estimates. These judgments and estimates will affect the reported amounts of income, expenses, assets and liabilities and their disclosures, as well as the disclosure of contingent liabilities on the balance sheet date. However, the results resulting from the uncertainty of these estimates may cause significant adjustments to the carrying amounts of assets or liabilities that will be affected in the future.

Judgements

In the process of applying the Bank's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Business model

Financial assets are initially classified based on the Bank's business model for managing the financial assets. The Bank judges the business model, with the consideration of enterprise evaluation, the reporting mode to key management, related risk and corresponding risk management method of financial assets performance, and the reward system of related business personnel. The Bank analyses and judges the reason, timing, frequency and value of selling financial assets before maturity date when judging whether the business model is to collect contractual cash flows or not.

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, such as the judgement on whether there is any significant difference from the benchmark cash flow when assessing the modification of the time value of money and the judgement on whether the fair value of the prepayment features is insignificant for financial assets with prepayment features.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

III. Material accounting policies and estimates (continued)

21. Material accounting judgment and estimates (continued)

Estimation uncertainty (continued)

Impairment of financial instruments

The Bank uses the expected credit loss model to evaluate the impairment of financial instruments other than financial assets at FVTPL. Applying the expected credit loss model requires significant judgment and estimates with consideration of all reasonable information with proper basis, including the forward-looking information. When making those judgments and estimates, the Bank deduces the expected changes of obligor's credit risk with consideration of the historical repayment data combined with the economic policy, macroeconomic indicators, industry risk and etc. Different estimates may affect the impairment provision, and the provision made for impairment may not be equal to the actual amount of future impairment losses.

Fair value of financial instruments

For the financial instrument without active trading market, the Bank determines its fair value by various valuation methods. The valuation methods that the Bank uses include Discounted Cash Flows (DCF) model analysis, and etc. The Bank needs to make estimates in such aspects as credit risks of itself and counterparties, market volatility and relevance. The changes in the assumptions about these relevant elements will have effects on the fair values of financial instruments.

Deferred income tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

IV. Taxes

Income tax

Income tax rate is 25%.

In accordance with the Announcement of the State Administration of Taxation 2012 No. 57, the headquarter is responsible for the calculation of its total taxable incomes and the amount of enterprise income tax payable. The headquarter, branches and sub-branches shall prepay enterprise income tax to the local taxation authorities on a monthly or quarterly basis. 50% of the total tax payable shall be paid by the headquarter and remaining 50% shall be allocated among its eligible branches and sub-branches. The headquarter shall calculate the proportions of tax to be borne by different branches and sub-branches according to three factors: operating revenue, employee compensation and total assets, and the 50% of total tax payable shall be allocated among these branches and sub-branches within 15 days after the end of each month or each quarter (the branches and sub-branches located in the same province as headquarter also allocate the tax payable according to the three factors). Branches and sub-branches shall pay the amount of enterprise income tax which is allocated with respectively to the local state treasuries.

Value-added tax ("VAT")

VAT payable is the output VAT minus deductible input VAT. The output VAT is calculated by 6% of taxable financial services.

Other taxes

The Bank is liable for paying VAT surcharges according to local tax bureau's request.

V. Notes to financial statements

1. Cash and due from the Central Bank

	2025	2024
Statutory deposit reserve with the People's Bank of China ("PBOC")	1,326,263,815.74	1,523,127,882.81
Other deposits with the PBOC	2,383,785,180.68	3,918,206,845.42
Accrued interest	<u>1,407,093.83</u>	<u>872,575.95</u>
Total	<u><u>3,711,456,090.25</u></u>	<u><u>5,442,207,304.18</u></u>

Deposit reserves are deposited in accordance with the relevant regulation of PBOC and shall not be used for daily business operations. The RMB deposit reserve shall be deposited based on the arithmetic mean of the day-end balance of all relevant deposits and margin accounts at the end of every ten days, and the offshore RMB deposit reserve shall be deposited based on the arithmetic mean of the day-end balance of offshore RMB deposits in the prior quarter, with a reserve ratio of 5.5% (31 December 2024: 6%). Foreign exchange business deposit reserves are deposited at 4% (31 December 2024: 4%) of the balance of all relevant deposits and margin accounts at the end of each month, with no interest rate.

Other deposits with the PBOC include the foreign exchange risk reserve funds and other settlement account funds deposited with the PBOC. In accordance with the PBOC's "Notice to Adjust Foreign Exchange Risk Reserve" (Yinfa [2022] No. 149), starting from 28 September 2022, the Bank is required to place foreign exchange risk reserve with PBOC basing on 20% of the nominal value of all forward RMB sale derivative contracts.

2. Due from financial institutions

	2025	2024
Deposits with domestic banks	2,256,334,477.34	456,120,481.10
Deposits with overseas banks	<u>250,977,791.06</u>	<u>241,364,056.45</u>
Sub-total	<u>2,507,312,268.40</u>	<u>697,484,537.55</u>
Less: Impairment allowance	<u>6,036,020.09</u>	<u>6,171,929.96</u>
Total	<u><u>2,501,276,248.31</u></u>	<u><u>691,312,607.59</u></u>

V. Notes to financial statements (continued)

2. Due from financial institutions(continued)

Changes in ECL of due from financial institutions

	2025	2024
At the beginning of the year	6,171,929.96	6,081,248.86
(Reversals)/accrual for the year	<u>(135,909.87)</u>	<u>90,681.10</u>
At the end of the year	<u>6,036,020.09</u>	<u>6,171,929.96</u>

In 2025 and 2024, the Bank's deposits with banks and other financial institutions are in the Stage 1, and are not transferred to other stages.

3. Placements with banks and other financial institutions

	2025	2024
Placements with domestic banks	3,850,000,000.00	4,200,000,000.00
Placements with overseas banks	1,992,807,660.00	1,808,152,710.00
Accrued interest	<u>9,540,197.88</u>	<u>46,395,285.11</u>
Sub-total	5,852,347,857.88	6,054,547,995.11
Less: Impairment allowance	<u>10,471,470.35</u>	<u>13,635,358.84</u>
Total	<u>5,841,876,387.53</u>	<u>6,040,912,636.27</u>

V. Notes to financial statements (continued)

3. Placements with banks and other financial institutions (continued)

Changes in the carrying amount of placements with banks and other financial institutions

Item	2025			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
At the beginning of the year	4,631,776,605.69	1,422,771,389.42	-	6,054,547,995.11
Net amount incurred in the year	<u>1,220,571,252.19</u>	<u>(1,422,771,389.42)</u>	<u>-</u>	<u>(202,200,137.23)</u>
At the end of the year	<u>5,852,347,857.88</u>	<u>-</u>	<u>-</u>	<u>5,852,347,857.88</u>

Item	2024			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
At the beginning of the year	6,775,065,568.93	-	-	6,775,065,568.93
Net amount incurred in the year	<u>(2,143,288,963.24)</u>	<u>1,422,771,389.42</u>	<u>-</u>	<u>(720,517,573.82)</u>
At the end of the year	<u>4,631,776,605.69</u>	<u>1,422,771,389.42</u>	<u>-</u>	<u>6,054,547,995.11</u>

Changes in ECL of placements with banks and other financial institutions

Item	2025			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
At the beginning of the year	12,913,072.24	722,286.60	-	13,635,358.84
Net amount incurred in the year	<u>(3,105,294.37)</u>	<u>(722,286.60)</u>	<u>-</u>	<u>(3,827,580.97)</u>
Exchange difference	<u>663,692.48</u>	<u>-</u>	<u>-</u>	<u>663,692.48</u>
At the end of the year	<u>10,471,470.35</u>	<u>-</u>	<u>-</u>	<u>10,471,470.35</u>

Item	2024			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
At the beginning of the year	22,657,316.81	-	-	22,657,316.81
Net amount incurred in the year	<u>(9,661,510.98)</u>	<u>722,286.60</u>	<u>-</u>	<u>(8,939,224.38)</u>
Exchange difference	<u>(82,733.59)</u>	<u>-</u>	<u>-</u>	<u>(82,733.59)</u>
At the end of the year	<u>12,913,072.24</u>	<u>722,286.60</u>	<u>-</u>	<u>13,635,358.84</u>

V. Notes to financial statements (continued)

4. Derivative financial instruments

The derivative financial instruments of the Bank include forwards, swaps, options and future, commodity-related derivatives, equity related derivatives, credit default swaps, gold derivatives contract and derivatives embedded in structured deposits. Derivative transaction is one of the key methods that the Bank adopts to actively manage the risk positions with an objective to ensure the net risk value of the Bank is within the acceptable risk level.

The notional amount and fair value of the Bank's derivative financial instruments are as follows:

	2025		
	Notional Amount	Fair Value	
		Assets	Liabilities
Interest rate derivatives	1,671,216,735,857.14	3,394,312,775.71	3,277,898,089.00
Interest rate swaps	1,671,216,735,857.14	3,394,312,775.71	3,277,898,089.00
Foreign exchange derivatives	1,044,815,619,001.54	3,731,251,318.66	3,280,909,813.81
Foreign exchange swaps	606,079,391,526.59	2,363,978,337.67	2,321,696,162.21
Foreign exchange forwards	182,172,802,359.18	580,007,034.24	675,089,567.07
Foreign exchange options	234,460,398,791.60	232,212,608.71	190,880,294.29
Cross currency swaps	22,036,719,322.94	555,029,778.04	91,102,210.24
Forex futures contracts	66,307,001.23	23,560.00	2,141,580.00
Other derivatives	88,587,840,146.50	2,920,687,487.41	3,317,381,231.16
Commodity related derivative contracts	65,253,389,308.16	2,371,157,652.57	2,369,056,562.82
Equity related derivative contracts	12,388,529,622.91	507,925,102.55	508,806,886.46
Gold derivatives contracts	2,210,994,119.43	30,489,600.79	29,085,431.17
Credit default swaps	8,734,927,096.00	11,115,131.50	410,432,350.71
Total	2,804,620,195,005.18	10,046,251,581.78	9,876,189,133.97

V. Notes to financial statements (continued)

4. Derivative financial instruments (continued)

The notional amount and fair value of the Bank's derivative financial instruments are as follows: (continued)

	2024		
	Notional Amount	Fair Value	
		Assets	Liabilities
Interest rate derivatives	1,000,320,377,796.59	5,296,988,089.74	5,104,353,586.67
Interest rate swaps	1,000,320,377,796.59	5,296,988,089.74	5,104,353,586.67
Foreign exchange derivatives	1,010,592,304,346.83	9,004,834,918.21	7,937,441,823.86
Foreign exchange swaps	656,012,469,190.50	6,814,214,883.59	5,254,231,139.88
Foreign exchange forwards	154,513,060,758.20	1,435,413,773.62	2,104,601,887.17
Foreign exchange options	180,140,771,041.43	421,353,023.74	378,516,291.93
Cross currency swaps	19,742,095,224.25	333,853,237.26	199,201,504.88
Forex futures contracts	183,908,132.45	-	891,000.00
Other derivatives	55,204,704,632.27	1,613,937,374.64	1,865,691,737.71
Commodity related derivative contracts	30,481,266,361.22	917,402,721.65	917,401,836.76
Equity related derivative contracts	14,159,986,375.99	656,702,535.50	656,606,262.77
Gold derivatives contracts	2,388,796,163.06	38,943,787.43	14,902,287.45
Credit default swaps	8,174,655,732.00	888,330.06	276,781,350.73
Total	<u>2,066,117,386,775.69</u>	<u>15,915,760,382.59</u>	<u>14,907,487,148.24</u>

V. Notes to financial statements (continued)

4. Derivative financial instruments (continued)

4.1 Fair value hedges

The Bank adopts fair value hedges to avoid the impact of changes in fair values of financial assets and liabilities arising from changes in market interest rates. The Bank primarily uses interest rate swaps as hedging instruments for interest rate risk on financial assets and liabilities.

Changes in fair value of hedging instruments and net gain or loss on hedged items due to the hedged risks are presented as below:

	2025	2024
Net (losses)/gains on fair value hedges		
Hedging instruments	(27,441,134.28)	20,226,474.43
Hedged items	<u>27,350,038.59</u>	<u>(20,775,075.51)</u>
Total	<u>(91,095.69)</u>	<u>(548,601.08)</u>

Among the derivative financial instruments mentioned above, the Bank's hedging instruments designated as fair value hedges are all interest rate swaps, which are presented as below:

		2025					Fair value		
		Notional amount (by remaining maturity)					Assets		Liabilities
		Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total		
Interest rate swaps	-	1,000,000,000.00	-	2,000,000,000.00	-	3,000,000,000.00	7,218,814.02	-	

		2024					Fair value		
		Notional amount (by remaining maturity)					Assets		Liabilities
		Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total		
Interest rate swaps	-	-	-	3,000,000,000.00	-	3,000,000,000.00	34,659,948.30	-	

V. Notes to financial statements (continued)

4. Derivative financial instruments (continued)

4.1 Fair value hedges (continued)

The specific information on the Bank's hedged exposures in fair value hedges is presented below:

	2025			
	Carrying amount of hedged items		Accumulative amount of adjustments to fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Bonds (Note)	-	3,006,988,934.92	-	6,988,934.92

	2024			
	Carrying amount of hedged items		Accumulative amount of adjustments to fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Bonds (Note)	-	3,034,338,973.51	-	34,338,973.51

Note: Bonds are included in issued bonds.

5. Financial assets purchased under resale agreements

5.1 Analysis by counterparty

	2025	2024
Overseas financial institutions	1,530,668,085.61	1,441,024,762.52
Accrued interest	702,386.01	184,131.01
Total	1,531,370,471.62	1,441,208,893.53

V. Notes to financial statements (continued)

5.2 Analysis by security type

	2025	2024
Bonds	1,530,668,085.61	1,441,024,762.52
Accrued interest	<u>702,386.01</u>	<u>184,131.01</u>
Total	<u><u>1,531,370,471.62</u></u>	<u><u>1,441,208,893.53</u></u>

As at 31 December 2025, the balance of assets purchased under resale agreements refer to repurchase agreements of open-end bonds. The open-end bonds amount to USD 100,429,200.00 and EUR 100,148,300.00. As at 31 December 2024, the balance of assets purchased under resale agreements refer to repurchase agreements of open-end bonds. The open-end bonds amount to USD 214,600,000.00.

6. Loans and advances

6.1 Distribution of loans and advances by corporate

	2025	2024
Measured at amortized cost:		
Corporate loans and advances		
- Loans	10,289,429,603.45	14,666,080,738.55
- Trade finance	2,462,227,532.67	1,991,604,423.45
- Discount	<u>1,394,936,418.53</u>	<u>1,489,267,937.34</u>
Loans and advances principal	<u>14,146,593,554.65</u>	<u>18,146,953,099.34</u>
Accrued interest	<u>40,763,481.70</u>	<u>69,997,274.48</u>
Total loans and advances	<u><u>14,187,357,036.35</u></u>	<u><u>18,216,950,373.82</u></u>
Less: Impairment allowance	403,657,537.65	490,726,122.87
Including:		
Stage 1	330,105,088.55	437,638,510.45
Stage 2	50,859,461.84	27,610,186.16
Stage 3	<u>22,692,987.26</u>	<u>25,477,426.26</u>
Net loans and advances	<u><u>13,783,699,498.70</u></u>	<u><u>17,726,224,250.95</u></u>

V. Notes to financial statements (continued)

6. Loans and advances (continued)

6.1 Distribution of loans and advances by corporate (continued)

As at 31 December 2025 and 31 December 2024, the impairment allowance of loans and advances including provision accrued according to regulatory requirements:

	2025	2024
General risk provision	356,825,009.55	439,372,382.65
Specific risk provision	23,192,987.26	27,177,426.26
Special risk provision	<u>23,639,540.84</u>	<u>24,176,313.96</u>
Total	<u>403,657,537.65</u>	<u>490,726,122.87</u>

6.2 Distribution of loans and advances by industry

	2025		2024	
	Amount	%	Amount	%
Manufacturing	4,044,563,756.06	39.31%	6,234,130,899.77	42.51%
Wholesale and retail services	2,800,237,458.65	27.21%	3,230,827,254.09	22.03%
Leasing and commercial services	1,756,185,029.09	17.07%	2,470,851,603.70	16.85%
Finance	614,500,000.08	5.97%	1,425,697,440.10	9.72%
IT and computer service	376,392,675.74	3.66%	390,287,944.92	2.66%
Construction and real estate	237,514,250.63	2.31%	258,729,935.95	1.76%
Transportation, warehousing and postal business	66,152,996.31	0.64%	57,395,160.00	0.39%
Production and supply of electricity, thermodynamics, gas and water	32,133,340.63	0.31%	172,584,871.73	1.18%
Other Industries	<u>361,750,096.26</u>	3.52%	<u>425,575,628.29</u>	2.90%
Total amount of loans and advances	<u>10,289,429,603.45</u>	100.00%	<u>14,666,080,738.55</u>	100.00%
Trade finance	2,462,227,532.67		<u>1,991,604,423.45</u>	
Discount	<u>1,394,936,418.53</u>		<u>1,489,267,937.34</u>	
Accrued Interest	<u>40,763,481.70</u>		<u>69,997,274.48</u>	
Total loans and advances	<u>14,187,357,036.35</u>		<u>18,216,950,373.82</u>	
Less: Impairment allowance	<u>403,657,537.65</u>		<u>490,726,122.87</u>	
Net loans and advances	<u>13,783,699,498.70</u>		<u>17,726,224,250.95</u>	

V. Notes to financial statements (continued)

6. Loans and advances (continued)

6.3 Distribution of loans and advances by geographical region

	2025	2024
Shanghai	12,456,768,872.87	16,155,362,976.26
Beijing	1,271,221,929.37	1,478,897,128.28
Guangzhou	<u>418,602,752.41</u>	<u>512,692,994.80</u>
Sub-total	<u>14,146,593,554.65</u>	<u>18,146,953,099.34</u>
Accrued Interest	<u>40,763,481.70</u>	<u>69,997,274.48</u>
Total loans and advances	14,187,357,036.35	18,216,950,373.82
Less: Impairment allowance	<u>403,657,537.65</u>	<u>490,726,122.87</u>
Net loans and advance	<u><u>13,783,699,498.70</u></u>	<u><u>17,726,224,250.95</u></u>

6.4 Loans and advances by type of collateral or guarantee

	2025	2024
Credit loans	8,663,595,558.75	11,182,209,582.49
Loans with guarantee	5,149,744,534.14	6,608,330,475.98
Loans with securities	<u>333,253,461.76</u>	<u>356,413,040.87</u>
Sub-total	<u>14,146,593,554.65</u>	<u>18,146,953,099.34</u>
Accrued Interest	<u>40,763,481.70</u>	<u>69,997,274.48</u>
Total loans and advances	14,187,357,036.35	18,216,950,373.82
Less: Impairment allowance	<u>403,657,537.65</u>	<u>490,726,122.87</u>
Net loans and advances	<u><u>13,783,699,498.70</u></u>	<u><u>17,726,224,250.95</u></u>

V. Notes to financial statements (continued)

6. Loans and advances (continued)

6.5 Overdue loans

Overdue loans are loans of which the principals or related interests are overdue for one day or above. As at 31 December 2025 and 31 December 2024, the Bank had no overdue loans.

6.6 Changes in the carrying amount and ECL of loans and advances

Changes in the carrying amount of loans and advances

	2025			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
Opening balance	17,256,269,985.09	858,680,388.73	102,000,000.00	18,216,950,373.82
Transfer to Stage 2	(259,010,994.55)	259,010,994.55	-	-
Net amount incurred during the year	(3,544,794,920.24)	(450,264,055.32)	(37,027,629.85)	(4,032,086,605.41)
Recovered after write-off	-	-	2,854,789.57	2,854,789.57
Exchange difference	(361,521.63)	-	-	(361,521.63)
Closing balance	<u>13,452,102,548.67</u>	<u>667,427,327.96</u>	<u>67,827,159.72</u>	<u>14,187,357,036.35</u>
	2024			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
Opening balance	12,499,584,490.54	871,290,679.98	25,000,800.01	13,395,875,970.53
Transfer to Stage 1	54,074,501.42	(54,074,501.42)	-	-
Transfer to Stage 2	(284,508,111.32)	309,508,111.32	(25,000,000.00)	-
Transfer to Stage 3	-	(132,000,000.00)	132,000,000.00	-
Net amount incurred during the year	4,983,323,006.65	(136,043,901.15)	(30,000,800.01)	4,817,278,305.49
Exchange difference	3,796,097.80	-	-	3,796,097.80
Closing balance	<u>17,256,269,985.09</u>	<u>858,680,388.73</u>	<u>102,000,000.00</u>	<u>18,216,950,373.82</u>

V. Notes to financial statements (continued)

6 Loans and advances (continued)

6.6 Changes in the carrying amount and ECL of loans and advances (continued)

Changes in ECL of loans and advances

Item	2025			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL-impaired)	
At the beginning of the year	437,638,510.45	27,610,186.16	25,477,426.26	490,726,122.87
Transfer:				
to Stage 2	(6,106,151.61)	6,106,151.61	-	-
(Reversals)/accrual for the year	(100,881,979.59)	17,143,124.07	(5,639,228.57)	(89,378,084.09)
Recovered after write-off	-	-	2,854,789.57	2,854,789.57
Exchange difference	(545,290.70)	-	-	(545,290.70)
At the end of the year	<u>330,105,088.55</u>	<u>50,859,461.84</u>	<u>22,692,987.26</u>	<u>403,657,537.65</u>

Item	2024			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL-impaired)	
At the beginning of the year	335,184,770.66	44,073,885.86	1,620,234.84	380,878,891.36
Transfer:				
to Stage 1	1,351,862.54	(1,351,862.54)	-	-
to Stage 2	(7,112,702.78)	8,732,937.61	(1,620,234.83)	-
to Stage 3	-	(23,102,906.56)	23,102,906.56	-
Accrual/(reversals) for the year	106,733,973.19	(741,868.21)	2,374,519.69	108,366,624.67
Exchange difference	1,480,606.84	-	-	1,480,606.84
At the end of the year	<u>437,638,510.45</u>	<u>27,610,186.16</u>	<u>25,477,426.26</u>	<u>490,726,122.87</u>

BNP PARIBAS (CHINA) LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2025

Expressed in Renminbi Yuan

V. Notes to financial statements (continued)

7. Financial assets held-for-trading

	2025	2024
Government bonds	7,556,187,128.21	4,696,940,625.05
Financial institution bonds	4,784,857,930.54	5,044,017,669.36
Asset-backed securities	191,691.78	50,026,561.64
Government agency bonds	-	10,658,004.83
Corporate bonds	31,601,050.54	1,456,537.75
Negotiable certificate of deposit investments	<u>299,619,600.00</u>	<u>300,237,651.02</u>
Total	<u>12,672,457,401.07</u>	<u>10,103,337,049.65</u>

8. Debt investments

	2025	2024
Financial institution bonds	250,000,000.00	350,000,000.00
Corporate bonds	<u>580,000,000.00</u>	<u>580,000,000.00</u>
Sub-total	<u>830,000,000.00</u>	<u>930,000,000.00</u>
Add: Accrued interest	8,497,421.02	9,585,985.22
Less: Impairment allowance	<u>5,140,776.38</u>	<u>3,192,411.62</u>
Total	<u>833,356,644.64</u>	<u>936,393,573.60</u>

Changes in the carrying amount of debt investments:

Item	2025			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
At the beginning of the year	929,435,195.60	10,150,789.62	-	939,585,985.22
Transfer:				
to Stage 1	10,150,789.62	(10,150,789.62)	-	-
Net amount incurred in the year	<u>(101,088,564.20)</u>	<u>-</u>	<u>-</u>	<u>(101,088,564.20)</u>
At the end of the year	<u>838,497,421.02</u>	<u>-</u>	<u>-</u>	<u>838,497,421.02</u>
Item	2024			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
At the beginning of the year	889,286,311.26	204,502,186.00	-	1,093,788,497.26
Net amount incurred in the year	<u>40,148,884.34</u>	<u>(194,351,396.38)</u>	<u>-</u>	<u>(154,202,512.04)</u>
At the end of the year	<u>929,435,195.60</u>	<u>10,150,789.62</u>	<u>-</u>	<u>939,585,985.22</u>

V. Notes to financial statements (continued)

8. Debt investments (continued)

Changes in ECL of debt investments:

<u>Item</u>	2025			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
At the beginning of the year	2,926,648.66	265,762.96	-	3,192,411.62
Transfer:				
to Stage 1	265,762.96	(265,762.96)	-	-
Net amount incurred in the year	<u>1,948,364.76</u>	<u>-</u>	<u>-</u>	<u>1,948,364.76</u>
At the end of the year	<u>5,140,776.38</u>	<u>-</u>	<u>-</u>	<u>5,140,776.38</u>

<u>Item</u>	2024			Total
	Stage 1 (12-month ECL)	Stage 2 (The lifetime ECL)	Stage 3 (The lifetime ECL- impaired)	
At the beginning of the year	3,826,873.37	362,220.32	-	4,189,093.69
Net amount incurred in the year	<u>(900,224.71)</u>	<u>(96,457.36)</u>	<u>-</u>	<u>(996,682.07)</u>
At the end of the year	<u>2,926,648.66</u>	<u>265,762.96</u>	<u>-</u>	<u>3,192,411.62</u>

9. Other debt investments

	2025	2024
Debt investments classified by issuer:		
Government bonds	6,938,693,225.71	5,122,715,622.88
Financial institution bonds	180,506,380.28	512,876,238.95
Negotiable certificate of deposit investments	399,416,759.45	2,747,126,838.63
Sub-total	<u>7,518,616,365.44</u>	<u>8,382,718,700.46</u>
Accrued interest	<u>98,355,522.02</u>	<u>74,452,886.69</u>
Total	<u>7,616,971,887.46</u>	<u>8,457,171,587.15</u>

V. Notes to financial statements (continued)

9. Other debt investments (continued)

Movements of impairment allowance for other debt investments:

	2025	2024
At the beginning of the year	37,285.54	223,378.50
Accrual/(reversals) for the year	<u>54,814.12</u>	<u>(186,092.96)</u>
At the end of the year	<u>92,099.66</u>	<u>37,285.54</u>

As at 31 December 2025 and 31 December 2024, the Bank classified all other debt investments into stage 1 and are not transferred to other stages.

10. Fixed assets

2025	Office equipment	Electronic equipment	Total
Cost:			
At the beginning of the year	24,234,689.33	96,084,465.82	120,319,155.15
Additions	1,125,845.67	8,873,167.30	9,999,012.97
Disposals	<u>(3,838,897.60)</u>	<u>(8,336,630.26)</u>	<u>(12,175,527.86)</u>
At the end of the year	<u>21,521,637.40</u>	<u>96,621,002.86</u>	<u>118,142,640.26</u>
Accumulated depreciation:			
At the beginning of the year	16,634,740.73	56,805,307.78	73,440,048.51
Additions	3,381,244.79	14,593,490.65	17,974,735.44
Disposals	<u>(3,569,725.47)</u>	<u>(8,322,684.33)</u>	<u>(11,892,409.80)</u>
At the end of the year	<u>16,446,260.05</u>	<u>63,076,114.10</u>	<u>79,522,374.15</u>
Net book value:			
At the end of the year	<u>5,075,377.35</u>	<u>33,544,888.76</u>	<u>38,620,266.11</u>
At the beginning of the year	<u>7,599,948.60</u>	<u>39,279,158.04</u>	<u>46,879,106.64</u>

V. Notes to financial statements (continued)

10. Fixed assets (continued)

2024	Office equipment	Electronic equipment	Total
Cost:			
At the beginning of the year	24,693,440.34	88,974,319.90	113,667,760.24
Additions	91,562.78	12,449,668.86	12,541,231.64
Disposals	<u>(550,313.79)</u>	<u>(5,339,522.94)</u>	<u>(5,889,836.73)</u>
At the end of the year	<u>24,234,689.33</u>	<u>96,084,465.82</u>	<u>120,319,155.15</u>
Accumulated depreciation:			
At the beginning of the year	13,815,778.87	48,526,093.59	62,341,872.46
Additions	3,369,275.65	13,609,424.89	16,978,700.54
Disposals	<u>(550,313.79)</u>	<u>(5,330,210.70)</u>	<u>(5,880,524.49)</u>
At the end of the year	<u>16,634,740.73</u>	<u>56,805,307.78</u>	<u>73,440,048.51</u>
Net book value:			
At the end of the year	<u>7,599,948.60</u>	<u>39,279,158.04</u>	<u>46,879,106.64</u>
At the beginning of the year	<u>10,877,661.47</u>	<u>40,448,226.31</u>	<u>51,325,887.78</u>

V. Notes to financial statements (continued)

11. Right-of-use assets

2025	Buildings	Office Equipment	Others	Total
Cost:				
At the beginning of the year	162,060,657.74	1,394,790.62	899,373.37	164,354,821.73
Additions	24,561,769.74	-	-	24,561,769.74
Disposals	<u>(21,404,420.53)</u>	<u>-</u>	<u>-</u>	<u>(21,404,420.53)</u>
At the end of the year	<u>165,218,006.95</u>	<u>1,394,790.62</u>	<u>899,373.37</u>	<u>167,512,170.94</u>
Accumulated Depreciation:				
At the beginning of the year	53,164,661.76	441,683.57	314,870.92	53,921,216.25
Additions	28,085,122.05	278,958.00	84,506.12	28,448,586.17
Disposals	<u>(21,404,420.53)</u>	<u>-</u>	<u>-</u>	<u>(21,404,420.53)</u>
At the end of the year	<u>59,845,363.28</u>	<u>720,641.57</u>	<u>399,377.04</u>	<u>60,965,381.89</u>
Net book value:				
At the end of the year	<u>105,372,643.67</u>	<u>674,149.05</u>	<u>499,996.33</u>	<u>106,546,789.05</u>
At the beginning of the year	<u>108,895,995.98</u>	<u>953,107.05</u>	<u>584,502.45</u>	<u>110,433,605.48</u>

V. Notes to financial statements (continued)

11. Right-of-use assets (continued)

2024	Buildings	Office Equipment	Others	Total
Cost:				
At the beginning of the year	173,112,998.16	1,394,790.62	899,373.37	175,407,162.15
Additions	24,605,178.19	-	-	24,605,178.19
Disposals	<u>(35,657,518.61)</u>	<u>-</u>	<u>-</u>	<u>(35,657,518.61)</u>
At the end of the year	<u>162,060,657.74</u>	<u>1,394,790.62</u>	<u>899,373.37</u>	<u>164,354,821.73</u>
Accumulated Depreciation:				
At the beginning of the year	60,375,675.09	162,725.57	230,364.80	60,768,765.46
Additions	28,446,505.28	278,958.00	84,506.12	28,809,969.40
Disposals	<u>(35,657,518.61)</u>	<u>-</u>	<u>-</u>	<u>(35,657,518.61)</u>
At the end of the year	<u>53,164,661.76</u>	<u>441,683.57</u>	<u>314,870.92</u>	<u>53,921,216.25</u>
Net book value:				
At the end of the year	<u>108,895,995.98</u>	<u>953,107.05</u>	<u>584,502.45</u>	<u>110,433,605.48</u>
At the beginning of the year	<u>112,737,323.07</u>	<u>1,232,065.05</u>	<u>669,008.57</u>	<u>114,638,396.69</u>

V. Notes to financial statements (continued)

12. Intangible assets

Software	2025	2024
Cost:		
At the beginning of the year	97,768,367.18	82,694,637.30
Additions	13,668,453.15	17,230,777.78
Disposals	<u>-</u>	<u>(2,157,047.90)</u>
At the end of the year	<u>111,436,820.33</u>	<u>97,768,367.18</u>
Accumulated Amortization:		
At the beginning of the year	55,778,645.91	45,985,476.86
Additions	14,102,169.04	11,950,216.95
Disposals	<u>-</u>	<u>(2,157,047.90)</u>
At the end of the year	<u>69,880,814.95</u>	<u>55,778,645.91</u>
Net book value:		
At the end of the year	<u>41,556,005.38</u>	<u>41,989,721.27</u>
At the beginning of the year	<u>41,989,721.27</u>	<u>36,709,160.44</u>
Remaining amortization period		3 months~59 months

V. Notes to financial statements (continued)

13. Deferred tax assets

13.1 Unoffset Deferred Income Tax Assets/ (Liabilities)

	Temporary differences/ (taxable temporary differences)		Deferred assets/ (liabilities)	
	2025	2024	2025	2024
Changes in fair value of derivative financial instruments	225,494,699.28	(32,371,267.15)	56,373,674.82	(8,092,816.79)
Changes in fair value of held-for-trading financial assets	(510,025,657.29)	(414,693,284.22)	(127,506,414.32)	(103,673,321.06)
Changes in fair value of other debt investments	(7,559,465.31)	(63,530,177.20)	(1,889,866.33)	(15,882,544.30)
Changes in fair value of bonds payable	6,988,934.92	34,338,973.51	1,747,233.73	8,584,743.38
Changes in fair value of gold leasing	-	104,833.79	-	26,208.45
Non-deductible accrued expenses	598,940,059.09	632,574,701.84	149,735,014.77	158,143,675.46
Accrued unpaid salaries	178,072,804.35	170,640,333.09	44,518,201.09	42,660,083.27
Deferred interest income	14,731,768.36	7,282,115.86	3,682,942.09	1,820,528.97
Difference of intangible assets amortization	25,103,744.66	19,950,115.54	6,275,936.14	4,987,528.87
Impairment allowance of loans and advances	286,813,877.43	329,172,636.11	71,703,469.36	82,293,159.03
Impairment allowance of deposits with other banks	6,036,020.09	6,171,929.96	1,509,005.02	1,542,982.49
Impairment allowance of debt investments	5,140,776.38	3,192,411.62	1,285,194.10	798,102.91
Impairment allowance for other assets	3,532,320.34	11,209,323.82	883,080.09	2,802,330.96
Provision for contingent liabilities	15,549,288.48	8,387,903.24	3,887,322.12	2,096,975.81
Right-of-use assets	(106,546,789.05)	(110,433,605.48)	(26,636,697.26)	(27,608,401.37)
Lease liabilities	126,668,904.94	129,744,430.67	31,667,226.24	32,436,107.67
Written-off loan impairment allowance	<u>41,926,835.19</u>	<u>41,926,835.19</u>	<u>10,481,708.80</u>	<u>10,481,708.80</u>
Total	<u>910,868,121.86</u>	<u>773,668,210.19</u>	<u>227,717,030.46</u>	<u>193,417,052.55</u>

The income taxes of the domestic branches and sub-branches of the Bank are settled on a consolidated basis while the deferred tax assets and the deferred tax liabilities are presented on a net basis.

Based on the expectation for future operations, the Bank believes that sufficient taxable income will be obtained in the future periods to utilize the deductible temporary differences and thus recognizes the relevant deferred tax assets.

V. Notes to financial statements (continued)

13 Deferred tax assets (continued)

13.2 Deferred income tax movement

	2025	2024
Net deferred tax assets at the end of prior year	193,417,052.55	226,659,766.71
Net movement in deferred income tax included in income tax expenses credited/(charged) for the year	20,321,003.47	(21,281,629.02)
Net movement in deferred income tax included in other comprehensive income credited/(charged) for the year	<u>13,978,974.44</u>	<u>(11,961,085.14)</u>
Net deferred tax assets at the end of year	<u>227,717,030.46</u>	<u>193,417,052.55</u>

14. Other assets

	Notes	2025	2024
Other receivables	(14.1)	2,436,706,148.11	4,022,178,935.31
Prepaid corporate income tax		14,609,021.33	-
Long-term prepayments	(14.2)	21,146,424.86	23,739,985.86
Input VAT to be certified		2,173,601.44	-
Accrued interest on margin deposits		<u>2,543,300.79</u>	<u>2,543,300.79</u>
Sub-total		<u>2,477,178,496.53</u>	<u>4,048,462,221.96</u>
Less: Impairment allowance		<u>3,532,241.06</u>	<u>11,209,323.82</u>
Total		<u>2,473,646,255.47</u>	<u>4,037,252,898.14</u>

V. Notes to financial statements (continued)

14 Other assets (continued)

14.1 Other receivables

By nature:

	2025	2024
Margin deposits	1,308,813,747.97	1,807,910,137.69
Receivables from BNP Paribas Group	1,000,493,926.25	599,823,737.26
Payments to be settled	28,685,024.50	1,237,057,455.61
Guarantee deposits	16,238,479.15	15,091,276.10
Advance payments	13,810,687.95	7,618,534.91
Receivables of commission	9,297,310.13	33,342,633.80
Precious metal leasing	-	308,881,183.51
Others	59,366,972.16	12,453,976.43
	<u>2,436,706,148.11</u>	<u>4,022,178,935.31</u>
Sub-total		
Less: Impairment allowance	<u>3,532,241.06</u>	<u>11,209,323.82</u>
Net other receivables	<u>2,433,173,907.05</u>	<u>4,010,969,611.49</u>

(i) Other receivables impairment allowance

Other receivables impairment allowance at the end of 2025 and 2024 is as below:

	2025	2024
At the beginning of the year	11,209,323.82	3,434,900.23
(Reversal) /accrual for the year	<u>(7,677,082.76)</u>	<u>7,774,423.59</u>
At the end of the year	<u>3,532,241.06</u>	<u>11,209,323.82</u>

V. Notes to financial statements (continued)

14 Other assets (continued)

14.2 Long-term prepayments

Leasehold improvement	2025	2024
Cost:		
At the beginning of the year	23,739,985.86	33,228,215.44
Additions	7,260,001.07	450,439.54
Disposals	(20,847.93)	(18.41)
Amortization	<u>(9,832,714.14)</u>	<u>(9,938,650.71)</u>
At the end of the year	<u>21,146,424.86</u>	<u>23,739,985.86</u>

15. Due to the Central Bank

	2025	2024
Due to the Central Bank	208,200,000.00	268,200,000.00
Accrued interest	<u>100,700.00</u>	<u>830,637.50</u>
Total	<u>208,300,700.00</u>	<u>269,030,637.50</u>

16. Due to banks and other financial institutions

	2025	2024
Due to domestic banks and other financial institutions	2,278,400,881.67	4,592,441,220.91
Due to overseas banks and other financial institutions	689,376,083.95	715,102,212.22
Accrued interest	<u>683,170.95</u>	<u>1,532,710.38</u>
Total	<u>2,968,460,136.57</u>	<u>5,309,076,143.51</u>

V. Notes to financial statements (continued)

17. Placements from banks and other financial institutions

	2025	2024
Placements from domestic banks	2,720,000,000.00	-
Placements from overseas banks	-	230,028,800.00
Accrued interest	<u>227,122.22</u>	<u>1,707,963.84</u>
Total	<u><u>2,720,227,122.22</u></u>	<u><u>231,736,763.84</u></u>

18. Financial assets sold under repurchase agreements

18.1 Analysis by counterparty

	2025	2024
Domestic financial institutions	2,976,500,000.00	1,800,000,000.00
Accrued interest	<u>124,068.01</u>	<u>72,014.81</u>
Total	<u><u>2,976,624,068.01</u></u>	<u><u>1,800,072,014.81</u></u>

18.2 Analysis by security type

	2025	2024
Bonds	2,976,500,000.00	1,800,000,000.00
Accrued interest	<u>124,068.01</u>	<u>72,014.81</u>
Total	<u><u>2,976,624,068.01</u></u>	<u><u>1,800,072,014.81</u></u>

The year-end balance of financial assets sold under repurchase agreements represented repurchase agreements of collateralized bonds amounting to RMB 3,122,800,000.00 (31 December 2024: RMB 1,900,000,000.00).

V. Notes to financial statements (continued)

19. Customer deposits

	2025	2024
Current deposits		
Corporates	7,156,173,721.00	7,583,627,422.32
Individuals	<u>1,312,745.22</u>	<u>1,311,482.49</u>
Sub-total	<u>7,157,486,466.22</u>	<u>7,584,938,904.81</u>
Term deposits		
Corporates	<u>17,127,424,910.60</u>	<u>18,680,290,929.90</u>
Sub-total	<u>17,127,424,910.60</u>	<u>18,680,290,929.90</u>
Margin deposits received	109,380,673.88	247,139,617.30
Accrued interest	<u>68,519,263.97</u>	<u>91,984,990.34</u>
Total	<u>24,462,811,314.67</u>	<u>26,604,354,442.35</u>

20. Payable to employees

	1/1/2025	Accrual	Payment	31/12/2025
Short-term benefits:				
Salary and bonus (Note 1)	121,439,347.07	370,256,021.62	367,160,493.12	124,534,875.57
Share-based payment	22,159,591.66	26,073,871.94	18,287,671.00	29,945,792.60
Housing funds	997,922.00	12,012,383.00	12,005,059.00	1,005,246.00
Social insurance and benefits	26,043,472.36	76,463,883.70	79,920,465.88	22,586,890.18
Including: Defined contribution plan(Note 2)	<u>-</u>	<u>26,882,197.87</u>	<u>26,882,197.87</u>	<u>-</u>
Total	<u>170,640,333.09</u>	<u>484,806,160.26</u>	<u>477,373,689.00</u>	<u>178,072,804.35</u>

Note 1: As of 31 December 2025, the bonus payable includes deferred bonuses of RMB38,982,898.46 to be paid after the year 2025 to directors, senior management personnel and employees with significant impact on risk management (31 December 2024: RMB 33,046,080.64).

Note 2: The Bank participates in the endowment insurance and unemployment insurance plans established by the government. The Bank and each branch and sub-branch pay for the insurance in accordance with ratio regulated by local regulators. Besides the above-mentioned expense, the Bank does not undertake any further payment obligation. The related expenses are recorded in the profit and loss upon occurrence. During the year 2025, the Bank paid RMB 26,882,197.87 to the endowment insurance and unemployment insurance plans. (2024: RMB 27,322,660.22). As at 31 December 2025 and 31 December 2024, the Bank has no outstanding insurance payable balance.

Note 3: The Bank has no enterprise annuity.

V. Notes to financial statements (continued)

21. Tax payable

	2025	2024
Corporate income tax	-	24,727,377.67
VAT	18,900,090.03	36,660,676.38
Taxes and surcharges	2,336,258.44	4,652,762.26
Others	<u>34,888,533.85</u>	<u>34,163,464.92</u>
Total	<u>56,124,882.32</u>	<u>100,204,281.23</u>

22. Bonds payable

	2025	2024
Negotiable certificates of deposit(a)	2,074,707,516.15	4,261,054,754.52
Financial bonds(b)	3,006,988,934.92	3,034,338,973.51
Accrued interest	<u>38,060,273.97</u>	<u>37,956,284.15</u>
Total	<u>5,119,756,725.04</u>	<u>7,333,350,012.18</u>

(a) As at 31 December 2025, the Bank held 3 negotiable certificates of deposit amounting to RMB2,100 million (31 December 2024: 5 certificates amounting to RMB4,300 million). All the aforementioned certificates were zero-coupon bonds with term of 1 year. The effective interest rate ranges from 1.66% to 1.70% (31 December 2024: ranges from 1.97% to 2.15%).

(b) On 21 March 2023, the Bank issued a financial bond of RMB1,000 million with term of 3 years and a fixed interest rate of 3.25% per annum. On 10 September 2024, the Bank issued a financial bond of RMB2,000 million with term of 3 years and a fixed interest rate of 2.1% per annum.

V. Notes to financial statements (continued)

23. Lease liabilities

	2025	2024
Buildings	129,558,644.89	132,278,224.77
Office equipment	699,618.01	974,594.50
Others	<u>539,756.35</u>	<u>620,725.71</u>
Total	<u><u>130,798,019.25</u></u>	<u><u>133,873,544.98</u></u>

The maturity analysis of lease liabilities is as follows:

	2025	2024
Within 1 year	20,355,960.35	27,276,308.02
1 to 2 years	22,625,723.80	17,740,863.25
2 to 5 years	54,896,173.88	56,585,318.66
Over 5 years	<u>32,920,161.22</u>	<u>32,271,055.05</u>
Total	<u><u>130,798,019.25</u></u>	<u><u>133,873,544.98</u></u>

24. Accrued liabilities

The provision for contingent liabilities are loss allowances for the off-balance sheet business. The movements of provision for contingent liabilities are as follows:

	2025	2024
At the beginning of the year	8,387,903.24	26,925,710.94
Accrual /(reversal) for the year	<u>7,161,385.24</u>	<u>(18,537,807.70)</u>
At the end of the year	<u><u>15,549,288.48</u></u>	<u><u>8,387,903.24</u></u>

The Bank measures loss allowances at an amount equal to the expected credit losses over the next 12 months or the expected credit losses over the lifetime of the financial guarantee contracts and loan commitments as of December 31, 2025 and December 31, 2024, respectively.

V. Notes to financial statements (continued)

25. Other liabilities

	2025	2024
Accrued expense for BNP Paribas Group	566,625,436.04	545,963,252.89
Bonds transaction to be settled	517,170,264.28	396,141,604.56
Derivative margin deposit payable	419,424,636.25	2,201,454,605.09
Due to BNP Paribas Group	167,788,176.94	94,029,385.61
Other deferred income	31,149,474.87	22,494,029.01
Suspense accounts	20,168,875.62	10,055,517.65
Accrued expense - others	18,595,494.71	24,022,667.48
Deferred income from BNP Paribas Group	148,317.85	90,006.85
Accrued interest from derivative margin deposit	56,525.88	215,154.68
Others	<u>66,544,081.62</u>	<u>83,910,135.20</u>
Total	<u>1,807,671,284.06</u>	<u>3,378,376,359.02</u>

26. Interest receivable, payable and accrued interest

According to relevant requirements of "Measures for the Information Disclosure of Commercial Banks" (Order No.7 in 2007 of China Banking Regulatory Commission), the movements of the Bank's interest receivable and accrued interest are stated as follows:

	1/1/2025	Addition	Decrease	31/12/2025
Bonds investments	84,038,871.91	159,335,137.85	136,521,066.72	106,852,943.04
Loans and advances	69,997,274.48	472,909,654.29	502,143,447.07	40,763,481.70
Placement activities with Central Bank, other banks and other financial institutions	47,267,861.06	160,316,654.45	196,637,223.80	10,947,291.71
Financial assets purchased under resale agreements	184,131.01	29,965,028.70	29,446,773.70	702,386.01
Others	<u>2,543,300.79</u>	<u>36,986,252.91</u>	<u>36,986,252.91</u>	<u>2,543,300.79</u>
Total	<u>204,031,439.25</u>	<u>859,512,728.20</u>	<u>901,734,764.20</u>	<u>161,809,403.25</u>

V. Notes to financial statements (continued)

26. Interest receivable, payable and accrued interest (continued)

The movements of the Bank's interest payable and accrued interest are stated as follows:

	1/1/2025	Additional	Decrease	31/12/2025
Customer deposits	91,984,990.34	328,372,754.61	351,838,480.98	68,519,263.97
Placement activities with banks and financial institutions	3,240,674.22	23,898,419.35	26,228,800.40	910,293.17
Bonds payable	37,956,284.15	122,946,478.85	122,842,489.03	38,060,273.97
Financial assets sold under repurchase agreements	72,014.81	42,381,148.80	42,329,095.60	124,068.01
Due to the Central Bank	830,637.50	4,236,875.00	4,966,812.50	100,700.00
Others	215,154.68	21,740,766.35	21,899,395.15	56,525.88
Total	134,299,755.70	543,576,442.96	570,105,073.66	107,771,125.00

27. Paid-in capital

	2025 & 2024	
	RMB	%
BNP PARIBAS	<u>8,711,347,906.00</u>	<u>100%</u>

28. Other comprehensive income

28.1 Changes in other comprehensive income

	2025	2024
At the beginning of the year	47,675,597.05	11,792,341.62
(Reduction)/Addition	<u>(41,936,923.33)</u>	<u>35,883,255.43</u>
At the end of the year	<u>5,738,673.72</u>	<u>47,675,597.05</u>

28.2 Other comprehensive income

	2025	2024
Change in fair value of other debt investments	(55,970,711.89)	48,030,433.53
ECL charged to other debt investments	54,814.12	(186,092.96)
Less: Tax impact resulting from other debt investments	<u>(13,978,974.44)</u>	<u>11,961,085.14</u>
Total	<u>(41,936,923.33)</u>	<u>35,883,255.43</u>

V. Notes to financial statements (continued)

29. Surplus reserve

	1/1/2025	Addition	Decrease	31/12/2025
Statutory surplus reserve	<u>701,073,609.96</u>	<u>44,729,299.65</u>	<u>-</u>	<u>745,802,909.61</u>
	1/1/2024	Addition	Decrease	31/12/2024
Statutory surplus reserve	<u>661,899,265.13</u>	<u>39,174,344.83</u>	<u>-</u>	<u>701,073,609.96</u>

30. General reserve

	1/1/2025	Addition	Decrease	31/12/2025
General reserve	<u>659,373,016.67</u>	<u>-</u>	<u>-</u>	<u>659,373,016.67</u>
	1/1/2024	Addition	Decrease	31/12/2024
General reserve	<u>659,373,016.67</u>	<u>-</u>	<u>-</u>	<u>659,373,016.67</u>

Pursuant to circular issued by Ministry of Finance (Caijin [2012] No.20) "Measures on General Allowance for Impairment Loss for Bad and Doubtful Debts for Financial Institutions", financial institutes should provide reserve for the risks and loss subject to depreciation of assets. These include loans and advances, available-for-sale financial assets, held-to-maturity investments, long-term equity investments, deposits with banks and other financial institutions, placements with other banks, mortgage assets and other receivables, etc. In principle, not less than 1.5% of proportion from net income should be provided for general reserve as the part of owners' equity. As of 31 December 2025, the general reserve accrued was sufficient.

V. Notes to financial statements (continued)

31. Retained earnings

	2025	2024
At the end of prior year	879,948,692.53	1,054,879,589.11
Net profit	447,292,996.46	391,743,448.25
Less: Appropriation of statutory surplus reserve (Note V, 29)	(44,729,299.65)	(39,174,344.83)
Less: Dividends distribution to investors	<u>(352,569,103.00)</u>	<u>(527,500,000.00)</u>
At the end of the year	<u>929,943,286.34</u>	<u>879,948,692.53</u>

According to the resolution of the Board of Directors dated 10 December 2025 regarding the approval of profit distribution to the shareholder, and to the Bank's audited financial statements as of 31 December 2024, the retained earnings up to the end of 2024 of the Bank was RMB 879,948,692.53. It is hereby resolved that the profit of RMB 352,569,103.00 of the Bank will be paid to the shareholder BNP Paribas S.A. The above-mentioned profit was paid to the shareholder in equivalent EUR.

V. Notes to financial statements (continued)

32. Net interest income

	2025	2024
Interest income		
Loans and advances	472,909,654.29	505,054,392.23
Bond investments	159,335,137.85	181,385,787.25
Deposits and placements with banks and other financial institutions	131,690,507.23	332,633,632.48
Financial assets purchased under resale agreements	29,965,028.70	15,402,112.83
Deposits with the Central Bank	28,626,147.22	27,360,944.37
Others	<u>36,986,252.91</u>	<u>6,261,269.49</u>
Sub-total	<u>859,512,728.20</u>	<u>1,068,098,138.65</u>
Interest expense:		
Customer deposits	328,372,754.61	431,605,252.12
Bonds payable	122,946,478.85	130,139,639.59
Financial assets sold under repurchase agreements	42,381,148.80	57,715,132.85
Due to banks and other financial institutions and placements from banks and other financial institutions	23,898,419.35	151,583,824.71
Due to the Central Bank	4,236,875.00	844,900.01
Others	<u>21,740,766.35</u>	<u>5,333,115.05</u>
Sub-total	<u>543,576,442.96</u>	<u>777,221,864.33</u>
Net interest income	<u><u>315,936,285.24</u></u>	<u><u>290,876,274.32</u></u>

BNP PARIBAS (CHINA) LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2025

Expressed in Renminbi Yuan

V. Notes to financial statements (continued)

33. Net fee and commission income

	2025	2024
Fee and commission income:		
Commission income allocated by BNP Paribas and related parties	457,209,406.27	340,497,993.19
Guarantee	71,838,040.69	65,761,155.53
Consulting and agency	9,664,125.40	39,012,330.95
Settlement and clearing	5,112,171.74	5,050,987.63
Asset custody	1,019,452.08	1,101,036.47
Others	<u>9,071,267.93</u>	<u>12,473,773.28</u>
Sub-total	<u>553,914,464.11</u>	<u>463,897,277.05</u>
Fee and commission expense:		
Guarantees and other expenses allocated by BNP Paribas and its branches	14,486,771.33	9,837,049.02
Others	<u>98,421,067.40</u>	<u>74,023,243.10</u>
Sub-total	<u>112,907,838.73</u>	<u>83,860,292.12</u>
Net fee and commission income	<u><u>441,006,625.38</u></u>	<u><u>380,036,984.93</u></u>

34. Investment income

	2025	2024
Held-for-trading financial assets	283,029,156.18	208,488,967.71
Derivative financial instruments	101,255,521.81	9,713,807.06
Other debt investments	21,080,758.05	33,371,114.75
Held-for-trading financial liabilities	-	425,216.19
Others	<u>76,307.94</u>	<u>64,470.72</u>
Total	<u><u>405,441,743.98</u></u>	<u><u>252,063,576.43</u></u>

V. Notes to financial statements (continued)

35. Fair value (losses)/gains

	2025	2024
Held-for-trading financial assets	95,332,373.07	333,772,275.46
Held-for-trading financial liabilities	-	1,698,251.64
Derivative financial instruments	(215,583,367.50)	(241,209,800.63)
Hedged items	27,350,038.59	(20,775,075.51)
Others	<u>104,833.79</u>	<u>(104,833.79)</u>
Total	<u>(92,796,122.05)</u>	<u>73,380,817.17</u>

36. Foreign exchange gains/(losses)

	2025	2024
Spot foreign exchange transactions	(352,444,004.21)	644,876,916.92
Foreign exchange derivative financial instruments	506,818,528.96	(272,339,647.57)
Net exposure of foreign currency position	<u>36,748,770.25</u>	<u>87,260,176.47</u>
Total	<u>191,123,295.00</u>	<u>459,797,445.82</u>

37. Losses on disposal of assets

	2025	2024
Losses on disposal of fixed assets	(236,127.43)	(2,442.96)
Gains/(losses) on disposal of long-term prepayments	<u>2,453.04</u>	<u>(18.41)</u>
Total	<u>(233,674.39)</u>	<u>(2,461.37)</u>

V. Notes to financial statements (continued)

38. General and administrative expenses

	2025	2024
Salaries and bonuses	396,329,893.56	408,304,007.57
Information support services expenses	179,026,287.99	223,161,099.80
Depreciation and amortization expenses	70,358,204.79	67,677,537.60
Other welfare costs	46,585,256.79	48,937,399.62
Social insurance	41,891,009.91	41,970,415.98
IT and computer maintenance	34,315,473.53	36,875,534.21
Consulting and professional services expenses	16,202,163.81	17,746,187.52
Rental and utilities	8,468,466.90	7,617,639.87
Supervision fees	6,011,055.69	5,586,572.43
Travelling expenses	4,858,515.98	4,955,525.13
Interest paid for lease liabilities	4,742,156.77	-
Recruitment and training expenses	3,120,495.14	3,338,067.70
Entertainment expenses	2,144,174.77	2,173,800.86
Others	<u>30,222,493.24</u>	<u>33,344,274.58</u>
Total	<u>844,275,648.87</u>	<u>901,688,062.87</u>

39. Credit impairment (reversals)/losses

	2025	2024
Due from other banks	(135,909.87)	90,681.10
Placements with banks and other financial institutions	(3,827,580.97)	(8,939,224.38)
Loans and advances	(89,378,084.09)	108,366,624.67
Debt investments	1,948,364.76	(996,682.07)
Other debt investments	54,814.12	(186,092.96)
Off-balance sheet assets	7,161,385.24	(18,537,807.70)
Others	<u>(7,677,003.48)</u>	<u>7,774,423.59</u>
Total	<u>(91,854,014.29)</u>	<u>87,571,922.25</u>

V. Notes to financial statements (continued)

40. Income tax expenses

	2025	2024
Current income tax	75,614,262.81	40,072,409.90
Differences of tax filling	124,308.27	155,983.66
Deferred tax	<u>(20,321,003.47)</u>	<u>21,281,629.02</u>
Total	<u>55,417,567.61</u>	<u>61,510,022.58</u>

Reconciliation of income tax expenses to accounting profit is as follows:

	2025	2024
Profit before income tax	<u>502,710,564.07</u>	<u>453,253,470.83</u>
Income tax calculated at statutory tax rate 25%	125,677,641.02	113,313,367.71
Non-deductible expenses	9,083,744.07	9,285,227.57
Non-taxable proceeds	(76,152,728.95)	(63,047,223.84)
Differences of tax filling	124,308.27	155,983.66
Utilisation of previously unrecognised temporary differences	<u>(3,315,396.80)</u>	<u>1,802,667.48</u>
Total	<u>55,417,567.61</u>	<u>61,510,022.58</u>

V. Notes to financial statements (continued)

41. Notes to the cash flow statement

41.1 Reconciliation of net profit to cash flows from operating activities

	2025	2024
Net profit after tax	447,292,996.46	391,743,448.25
Add: Credit impairment (reversals)/losses	(91,854,014.29)	87,571,922.25
Depreciation and amortization	70,358,204.79	67,677,537.60
Increase/(Decrease) in deferred income	8,713,756.86	(2,264,139.28)
Fair value losses/(gains)	92,796,122.05	(73,380,817.17)
Losses/(gains) from changes in fair value of foreign exchange derivative financial instruments	622,627,419.04	(369,029,672.33)
Disposal loss from fixed assets, intangible assets and other long- term assets	233,674.39	2,461.37
Disposal gain from other debt investments	(21,080,758.05)	(33,371,114.75)
Interest received from bonds investments	(159,335,137.85)	(181,385,787.25)
Interest paid for issued bonds	122,946,478.85	130,139,639.59
Interest paid for lease liabilities	4,742,156.77	5,333,115.05
Deferred tax	(20,321,003.47)	21,281,629.02
Decrease /(increase) in operating receivables	10,917,096,312.60	(9,678,648,248.88)
(Decrease)/increase in operating payables	<u>(7,732,080,044.91)</u>	<u>10,457,751,353.99</u>
Net cash generated in operating activities	<u>4,262,136,163.24</u>	<u>823,421,327.46</u>

V. Notes to financial statements (continued)

41. Notes to the cash flow statement (continued)

41.2 Net decrease in cash and cash equivalents

	2025	2024
Cash at the end of the year	4,675,624,635.83	4,033,449,339.07
Less: Cash at the beginning of the year	4,033,449,339.07	3,587,468,062.68
Add: Cash equivalents at the end of the year	5,223,475,745.61	3,249,177,472.52
Less: Cash equivalents at the beginning of the year	<u>3,249,177,472.52</u>	<u>306,500,000.00</u>
Net increase in cash and cash equivalents	<u><u>2,616,473,569.85</u></u>	<u><u>3,388,658,748.91</u></u>

41.3 Cash and cash equivalents

	2025	2024
Cash equivalents :		
Original maturity within three months:		
Demand deposits with Central Bank	2,168,312,367.43	3,335,964,801.52
Deposits with banks and other financial institutions	2,507,312,268.40	697,484,537.55
Financial assets purchased under resale agreements	1,530,668,085.61	1,441,024,762.52
Placements with banks and other financial institutions	<u>3,692,807,660.00</u>	<u>1,808,152,710.00</u>
Total	<u><u>9,899,100,381.44</u></u>	<u><u>7,282,626,811.59</u></u>

BNP PARIBAS (CHINA) LIMITED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2025

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VI. Segment information

According to the Bank's internal organizational structure, regulatory requirements and internal reporting system, the Bank's businesses are divided into four segments. The Bank's management periodically evaluates the operating results of these segments reporting, to determine resources allocation and evaluate the performance.

Segment reporting information is disclosed based on the accounting policies and measurement basis used by each segment when reporting to the management, which are consistent with the accounting policies and measurement basis used in the preparation of financial statements.

1. Operating segments

2025

	Shanghai	Beijing	Guangzhou	Tianjin	Elimination	Total
Interest income	849,225,434.10	178,384,478.29	29,395,230.18	15,511,061.66	(213,003,476.03)	859,512,728.20
Interest expense	(631,772,492.49)	(103,486,792.71)	(21,280,874.21)	(39,759.58)	213,003,476.03	(543,576,442.96)
Net interest income	217,452,941.61	74,897,685.58	8,114,355.97	15,471,302.08	-	315,936,285.24
Fee and commission income	505,001,412.93	90,959,927.89	15,804,710.22	9,857,365.83	(67,708,952.76)	553,914,464.11
Fee and commission expense	(167,189,203.92)	(11,495,619.41)	(1,820,650.04)	(111,318.12)	67,708,952.76	(112,907,838.73)
Net fee and commission income	337,812,209.01	79,464,308.48	13,984,060.18	9,746,047.71	-	441,006,625.38
Investment gains	405,441,743.98	-	-	-	-	405,441,743.98
Fair value losses	(92,796,122.05)	-	-	-	-	(92,796,122.05)
Foreign exchange gains/(losses)	186,795,045.34	4,511,614.97	(131,714.63)	(51,650.68)	-	191,123,295.00
Gains/(losses) on disposal of assets	2,130.06	(236,252.00)	447.55	-	-	(233,674.39)
Other income	625,653.42	90,233.16	10,886.78	23,389.25	-	750,162.61
Operating income	1,055,333,601.37	158,727,590.19	21,978,035.85	25,189,088.36	-	1,261,228,315.77
Taxes and surcharges	(5,085,299.27)	(876,900.82)	(201,544.16)	(57,733.55)	-	(6,221,477.80)
General and administrative expenses	(710,766,763.40)	(94,759,500.23)	(24,784,567.38)	(13,964,817.86)	-	(844,275,648.87)
Impairment reversals for credit	82,410,295.71	4,146,233.45	4,157,372.39	1,140,112.74	-	91,854,014.29
Other expenses	(1,496,402.05)	-	-	-	-	(1,496,402.05)
Operating expense	(634,938,169.01)	(91,490,167.60)	(20,828,739.15)	(12,882,438.67)	-	(760,139,514.43)
Operating profit	420,395,432.36	67,237,422.59	1,149,296.70	12,306,649.69	-	501,088,801.34
Non-operating income	388,751.27	400.00	27,563.07	1,231,650.06	-	1,648,364.40
Non-operating expense	(12,677.83)	-	-	(13,923.84)	-	(26,601.67)
Total profit	420,771,505.80	67,237,822.59	1,176,859.77	13,524,375.91	-	502,710,564.07
Total assets	59,798,986,955.88	2,092,382,201.91	455,548,439.46	418,039,049.04	(1,192,165,375.01)	61,572,791,271.28
Total liabilities	(49,377,313,254.01)	(1,759,702,760.79)	(342,500,708.35)	(233,234,130.80)	1,192,165,375.01	(50,520,585,478.94)
Depreciation and amortization (Note V, 38)	53,574,640.55	13,108,139.06	2,668,322.37	1,007,102.81	-	70,358,204.79

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VI. Segment information (continued)

1. Operating segments (continued)

2024

	Shanghai	Beijing	Guangzhou	Tianjin	Elimination	Total
Interest income	1,058,803,939.28	214,188,353.19	99,318,101.91	23,550,980.90	(327,763,236.63)	1,068,098,138.65
Interest expense	(901,192,765.14)	(129,496,676.15)	(73,813,630.66)	(482,029.01)	327,763,236.63	(777,221,864.33)
Net interest income	157,611,174.14	84,691,677.04	25,504,471.25	23,068,951.89	-	290,876,274.32
Fee and commission income	421,527,529.66	72,765,378.38	14,449,312.18	4,717,042.98	(49,561,986.15)	463,897,277.05
Fee and commission expense	(123,238,243.64)	(8,963,205.63)	(1,104,323.23)	(116,505.77)	49,561,986.15	(83,860,292.12)
Net fee and commission income	298,289,286.02	63,802,172.75	13,344,988.95	4,600,537.21	-	380,036,984.93
Investment gains/(losses)	254,972,784.95	(2,909,208.52)	-	-	-	252,063,576.43
Fair value gains	73,380,817.17	-	-	-	-	73,380,817.17
Foreign exchange gains/(losses)	462,782,135.67	(2,863,120.07)	(30,956.41)	(90,613.37)	-	459,797,445.82
Losses on disposal of assets	(140.65)	-	(2,320.72)	-	-	(2,461.37)
Other income	663,685.76	115,385.51	7,700.19	30,436.61	-	817,208.07
Operating income	1,247,699,743.06	142,836,906.71	38,823,883.26	27,609,312.34	-	1,456,969,845.37
Taxes and surcharges	(11,634,463.27)	(988,586.25)	(215,846.04)	(28,182.11)	-	(12,867,077.67)
General and administrative expenses	(780,403,731.59)	(87,103,746.36)	(24,623,343.18)	(9,557,241.74)	-	(901,688,062.87)
Impairment (losses)/reversals for credit	(79,688,550.36)	(4,510,637.95)	(3,372,739.87)	5.93	-	(87,571,922.25)
Other expenses	(1,499,124.51)	-	-	-	-	(1,499,124.51)
Operating expense	(873,225,869.73)	(92,602,970.56)	(28,211,929.09)	(9,585,417.92)	-	(1,003,626,187.30)
Operating profit	374,473,873.33	50,233,936.15	10,611,954.17	18,023,894.42	-	453,343,658.07
Non-operating income	8,670.44	950.00	-	0.40	-	9,620.84
Non-operating expense	(99,808.08)	-	-	-	-	(99,808.08)
Total profit	374,382,735.69	50,234,886.15	10,611,954.17	18,023,894.82	-	453,253,470.83
Total assets	69,201,623,802.28	9,508,174,384.09	1,288,755,717.81	408,244,412.88	(9,160,789,910.86)	71,246,008,406.20
Total liabilities	(58,751,832,274.34)	(9,241,739,965.11)	(1,176,719,993.13)	(237,087,262.27)	9,160,789,910.86	(60,246,589,583.99)
Depreciation and amortization (Note V, 38)	52,096,337.20	11,945,749.40	2,688,359.68	947,091.32	-	67,677,537.60

VII. Commitments and contingent liabilities

1. Credit commitments and financial guarantee

	2025	2024
Guarantee	14,795,287,813.60	16,315,143,240.35
Bank acceptance	3,655,356,395.48	3,196,368,730.08
Letters of credit	93,915,200.45	437,246,188.53
Letter of credit acceptances	202,531,334.96	142,270,624.87
Irrevocable credit commitments	<u>854,025,864.67</u>	<u>346,475,444.23</u>
Total	<u>19,601,116,609.16</u>	<u>20,437,504,228.06</u>

2. Fiduciary activities

	2025	2024
Entrusted loans business	<u>17,637,671,362.58</u>	<u>27,135,689,530.47</u>
Asset custody business	<u>7,405,540,996.47</u>	<u>2,001,167,965.00</u>

3. Pending Litigation and Disputes

As of December 31, 2025 and December 31, 2024, there were no material pending litigations where the Bank was the defendant.

VIII. Related party relationships and transactions

1. Definition of related parties

Parties that control, jointly control, or exert significant influence over another party, as well as two or more parties that are jointly controlled or jointly controlled by a single party, constitute related parties.

The following parties are the related parties of the Bank:

- (1) Parent of the Bank;
- (2) Subsidiaries of the Bank;
- (3) Other entities controlled by the parent of the Bank;
- (4) Investors that have joint control over the Bank;
- (5) Investors that have significant influence over the Bank;
- (6) Joint ventures of the Bank;
- (7) Associates of the Bank;
- (8) Principal individual investors of the Bank and close family members of such individuals;
- (9) Key management personnel of the Bank or of the parent and close family members of such individuals;
- (10) Other entities controlled or jointly controlled or significantly influenced by the Bank's principal individual investors, key management personnel or close family members of such individuals;
- (11) Joint ventures or associates of other members (including a parent and subsidiary) of a group of which the Bank is a member;
- (12) Joint ventures or associates of an entity that has joint control over the Bank;
- (13) Joint ventures or associates of an entity that has significant influence over the Bank;

Entities are not regarded as related parties simply because they are merely under common control from the state without other related party relationships between them.

2. Parent Company

Name of entity	Registered location	Main business	Relations with the Bank	Proportion of voting rights (%)	Share capital(Million EUR)
BNP Paribas	France	Banking	Parent company	100	17,828

Changes in share capital and other paid-in capital of related party which controls the Bank or is controlled by the Bank.

Name of entity	1 January 2025	Net Increase	31 December 2025
	Million EUR	Million EUR	Million EUR
BNP Paribas	20,133	(2,305)	17,828

VIII. Related party relationships and transactions (continued)

3. The following are other related parties which have transactions with the Bank while no control relationship exists:

<u>Names of related parties</u>	<u>Relationship with the Bank</u>
BNP Paribas S.A., San Francisco Branch	Branch of the parent company
BNP Paribas London Branch	Branch of the parent company
BNP Paribas Canada Branch	Branch of the parent company
BNP Paribas Taipei Branch	Branch of the parent company
BNP Paribas German Branch	Branch of the parent company
BNP Paribas Sydney Branch	Branch of the parent company
BNP Paribas Singapore Branch	Branch of the parent company
BNP Paribas New York Branch	Branch of the parent company
BNP Paribas Netherlands Branch	Branch of the parent company
BNP Paribas Spain Branch	Branch of the parent company
BNP Paribas Seoul Branch	Branch of the parent company
BNP Paribas Hong Kong Branch	Branch of the parent company
BNP Paribas SA, Geneva branch	Branch of the parent company
BNP PARIBAS IRELAND	Branch of the parent company
BNP PARIBAS S.A., BANKFILIAL SVERIGE	Branch of the parent company
BNP PARIBAS, INDIA.	Branch of the parent company
BNP PARIBAS CENTER OF EXPERTISE (NANJING) CO. LTD	Controlled by the parent company
BNP PARIBAS SECURITIES (CHINA) LIMITED	Controlled by the parent company
BNP PARIBAS ASSET MANAGEMENT Europe	Controlled by the parent company
Banca Nazionale Del Lavoro S.P.A.	Controlled by the parent company
BNP PARIBAS BANK POLSKA S.A.	Controlled by the parent company
BNP PARIBAS EL DJAZAIR	Controlled by the parent company
BNP Paribas Financial Markets	Controlled by the parent company
BNP Paribas India Solutions Pvt. Ltd.	Controlled by the parent company
BNPP PROCUREMENT TECH	Controlled by the parent company
TURK EKONOMI BANKASI A.S.	Controlled by the parent company
BON BNPP CONSUMER FINANCE CO., LTD.	Controlled by the parent company
BNP Paribas Fortis SA/NV	Controlled by the parent company
BNP PARIBAS ASSET MANAGEMENT LUXEMBOURG	Controlled by the parent company
BNP Paribas Equities (Asia) Limited, Shanghai Representative Office	Controlled by the parent company
BNP Paribas Equities (Asia) Limited, Beijing Representative Office	Controlled by the parent company
BNP Paribas (Chengdu) Representative Office	Controlled by the parent company

VIII. Related party relationships and transactions (continued)

3. The following are other related parties which have transactions with the Bank while no control relationship exists (continued):

<u>Names of related parties</u>	<u>Relationship with the Bank</u>
BNP Paribas ABC Wealth Management Co., Ltd.	Controlled by the parent company
BNP Paribas Commodities Trading (Shanghai) Co., Ltd	Controlled by the parent company
BNP Paribas Overseas Investment Fund Management (Shanghai) Co., Ltd.	Controlled by the parent company
BOB-Cardif Life Insurance Co. Ltd. Shanghai Branch	Significantly influenced by the parent company
Bank of Nanjing	Significantly influenced by the parent company
Genius Auto Finance Co., Ltd	Significantly influenced by the parent company
Zhejiang Wisdom Puhua Finance Leasing Co., Ltd.	Significantly influenced by the parent company
HFT Investment Management Co., Ltd.	Significantly influenced by the parent company
Shanghai HFT Fortune Asset Management Co. Ltd.	Significantly influenced by the parent company

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VIII. Related party relationships and transactions (continued)

3. The following are other related parties which have transactions with the Bank while no control relationship exists (continued):

Details for related parties controlled or significantly influenced by the parent company:

The Name of Entity	Registered Address	Major Business	Economic Nature	CEO	Paid-in Capital at the Beginning of the Year	Net Increase/ (Decrease)	Paid-in Capital at the end of the Year
BNP Paribas Financial Markets	France, Paris	Investment firm	Foreign enterprise	Jacques VIGNER	EUR 367,316,368	-	EUR 367,316,368
BNP PARIBAS EL DJAZAIR	Alegeria, Alger	Bank	Foreign enterprise	Pierre BEREGOVOY	DZD 20,000,000,000	-	DZD 20,000,000,000
Banca Nazionale Del Lavoro S.P.A.	Italy, Rome	Bank	Foreign enterprise	Elena Patrizia GOITINI	EUR 2,076,940,000	-	EUR 2,076,940,000
BNP Paribas Fortis SA/NV	Brussels, Belgium	Bank	Foreign enterprise	Michael ANSEEUW	EUR 10,964,767,630	-	EUR 10,964,767,630
BNP Paribas India Solutions Pvt. Ltd.	India, Mumbai	Operation service	Foreign enterprise	Sangeeta KUMAR	INR 11,354,990	-	INR 11,354,990
BNPP PROCUREMENT TECH	France, Paris	Wholesale (intercompany trade) of computers, computer peripheral equipment and software	Foreign enterprise	Marc CAMUS	EUR 40,000	-	EUR 40,000
TURK EKONOMI BANKASI A.S.	Turkey, Istanbul	Bank	Foreign enterprise	Umit LEBLEBICI	TRY 2,204,390,000	-	TRY 2,204,390,000
BNP PARIBAS BANK POLSKA S.A.	Poland, Warsaw	Bank	Foreign enterprise	Przemyslaw GDANSKI	PLN 147,799,870	PLN 80,621	PLN 147,880,491
BNP PARIBAS ASSET MANAGEMENT Europe	France, Paris	Assets management	Foreign enterprise	Sandro PIERRI	EUR 170,573,424	-	EUR 170,573,424
BNP Paribas Commodities Trading (Shanghai) Co., Ltd.	Shanghai	Wholesale of metals and metal ores	Sole proprietorship from Taiwan, Hong Kong and Macau	Rémi FERRER	USD 40,000,000	-	USD 40,000,000
BNP Paribas (Chengdu) Representative Office	Sichuan, Chengdu	Other business services	Foreign Investment	Lin Xunli	-	-	-
BNP Paribas Equities (Asia) Limited, Shanghai Representative Office	Shanghai	Other business services	Foreign Investment	Cao Zhirong	-	-	-
BNP Paribas Equities (Asia) Limited, Beijing Representative Office	Beijing	Other business services	Foreign Investment	Ma Siqi	-	-	-
BNP Paribas Overseas Investment Fund Management (Shanghai) Co., Ltd.	Shanghai	Assets management	Sole proprietorship from Taiwan, Hong Kong and Macau	ARINA BYSTROVA EP DIVO	EUR 7,000,000	-	EUR 7,000,000
BNP PARIBAS ASSET MANAGEMENT LUXEMBOURG	Luxembourg	Financial assets management	Foreign Investment	STEPHANE BRUNET	EUR 3,000,000	-	EUR 3,000,000
BNP Paribas ABC Wealth Management Co., Ltd.	Shanghai	Wealth management services (banking)	Sino-foreign Joint Venture	Alexandre, Maurice, Louis WERNO	RMB 1,000,000,000	-	RMB 1,000,000,000
BOB-Cardif Life Insurance Co. Ltd. Shanghai Branch	Shanghai	Insurance (life, health, accident, etc.)	Sino-foreign Joint Venture	Jiao Jian	-	-	-

VIII. Related party relationships and transactions (continued)

3. The following are other related parties which have transactions with the Bank while no control relationship exists (continued):

Details for related parties controlled or significantly influenced by the parent company (continued):

The Name of Entity	Registered Address	Major Business	Economic Nature	CEO	Paid-in Capital at the Beginning of the Year	Net Increase/ (Decrease)	Paid-in Capital at the end of the Year
HFT Investment Management Co., Ltd.	Shanghai	Assets management	Sino-foreign Joint Venture	Xie Lebin	RMB 300,000,000	-	RMB 300,000,000
Genius Auto Finance Co., Ltd	Shanghai	Auto finance services	Sino-foreign Joint Venture	Han Xu	RMB 4,000,000,000	-	RMB 4,000,000,000
Bank of Nanjing	Jiangsu, Nanjing	Bank	Sino Foreign Joint Venture / Listed Company	Xie Ning	RMB 10,007,016,973	-	RMB 10,007,016,973
Zhejiang Wisdom Puhua Finance Leasing Co., Ltd.	Zhejiang, Ningbo	Finance leasing	Sino-foreign Joint Venture	Zhao Jing	USD 107,860,000	-	USD 107,860,000
Shanghai HFT Fortune Asset Management Co. Ltd.	Shanghai	Asset Management	Sino-foreign Joint Venture	Xi Wanrong	RMB 200,000,000	-	RMB 200,000,000
BON BNPP CONSUMER FINANCE CO., LTD.	Jiangsu, Nanjing	Consumer finance	Sino-foreign Joint Venture	Zhang Weinian	RMB 5,215,000,000	RMB 785,000,000	RMB 6,000,000,000
BNP PARIBAS CENTER OF EXPERTISE (NANJING) CO. LTD	Jiangsu, Nanjing	IT consulting services	Sole proprietorship from foreign legal person	WONG HUI LING	-	RMB 24,400,000	RMB 24,400,000
BNP PARIBAS SECURITIES (CHINA) LIMITED	Shanghai	Securities business	Sole proprietorship from foreign legal person	GUO YVES ZHIYI	RMB 1,100,000,000	-	RMB 1,100,000,000

Other related parties

Other related parties of the Bank include key management personnel (directors, supervisors and senior management personnel) as well as those with core business approval or decision-making powers such as large credit, asset transfer, etc., their close family members, and corporations or other organizations that are, directly or indirectly, jointly controlled or significantly influenced by key management personnel or their close family members.

Except for key management remuneration disclosed in Note VIII 6, the Bank has no other transactions with other related parties mentioned above.

VIII. Related party relationships and transactions (continued)

4. Related party transactions

4.1 Pricing policy

The terms of inter-bank transactions with related parties follow commercial terms arranged in the ordinary course of the Bank's business.

4.2 Funding

Deposits and placements business between the Bank and related parties mainly including BNP Paribas, BNP Paribas Hong Kong Branch, BNP Paribas New York Branch, Bank of Nanjing, Shanghai HFT Fortune Asset Management Co. Ltd., BON BNPP CONSUMER FINANCE CO., Ltd., BNP Paribas Commodities Trading (Shanghai) Co., Ltd, BNP Paribas Overseas Investment Fund Management (Shanghai) Co., Ltd etc. The interest rate is based on market rate. The interest income and expense are as below:

	2025	%	2024	%
Interest income	84,800,127.28	9.87	80,496,298.84	7.54
Interest expense	<u>8,954,212.62</u>	<u>1.65</u>	<u>29,105,492.05</u>	<u>3.74</u>

4.3 Fee and commission income and expenses

	2025	%	2024	%
Fee and commission income	457,209,406.26	82.54	340,497,993.19	73.40
Fee and commission expenses	<u>14,486,771.33</u>	<u>12.83</u>	<u>9,837,049.02</u>	<u>11.73</u>

4.4 Service received and other expenses

	2025	%	2024	%
General and administrative expenses	<u>204,475,474.49</u>	<u>24.22</u>	<u>222,386,113.49</u>	<u>24.66</u>

VIII. Related party relationships and transactions (continued)

5. Balances with related parties

5.1 Due from related parties

	2025	%	2024	%
Deposits with overseas banks				
BNP Paribas	100,313,113.03	4.01	99,654,514.68	14.42
BNP Paribas Hong Kong Branch	57,102,637.30	2.28	11,171,635.31	1.62
BNP Paribas New York Branch	56,621,994.48	2.26	30,542,841.93	4.42
BNP Paribas Canada Branch	1,998,168.88	0.08	3,376,070.50	0.49
BNP Paribas London Branch	1,229,982.01	0.05	1,922,462.79	0.28
TURK EKONOMI BANKASI A.S.	7,522.42	-	1,271.87	-
BNP PARIBAS BANK POLSKA S.A.	5,376.69	-	7,928.19	-
Deposits with domestic banks				
Bank of Nanjing	<u>3,705,332.58</u>	<u>0.15</u>	<u>3,688,792.72</u>	<u>0.53</u>
Total	<u><u>220,984,127.39</u></u>	<u><u>8.83</u></u>	<u><u>150,365,517.99</u></u>	<u><u>21.76</u></u>

VIII. Related party relationships and transactions (continued)

5. Balances with related parties (continued)

5.2 Placements with related parties

	2025	%	2024	%
Placements with overseas banks				
BNP Paribas	692,680,934.48	11.86	1,205,551,690.37	19.96
BNP Paribas Hong Kong Branch	35,001,409.72	0.60	27,666,629.06	0.46
Deposits with domestic banks				
GENIUS AUTO FINANCE CO., LTD	550,749,972.23	9.43	401,467,222.28	6.65
BON BNPP CONSUMER FINANCE CO., Ltd.	-	-	307,550,000.00	5.09
Total	<u>1,278,432,316.43</u>	<u>21.89</u>	<u>1,942,235,541.71</u>	<u>32.16</u>

5.3 Assets purchased under resale agreements

	2025	%	2024	%
BNP Paribas	<u>1,531,370,471.62</u>	<u>100.00</u>	<u>1,441,208,893.53</u>	<u>100.00</u>

5.4 Loans and advances

	2025年	%	2024年	%
Bank of Nanjing	<u>8,915,490.40</u>	<u>0.06</u>	<u>30,535,554.52</u>	<u>0.17</u>

5.5 Held-for-trading financial assets

	2025	%	2024	%
BNP Paribas	3,802,311,543.19	30.00	3,767,529,642.01	37.29
GENIUS AUTO FINANCE CO., LTD	<u>30,445,391.76</u>	<u>0.24</u>	<u>-</u>	<u>-</u>
Total	<u>3,832,756,934.95</u>	<u>30.24</u>	<u>3,767,529,642.01</u>	<u>37.29</u>

5.6 Debt investments

	2025	%	2024	%
GENIUS AUTO FINANCE CO., LTD	<u>50,274,068.31</u>	<u>6.00</u>	<u>50,274,068.31</u>	<u>5.37</u>

VIII. Related party relationships and transactions (continued)

5. Balances with related parties (continued)

5.7 Other receivables

	2025	%	2024	%
BNP Paribas	996,071,136.69	40.94	597,100,245.55	14.89
BNP Paribas Hong Kong Branch	4,418,406.20	0.18	2,490,816.60	0.06
BNP Paribas New York Branch	1,780.85	-	1,451.63	-
BNP PARIBAS IRELAND	1,610.04	-	1,719.16	-
BNP PARIBAS ASSET MANAGEMENT Europe	992.47	-	-	-
BNP Paribas Taipei Branch	-	-	224,710.46	0.01
BNP Paribas Canada Branch	-	-	4,793.86	-
Total	<u>1,000,493,926.25</u>	<u>41.12</u>	<u>599,823,737.26</u>	<u>14.96</u>

5.8 Deposits with banks and other financial institutions

	2025	%	2024	%
BNP Paribas	545,813,663.48	18.39	411,334,050.01	7.75
Shanghai HFT Fortune Asset Management Co., Ltd	518,000,000.00	17.45	560,150,000.00	10.55
BNP PARIBAS SECURITIES (CHINA) LIMITED	260,342,638.35	8.77	-	-
BNP Paribas Hong Kong Branch	118,207,776.24	3.98	258,147,947.25	4.86
BNP Paribas Singapore Branch	7,010,830.77	0.24	5,464,038.14	0.10
HFT Investment Management Co., Ltd.	5,822,595.85	0.20	5,320,758.85	0.10
BNP Paribas Spain Branch	4,118,338.85	0.14	4,998,602.34	0.09
BNP Paribas ABC Wealth Management Co., Ltd.	89,363.75	-	43,973.91	-
BNP Paribas Securities Services Luxembourg	16,213.45	-	16,199.90	-
Genius Auto Finance Co., Ltd	8,083.27	-	1,847,521.05	0.03
BNP Paribas New York Branch	-	-	15,237,515.73	0.29
Total	<u>1,459,429,504.01</u>	<u>49.17</u>	<u>1,262,560,607.18</u>	<u>23.77</u>

VIII. Related party relationships and transactions (continued)

5. Balances with related parties (continued)

5.9 Customer deposits

	2025	%	2024	%
BNP Paribas Commodities Trading (Shanghai) Co., Ltd.	57,996,665.54	0.24	58,171,914.58	0.22
BNP Paribas Overseas Investment Fund Management (Shanghai) Co., Ltd.	4,438,500.78	0.02	5,178,917.46	0.02
BNP Paribas Equities (Asia) Limited, Beijing Representative Office	726,862.10	-	336,482.10	-
Zhejiang Wisdom Puhua Finance Leasing Co., Ltd.	216,416.46	-	217,254.42	-
BNP Paribas Equities (Asia) Limited, Shanghai Representative Office	193,309.67	-	17,700.23	-
BNP Paribas (Chengdu) Representative Office	137,118.00	-	134,430.80	-
Total	63,708,872.55	0.26	64,056,699.59	0.24

5.10 Other liabilities

	2025	%	2024	%
BNP Paribas	551,478,482.82	31.05	543,094,719.12	16.18
BNP Paribas Singapore Branch	106,393,169.98	5.99	54,458,543.27	1.62
BNP Paribas Financial Markets	41,593,277.53	2.34	25,542,895.08	0.76
BNP Paribas Hong Kong Branch	22,997,368.80	1.29	12,467,815.76	0.37
BNP Paribas Fortis SA/NV	4,923,155.68	0.28	2,569,933.01	0.08
BNP Paribas London Branch	4,668,768.75	0.26	-	-
BNP Paribas India Solutions Pvt. Ltd	2,326,381.26	0.13	1,858,732.26	0.06
BNP Paribas Center Of Expertise (Nanjing) CO. LTD	33,008.16	-	-	-
Total	734,413,612.98	41.34	639,992,638.50	19.07

5.11 Deferred income

	2025	%	2024	%
BNP Paribas New York Branch	100,430.71	0.32	16,730.71	0.07
BNP Paribas	28,150.44	0.09	71,040.64	0.31
BNP PARIBAS IRELAND	6,213.36	0.02	1,675.67	0.01
BNP Paribas Sydney Branch	5,594.37	0.02	-	-
BNP Paribas Fortis	2,784.01	0.01	-	-
BNP Paribas Netherlands Branch	2,015.72	0.01	-	-
BNP Paribas Spain Branch	1,508.74	-	-	-
Banca Nazionale Del Lavoro S.P.A.	1,142.52	-	-	-
BNP Paribas Canada Branch	477.98	-	-	-
BNP Paribas Germany Branch	-	-	479.61	-
BNP Paribas London Branch	-	-	80.22	-
Total	148,317.85	0.47	90,006.85	0.39

VIII. Related party relationships and transactions (continued)

5. Balances with related parties (continued)

5.12 Derivative financial instrument transaction

	2025			2024		
	Notional amount	%	Fair value assets/ (liabilities)	Notional amount	%	Fair value assets/ (liabilities)
BNP Paribas	501,457,298,770.72	17.88	599,661,665.70	217,854,565,342.23	10.54	(223,477,882.18)
BNP Paribas Hong Kong Branch	18,403,266,137.19	0.66	(89,078,963.55)	82,161,692,354.60	3.98	(754,593,904.87)
BNP Paribas London Branch	1,691,992,809.60	0.06	274,290,392.79	1,654,574,460.10	0.08	(126,108,825.45)
Bank of Nanjing	1,295,533,462.34	0.05	45,502,810.35	7,423,245,597.27	0.36	74,576,535.89
BNP Paribas SA Seoul Branch	893,268,000.00	0.03	152,023.79	-	-	-
Shanghai HFT Fortune Asset Management Co., Ltd	518,000,000.00	0.02	3,139,097.58	626,650,000.00	0.03	(16,641,868.86)
BNP Paribas Financial Markets	-	-	-	13,959,844,194.38	0.68	(277,452,953.05)
Total	524,259,359,179.85	18.70	833,667,026.66	323,680,571,948.58	15.67	(1,323,698,898.52)

6. Key management remuneration

Specific remuneration information for directors, supervisors, senior management personnel and employees with significant impact on risk management in the year:

	2025	2024
Remuneration of directors and supervisors (Note 1)	939,208.61	1,023,738.45
Remuneration of senior management personnel and employees with significant impact on risk management (Note 2)	82,027,988.50	81,035,619.97
Total (Note 3)	82,967,197.11	82,059,358.42

Note 1: The Bank's supervisors have not received any supervisory fee nor other salaries, bonuses and benefits from the Bank.

Note 2: Including the directors who hold position in the Bank. The definition of senior management personnel refers to "CBIRC Implementation Measures of Administrative Licensing Items for Foreign Banks" related regulation in Charter Six.

Note 3: The remuneration includes director fee (if applicable), compensation, bonuses, social insurance, housing provident fund and commercial insurance paid to related personnel of 2025.

IX. Financial Instruments and Related Risks

1. Overview of risks management

1.1 Overview of risks

The Bank is exposed to various risks in its banking and financial business operations. The Bank mainly faces credit risk, liquidity risk, market risk and operational risk. The respective risk departments are responsible for identifying, measuring and management of various risks on continuous basis.

The Bank's risk management objectives are to achieve proper balance between risks and return. Based on these risk management objectives, the Bank's basic risk management strategy is to identify and measure the exposure to various risks, establish appropriate risk limits for risk tolerance, implement prudent risk management, and monitor these exposures via information from system to ensure appropriate measures are implemented on a timely and effective manner eventually in controlling the risk within the limits.

1.2 The framework of risks management

The Board of Directors is responsible for discussing and approving strategy for overall risk management, supervising the risk management and internal control system, and evaluating the overall risks of the Bank. The key responsibilities of Risk Management Committee include reporting directly to the Board, include formulating risk management policy framework and guidelines on development strategy applicable for the Bank, ensuring appropriate establishment and approval of risk management and internal control framework, review and approval of risk management policies and procedures, risk monitoring on daily operational management, and periodic risk evaluation which includes credit risk, liquidity risk, market risk and operational risk etc.

2. Credit risk

Credit risk arises when the borrower or counterparty fails to meet the required obligations in the agreement on due date. The Bank's credit risk mainly arises from credit business, including loans and advances, investments in debt securities and placement activities with other banks and financial institutions.

2.1 Credit risk management

The Bank established its credit rating system by reference to BNP Paribas policy, in which qualitative and quantitative assessment, measurement and regulation under guidelines of the global standardization methods were taken into consideration. This rating system for each counterparty uses 12 levels of internal rating (grade 1 to grade 12, grade 1 is the highest). The credit ratings for all financial assets are updated once a year. When there is indication of warning signs, the risk rating will be reviewed and adjusted accordingly.

IX. Financial Instruments and Related Risks (continued)

2. Credit risk (continued)

2.1 Credit risk management (continued)

The relationship between the Bank's credit rating principle and the NFRA guidelines is listed below (please note that the BNPP internal rating will use the NFRA financial asset risk classification as a reference, but the two are not directly matched and the BNPP internal rating will be adjusted according to specific circumstance.):

<u>Bank Internal Rating</u>	<u>NFRA Classification</u>
1-7	Pass
8	Special Mention
9-10	Substandard
11	Doubtful
12	Loss

(1) Financial assets classification

The NFRA five categories of financial asset classification of Guideline are set out below:

Pass:	Debtors can honor the terms of their loans. There is no reason to doubt their ability to repay principal and interest in full on a timely basis.
Special mention:	Debtors are able to repay principal and interest, although the performance of the contract may be adversely affected by specific factors.
Substandard:	Debtors cannot repay principal and interest in full, or the credit impairment has incurred.
Doubtful:	Debtors cannot repay principal and interest in full, or the credit impairment has significantly incurred.
Loss:	Only a small portion or none of the principal and interest can be recovered after taking all possible measures and exhausting all legal remedies.

(2) Loan and credit commitments

The Bank operates standard credit management including performing due diligence, credit review and approval, loan disbursement, post-drawdown monitoring and non-performing loan management.

IX. Financial Instruments and Related Risks (continued)

2. Credit risk (continued)

2.1 Credit risk management (continued)

(3) Debt securities and other bills

At present the Bank has been holding only sovereign (such as government bonds or PBOC bills), Quasi-Sovereign Bonds (policy bank bonds), financial institution bonds and corporate debt securities. The Bank constantly pays attention to the change in credit rating of issuers.

(4) Deposits with other banks and financial institutions and due to banks and other financial institutions

The Bank reviews and monitors the credit risk of all financial institutions under coverage on regular basis. Credit limits are in place for each individual bank or non-banking financial institution which has business relationship with the Bank.

(5) Derivative financial instruments

The Bank strictly controls the derivative transactions. The risk management department is responsible for setting the credit limit for each counterparty - with market risk limits defined at operational level, and closely monitoring the credit risk and market risk.

2.2 Mitigation of counterparty risk exposure and management over wrong way risk

Counterparty risk is the translation of the credit risk embedded in the market, investment and/or payment transactions. Those transactions include bilateral contracts (i.e. OTC), which potentially expose the Bank to the risk of default of the counterparty faced. The Bank mitigates the counterparty risk exposure via signing of the netting agreements, managing the collaterals and margining by a collateral team, and central clearing with CCP etc. As for the eligible collaterals, the Bank assesses eligibility of the collateral based on various factors such as liquidity, maturity, concentration.

Wrong way risk is a correlation risk. General wrong way risk arises when the likelihood of default by counterparties is positively correlated with general market risk factors. Specific wrong way risk arises if the future exposure to a specific counterparty is expected to be high when the counterparty's default probability is also high. The Bank follows the Group's policies and best practices in wrong way risk management, including limit setup, exposure monitoring.

IX. Financial Instruments and Related Risks (continued)

2. Credit risk (continued)

2.3 Risk limit control and mitigation policies

The Bank manages, restricts, and controls the concentration of credit risks discovered, especially concentrated in single borrowers, groups, industries and regions. To optimize credit risk structure, the Bank sets limits to individual counterparties, groups, industries and areas. Such risks are monitored on an ongoing basis and subject to an annual or more frequent review, when necessary. Exposures to credit risk are also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing the facility where appropriate.

Some other specific control and mitigation measures are outlined below:

(1) Guarantee

For the loan with third party guarantee, the Bank will evaluate the financial condition, credit history and ability to meet obligations of the guarantor on a regular basis.

(2) Collateral

Taking deposits as pledged security is also used to mitigate risk.

(3) Derivative financial instruments

The risk management department takes on the responsibilities for setting the credit limit and trading limit of individual counterparty, and closely monitoring their credit risk and impact of market risk.

(4) Credit-related commitments

Credit risk of financial guarantee is the same as that of loan. However, risks of non-financial guarantee and commercial letter of credit which are tied with underlying projects or goods are usually guaranteed by shipped goods. Therefore, they have lower risks compared with direct loan. Credit-related commitments are incorporated into applicant's total facility.

2.4 Credit risk, impairment analysis and policies on provision for reserves

2.4.1 Risk stage categorization of financial instruments

The Bank categorizes each business into three risk stages based on whether the credit risk on the financial instrument has increased significantly since initial recognition and makes provision for the expected credit loss accordingly.

IX. Financial Instruments and Related Risks (continued)

2. Credit risk (continued)

2.4 Credit risk, impairment analysis and policies on provision for reserves (continued)

2.4.1 Risk stage categorization of financial instruments (continued)

Stage 1: The credit risk has not increased significantly since initial recognition. The amount of ECL on financial instruments within the next 12 months needs to be recognized.

Stage 2: The credit risk has increased significantly since initial recognition, but credit is not impaired. The amount of lifetime ECL on financial instruments needs to be recognized.

Stage 3: It has become credit impaired. The amount of lifetime ECL on financial instruments needs to be recognized.

2.4.2 Significant increase in credit risk

When categorizing the risk stages of financial instruments, the Bank fully considers various reasonable and supportable information, including forward-looking information, which reflects whether the credit risk has increased significantly. The major considerations include regulatory and economic environment, internal and external credit risk rating, solvency, operating ability, loan contract terms, repayment behavior, etc. The Bank compares the risk of default on financial instruments at the initial recognition date and that at the balance sheet date to determine the change in risk of default within the expected lifetime of financial instruments. The Bank sets qualitative and quantitative criteria to determine whether the credit risk on financial instruments has increased significantly since initial recognition. When one or more criteria below are triggered, the Bank believes that the credit risk on financial instruments has increased significantly:

- Occurrence of a credit event: Financial assets are overdue by more than 30 days or are marked as “restructured debt.”
- Absolute and relative levels of default probability for risk exposure exceed certain thresholds.
- Based on the analysis by risk experts, the debt is identified as increased risk: all debts under the clients on the watchlist.
- Based on the factors disclosed in Note III, 6, other objective evidences indicate that credit risk has significantly increased.

IX. Financial Instruments and Related Risks (continued)

2. Credit risk (continued)

2.4 Credit risk, impairment analysis and policies on provision for reserves (continued)

2.4.3 Definition and standard of credit-impaired assets

In assessing whether the debtor is credit-impaired, the Bank mainly considers the following factors:

- Internally rated as default customer;
- Financial assets are more than 90 days past due;
- Based on the factors disclosed in Note III, 6, other objective evidences indicate the debtor is credit-impaired.

2.4.4 Expected credit loss measurement parameters

The Bank determines the credit impairment loss by predicting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) of each individual debt in future periods. The expected credit loss is the discounted result of product of PD, LGD and EAD.

The Bank's key parameters for measuring the expected credit loss include:

Probability of default (PD): refers to the probability that the debtor is unable to perform its repayment obligations within the next 12 months or over the remaining lifetime.

Loss given default (LGD): refers to the proportion of the amount of losses incurred by the debtor's default to the risk exposure of the default debt.

Exposure at default (EAD): refers to the amount payable to the Bank when the default occurs within the next 12 months or over the lifetime.

The Bank derives the expected credit loss through estimating PD, LGD and EAD of single exposure in future months.

IX. Financial Instruments and Related Risks (continued)

2. Credit risk (continued)

2.4 Credit risk, impairment analysis and policies on provision for reserves (continued)

2.4.5 Forward-looking information

The Bank takes into account the forward-looking macroeconomic information in the determination of the expected credit loss. By analysis of historical data, the Bank identifies key economic indicators affecting the credit risk and expected credit loss on each business type, such indicators include GDP, etc. The Bank establishes a calculation model to analyze the relationship between these key economic indicators and the probability of default, so as to determine the forward-looking impact of changes in these indicators on the expected credit loss. To better align with the forward-looking adjustment of the local asset portfolios, the Bank adds the Master Score Card Approach on top of the group's expected credit loss model results and incorporates localized qualitative and quantitative indicators such as geopolitical risk, macroeconomy environment risk and ESG risk.

2.4.6 Maximum credit risk exposure without consideration of any collateral and credit risk mitigation

Information on the maximum credit risk exposure of the Bank is as below:

	2025	2024
Deposits with banks and other financial institutions	2,501,276,248.31	691,312,607.59
Placements with banks and other financial institutions	5,841,876,387.53	6,040,912,636.27
Derivative assets	10,046,251,581.78	15,915,760,382.59
Assets purchased under resale agreements	1,531,370,471.62	1,441,208,893.53
Loans and advances	13,783,699,498.70	17,726,224,250.95
Held-for-trading financial assets	12,672,457,401.07	10,103,337,049.65
Debt investments	833,356,644.64	936,393,573.60
Other debt investments	7,616,971,887.46	8,457,171,587.15
Other financial assets	<u>2,404,433,453.97</u>	<u>3,990,803,101.27</u>
Total	<u>57,231,693,575.08</u>	<u>65,303,124,082.60</u>
Credit commitments and financial guarantee (Note VII,1)	<u>19,601,116,609.16</u>	<u>20,437,504,228.06</u>
Maximum Credit Risk Exposure	<u>76,832,810,184.24</u>	<u>85,740,628,310.66</u>

IX. Financial Instruments and Related Risks (continued)

2. Credit risk (continued)

2.4 Credit risk, impairment analysis and policies on provision for reserves (continued)

2.4.7 Collaterals and other credit mitigation

	2025			
	Total Exposure	Provision for Impairment	Book Value	Fair Value of Collateral Held
Credit-impaired assets				
Loans and advances	<u>67,827,159.72</u>	<u>22,692,987.26</u>	<u>45,134,172.46</u>	<u>-</u>
	2024			
	Total Exposure	Provision for Impairment	Book Value	Fair Value of Collateral Held
Credit-impaired assets				
Loans and advances	<u>102,000,000.00</u>	<u>25,477,426.26</u>	<u>76,522,573.74</u>	<u>-</u>

2.5 Investment in debt securities

The tables below analyze the Bank's investment in debt securities rated by institutions generally recognized by the market:

	2025			
	Held-for-trading financial assets	Other debt investments	Debt investments	Total
AAA	361,638,008.07	399,416,759.45	833,356,644.64	1,594,411,412.16
Unrated:				
Government bonds	7,556,187,128.21	7,036,025,855.87	-	14,592,212,984.08
Financial institutions bonds	<u>4,754,632,264.79</u>	<u>181,529,272.14</u>	<u>-</u>	<u>4,936,161,536.93</u>
Total	<u>12,672,457,401.07</u>	<u>7,616,971,887.46</u>	<u>833,356,644.64</u>	<u>21,122,785,933.17</u>
	2024			
	Held-for-trading financial assets	Other debt investments	Debt investments	Total
AAA	362,378,755.24	2,747,126,838.63	936,393,573.60	4,045,899,167.47
Unrated:				
Government bonds	4,696,940,625.05	5,195,246,038.91	-	9,892,186,663.96
Financial institutions bonds	<u>5,044,017,669.36</u>	<u>514,798,709.61</u>	<u>-</u>	<u>5,558,816,378.97</u>
Total	<u>10,103,337,049.65</u>	<u>8,457,171,587.15</u>	<u>936,393,573.60</u>	<u>19,496,902,210.40</u>

IX. Financial Instruments and Related Risks (continued)

3. Risks of financial instruments

3.1 Liquidity risk

Liquidity risk is the risk that no sufficient funds will be available to make debt repayment when falls due. Liquidity risk of the Bank mainly results from early or concentrated withdrawn by depositors, postponed loan repayment by borrowers, amount or maturity mismatch of assets and liabilities.

3.1.1 Liquidity risk management

The Bank implements centralized management on liquidity risk by Headquarter. ALM-Treasury Department is responsible for working on capital management. According to “Regulations of the People’s Republic of China on Administration of Foreign-funded Banks” and related regulations, the Bank controls the liquidity ratio of no less than 25%. At the same time, the Bank manages liquidity risk according to the maturity date of assets and liabilities.

The Bank is exposed to various daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan payable, loan draw downs, guarantees and other calls on cash settled derivatives. As experience shows, a significant portion of mature deposits will not be withdrawn immediately on the maturity date but will remain with the Bank. However, to satisfy unexpected fund requirement, the Bank establishes comprehensive liquidity management policy and maintains the level of commitment inter-bank placement facilities to cover withdrawals at unexpected levels of demand.

As at 31 December 2025, the Bank maintained 5.5% of the total RMB denominated deposits (31 December 2024: 6%), 4% of the total foreign currency denominated deposits (31 December 2024: 4%) and 5.5% of the offshore RMB deposit (31 December 2024: 6%) with PBOC as required deposit reserves.

The reasonable matching and effective control in mismatching of maturities of assets and liabilities is fundamental to the management of the Bank. It is unusual for banks ever to keep assets and liabilities completely matched since business transactions are often of uncertain terms and of different types. Any unmatched position will be kept under a set of gapping limits.

The maturity matching of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature are important factors in assessing the liquidity risk of the Bank.

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IX. Financial Instruments and Related Risks (continued)

3 Liquidity risk (continued)

3.1 Liquidity risk (continued)

3.1.2 Non-derivative cash flows of financial assets and liabilities

The table below presents the cash flows payable by the Bank under non-derivative financial assets and liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2025

	Overdue/Undated	Within 1 month	1-3 months	3 months-1 year	1-5years	Over 5 years	Total
Assets:							
Cash and deposits with the Central Bank	1,326,263,815.74	2,206,012,201.25	104,351,498.16	74,828,575.10	-	-	3,711,456,090.25
Due from banks and other financial institutions	-	2,507,312,268.40	-	-	-	-	2,507,312,268.40
Placements with banks and other financial institutions	-	2,300,930,525.40	1,511,531,388.90	2,068,457,111.12	-	-	5,880,919,025.42
Financial assets purchased under resale agreements	-	1,533,003,820.44	-	-	-	-	1,533,003,820.44
Loans and advances	-	4,577,714,107.19	3,285,247,656.88	2,749,158,581.32	3,390,526,759.89	145,862,942.25	14,148,510,047.53
Held-for-trading financial assets	-	123,681,232.68	1,049,162,711.84	1,427,814,651.40	8,672,308,497.37	2,358,902,553.11	13,631,869,646.40
Other debt investments	-	545,798,750.00	2,056,738,750.00	1,126,752,500.00	4,058,035,000.00	-	7,787,325,000.00
Debt investments	-	-	-	807,451,000.00	51,181,000.00	-	858,632,000.00
Total of non-derivative financial assets	1,326,263,815.74	13,794,452,905.36	8,007,032,005.78	8,254,462,418.94	16,172,051,257.26	2,504,765,495.36	50,059,027,898.44
Liabilities:							
Due to the Central Bank	-	-	-	209,902,700.00	-	-	209,902,700.00
Due to banks and other financial institutions	-	1,190,598,928.72	555,177,222.22	1,232,064,159.25	-	-	2,977,840,310.19
Placements from banks and other financial institutions	-	2,720,902,594.44	-	-	-	-	2,720,902,594.44
Financial assets sold under repurchased agreements	-	2,977,107,268.27	-	-	-	-	2,977,107,268.27
Customer deposits	-	17,789,147,127.97	1,653,378,085.44	3,017,912,471.24	2,033,962,849.26	-	24,494,400,533.91
Bonds payable	-	-	1,032,500,000.00	2,142,000,000.00	2,042,000,000.00	-	5,216,500,000.00
Total of non-derivative financial liabilities	-	24,677,755,919.40	3,241,055,307.66	6,601,879,330.49	4,075,962,849.26	-	38,596,653,406.81
Net gap	1,326,263,815.74	(10,883,303,014.04)	4,765,976,698.12	1,652,583,088.45	12,096,088,408.00	2,504,765,495.36	11,462,374,491.63

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IX. Financial Instruments and Related Risks (continued)

3 Liquidity risk (continued)

3.1 Liquidity risk (continued)

3.1.2 Non-derivative cash flows of financial assets and liabilities (continued)

2024

	Overdue/Undated	Within 1 month	1-3 months	3 months-1 year	1-5years	Over 5 years	Total
Assets:							
Cash and deposits with the Central Bank	1,523,127,882.81	3,349,484,309.92	18,801,235.55	550,793,875.90	-	-	5,442,207,304.18
Due from banks and other financial institutions	-	697,484,537.55	-	-	-	-	697,484,537.55
Placements with banks and other financial institutions	-	1,809,579,270.84	1,523,487,723.33	2,758,614,111.01	-	-	6,091,681,105.18
Financial assets purchased under resale agreements	-	1,441,577,155.41	-	-	-	-	1,441,577,155.41
Loans and advances	-	4,422,345,618.71	4,992,882,338.84	4,992,994,263.49	3,904,633,246.83	-	18,312,855,467.87
Held-for-trading financial assets	-	89,036,959.01	203,686,256.09	970,319,299.45	8,755,427,841.51	1,573,965,286.80	11,592,435,642.86
Other debt investments	-	2,819,266,000.00	44,508,750.00	1,794,595,750.00	4,003,226,000.00	-	8,661,596,500.00
Debt investments	-	-	-	130,291,000.00	858,632,000.00	-	988,923,000.00
Total of non-derivative financial assets	1,523,127,882.81	14,628,773,851.44	6,783,366,303.81	11,197,608,299.85	17,521,919,088.34	1,573,965,286.80	53,228,760,713.05
Liabilities:							
Due to the Central Bank	-	-	-	270,609,750.00	-	-	270,609,750.00
Due to banks and other financial institutions	-	3,998,908,629.36	528,092,844.51	774,546,111.03	15,237,515.73	-	5,316,785,100.63
Placements from banks and other financial institutions	-	231,958,166.56	-	-	-	-	231,958,166.56
Financial assets sold under repurchased agreements	-	1,800,216,044.39	-	-	-	-	1,800,216,044.39
Customer deposits	-	16,936,840,113.00	3,824,587,340.92	3,372,558,507.90	2,534,734,029.27	-	26,668,719,991.09
Bonds payable	-	-	32,500,000.00	4,342,000,000.00	3,116,500,000.00	-	7,491,000,000.00
Total of non-derivative financial liabilities	-	22,967,922,953.31	4,385,180,185.43	8,759,714,368.93	5,666,471,545.00	-	41,779,289,052.67
Net gap	1,523,127,882.81	(8,339,149,101.87)	2,398,186,118.38	2,437,893,930.92	11,855,447,543.34	1,573,965,286.80	11,449,471,660.38

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IX. Financial Instruments and Related Risks (continued)

3 Liquidity risk (continued)

3.1 Liquidity risk (continued)

3.1.3 Derivative liquidity risk analysis

Derivatives settled on a net basis

The Bank's derivatives that will be settled on a net basis include interest derivatives (interest rate swaps and interest rate options), commodity related derivative contracts, equity related derivatives, gold derivative contracts and credit default swaps, etc.

The table below presents the maturity distribution of derivative financial instrument contracts held by the Bank at the end of the year which are to be settled on a net basis.

The amounts disclosed in the table are the contractual undiscounted cash flows, of which positive amounts are cash inflow and negative amounts are cash outflow.

2025	Within 1 month RMB	1-3 months RMB	3 months-1 year RMB	1-5years RMB	Over 5 years RMB	Total RMB
Interest rate derivatives	13,464,670.47	(13,528,245.70)	476,409,848.50	122,017,326.07	(46,930,309.21)	551,433,290.13
Forex futures contracts	-	-	(2,118,020.00)	-	-	(2,118,020.00)
Commodity related derivative contracts	27,725.63	86,266.17	296,890.89	1,690,207.06	-	2,101,089.75
Equity related derivatives	(4,247.95)	27,453.26	(904,989.22)	-	-	(881,783.91)
Gold derivative contracts	(8,499,710.84)	7,486,191.58	2,417,688.88	-	-	1,404,169.62
Credit default swaps	-	5,299,418.05	124,634,305.28	365,697,459.64	-	495,631,182.97
2024	Within 1 month RMB	1-3 months RMB	3 months-1 year RMB	1-5years RMB	Over 5 years RMB	Total RMB
Interest rate derivatives	6,943,633.98	(69,183,614.24)	170,925,256.77	580,995,312.82	3,761,357.65	693,441,946.98
Forex futures contracts	-	-	(891,000.00)	-	-	(891,000.00)
Commodity related derivative contracts	-	884.89	-	-	-	884.89
Equity related derivatives	3,344.42	(7,703.53)	100,631.84	-	-	96,272.73
Gold derivative contracts	(3,177,202.62)	(5,579,642.93)	32,798,345.53	-	-	24,041,499.98
Credit default swaps	-	6,632,595.00	215,271,190.57	1,091,411,370.09	-	1,313,315,155.66

Derivatives settled on a gross basis

The Bank's derivatives that will be settled on a gross basis include: Foreign exchange derivatives such as foreign exchange forwards, foreign exchange swap, currency option contract and cross currency swap.

IX. Financial Instruments and Related Risks (continued)

3 Liquidity risk (continued)

3.1 Liquidity risk (continued)

3.1.3 Derivative liquidity risk analysis (continued)

The table below presents the maturity distribution of derivative financial instrument contracts held by the Bank at the end of the year which are to be settled on a gross basis. The amounts disclosed in the table are the contractual undiscounted cash flows. The positive amounts indicate cash inflow and negative amounts indicate cash outflow.

2025	Within 1 month RMB	1-3 months RMB	3 months-1 year RMB	1-5years RMB	Over 5 years RMB	Total RMB
Foreign exchange derivatives						
-Outflow	(282,816,771,074.70)	(309,429,238,427.07)	(401,236,262,215.35)	(51,971,765,446.54)	-	(1,045,454,037,163.66)
-Inflow	283,011,677,463.70	309,475,542,656.55	401,639,079,001.06	51,463,428,132.24	-	1,045,589,727,253.55
	<u>194,906,389.00</u>	<u>46,304,229.48</u>	<u>402,816,785.71</u>	<u>(508,337,314.30)</u>	<u>-</u>	<u>135,690,089.89</u>
2024	Within 1 month RMB	1-3 months RMB	3 months-1 year RMB	1-5years RMB	Over 5 years RMB	Total RMB
Foreign exchange derivatives						
-Outflow	(263,230,136,635.82)	(252,368,474,815.58)	(446,746,965,463.96)	(38,176,204,515.85)	-	(1,000,521,781,431.21)
-Inflow	263,486,191,601.07	252,285,619,947.97	447,541,257,279.58	37,812,470,033.56	-	1,001,125,538,862.18
	<u>256,054,965.25</u>	<u>(82,854,867.61)</u>	<u>794,291,815.62</u>	<u>(363,734,482.29)</u>	<u>-</u>	<u>603,757,430.97</u>

3.2 Market risk

Market risk refers to the risk of fluctuation of the fair value or future cash flows of a financial instrument caused by any changes in market prices. Market risks arise from open positions on different interest rate and foreign exchange rate, all of which are exposed to general and specific market movements.

The Bank monitors dedicated separates market risk indicators for trading and non-trading portfolios.

Currently, Market Risk Management Department takes responsibility for monitoring and controlling the market risk of both trading and non-trading books. Market Risk Department reports directly to Regional Market Risk Department and to Local Chief Risk Officer of the Bank at the same time. Market Risk Department is independent from traders of front office. The Market Risk Department will timely inform the related business heads and local management on the excess/limit events and obtain required approvals for limit changes.

IX. Financial Instruments and Related Risks (continued)

3.2 Market risk (continued)

Market risk assessment techniques

At present, the Bank uses different indicators to assess the market risk in different books. For trading books, the Bank mainly refers to sensitivity analysis/limits (PV01 or IR Delta) as well as FX Delta limits, Issuer Risk and 1-Day Market VaR (Value at Risk) limits. For non-trading portfolios, the Bank assesses the interest rate gapping between assets and liabilities on a regular basis. The Bank has established reporting system for risk analysis and daily reports including the respective exposures are sent to the management of the Bank.

1-Day Market Value at Risk analysis

Market VaR is the worst loss expected over a given period and within a given confidence interval time. The Bank is computing the maximum expected daily loss of a trading activity at 99% confidence level and this indicator is computed by MRX system (Market Risk System). For consolidated Global Markets Trading books, the current limit of 1-Day Market VaR stands at EUR 13,000,000 as approved by the Board of Directors as of 31 December 2025 (31 December 2024: EUR 13,000,000). The 1-Day Market VaR is only an internal indicator for risk management within the Bank as the regulatory Market Risk Capital for the entity is under standardized approach.

The table below includes the average value, the maximal value and the minimal value of 1-Day Market VaR for Global Markets Trading Books as of end of 2025 and end of 2024.

	2025		
	<u>Average</u> EUR	<u>Maximum</u> EUR	<u>Minimum</u> EUR
31 December 2025	2,724,874	5,105,146	1,439,262
	2024		
	<u>Average</u> EUR	<u>Maximum</u> EUR	<u>Minimum</u> EUR
31 December 2024	4,156,610	6,908,897	2,068,586

Stress-Tests

The potential loss beyond the confidence level cannot be well captured by the 1-Day Market VaR.

IX. Financial Instruments and Related Risks (continued)

3.2 Market risk (continued)

Stress-Tests (continued)

Therefore, the Bank also applies various stress-tests on a regular basis to simulate potential losses under extreme market conditions. Stress-tests results performed on trading books will provide an effective potential PnL impact as this perimeter is mark-to-market on a daily basis. For non-trading books, the Bank applies similar method but the results will not reflect an effective potential PnL impact as main of this perimeter is on accrued basis. Risk Management Committee of the Bank will review the result of the stress-tests regularly. Besides, the Bank will update the stress-tests according to the risk overview and economic conditions on a regular basis.

Derivative financial instruments

The Bank uses derivatives to provide clients with risk management solutions and manage different risk exposures faced directly by the Bank (mainly include interest rate risk and foreign exchange risk). The value of derivatives changes depending on the changes in particular interest rates, exchange rates, financial instrument prices and other similar variables.

The Bank's main derivative financial instruments are based on derivatives trading/hedging purposes, including currency derivatives and interest rate derivatives. The Bank's derivatives mainly relate to trading activities including the sales of derivative products to customers, making it able to tolerate, transfer or reduce existing or anticipated risks as well as market-making transactions on the interbank market.

The Bank integrates derivative instruments into the market risk management system of the trading books.

3.2.1 Foreign exchange risk

Foreign exchange risk refers to the risk of potential changes in investment values caused by fluctuations in foreign exchange rates. Foreign exchange risk also refers to the potential losses on foreign exchange trading positions resulting from changes in foreign exchange rates.

The Bank mainly conducts daily business in RMB and USD. The domestic exchange rate of RMB to USD or other currencies is basically controlled by PBOC (Daily Fixing and Intraday Trading Band of +/-2%). The foreign exchange risk mainly rose from the transaction risks arising from the Bank's proprietary and agent transactions and the structure risk arising from maintaining other currency position. The Bank, based on its risk-bearing capacity and operational level, utilizes various trading systems and management information systems to manage and control foreign exchange risk through methods such as setting position limits, strengthening the matching of asset and liability structures, and appropriately using financial derivative financial instruments.

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IX. Financial Instruments and Related Risks (continued)

3.2 Market risk (continued)

3.2.1 Foreign exchange risk (continued)

Included in the table are the Bank's assets and liabilities at carrying amounts in RMB, categorized by the original currency:

2025

	<u>RMB</u>	<u>USD</u>	<u>EUR</u>	<u>Other currencies</u>	<u>Total</u>
Assets:					
Cash and deposits with the Central Bank	3,431,567,716.23	267,423,282.32	12,410,898.50	54,193.20	3,711,456,090.25
Deposits with banks and other financial institutions	1,767,150,608.37	348,502,807.80	170,571,787.68	215,051,044.46	2,501,276,248.31
Placements with banks and other financial institutions	3,887,982,444.38	1,682,987,183.87	255,311,537.46	15,595,221.82	5,841,876,387.53
Derivative financial assets	6,094,034,060.71	3,616,164,623.89	240,219,325.23	95,833,571.95	10,046,251,581.78
Financial assets purchased under resale agreements	-	705,970,487.94	825,399,983.68	-	1,531,370,471.62
Loans and advances	13,512,649,402.75	271,050,095.95	-	-	13,783,699,498.70
Held-for-trading financial assets	8,870,145,857.88	3,802,311,543.19	-	-	12,672,457,401.07
Debt investments	833,356,644.64	-	-	-	833,356,644.64
Other debt investments	7,616,971,887.46	-	-	-	7,616,971,887.46
Other financial assets	<u>1,649,864,522.96</u>	<u>746,718,591.69</u>	<u>6,676,987.27</u>	<u>1,173,352.05</u>	<u>2,404,433,453.97</u>
Financial assets total	<u>47,663,723,145.38</u>	<u>11,441,128,616.65</u>	<u>1,510,590,519.82</u>	<u>327,707,383.48</u>	<u>60,943,149,665.33</u>
Liabilities:					
Due to the Central Bank	208,300,700.00	-	-	-	208,300,700.00
Due to banks and other financial institutions	2,902,944,401.48	3,756,684.00	6,639,223.25	55,119,827.84	2,968,460,136.57
Placements from banks and other financial institutions	2,720,227,122.22	-	-	-	2,720,227,122.22
Derivative financial liabilities	4,461,349,032.08	4,926,080,030.52	84,557,984.18	404,202,087.19	9,876,189,133.97
Financial assets sold under repurchase agreements	2,976,624,068.01	-	-	-	2,976,624,068.01
Customer deposits	22,768,542,078.18	1,354,769,700.64	336,172,866.60	3,326,669.25	24,462,811,314.67
Bonds payable	5,119,756,725.04	-	-	-	5,119,756,725.04
Other financial liabilities	<u>1,395,626,627.90</u>	<u>314,866,052.05</u>	<u>65,751,610.29</u>	<u>129,201.10</u>	<u>1,776,373,491.34</u>
Financial liabilities total	<u>42,553,370,754.91</u>	<u>6,599,472,467.21</u>	<u>493,121,684.32</u>	<u>462,777,785.38</u>	<u>50,108,742,691.82</u>
Net position	<u>5,110,352,390.47</u>	<u>4,841,656,149.44</u>	<u>1,017,468,835.50</u>	<u>(135,070,401.90)</u>	<u>10,834,406,973.51</u>

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IX. Financial Instruments and Related Risks (continued)

3.2 Market risk (continued)

3.2.1 Foreign exchange risk (continued)

2024

	<u>RMB</u>	<u>USD</u>	<u>EUR</u>	<u>Other currencies</u>	<u>Total</u>
Assets:					
Cash and deposits with the Central Bank	4,699,983,737.88	741,917,973.10	-	305,593.20	5,442,207,304.18
Deposits with banks and other financial institutions	121,062,860.05	301,419,333.86	134,716,620.10	134,113,793.58	691,312,607.59
Placements with banks and other financial institutions	4,241,560,430.69	1,504,317,675.44	270,947,551.33	24,086,978.81	6,040,912,636.27
Derivative financial assets	6,729,336,224.86	8,983,709,836.92	48,558,708.62	154,155,612.19	15,915,760,382.59
Financial assets purchased under resale agreements	-	1,441,208,893.53	-	-	1,441,208,893.53
Loans and advances	17,308,618,582.22	417,605,668.73	-	-	17,726,224,250.95
Held-for-trading financial assets	6,335,807,407.64	3,767,529,642.01	-	-	10,103,337,049.65
Debt investments	936,393,573.60	-	-	-	936,393,573.60
Other debt investments	8,457,171,587.15	-	-	-	8,457,171,587.15
Other financial assets	<u>2,940,109,193.88</u>	<u>742,414,691.67</u>	<u>7,204,717.16</u>	<u>301,074,498.56</u>	<u>3,990,803,101.27</u>
Financial assets total	<u>51,770,043,597.97</u>	<u>17,900,123,715.26</u>	<u>461,427,597.21</u>	<u>613,736,476.34</u>	<u>70,745,331,386.78</u>
Liabilities:					
Due to the Central Bank	269,030,637.50	-	-	-	269,030,637.50
Due to banks and other financial institutions	2,178,307,350.93	216,255,004.27	5,702,497.72	2,908,811,290.59	5,309,076,143.51
Placements from banks and other financial institutions	-	231,736,763.84	-	-	231,736,763.84
Derivative financial liabilities	10,974,727,872.59	2,614,583,043.35	626,341,383.33	691,834,848.97	14,907,487,148.24
Financial assets sold under repurchase agreements	1,800,072,014.81	-	-	-	1,800,072,014.81
Customer deposits	23,217,080,240.01	3,041,759,532.92	324,240,820.57	21,273,848.85	26,604,354,442.35
Bonds payable	7,333,350,012.18	-	-	-	7,333,350,012.18
Other financial liabilities	<u>3,118,331,312.37</u>	<u>228,093,953.81</u>	<u>9,367,056.98</u>	<u>-</u>	<u>3,355,792,323.16</u>
Financial liabilities total	<u>48,890,899,440.39</u>	<u>6,332,428,298.19</u>	<u>965,651,758.60</u>	<u>3,621,919,988.41</u>	<u>59,810,899,485.59</u>
Net position	<u>2,879,144,157.58</u>	<u>11,567,695,417.07</u>	<u>(504,224,161.39)</u>	<u>(3,008,183,512.07)</u>	<u>10,934,431,901.19</u>

The following is the impact of reasonable changes in the exchange rate of foreign currency against the local currency, assuming other variables remain constant, on net profit.

	2025	2024
	Increase/ (Decrease)	Increase/ (Decrease)
Appreciation of foreign currency by 1%	42,930,409.00	60,414,658.00
Depreciation of foreign currency by 1%	(42,930,409.00)	(60,414,658.00)

The effects on net profit are primarily from the change in net position of monetary assets and liabilities, and non-monetary financial assets and liabilities measured at fair value, resulting from fluctuation in USD.

IX. Financial Instruments and Related Risks (continued)

3.2 Market risk (continued)

3.2.2 Interest rate risk

Interest rate risk refers to the potential fluctuations in the fair value of interest-bearing financial instruments and future cash flows that the Bank may face due to changes in market interest rates. The Bank monitors its interest rate risk exposure on a daily basis.

The Bank operates its business in accordance with the interest rate system stipulated by the People's Bank of China. Interest rate risk primarily arises from interest rate positions generated by proprietary and agency fixed-income securities or interest rate derivative transactions, as well as mismatch risks resulting from the maturity mismatch in the Treasury. The Bank, based on its risk-bearing capacity and operational level, utilizes various trading systems and management information systems to manage and control interest rate risk through methods such as setting position limits, strengthening the matching of asset and liability structures, and appropriately using financial derivative financial instruments.

The table below summarizes the Bank's exposures to interest rate risks which presents the Bank's assets and liabilities at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates.

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IX. Financial Instruments and Related Risks (continued)

3.2 Market risk (continued)

3.2.2 Interest rate risk

2025

	Within 3 months	3 months-1 year	1-5 years	Over 5 years	Non-interest Bearing	Total
Assets:						
Cash and deposits with the Central Bank	3,430,168,259.47	-	-	-	281,287,830.78	3,711,456,090.25
Deposits with banks and other financial institutions	2,501,276,248.31	-	-	-	-	2,501,276,248.31
Placements with banks and other financial institutions	3,785,765,365.76	2,046,570,823.89	-	-	9,540,197.88	5,841,876,387.53
Derivative financial assets	-	-	-	-	10,046,251,581.78	10,046,251,581.78
Financial assets purchased under resale agreements	1,530,668,085.61	-	-	-	702,386.01	1,531,370,471.62
Loans and advances	10,564,321,800.43	2,415,565,499.50	763,048,717.07	-	40,763,481.70	13,783,699,498.70
Held-for-trading financial assets	4,571,869,321.99	730,935,682.16	5,164,469,389.14	2,097,236,684.11	107,946,323.67	12,672,457,401.07
Debt investments	-	775,825,601.33	49,033,622.29	-	8,497,421.02	833,356,644.64
Other debt investments	2,534,774,265.18	1,032,376,092.86	3,951,466,007.40	-	98,355,522.02	7,616,971,887.46
Other financial assets	1,187,106,000.00	-	-	-	1,217,327,453.97	2,404,433,453.97
Financial assets total	30,105,949,346.75	7,001,273,699.74	9,928,017,735.90	2,097,236,684.11	11,810,672,198.83	60,943,149,665.33
Liabilities:						
Due to the Central Bank	-	208,200,000.00	-	-	100,700.00	208,300,700.00
Due to banks and other financial institutions	1,741,010,205.62	1,226,766,760.00	-	-	683,170.95	2,968,460,136.57
Placements from banks and other financial institutions	2,720,000,000.00	-	-	-	227,122.22	2,720,227,122.22
Derivative financial liabilities	-	-	-	-	9,876,189,133.97	9,876,189,133.97
Financial assets sold under repurchase agreements	2,976,500,000.00	-	-	-	124,068.01	2,976,624,068.01
Customer deposits	19,380,743,511.57	2,985,433,339.13	2,028,115,200.00	-	68,519,263.97	24,462,811,314.67
Bonds payable	1,003,031,221.00	2,074,707,516.15	2,003,957,713.92	-	38,060,273.97	5,119,756,725.04
Other financial liabilities	127,245,513.71	-	-	-	1,649,127,977.63	1,776,373,491.34
Financial liabilities total	27,948,530,451.90	6,495,107,615.28	4,032,072,913.92	-	11,633,031,710.72	50,108,742,691.82
Net interest re-pricing gap	2,157,418,894.85	506,166,084.46	5,895,944,821.98	2,097,236,684.11	177,640,488.11	10,834,406,973.51

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IX. Financial Instruments and Related Risks (continued)

3.2 Market risk (continued)

3.2.2 Interest rate risk (continued)

2024

	Within 3 months	3 months-1 year	1-5 years	Over 5 years	Non-interest Bearing	Total
Assets:						
Cash and deposits with the Central Bank	4,699,111,161.93	-	-	-	743,096,142.25	5,442,207,304.18
Deposits with banks and other financial institutions	691,312,607.59	-	-	-	-	691,312,607.59
Placements with banks and other financial institutions	3,298,193,828.13	2,696,323,523.03	-	-	46,395,285.11	6,040,912,636.27
Derivative financial assets	-	-	-	-	15,915,760,382.59	15,915,760,382.59
Financial assets purchased under resale agreements	1,441,024,762.52	-	-	-	184,131.01	1,441,208,893.53
Loans and advances	11,901,416,055.13	4,812,346,647.45	942,464,273.89	-	69,997,274.48	17,726,224,250.95
Held-for-trading financial assets	3,945,409,233.10	858,352,276.45	3,786,277,460.90	1,438,343,300.80	74,954,778.40	10,103,337,049.65
Debt investments	-	99,959,165.33	826,848,423.05	-	9,585,985.22	936,393,573.60
Other debt investments	3,209,049,327.86	1,387,519,037.99	3,786,150,334.61	-	74,452,886.69	8,457,171,587.15
Other financial assets	1,995,259,183.51	-	-	-	1,995,543,917.76	3,990,803,101.27
Financial assets total	31,180,776,159.77	9,854,500,650.25	9,341,740,492.45	1,438,343,300.80	18,929,970,783.51	70,745,331,386.78
Liabilities:						
Due to the Central Bank	-	268,200,000.00	-	-	830,637.50	269,030,637.50
Due to banks and other financial institutions	4,524,734,535.40	767,571,382.00	15,237,515.73	-	1,532,710.38	5,309,076,143.51
Placements from banks and other financial institutions	230,028,800.00	-	-	-	1,707,963.84	231,736,763.84
Derivative financial liabilities	-	-	-	-	14,907,487,148.24	14,907,487,148.24
Financial assets sold under repurchase agreements	1,800,000,000.00	-	-	-	72,014.81	1,800,072,014.81
Customer deposits	20,692,572,094.62	3,291,043,757.39	2,528,753,600.00	-	91,984,990.34	26,604,354,442.35
Bonds payable	-	4,261,054,754.52	3,034,338,973.51	-	37,956,284.15	7,333,350,012.18
Other financial liabilities	129,097,346.69	-	-	-	3,226,694,976.47	3,355,792,323.16
Financial liabilities total	27,376,432,776.71	8,587,869,893.91	5,578,330,089.24	-	18,268,266,725.73	59,810,899,485.59
Net interest re-pricing gap	3,804,343,383.06	1,266,630,756.34	3,763,410,403.21	1,438,343,300.80	661,704,057.78	10,934,431,901.19

IX. Financial Instruments and Related Risks (continued)

3.2 Market risk (continued)

3.2.2 Interest rate risk (continued)

The following is the impact of reasonable changes in interest rates, assuming other variables remain constant, on net profit.

<u>Item</u>	2025	2024
	Increase/ (Decrease)	Increase/ (Decrease)
Appreciate by 25 basis points	3,895,413.00	23,232,448.00
Depreciate by 25 basis points	(3,895,413.00)	(23,232,448.00)

The above impact on net profit includes the impact of change in net interest income.

The Bank believes the assumption does not represent the Bank's policy on use of funds and interest rate risk management. As a result, the above impact may be different from the real situation.

X. Capital management

The capital management of the Bank focuses on the capital adequacy ratio and return on invested capital, aiming to satisfy the requirements of external regulatory and shareholder returns, and to increase total assets and enhance risk management. In accordance with “Administrative Measures for the Capital of Commercial Banks” (NFRA 2023 [4]) enforced by 1 January 2024, combining the regulator requirements and the Bank’s risk condition, the Bank determined capital adequacy ratio target in a prudent manner, and to ensure management target was met through position management and several other means.

NFRA requires commercial banks to meet the relevant capital adequacy requirements. NFRA requires that its core tier one capital adequacy ratio should not be lower than 7.5%, the tier one capital adequacy ratio should not be less than 8.5%, and the capital adequacy ratio should not be lower than 10.5%.

The weighted risk assets in the balance sheet are calculated using different risk weights. The risk weights are determined according to each asset, the counterparty’s credit, market and other related risks, and the impact of qualified mortgages and guarantees are also considered. Off-balance sheet exposures are also calculated using the same method and are adjusted for their contingent characteristics. The counterparty credit risk-weighted assets of OTC derivatives transactions include the counterparty default risk-weighted assets and the credit valuation adjustment risk-weighted assets. Market risk-weighted assets are measured according to standard methods. Operational risk-weighted assets are measured according to the basic indicator method.

X. Capital management (continued)

The scope of capital adequacy ratio calculation includes all domestic institutions, and the Bank has no oversea institution. As of 31 December 2025, capital adequacy ratio statistics based on the Bank's regulatory report were as follows:

	2025 RMB'000
The core tier one capital	11,052,206
Paid-in capital	8,711,348
Other comprehensive income	5,739
Surplus reserve	745,803
General reserve	659,373
Retained earnings	<u>929,943</u>
The core tier one capital deduction	
Other intangible assets (excluding land use rights)	<u>41,556</u>
Net core tier one capital	<u>11,010,650</u>
Net tier one capital	<u>11,010,650</u>
Tier two capital	
Loan provision exceeding regulator limits	<u>354,432</u>
Net capital	<u>11,365,082</u>
Risk weighted assets	62,690,056
Credit risk weighted assets	42,766,185
Market risk weighted assets	17,548,984
Operational risk weighted assets	2,374,887
The core tier one capital adequacy ratio	<u>17.6%</u>
Tier one capital adequacy	<u>17.6%</u>
Capital adequacy ratio	<u><u>18.1%</u></u>

X. Capital management (continued)

(1) Market risk weighted assets

	2025 RMB'000
Total market risk capital requirement (standard method)	1,403,918
Capital requirements under the sensitivity-based approach	1,053,720
Default risk capital requirements	69,853
Residual risk additional capital requirements	<u>280,345</u>
Market risk weighted assets	<u><u>17,548,984</u></u>

The Bank calculates the leverage ratio in accordance with “Administrative Measures for the Capital of Commercial Banks” (NFRA 2023 [4]) enforced by 1 January 2024. As of 31 December 2025, leverage ratio statistics based on the Bank’s regulatory report were as follows:

	2025 RMB'000
Net tier one capital	11,010,650
Adjusted balance of assets on the balance sheet	49,953,613
Balance of derivative assets	10,026,779
Balance of securities financing transaction assets	1,531,370
Adjusted balance of assets off the balance sheet	<u>13,174,125</u>
Leverage ratio	<u><u>14.7%</u></u>

XI. Fair value

The Bank established a market risk management system, by building an internal control framework using fair value measurement as basis, in order to meet the needs of internal management and information disclosure. The Bank also made gradual and systematic improvement to its market risk system management, by grouping all related departments from front, middle and back office, so as to adequately cover all procedures in collection, measurement, monitoring and assessment of fair value of financial instruments. When determining the fair value of financial instruments, the Bank considers the market price as the best approximation of the fair value of financial instruments for which there is an active market. For financial instruments of which the market does not exist, the Bank results from generally accepted valuation models with observable market index or third party quoted price reviewed by risk management department to determine the fair value of these financial assets and financial liabilities.

Financial assets and financial liabilities of the Bank mainly include: Deposits with the Central Bank, due from banks and other financial institutions, placements with banks and other financial institutions, derivative assets, assets purchased under resale agreements, loans and advances, financial assets held for trading, debt investments, other debt investments, other receivables, due to the Central Bank, placements from banks and other financial institutions, due to banks and other financial institutions, held for trading financial liabilities, derivative liabilities, financial assets sold under repurchase agreements, customer deposits, bonds payable, account payables, etc.

Except for the following financial assets and liabilities, the fair value of the Bank's financial assets and liabilities are based on market price.

(1) Deposits with the Central Bank, due from banks and other financial institutions, placement with banks and other financial institutions, financial assets purchased under resale agreements, debt investments, other receivables, due to the Central Bank, due to banks and other financial institutions, placements from banks and other financial institutions, held for trading financial liabilities, financial assets sold under repurchase agreements, bonds payable and other payables.

Given that maturities of these financial assets and liabilities are mostly either short-term or with floating rates; the carrying amount approximates the fair value.

(2) Loans and advances

Because the loan interest rates follow the movement of PBOC benchmark interest rates, and interest rates for loans denominated in foreign currencies are generally floating rates, fair value of loans is close to carrying value. Expected cash flows are discounted at current market rates to determine the fair value.

XI. Fair value (continued)

(3) Customer deposits

The fair value of check, savings and short-term money market accounts are the amount payable on demand at the reporting date. The estimated fair value of fixed interest-earning deposits and placements without quoted market price is based on discounted cash flows using interest rates for existed debts with similar remaining maturity.

The fair value of the customer deposits is approximate to their carrying amount because the majority of customer deposits of fixed interest rate are with maturity less than one year.

Fair value estimation is made on a specific time point according to the related market information and the information related with financial instruments. In the situation of existence of active market, such as the authorized stock exchange, market price best reflects the fair value of the financial instrument. While lacking active market, the fair value is estimated by using valuation technology (for details, please refer to Note III).

The fair value of financial asset and liability is measured by the following methods:

- The fair value of financial asset and liability with standard terms and conditions in active market is measured by the existing bid price and ask price in the related active market;
- The fair value of the other financial asset and liability (excluding derivative financial instrument) is measured by the common pricing model on basis of the discounted future cash flow or the existing market price in the observable market;
- The fair value of the derivative financial instrument is measured by public quoted price in the active market. If the public quoted price does not exist, the fair value of the derivative financial instrument with no options is measured by discounted future cash flow on basis of the applicable yield curve; the fair value of the derivative financial instrument with options is measured by option pricing model (such as binomial model).

XI. Fair value (continued)

1. The financial assets and financial liabilities measured at fair value by the above three levels are analysed below

2025

	Input value used in the fair value measurement			Total
	Active market quotes (Level 1)	Important observable input values (Level 2)	Important unobservable input values (Level 3)	
Assets:				
Derivative assets	-	10,046,251,581.78	-	10,046,251,581.78
Held-for-trading financial assets	-	12,672,457,401.07	-	12,672,457,401.07
Other debt investments	-	7,616,971,887.46	-	7,616,971,887.46
Financial assets total	-	30,335,680,870.31	-	30,335,680,870.31
Liabilities:				
Derivative liabilities	-	9,876,189,133.97	-	9,876,189,133.97
Bonds payable	-	3,006,988,934.92	-	3,006,988,934.92
Financial liabilities total	-	12,883,178,068.89	-	12,883,178,068.89

XI. Fair value (continued)

2024

	Input value used in the fair value measurement			Total
	Active market quotes (Level 1)	Important observable input values (Level 2)	Important unobservable input values (Level 3)	
Assets:				
Derivative assets	-	15,915,760,382.59	-	15,915,760,382.59
Held-for-trading financial assets	-	10,103,337,049.65	-	10,103,337,049.65
Other debt investments	-	8,457,171,587.15	-	8,457,171,587.15
Financial assets total	-	34,476,269,019.39	-	34,476,269,019.39
Liabilities:				
Derivative liabilities	-	14,907,487,148.24	-	14,907,487,148.24
Bonds payable	-	3,034,338,973.51	-	3,034,338,973.51
Financial liabilities total	-	17,941,826,121.75	-	17,941,826,121.75

No transition of fair value measurement of the Bank's assets and liabilities between different levels in 2025 and 2024.

The quantitative information of fair value measurement in Level 2:

	2025		
	Fair Value	Valuation Technique	Input Value
Held-for-trading financial assets	12,672,457,401.07	Discounted future cash flow	Yield curve
Other debt investments	7,616,971,887.46	Discounted future cash flow	Yield curve
Derivative assets/ (liabilities)	10,046,251,581.78 (9,876,189,133.97)	Discounted future cash flow	Forward exchange rate Yield curve Fluctuation rate of exchange rate Strike price
Bonds payable	3,006,988,934.92	Discounted future cash flow	Yield curve

XI. Fair value (continued)

	2024		
	Fair Value	Valuation Technique	Input Value
Held-for-trading financial assets	10,103,337,049.65	Discounted future cash flow	Yield curve
Other debt investments	8,457,171,587.15	Discounted future cash flow	Yield curve
Derivative assets/ (liabilities)	15,915,760,382.59 (14,907,487,148.24)	Discounted future cash flow	Forward exchange rate Yield curve Fluctuation rate of exchange rate Strike price
Bonds payable	3,034,338,973.51	Discounted future cash flow	Yield curve

2. The hierarchy of fair value of the assets and liabilities not measured but disclosed by fair value

The financial assets and liabilities not measured by fair value on the balance sheet mainly include: deposits with the Central Bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets purchased under resale agreements, loans and advances, debt investments, other receivables, due to the Central Bank, due to banks and other financial instrument, placements from banks and other financial institutions , financial assets sold under repurchase agreement, customer deposits, bonds payable and other payables, etc. Given that the maturity date or re-pricing date of most of the financial assets and liabilities are within one year, management of the Bank believes the carrying amount approximates the fair value.

XII. Events after the balance sheet date

As at the date on which the financial statements are approved, there is no material post balance sheet event that needs to be disclosed or adjusted by the Bank.

XIII. Comparative amounts

Certain comparative amounts have been reclassified to conform to the current year's presentation and accounting treatment.

XIV. Issuance of the financial statements

The financial statements of the Bank were approved for issuance by the board of directors of BNP Paribas (China) Limited on 11 April 2026.

The following parts are not the components of the audited financial statements.

BNP PARIBAS (CHINA) LIMITED.

Supplementary information

Contents

Supplementary information I	Balance sheet as at 31 December 2025 by RMB and Foreign Currency (“FCY”) business
Supplementary information II	Income statement for the year ended 31 December 2025 by RMB and FCY business
Supplementary information III	Taxable income reconciliation for the year ended 31 December 2025

The information above is provided by the Bank’s management.

SUPPLEMENTARY INFORMATION I
BALANCE SHEET AS AT 31 December 2025 (Expressed in Renminbi Yuan)

Assets	2025/12/31			
	RMB business	Foreign currency business	Elimination	Total
Cash and deposits with the Central Bank	3,431,567,716.23	279,888,374.02	-	3,711,456,090.25
Precious metals	145,988,713.45	-	-	145,988,713.45
Deposits with other banks and financial institutions	1,718,407,336.96	782,868,911.35	-	2,501,276,248.31
Placements with banks and other financial institutions	3,887,982,444.38	1,953,893,943.15	-	5,841,876,387.53
Due from inter-branches	845,805,400.35	321,692,697.81	(1,167,498,098.16)	-
Derivative assets	3,279,955,039.43	6,773,898,400.45	(7,601,858.10)	10,046,251,581.78
Loans and advances	13,514,852,665.57	268,846,833.13	-	13,783,699,498.70
Held-for-trading financial assets	8,870,145,857.88	3,802,311,543.19	-	12,672,457,401.07
Other debt investments	7,616,971,887.46	-	-	7,616,971,887.46
Debt investments	833,356,644.64	-	-	833,356,644.64
Financial assets purchased under resale agreements	-	1,531,370,471.62	-	1,531,370,471.62
Fixed assets	-	38,620,266.11	-	38,620,266.11
Right-of-use assets	-	106,546,789.05	-	106,546,789.05
Intangible assets	-	41,556,005.38	-	41,556,005.38
Deferred tax assets	(1,889,866.33)	229,606,896.79	-	227,717,030.46
Other assets	<u>7,540,346,718.94</u>	<u>(5,049,635,044.72)</u>	<u>(17,065,418.75)</u>	<u>2,473,646,255.47</u>
Total assets	<u>51,683,490,558.96</u>	<u>11,081,466,087.33</u>	<u>(1,192,165,375.01)</u>	<u>61,572,791,271.28</u>

SUPPLEMENTARY INFORMATION I
BALANCE SHEET AS AT 31 December 2025 (Expressed in Renminbi Yuan)

Liabilities and Shareholders' equity	2025/12/31			Total
	RMB business	Foreign currency business	Elimination	
Liabilities				
Due to the Central Bank	208,300,700.00	-	-	208,300,700.00
Due to other banks and financial institutions	2,902,944,401.48	65,515,735.09	-	2,968,460,136.57
Placements from banks and other financial institutions	2,720,227,122.22	-	-	2,720,227,122.22
Derivative liabilities	3,340,929,235.03	6,542,861,757.04	(7,601,858.10)	9,876,189,133.97
Due to inter-branches	845,805,400.35	321,692,697.81	(1,167,498.098.16)	-
Financial assets sold under repurchase agreements	2,976,624,068.01	-	-	2,976,624,068.01
Customer deposits	22,768,542,078.18	1,694,269,236.49	-	24,462,811,314.67
Payable to employees	-	178,072,804.35	-	178,072,804.35
Tax payable	6,574,806.89	49,550,075.43	-	56,124,882.32
Accrued liabilities	8,031,423.06	7,517,865.42	-	15,549,288.48
Lease liabilities	-	130,798,019.25	-	130,798,019.25
Bonds payable	5,119,756,725.04	-	-	5,119,756,725.04
Other liabilities	<u>833,069,229.42</u>	<u>991,667,473.39</u>	(17,065,418.75)	<u>1,807,671,284.06</u>
Total liabilities	<u>41,730,805,189.68</u>	<u>9,981,945,664.27</u>	(1,192,165,375.01)	<u>50,520,585,478.94</u>
Owners' equity				
Paid-in capital	8,711,347,906.00	-	-	8,711,347,906.00
Other comprehensive income	5,738,673.72	-	-	5,738,673.72
Surplus reserve	305,655,503.22	440,147,406.39	-	745,802,909.61
General reserve	-	659,373,016.67	-	659,373,016.67
Retained earnings	<u>929,943,286.34</u>	<u>-</u>	<u>-</u>	<u>929,943,286.34</u>
Total owners' equity	<u>9,952,685,369.28</u>	<u>1,099,520,423.06</u>	-	<u>11,052,205,792.34</u>
Total liabilities and owners' equity	<u>51,683,490,558.96</u>	<u>11,081,466,087.33</u>	(1,192,165,375.01)	<u>61,572,791,271.28</u>

The above balance sheet is for regulators' reference only and does not form part of the financial statements.

SUPPLEMENTARY INFORMATION II
INCOME STATEMENT FOR THE YEAR ENDED 31 December 2025 (Expressed in Renminbi Yuan)

	2025			
	RMB business	Foreign currency business	Elimination	Total
Operating income	865,986,044.42	395,242,271.35	-	1,261,228,315.77
Net interest income	168,976,966.38	146,959,318.86	-	315,936,285.24
Interest income	830,682,708.71	241,833,495.52	(213,003,476.03)	859,512,728.20
Interest expense	661,705,742.33	94,874,176.66	(213,003,476.03)	543,576,442.96
Net fee and commission income	37,420,435.60	403,586,189.78	-	441,006,625.38
Fee and commission income	59,330,350.59	562,293,066.28	(67,708,952.76)	553,914,464.11
Fee and commission expense	21,909,914.99	158,706,876.50	(67,708,952.76)	112,907,838.73
Investment gains	316,202,877.54	89,238,866.44	-	405,441,743.98
Fair value (losses)/gains	(396,548,590.35)	303,752,468.30	-	(92,796,122.05)
Foreign exchange gains /(losses)	739,389,771.67	(548,266,476.67)	-	191,123,295.00
Losses on disposal of assets	-	(233,674.39)	-	(233,674.39)
Other income	544,583.58	205,579.03	-	750,162.61
Operating expenses	399,873,981.79	360,265,532.64	-	760,139,514.43
Taxes and surcharges	5,580,622.21	640,855.59	-	6,221,477.80
General and administrative expenses	481,269,940.76	363,005,708.11	-	844,275,648.87
Credit impairment reversals	(88,472,983.23)	(3,381,031.06)	-	(91,854,014.29)
Other expenses	1,496,402.05	-	-	1,496,402.05
Operating profit	466,112,062.63	34,976,738.71	-	501,088,801.34
Add: Non-operating income	-	1,648,364.40	-	1,648,364.40
Less: Non-operating expenses	-	26,601.67	-	26,601.67
Total profit	466,112,062.63	36,598,501.44	-	502,710,564.07
Less: Income tax expenses	(75,732,710.05)	20,315,142.44	-	(55,417,567.61)
Net profit	390,379,352.58	56,913,643.88	-	447,292,996.46

The above income statement is for regulators' reference only and does not form part of the financial statements.

SUPPLEMENTARY INFORMATION III
TAXABLE INCOME RECONCILIATION FOR YEAR ENDED 31 DECEMBER 2025 (Expressed in Renminbi Yuan)

2025

Profit before tax	<u>502,710,564.07</u>
Tax adjustment:	
Revenue of deemed sales	596,824.40
Cost of deemed sales	(591,647.27)
Interest income of bonds issued by Chinese government	(304,539,731.10)
Interest income of bonds issued by local government	(7,469.61)
Interest income of railway construction bonds (50% tax reduction applicable)	(63,715.07)
Expenses without legal voucher	262,767.88
Business insurance paid for employees	2,757,785.32
Individual income tax borne by the bank	3,763,482.70
Business hospitality	857,670.77
Deposit Insurance	6,726,120.52
Supplementary pension plan	17,029,885.64
Directors and supervisors' liability insurance	18,716.04
Fines and late payment surcharges	13,923.84
Social insurance paid for foreign employees	1,899,376.79
Individual income tax paid for clients	98,607.88
Individual income tax paid for employees	2,845,826.29
Personnel education fund	55,635.30
Fair value changes in held-for-trading financial assets	(95,332,373.07)
Fair value changes in bonds payable	(27,350,038.59)
Fair value changes in derivative financial assets	265,206,602.24
Fair value changes in gold leasing	(104,833.79)
Accrued salaries and bonuses	7,432,471.26
Accrued expenses	(33,634,642.75)
Loss allowance for other assets	(7,677,003.48)
Impairment allowance for deposits with other banks	(135,909.87)
Impairment allowance for debt investments	1,948,364.76
Impairment allowance for other debt investments	54,814.12
Deferred interest income	7,449,652.50
Amortization of intangible assets	4,734,896.78
Impairment allowance on loans and advances	(42,358,758.68)
Allowable deduction for loan write-offs	(20,600,275.70)
Provision for contingent liabilities	7,161,385.24
Depreciation of right-of-use assets	28,448,586.17
Interest expenses on lease liabilities	4,742,156.77
Rentals paid for lease liabilities	(32,379,452.24)
Taxable income	<u>302,040,266.06</u>
Income tax rate	25%
Total tax in 2025	<u><u>75,510,066.52</u></u>

Note: In accordance with tax authorities' requirement, the Bank prepared the taxable income reconciliation form. This table is for the tax authorities' reference only and does not form part of the financial statements.

III. Risk Management

PART I: RISK SITUATION

1. Credit Risk

1.1 Financial Institutions Credit Risk

1.1.1 Key risks encountered by BNPP China Ltd

Financial institutions counterparty credit risk is one of key risk types in BNPP China. In our portfolio, the counterparty types include sovereign entities, banks, securities firms, insurance companies, financial leasing companies, central clearing house, etc.; and the main credit activities with those financial institutions include global market, trade finance, financing, ALM business, etc.

Under the complex domestic and international macroeconomic environment, credit divergence among individual institutions has further widen, and key challenges for the financial institutions include the increasing pressure on profitability due to narrowed net interest margins; asset quality strain from property sector adjustments and local government's hidden debt risk; and macroeconomic uncertainties affecting household income which leads to a rise in non-performing ratio for retail loans. Furthermore, the continued strengthening of financial supervision placed higher demands on the risk governance of financial institutions.

The overall credit quality of our financial institution portfolio remained steady in 2025. The counterparty exposure in the Bank mainly comes from large and leading financial institutions, whose financials are highly resilient even in stressed situations. Meanwhile, amidst various credit and market headwinds in 2025, RISK Markets & Financial Institutions Counterparty & Credit Risk Credit Team (RISK MFI CCR CREDIT), has worked closely with Financial Institutions Coverage Team (FIC) to complete regular reviews and keep a close watch on the portfolio with necessary credit action in response to major warning signals in order to ensure the credit quality of the portfolio.

1.1.2 Identified risks incidents in 2025, if any (background & outcome)

By end-2025, credit assets from financial institution counterparties under coverage of RISK MFI CCR CREDIT remained steady with no new non-performing assets.

1.1.3 Main accomplishments and corrective measures taken by the Bank in 2025

In 2025, RISK MFI CCR CREDIT and FIC, with joint efforts, have completed full annual reviews, accompanied by strengthened monitoring/assessment on the macro, market and sector evolution, and counterparties' credit profile, to ensure steady credit quality of the portfolio with prompt credit action (if needed) upon early warning signals, market negative news and regulation change.

- RISK MFI CCR CREDIT and FIC have completed the annual reviews for financial institutions and sovereigns in our portfolio, and continued closely monitoring counterparties credit evolution, particularly for the weaker counterparties, to ensure prompt credit review and action in case of adverse signs.
- The Bank enhanced the reviews of counterparties and relevant products in response to adverse market events (e.g. US Tariff Policy impact, elevated geopolitical tensions, China property sector strain, etc.) to ensure the credit quality of the portfolio.
- Through various counterparty credit risk monitoring indicators and establishment of relevant risk management guidelines for key derivatives products to further strengthen the counterparty credit risk management.
- The Bank ensured the reporting to local management on regular basis or in due time if needed, and reporting to the Board regularly through Risk Management Committee on the major risk issues, existing portfolio, exposure, and credit quality of all counterparties under our coverage.
- Stress tests have been performed on the counterparty credit risk with the assessment on the impact to BNPP China's Capital Adequacy Ratio.

1.1.4 Overall assessment and risk evolution in 2025

The counterparty credit quality of the financial institutions (under RISK MFI CCR CREDIT coverage) remained good with no new non-performing assets in 2025. Existing financial institutions non-performing asset is from other receivables (100% provisioned). With continued effort of close monitoring and reviewing the macro, market and sector evolution, the counterparties' credit evolution, as well as prudent selection of new credit-boarding names, the quality of financial institutions portfolio has remained steady.

1.2 Corporate Credit Risk

1.2.1 Key risks encountered by the BNPP China Ltd

The credit risk of Corporate clients is one of the key risks encountered by BNPP China. Our clients are primarily large local Corporates including state-owned enterprises (SOEs), private-owned enterprises (POEs) with leading position and the Chinese subsidiaries of multinational corporations (MNCs). Our product offering includes financing, trade services, global markets (FX/IR/Commodity hedging) and cash management.

In 2025, under the influence of multiple factors such as the slowdown of the global economic growth, geopolitical tensions, US Tariff impact, weak domestic demand and consumer confidence, corporate borrowers continued to face increasing external challenges, which put pressure on the overall credit risk. The overall credit profile of the Bank's Corporate portfolio remained healthy in 2025, with risk exposure of investment grade Corporates accounting for 82% of total Corporate exposure, according to the latest RMC report.

In view of the above, the Bank continues prudent client selection and focuses on the winners in promising industries. Meanwhile, we keep vigilant on the industries facing overcapacity (especially companies that are highly leveraged with weak profitability and negative cash flow) and the risks when they expand overseas (trade barrier, geopolitical risk). For the real estate sector, business focus remains on managing and reducing existing exposure and no new origination in principle. With regards to the MNCs, specific attention are paid to any changes in their China strategy and level of support to subsidiaries. The Bank places emphasis on vigilant due diligence and Know Your Client as pre-conditions of underwriting credit and strictly follows credit approval process/delegation. Geopolitical risk analysis is critical in today's environment and has been fully integrated into credit proposals. The Bank sticks to ongoing post-drawdown monitoring thru various means such as annual review, NFRA asset classification quarterly review, daily client monitoring, and targeted portfolio review in order to timely detect early warning signals and identify Watchlist names, ensure appropriate and timely actions are taken to reduce risk exposure if necessary and ensure the quality of our portfolio.

1.2.2 Identified Risk Incidents in 2025

The quality of the Corporate portfolio remained overall stable in 2025. As of FYE2025, non-performing loan ratio was 0.48%, with no new non-performing loan added during the reporting period. The existing NPL exposure is a working capital loan outstanding of RMB 67.75m granted to a subsidiary belonging to a state-owned group in Shanghai, that had been downgraded from "special mention" to "substandard" in Q4 2024 (reported to NFRA). The client currently maintains a monthly repayment of principal and interests no less than RMB 2.75m. For those clients with weak internal ratings, we continued to conduct enhanced quarterly review of NFRA asset classification to monitor their updated financials and market news, to identify early warning signals, when necessary, pro-actively downgrade relevant clients to "Special Mention" or place them on "Watchlist" for closer monitoring and adopt timely measures to manage risk. For foreign-invested companies negatively impacted by restructuring of parent company/group or deterioration of financial performances, we also actively communicated with relevant Pilot sites to obtain support such as SBLC and/or funding support (including new equity or shareholder's loan), through negotiation with respective parent companies, to reduce our risk exposure and negotiate repayment/exit plan.

Concerning the volatility of FX/commodity market, we keep tracking the positions (with our bank) of the FX/CIT clients and review big mark-to-market movements, and take proper monitoring/action plan as necessary. Up to now, the relevant risk has been reasonably controlled and closely monitored.

On industry distribution & concentration, Automotive (manufacturer) was the top 1 sector for the Bank, which contributed 26% of total Corporate exposure, with acceptable overall credit profile (mostly rated investment grade). The industry concentration is regularly reported to the local management, and closely monitored (rebalanced when necessary) during daily utilization/portfolio management. The bank has no exposure to Chinese local Government Financing Vehicles. Meanwhile, the Bank's exposure on real estate sector has been limited and showing a decreasing trend, which contributed 1.68% of total loan outstanding as of FYE2025. Our borrowers are mainly subsidiaries of top multi-national developers with sufficient mortgage, and benefit from parent support.

1.2.3 Corrective measures taken by the bank

From management perspective, Country Management of the Bank has kept a close dialogue with regulator to exchange the view on risk evolution of our portfolio. The Bank firmly believes that in-depth due diligence process and an effective risk monitoring framework are two key successful factors for the Bank to weather market downturn/challenges.

We continue to periodically update and enhance the policy & procedures on managing corporate credit risk, mainly to better fit the regulatory requirement/increasingly challenging macro and micro market situation. New regulations are given a high priority. The Bank has implemented the NFRA "Measures for the Risk Classification of Financial Assets of Commercial Banks" and established relevant internal procedure effective 1st July 2023. In 2024, the Bank completed the relevant work for implementing the new "Three Measures on Fixed Asset Loan, Working Capital Loan and Personal Loan Management" (where applicable). The relevant internal procedures including "Bank's Responsibilities in Administering Fixed Asset Loans Granted to Clients" and "Bank's Responsibilities in Administering Working Capital Loans Granted to Clients" have been updated.

Besides, to timely track the impact on the Bank's asset quality and capital adequacy led by the changing economic environment in China, we also continued to conduct different portfolio reviews for specific events in 2025 (such as geo-political risk, US tariff impact), client portfolio (such as auto industry, solar industry), and product portfolio (such as FX/CIT), enhanced the frequency for periodic review of companies with higher risk, and enhanced the stress test by adding scenarios to reflect the current complicated economic environment.

1.2.4 Overall assessment and risk evolution in 2025

In 2025, the quality of the Corporate portfolio remained healthy, with no new non-performing loan added during the period. There is one existing non-performing loan (a working capital loan to a subsidiary of a Shanghai SOE, currently maintains a monthly repayment of partial principal and interests), the impact on asset quality remains manageable. The Bank will continue to implement strict client selection, in-depth due diligence and prudent risk monitoring, identify problems early and take timely measures to control/mitigate risk, so as to ensure the steady development of Corporate business.

1.3 Loan provision rate and provision coverage ratio

Loan provision rate in 2025 is 2.69% (2024: 2.58%) and there is one non-performing loan by the end of 2025, which amount is 67,750,000 CNY. Non-performing loan ratio is 0.48%. According to NFRA <Notice on the supervision requirements on 2025's loan loss provision for BNPP China Ltd>, the required provision coverage ratio shall no lower than 130% and loan provision rate shall no lower than 1.8%.

2. Market Risk

In 2025, major developed economies continued their interest rate cut cycle, and the interest rate differential between China and the US continued to narrow. However, frequent geopolitical risks and weak global

demand became the norm. China's economy demonstrated resilience in its high-quality development transformation, focusing on structural optimization in the first half of the year and releasing the effects of pro-growth policies in the second half. The central bank continued to implement a prudent and slightly loose monetary policy, cutting the reserve requirement ratio by 0.5-0.75 percentage points throughout the year, and lowering the loan prime rate (LPR) and existing mortgage rates accordingly to support the recovery of the real estate market and the real economy. The Central Economic Work Conference at the end of 2025 emphasized "promoting a balance between economic supply and demand," with boosting consumption and expanding effective investment as the core. FX side, PBOC continued to call for stable and two-way currency movements for onshore USDRMB. RMB appreciated approximately by 4% against USD in the year.

During this period of volatile market, RISK Markets & Financial Institutions – Market and Liquidity Risk (MFI-MLR) team, on top of strictly following the current market risk management framework, also kept a very close communication with Global Markets Trading desk on daily basis to ensure the safeness of the market risk limits and keeping the overall exposures under control. In the meantime, RISK MFI-MLR has always kept senior management of the Bank in the loop in case of any risk event happened.

The set of permanent limits used by BNPP (China) Ltd. is in line with the Group's set of limits and has been validated by the Board of the BNPP (China) Ltd. All limit events have also been reviewed and ratified by the Board of Directors.

The set of market risk limits for BNPP (China) Ltd relates to two part of businesses: ALM Treasury (mainly Banking Books) and Global Markets (mainly Trading Books). Trading Books limits are covering the main risks that BNPP (China) Ltd. is facing, including Interest Rate (PV01 by tenor, currency and Basis Spreads), FX (Nominal Limits), Issuer Risk, 1-Day Market VaR limit. Banking Books limits have been set-up mainly on Interest Rate gapping by currency.

Market risk refers to the risk of fluctuation of the fair value or future cash flows of a financial instrument caused by any change in market prices. Market risks arise from open positions on different underlyings, interest rate and foreign exchange rate as examples, all of which are exposed to general and specific market movements. Commodities risk arises from changes in the market prices and volatilities of commodities and/or commodity indices. Credit spread risk arises from the change in the credit quality of an issuer and is reflected in changes in the cost of purchasing protection on that issuer. Option products carry by nature volatility and correlation risks, for which risk parameters can be derived from option market prices observed in an active market.

In 2025, there was no market risk incident related to BNPP (China) Ltd. transactions.

Main Market Risk exposure for BNPP (China) Ltd. remains concentrated on RMB and USD for both activities Global Markets and ALM Treasury.

1-Day Market Value at Risk analysis

Market VaR is the worst loss expected over a given period of time and within a given confidence interval time. The Bank is computing the maximum expected daily loss of a trading activity at 99% confidential level. A rolling window of historical market data is used to calibrate the VAR time series simulation. The 1-Day Market VaR is only an internal indicator for risk management within the Bank as the regulatory Market Risk Capital for the entity is under standardized approach. RISK MFI-MLR team conducts a VaR backtesting exercise on BNPP China trading activities on daily basis.

The table below includes the 2024 and 2025 average value, 2025 maximal value and minimal value, end of 2024 and end of 2025 value of 1-Day Market VaR for Global Markets Trading Books, including breakdown by risk type.

VALUE AT RISK (ONE-DAY, 99%) - BREAKDOWN BY RISK TYPE

<i>In millions of euros</i>	Year to 31 Dec. 2025			31 December	Year to 31 Dec. 2024	31 December
	Minimum	Average	Maximum	2025	Average	2024
Interest rate risk	1.3	2.3	3.7	3.1	3.4	2.3
Credit risk	0	0.1	0.2	0.1	0	0
Foreign exchange risk	0.3	1.4	4.7	1.3	2.1	3.5
Equity price risk	0	0.1	1.4	0.1	0	0
Commodity price risk	0	0.1	0.5	0.0	0	0
Netting Effect (*)	-0.2	-1.3		-1.3	-1.5	-2.2
TOTAL VALUE AT RISK	1.4	2.7	5.1	3.3	4.2	4.1

(*) Note that the minimum and maximum figures shown above for the various risk types are computed on a standalone basis (i.e. independently from each other as well the total VaR). While the minimum or maximum for each risk type may not necessarily be observed on the same date, minimum/maximum Netting Effect are not considered relevant. For minima and maxima, total VaR cannot be read as the sum of VaR by risk type.

Stress-Tests

The potential loss beyond the confidence level cannot be well captured by the 1-Day Market VaR. Therefore, the Bank also applies various stress tests on a regular basis to simulate potential losses under extreme market conditions. Stress test results performed on trading books will provide an effective potential PnL impact as this perimeter is marked-to-market on a daily basis. Risk Management Committee will review the result of the stress test regularly. Besides, the Bank will update the stress test according to the risk overview and economic conditions on a regular basis.

The market risk stress test as of end of December 2025 shows that BNP Paribas (China) Ltd. trading books could face a largest potential loss of -487mio RMB. After absorbing this market risk stress test impact, the Capital Adequacy Ratio (CAR) will still be above the 10.5% regulatory requirement. No need to trigger any contingency plan.

3. Liquidity Risk

Overall 2025 was a difficult year in China's economic growth, subject to domestic and overseas headwinds. Domestic property market continued weighing on the economy, leading to weak demand, and marginal effect from consumption spending subsidies was declining. Overseas geo-political risk intensified, as the US waged a tariff war against the rest of the world, destabilizing global economy and supply chain. China was poised to rise through the uncertainties thanks to the deeply rooted comprehensive industry networks. In 2025, China realized 1.2 trillion USD trade surplus, breaking the record again.

In 2025, the PBOC only cut RRR by 50bps, 7d OMO rate by 10 bps, and 1-year LPR, 5-year LPR by 10 bps respectively in May. PBOC continued to use MLF, outright reverse repo, and CGB purchase and sale etc. tools to adjust the market liquidity and shape of the bond yield curve. Due to massive front-running in the rates market in the end of 2024, we saw a sharp rebound in the first quarter of 2025 in rates market, which traded lower thereafter. 3m Shibor fell by 9 bps to 1.60% yoy by the end of 2025, and 1y Shibor fell by 6 bps to 1.65% yoy. Overall the market liquidity was kept accommodative under PBOC's calibration.

BNPP China kept the prudent strategy in liquidity risk management regardless of the market turbulence. The Bank was in a strong liquidity position.

4. Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book ('IRRBB') is the risk of incurring a loss as a result of the mismatches in interest rate, maturities or nature between assets and liabilities, IRRBB arises in non-trading portfolios and primarily relates to global interest rate risk. Interest rate risk in the Banking Book for BNP

Paribas (China) Ltd is monitored and kept within defined bounds. It is managed at local level under the supervision of the BNP Paribas group.

5. Country Risk

The Bank adopted a pragmatic approach to Country Risk Management. As of Dec 2025, the Bank approved Country Risk Limits for 55 countries (+1 new versus last year). For smaller countries with lower Internal Country Rating, the limits are contained at a reasonable level based on actual and projected utilization presented by Business units and considering of the business strategy as well as Internal Country Rating of the respective countries.

From Country risk limit monitoring and control perspectives, further enhancement was made via deployment of daily country risk database. Business units as well as middle and back-office teams could check the adequacy of limit via the daily country risk database before executing any transaction. There was one country risk excess happened during this year, the country risk limit and the limit increase requests were approved by the Board on Sep, 2025 and Dec, 2025 respectively.

Regarding country risk rating classification and provision, the Bank's Internal Country Rating is mapped with NFRA country risk rating classification to ensure adequate country risk provision was made. The Bank has made adequate country risk provision in the year of 2025.

As for the regulatory country risk reporting, the Bank reports its overseas assets and country risk provision coverage to NFRA quarterly as per the regulatory reporting requirement. During the year of 2025, France remained the largest country risk exposure accounting for 89.3% (previous year: 79.28%) of net equity of the Bank as of Dec 2025. The exposure was derived from transactions with BNPP S.A., the Bank's parent bank. BNPP S.A. is by far the largest bank in France with stable financial performance and solid capital base, for which there's no credit concern.

According to the analysis of country risk report as of 2025, it was noted that the Bank's Top 5 country risk exposure accounted for average 94.84% of the bank's total country risk exposure. Within the Top 5 country risk exposure, most of the exposure comes from intra-group transactions. Furthermore, considering of the country risk portfolio evolution and intra-group transaction breakdown changes over the Top 5 countries, country risk stress test was performed for 2025. The bank selected Top 5 countries with the largest exposure as end of Dec 2025 in accordance with Bank's official country risk report, applied de-notching methodology under three scenarios (Mid-Adverse/Adverse/Severely Adverse) and added provision amount from selected Watchlist counterparties with association to concerned Top 5 counties under severe scenario. Impact on BNPP China's Capital Adequacy Ratio therefore is assessed under aforementioned three scenarios. Result shows that BNP Paribas (China) Ltd is expected to have sufficient capital to absorb the impact.

6. Operational Risk

6.1. Operational risk: basics

The operational risk is one of the key risks focus of the banking activity and corresponds to the risk event of incurring a loss due to inadequate or failure of internal processes, staff, IT systems or external events.

Operational risk generally encompasses legal risk but not include strategic or reputational risk. Compliance risk, which is by definition a sub-category of operational risk, is managed separately from operational risk management due to its importance and link with the reputational risk. However, its financial implication will be included in operational risk.

Operational risk management relies on the analysis of the "cause-event-effect" chain with a particular emphasis once the risk areas have been identified and assessed, on the basis of historical incidents or prospective scenario analysis, on the definition of the preventive actions to be implemented by the relevant

teams in the Bank, for example new or adjusted controls and/or procedures, that will either prevent the event from happening or mitigate their impact if it does happen.

As part of operational risk management, information technology risk has been integrated into the overall risk management of the bank and assessed through the risk and control self-assessment of information technology risk. The second line of defense continuously supervises and monitors information technology risk through independent testing, key risk indicator monitoring etc.

For data governance, the Bank has incorporated data quality, data security, data protection into the corporate governance and internal control system. On data management and data quality, the Bank continuously improve the management system and mechanism covering the whole life cycle of data, and continuously update it according to regulatory requirements and business practice. On data security, the Bank has established Data Security Management Committee and data classification standards to ensure that data at all levels are protected accordingly. On personal data protection, the Bank has completed the standard contract filing for the personal information cross-border transfer, and will continue implementing the requirements of various personal data protection laws and regulations.

6.2. Incidents and operational risk awareness

6.2.1. Incidents and preventative actions undertaken

In 2025, the Bank was impacted by 3 loss incidents categorized under the Basel event type “Employment practices and workplace safety” and “Execution, delivery and process management”. All adequate preventive actions have been implemented to prevent recurrence of similar incidents.

6.2.2. Operational risk awareness training

The Bank continues to reinforce staff operational risk awareness. All staff need to follow the annual mandatory training session, and all new staff need to attend the new joiner training. Both contain sessions of operational risks. So that the bank can fully and continuously disseminate the operational risk culture. Specifically for technology and information risk topics in operational risk, the bank also arranges training performed by Information Security. Each year, all staff need to attend the e-learning sessions related to personal data protection and other information security knowledge. After the online course, employees are required to pass the quiz to complete the training.

6.3. Overall assessment and risk evolution in 2025

The Bank continues to adapt, improve and reinforce the internal control framework to manage the operational risk within an acceptable level and to address the impact of those incidents which have already occurred, as well as perform analysis and validation in 2025 for the new activities and products.

In summary, compared to last year, the occurrence of operational incidents and the loss amount are both decreased, but the loss is still within a controllable range. The overall operational risk is stable and within an acceptable level.

7. Compliance Risk

Key Compliance Risk Identified for year 2025 included:

- Fast evolving regulation change continues to be a big challenge for compliance risk management. Asset Management Product Information Disclosure Management Measures, Product Suitability Management Measures, New Client Due Diligence & Identification Profile and Transaction Record Keeping Management Measures, Beneficial Owner Identification Management Measures, Anti-Money Laundering Risk Self-Assessment Guidelines and Anti-Money Laundering Special Preventive Measures Management Measures presents both challenge and opportunity.
- The quick business expansion brought challenges for Compliance. The Global Market, Transaction Banking and BP2S departments all have launched several new business or activities and more requests are in the pipeline. Increased compliance efforts to support the quick business expansion.
- Banks need to make further improvements in internal policies, operational procedures and system construction to ensure that various regulatory requirements are implemented in daily management.

Corrective measurement taken includes:

- Compliance summarized and analyzed the impact of the key new regulations for all staff of the bank and a specific meeting would be called when needed with related departments. Gap analysis will be done for the important regulations.
- The bank strictly implemented regulatory requirements. The impacts have been analyzed by business lines and function departments. Certain changes have been made to the existing process. RMs had well communications with the clients.
- Full sets of AML policy and operation procedures have been established and the daily, monthly, annually monitoring are operated smoothly.

- In 2025, our bank updated some of its internal compliance control measures, including: Compliance Risk Policy, Related Person Identification Operational Procedures, Related Person Transaction Management Measures, Related Person Transaction Management Operational Procedures, Responsive Mechanism for Separate Accounting Units in Free Trade Zones, Management Measures of Interbank Business, Anti-Money Laundering Data Quality Control, Internal Operational Procedures for RMB Transactions' Anti-Money Laundering, Anti-Terrorist Financing, and Sanctions List Screening.

8. Money Laundering and Terrorist Financing Risk

Banks may face the money laundering and terrorist financing (hereafter ML/TF) risks arising from illegal criminal activities in the course of business and operation management. Any money laundering or terrorist financing risk event or case may result in serious reputation and legal risks. Our bank's responsibility to the society is to be the forefront of fight against Money Laundering and Terrorist Financing Risk. And these risks may also cause loss of client, business and the financial loss.

There are also correlation and transferability between money laundering/terrorist financing risks and reputation, legal, liquidity and other risks. Money laundering /terrorist financing risks may have impact on such aspects as reputation, operation and financial affairs. In 2025, with the implementation of the new Anti-Money Laundering Law, the People's Bank of China revised and adjusted its regulatory provisions on anti-money laundering work, and issued a series of new regulations on aspects such as identification and verification of beneficial owner, Anti-Money Laundering special preventive measures, and money laundering risk management assessments etc. The changes in regulatory requirements have further reflect regulator's supervision with bank's Anti-Money Laundering work transferred from a rule-based approach to a risk-based approach, which also implies changes in the external environment of money laundering risks.

Our bank has established an internal policy, i.e., PRC44 Internal Control Policy on Anti-Money Laundering, Combating Financing of Terrorism and Compliance with Financial Sanctions and Embargoes, which outlines the compliance management policy for anti-money laundering, anti-terrorist financing, and financial sanctions compliance. A dedicated Anti-Money Laundering Working Group Committee has been set up to provide comprehensive leadership, organization, and coordination for all matters related to anti-money laundering and anti-terrorist financing within the bank. As the lead department for anti-money laundering, Compliance organizes the business departments and relevant functional departments to identify and assess the bank's money laundering and terrorist financing risks based on the group's and regulatory requirements, from two aspects: inherent risks and the effectiveness of risk control measures. Compliance also carries out related risk control work. Additionally, as a member of LATAC, Compliance reviews and approves the money laundering risks and related control measures for new products and businesses to ensure their effectiveness.

9. Reputational Risk

Reputation risk refers to any risk of a negative view about The bank injurious to its brand value, adverse to its normal operations, and even affecting market stability and social stability which any stakeholder,

the public, or the media, among others, holds as a result of the conduct of the banking or insurance institution, the conduct of any practitioner, or an external event, among others.

According to "Reputational Risk Management Measures for Banking and Insurance Institutions" our bank revised the internal policy PRC99 "Guidelines for Reputational Risk Management". The reputational risk management framework has been further improved, the responsibilities of the board of directors, supervisors and senior management have been clarified, and a special reputational risk committee has been established. Daily monitoring, processing and reporting of risk events. Brand & Communication, Compliance and the Operational Permanent Control departments will perform their respective duties to strengthen the daily monitoring, processing and reporting of reputational risk events. Compliance will report reputational risk related issues to the Risk Management Committee. Risk Committee review and assess the reputational risk and report to the BOARD.

10. Strategic Risk

Corporate governance and strategy throughout the organization are geared towards effectively addressing strategy risk. The risk assessment framework is regularly integrated into the Bank's decision-making and management processes. The entire process is supervised primarily by the Board of Directors ("BOD") and Senior Management (COMEX) chaired by CEO, who is responsible for measuring and controlling strategy risk at management level. The BOD oversees strategic planning and manages strategy risk mainly through its Strategy Committee. The committee also serves as a major part of the Bank's Corporate Governance.

The Bank strictly follows the global business strategy adopted by the Group. Our current strategy is based on the Bank's business development plan which is updated and revised based on the changing market conditions and opportunities arising. A revised growth plan has been adopted for the development of our client franchise as well as business lines. Targets are set on an annual basis and updated budgets are submitted to the BOD for approval.

It is assessed that the Bank's strategy risk is low.

11. Large Exposure management

In accordance with the requirements of the NFRA and the "Measures for the Management of Large Exposures of Commercial Banks", the Bank has included all credit businesses in which the bank bears credit risks into the regulatory framework for large exposure, specifically including six categories: (1) loans, investment in bonds, deposits with banks and other on-balance sheet credit businesses; (2) investment in asset management products or asset securitization products; (3) transactions in bonds, stocks and their derivatives; (4) OTC derivatives, securities financing transactions; (5) guarantees, off-balance sheet businesses such as commitments; (6) other businesses in which credit risks are borne by commercial banks in accordance with the principle of substance over form.

Accurate and timely measurement of large exposure is the basis for internal control and management. In addition to the IT system construction, in accordance with the requirements of the regulation, the Bank has established and improved the organizational structure for large exposure management, clarified the management responsibilities of the Board of directors, senior management, and relevant departments. Developed the procedure for large exposure management, and report to regulator for filling in a timely manner. in accordance with the regulatory requirements for large exposure management and based on the actual situation of the Bank, internal thresholds for large exposure are set, and continuous monitoring, early warning and control is carried out to implement large exposure management.

As of the end of 2025, the overall situation of all large exposure of our bank is well managed, and the large exposure of counterparties have been controlled within the regulatory threshold.

PART II: RISK MANAGEMENT CAPABILITY

1. Credit Risk

1.1 Financial Institutions Credit Risk

1.1.1 Organizational structure of financial institutions credit risk within BNPP China Ltd

BNPP adopts “three lines of defense”. Effective control of risks (including FI credit risk) relies on segregation of functions by each areas performing its role properly and collaboratively. The 1st line of defense (FIC together with each business unit) takes the primary responsibility for identifying material risks and developing key controls. RISK MFI CCR CREDIT in China as the 2nd line of defense is responsible for credit risk management for FI clients under RISK MFI CCR CREDIT’s coverage. RISK MFI CCR CREDIT operates independently from the business lines, reporting directly to the Chief Risk Officer locally and to APAC RISK functionally. Internal Audit as the 3rd line of defense provides an independent evaluation of the effectiveness of business/operation processes, risk management and internal controls.

1.1.2 Implementation of risk policy in 2025

In 2025, BNPP China followed the risk policies of the Bank and latest regulatory policies and requirements applicable to financial institutions to perform credit review, credit approval and credit monitoring.

In addition, the Bank conduct annual stress test of financial institution counterparty credit risk. The stress test has taken into account potential challenges with China economy under both domestic and overseas environment and set three adverse scenarios with corresponding different levels of influence. The stress test evaluates impact of adverse scenarios to financial Institutions’ credit profile and assess the consequence to the Bank’s Capital Adequacy Ratio (“CAR”) along with additional cost of risk. The results are reported to BNPP China Management and submitted to the regulator. According to the stress test results, capital base of BNPP China has sufficient cushion to absorb the impact.

1.1.3 Full compliance of predefined credit approval process

In 2025, the credit files (including annual review, ad-hoc credit reviews and new counterparty requests) were approved by the relevant credit delegation holders in line with the existing procedure.

1.1.4 Local credit delegations

Local credit delegation was granted to credit officers in RISK MFI CCR CREDIT to approve ad-hoc and regular credit requests whenever applicable. The credit files are submitted to credit committee to be in line with appropriate local delegation level and credit process. For credit files above local delegation, the credit assessment and recommendation from the FIC-ICAT (Institutional Credit Analyst Team under the FIC) is submitted to the next higher level of credit committee. Upon approval from higher level of credit committees, the credit files need to be signed off by CEO and CRO of BNPP China.

1.1.5 Rating methodology

BNPP China uses the BNPP global rating methodology to assess, measure and monitor counterparty risk to ensure credit quality of counterparties. Such rating methodology applies to credit assessment process for financial institution counterparties under coverage of RISK MFI CCR CREDIT.

1.1.6 Risk Monitoring

RISK MFI CCR CREDIT together with 1st line of defense (FIC/ICAT) monitor the credit standing of the counterparty on a regular basis (including daily, quarterly and annually). The 1st line of defense (FIC/ICAT), jointly with RISK MFI Platform CCM EM and RISK MFI CCR CREDIT contribute to the limit excess monitoring on daily basis.

- 1) On-going monitoring of all existing counterparties
 - follow up the daily news on the counterparties to spot the early warning of counterparty risk
 - perform annual credit review and approval on existing counterparties based on credit analysis and recommendation provided by FIC-ICAT
 - daily monitoring limit excess
 - periodic review of financial asset risk classification

- 2) Close monitoring of credit files under watchlist or doubtful file (if applicable)
 - place or remove from watchlist and doubtful files
 - quarterly review and watchlist/doubtful file committee
 - review level of provision for doubtful files
- 3) Reporting to senior management of the Bank
 - RISK MFI CCR CREDIT reports to CRO and CEO immediately on any significant risk issue whenever applicable.
 - Major credit events/issues, exposure evolution, counterparty credit quality and credit limits are reported to the Risk Management Committee on a quarterly basis.
 - All local credit committee decisions are concurred by CEO whenever applicable.

1.1.7 Reporting and communication with the Board and Risk Management Committee

In 2025, Risk Management Committee meetings have been taken place on quarterly basis. RISK MFI CCR CREDIT has presented risk analysis report to the Risk Management Committee, which further report to the Board of BNPP China Ltd. The report summarizes the evolution of financial institutions, credit exposure, counterparty ratings, watchlist/doubtful debt files if any, credit quality evolution, etc.

1.2 Corporate Credit Risk

1.2.1 Organizational structure of corporate credit risk within BNPP China Ltd

BNPP adopts “three lines of defense”. Effective control of risks (including corporate credit risk) relies on segregation of functions by each areas performing its role properly and collaboratively. The 1st line of defense (each business unit) takes the primary responsibility for identify material risks and develop key controls. Risk Corporate in China as the 2nd line of defense is responsible for the oversight of credit risk control for corporate clients of the Bank.

Risk Corporate operates independently from the business lines, reporting directly to the Chief Risk Officer locally and to APAC regional risk platform functionally. Internal Audit as the 3rd line of defense provides an independent evaluation of the effectiveness of business/operation processes, risk management and internal controls.

1.2.2 Implementation of risk policy in 2025

Risk Corporate is strictly following the Bank’s risk policy to review all the requests for annual review/ new money/ amendments/ excesses and provide concurrence comments within authorization. Risk Corporate also followed up on early warning signals and implemented monitoring on risk exposure.

The team also continued to implement various guidance as provided by regulatory on-site inspection team.

The Bank continues to pay attention to the adjustment and phase-out of excessive capacity, and the increase in downside risks in certain industry cycles. Under the coordination by APAC Risk Strategy, the team conducted an annual update of <BNPP China Guidance Note on Corporate Industry Sectors RISK Profile>.

Furthermore, credit risk stress tests are performed periodically (at least once every year). The credit risk stress testing considers various global risk factors and potential direct/indirect challenges associated with Chinese economy. The impact on credit portfolio including additional cost of risk and the Capital Adequacy Ratio (“CAR”) is tested in three adverse economic scenarios over the 3-year time horizon. According to the stress test results, the capital base of BNPP China has sufficient cushion to absorb the impact. The results are reported to BNPP China Management and submitted to the regulator.

1.2.3 Full compliance of pre-defined credit approval process

All credit commitments of any amount or nature, whatsoever, even fully cash-collateralized or fully backed by stand-by letter of credit transaction, must be subject to duly approved credit proposal.

All credit proposals are approved either by way of circulation of files or under credit committee. Senior Credit Officer of Risk Corporate is the first recipient of all credit proposals/ requests recommended by Business line, and it will not take effect until it is formally signed via MyCreditApp system or by email. Credit delegations have been granted to business delegation holders and Senior Credit Officers of Risk Corporate. A credit approval is considered granted when business delegation holder approves the credit proposal with concurrence from Risk Corporate.

1.2.4. Rating methodology

All the commitment clients have been assigned with one internal counterparty rating intended to reflect this counterparty's default risk over its business cycle. The rating of each borrower is reviewed at least once a year based on in-depth analysis, comprehensive consideration of the results of the rating system CRF, and expert's judgment on the credit quality of the borrower.

1.2.5. Risk monitoring

Risk Corporate, together with CTM has conducted risk monitoring via the following approaches:

- (1) Standard credit risk monitoring – for performing loans
 - Daily monitoring in the areas of unauthorized utilization and excess.
 - Follow up of covenants, guarantees and collateral
 - Mandatory annual review of each file
 - Quarterly review on NFRA asset classification based on updated information of the corporate clients.
- (2) Close monitoring of watchlist and doubtful debts files
 - Placement on and removal from watchlist and doubtful debts
 - Quarterly watchlist and doubtful debts committee
 - Review/assess the level of provision for doubtful debts files
- (3) Reporting to CRO/CEO / Business Heads and / or Senior Credit Officers
 - Collateral report, covenant monitoring report on monthly basis
 - Annual review overdue report on monthly basis
 - Credit decision status report

1.2.6. Reporting and communication with the Board

Four Risk Management Committees were held in 2025. Head of Risk Corporate presented dynamic analysis reports to the Committee, which further reports to the Director of the Board of BNP Paribas (China) Ltd.

The reports summarized the quality and distribution of the corporate client portfolio, utilization, limit excess, including portfolio ratings, industry concentration, watch-list / doubtful debts files and provision evolution and credit stress-testing.

1.2.7. Overall assessment of Risk Management Capability

Overall, we considered risk management capability for corporate clients sufficient and is in line with regulatory requirement and the Bank's risk policy.

2. Market Risk

RISK Markets & Financial Institutions– Market and Liquidity Risk (RISK MFI-MLR) team is independent from business and has a local reporting line to the CRO of BNPP (China) Ltd.

The team is responsible for the market risk limits review/monitoring. This includes daily monitoring/reporting of a full set of limits, providing opinions/recommendations for limit reviews when

deemed necessary, participating to NAC/TAC and LATAC committees and providing RISK MFI-MLR input on any transversal issue.

Any limit event (excesses, temporary/permanent limit changes) have been reported to BNPP (China) Ltd.'s CEO and CRO, as well as relevant business and RISK people. The required approvals have been obtained. The set of permanent limits used by BNPP (China) Ltd. is in line with the BNPP Group's set of limits and has been validated by the Board of the BNPP (China) Ltd. All limit events have also been reviewed and ratified by the Board of Directors.

The set of market risk limits for BNPP (China) Ltd. relates to two parts of businesses is divided into 2 parts: ALM Treasury (mainly Banking Books) and Global Markets (mainly Trading Books). Trading Books Limits are covering the main risks BNPP (China) Ltd. is facing including Interest Rate (PV01 by tenor, currency and + Basis Spreads), FX (Nominal Limits), Issuer Risk, 1-Day Market VaR limit. Banking Books limits have been set-up mainly on Interest Rate gapping by currency.

Finally, on regular basis, stress tests, validated by the Risk Management Committee and Asset and Liability Committee, ultimately by the Board of Directors, are performed on China Trading and Banking Books respectively and the results are communicated with Management in China.

In 2025, based on our capital and Capital Adequacy ratio, the Risk Management Committee and the BoD noted that there was no need to trigger any contingency plan.

3. Liquidity Risk

Within BNPP (China), the Board assumes the ultimate responsibility of liquidity risk management and delegates to ALCO, which is a specialized committee under CEO's supervision, the mandate of liquidity risk management.

BNPP (China) Ltd. Liquidity Risk Management framework consists of 5 main policies which are validated by ALCO:

- Liquidity Risk Management Policy
- ALCO Terms of Reference (ToR)
- Liquidity Stress Testing Policy
- Intraday Liquidity Management Policy
- Liquidity Contingency Plan

The Bank implemented locally liquidity management principles simultaneously taking into account local needs/regulations and Group's global framework. These principles are designed to cover both normal conditions (BAU) and stressed situation.

BNPP (China) Ltd. ALM Treasury and Risk – in collaboration with local Finance - are taking the leading roles in the BNPP (China) Ltd. liquidity risk management framework.

ALMT monitors liquidity position thru Early Warning Indicators on a daily basis. When the EWI scores reach the trigger level, ALMT informs the ALCO, where the activation of Liquidity Contingency Plan may be considered under the leadership of CEO.

Risk team monitors the daily cash flow limits approved by ALCO, In addition to regulatory ratios applicable to BNPP (China) Ltd. and various other internal indicators.

Risk team also performs liquidity stress tests monthly and reports to BNPP China Management. The stress horizon applied in China is 30 days. The 30-days liquidity stress tests are performed considering three stress scenarios: a firm-specific (idiosyncratic), a market-related (systemic) and a combination of a firm-specific

and market-related scenario (combined stress). The 30 days liquidity stress testing is carried out on the BNP Paribas (China) Ltd. perimeter (including all branches and sub-branches). The assumptions under different scenarios are regularly reviewed and validated by China ALCO.

Risk Team reports to CRO on any significant liquidity issue identified on its side.

BNP (China) carries out rehearsal of Liquidity Contingency Plan every year.

Overall, in 2025, BNPP China upheld the prudent strategy in liquidity risk management and met all regulatory requirements.

4. Interest Rate Risk in Banking Book

BNPP (China) Ltd. IRRBB Management framework relies mainly on two complementary processes.

Market risk team has defined in collaboration with ALM Treasury a set of gapping limits. These limits are monitored daily by market risk team. They aim at capturing the mismatch between assets and liabilities at BNPP (China) Ltd. Level, by tenor bucket and currency. The limit framework also includes a control on gapping positions by tenor buckets across all currencies. The latter limits are owned by the ALCO. On yearly basis, ALM treasury proposes a review of the limits based on their needs and the development of the activity. The proposal is reviewed by RISK and eventually validated by the ALCO/BoD.

The second process on which BNP Paribas (China) Ltd IRRBB framework relies is stress test. BNP Paribas (China) Ltd conducts IRRBB stress test on quarterly basis. Paribas (China) Ltd applies a stress testing template based on the Guidelines for the Management of Interest Rate Risk in the Banking Book of Commercial Banks issued by CBIRC.

BNP Paribas (China) Ltd applies the following scenarios of interest rate shock when measuring the interest rate risk in the banking book: (1) the scenarios of interest rate shock used in the internal capital adequacy assessment procedures of the bank; (2) the historical or assumed scenarios of interest rate stress that are more serious than the scenarios set forth in the preceding paragraph; and (3) the scenarios of interest rate shock under supervision requirements, including but not limited to the six scenarios of interest rate shock: (i) parallel shock up (ii) parallel shock down (iii) steepener shock (short rates down and long rates up) (iv) flattener shock (short rates up and long rates down) (v) short rates shock up and (vi) short rates shock down.

The IRRBB Stress Test as end of December 2025 showed that the worst stress test impact on the economic value in the Banking Book from above scenario is a loss of -282 million RMB (mainly from CNY) and the Capital Adequacy Ratio is still above the regulatory requirement after applying this stress test impact.

BNP Paribas (China) Ltd also applies a stress testing on the net interest income (NII) on quarterly basis. The stress testing on NII gives, for each of the next 3 years, the sensitivity of the Net Interest Income to shocks on interest rates: ± 50 bps for the first 6 months, ± 100 bps for the next 6 months, ± 200 bps in years 2 and 3.

RAS Upward			
	Year 1	Year 2	Year 3
Total NII Sensitivity (kCNO)	-48,511	-71,942	-47,316
Total NII Sensitivity (KEUR eq)	-5,912	-8,767	-5,766
Limit (KEUR)	-19,000	-20,000	-14,000
EWI (80% Limit) (KEUR)	-15,000	-16,000	-11,000

RAS Downward			
	Year 1	Year 2	Year 3
Total NII Sensitivity (kCNO)	48,511	71,942	47,316
Total NII Sensitivity (KEUR eq)	5,912	8,767	5,766
Limit (KEUR)	-19,000	-20,000	-14,000
EWI (80% Limit) (KEUR)	-15,000	-16,000	-11,000

The above table shows the NII sensitivity as end of December 2025. The impact is mainly from CNY.

It has been validated by ALCO not to make assumption on the customer behaviour as BNPP (China) Ltd.'s business mainly covers corporate and financial institution clients and based on historical data, the ratio for client early prepayment/early withdraw is fairly low.

5. Country Risk

The Bank performed regular monitoring on Country Risk Limit Utilization. Utilization report will be submitted to CEO, CRO and all relevant department heads for information and action on monthly basis. Internal Country Rating will be updated on an on-going basis via close coordination with the Country Risk Research Team.

Furthermore, the Bank has paid close attention to the relevant reports and regulations (including but not limited to the internal country risk reports circulated from Country Risk Research Team in Head Office and guidance from the local regulators) in daily country risk management. The Bank will enhance the frequency of the monitoring and take additional measures on the risk management of Country Risk, when necessary.

On a quarterly basis, the overall Country Risk situation (including but not limited to Country Risk Limit and Utilization, Internal Country Rating, Country Risk Limit Excess and Significant Country Risk Exposure) as well as new or additional limits requests if any, need to be submitted to Risk Management Committee for review and endorsement before submitting to the Board for approval/information. Overall speaking, country risk is prudently managed by the Bank.

6. Operational Risk

Transversal

Local Activity and Transaction Approval Committee

All new risks and products are required to be approved by the Local Activity and Transaction Approval Committee (LATAC). It applies to all new activities and new products or new risk situation that can generate risk of any nature, which have not been arisen before under similar conditions and / or need additional monitoring. Specialists in all areas affected by the new product or risk situation must perform an analysis of impact and must sign-off confirming that risk, legal and compliance issues have been addressed and that risk monitoring limits and controls, compliance monitoring and procedures are in place before they can begin.

The permanent members of this committee chaired by the Bank's Chief Executive Officer are: the Bank's Chief Operating Officer, the Bank's relevant representatives from Risk Function Department, the Operational Permanent Control representative, the Bank's Compliance representative, the Bank's Legal representative, the Bank's Finance representative, the Bank's Operations representative and the relevant Business and other functions' managers to attend the LATAC meeting, depending on the nature of the concerned product/service/transaction.

6.1. Operational risk management framework

In accordance with regulatory measures on operational risk management, the Bank has established the management system and control framework corresponding to the scale of operation, business nature, risk appetite and risk profile.

The operational risk management framework is part of the Permanent Control framework and is defined in the Internal Control Charter of the Bank, according to which the operational risk must be:

- identified, assessed and when relevant quantified while considering external and business data as well as internal control factors,
- managed within a formalized framework based on procedures, organizational principles based on a strict segregation of duties and controls, which can be performed pre-or- post execution, automated or not,
- communicated to the various management levels so they can define the necessary actions in compliance with the risk tolerance and then monitor their proper implementation.

6.2. Three lines of defense and governance

The Board takes the ultimate responsibility for operational management and the senior management takes the responsibility for the implementation of operational risk management. The management of operational risk is carried out through three lines of defense. The 1st line of defense, including business lines and operational departments are the direct bearers and managers of operational risk, who are responsible for operational risk management in their respective fields. The 2nd line of defense, including departments to perform independent controls, guides and supervisors the operational risk management by 1st line of defense, who will direct report to senior management. 1st line and 2nd line of defense constitute the permanent control framework. The 3rd line of defense Inspection Générale supervises and evaluates the performance of duty by the 1st and 2nd line of defense and its effectiveness through periodic control.

In the meanwhile, the following four committees are held regularly:

- The quarterly Risk Management Committee (RMC) chaired by a Board Director that is designated by the Bank. The invitees include CRO, COO, Compliance Head, CIO and risk head of each stream etc.

It is delegated by the Board that RMC is in charge of case risk control, management and evaluation. Case risk prevention becomes the permanent agenda of quarterly RMC, and the result as part of RMC documents is reported to the Board. RMC, according to the authorization of the Board is responsible for case risk control, management and evaluation for the Bank. Its responsibility covers the follows:

- review and approve the internal policies and procedures of case risk prevention work, and set up case risk prevention control system of the Bank;
- clarify the relevant case risk prevention duties and responsibilities of the senior management, and ensure the senior management to take necessary measures to effectively supervise, alert and process case risk issues;
- propose the requirements for the case risk prevention task and review related reports;
- assess and evaluate the effectiveness of the case risk prevention task;
- ensure the case risk is covered in internal audit missions.

- The semi-annual Territory Internal Control Committee chaired by the Chairman of BNP Paribas (China) Limited and attended by the senior management, all Heads of Business and Function to better promote operational risk management and permanent control awareness in the Bank by:
 - further strengthen the operational risk control awareness and improve the Bank's continuous management and monitoring of operational risk;
 - ensure a good monitoring and escalation of internal control issues within the Bank;
 - improve the follow-up and monitoring of risks remediation actions in the Bank.
- The quarterly Operational Risk Incident Review Committee, chaired by the COO to review with the parties involved the incidents occurred since the last committee in order to agree on their analysis, the corrective and preventive actions to be implemented and to follow up their implementation.
- The quarterly Recommendation/PCA/SIAP Committee, chaired by CEO and COO jointly. Compliance and RISK ORM are permanent members. The purpose of the committee is to report the implementation progress for recommendations from external regulator, internal audit, PCA from LoD2 and SIAP defined by LoD1, and to ensure the completion before the agreed due day.

7. Compliance Risk

7.1 Compliance structure

As of 2025, we have 15 compliance officers in Shanghai and each branch still keep to have one full time compliance officer to ensure the effectiveness of compliance risk control. One new staff joined Financial Security Team.

7.2 Compliance policy implementation

We have set a target of our compliance management, that is, through the construction of a comprehensive management structure, to achieve effective identification and managements against compliance risks. Promote the building of a risk management system for the purpose of ensuring a compliance and legal operation of our businesses.

The guidelines of our compliance management are:

- A Collective Responsibility: Compliance is the responsibility of every staff. It could not be removed from any business activities of any line. Everyone shall take their own compliance responsibility.
- A Comprehensive Compliance: The mission and responsibilities of compliance run through the whole bank. For the purpose of achieving this mission, we shall ensure that compliance staffs are able to get all necessary information. Compliance or authorized person who performs the same responsibilities shall guarantee their independence when making judgments or conducting actions.
- The Construction of Compliance Culture: The board of directors and senior management shall set the tone of compliance and the expectation of compliance by all employees, on a pro-active basis, and of compliance adding value, promote the values and ethical standards of honesty and integrity throughout the organization, enhance awareness of compliance by all employees, and ensure that the compliance function in the bank interact effectively with external regulators.
- Perform according to the highest level of requirements: Regarding Compliance, if the Group Policies regulates a stricter internal standard than Chinese laws and regulations, the internal procedures shall be complied in advance. Conversely, if Chinese laws and regulations are more stringent than those standards will be applied and met.

7.3 Compliance control

Compliance head attended the Comex meeting and various business meetings, so as to understand the bank's business status, assess the compliance risk, report to the senior management and establish control procedure to ensure the compliance risk is under proper control. Compliance holds regulatory update committee meeting on quarterly basis, with the participant of senior management, designated personnel from business & Legal. The purpose of the meeting is to promptly communicate regulatory releases/updates, regulatory matters, compliance control execution and anti-money laundering related

issues. Territory Compliance Committee meetings were arranged semi-annually with the participation of Board Chairmen, Senior management, Head of business & Head of Legal. The meeting discusses comprehensive issues of the bank such as regulatory development, regulatory examination or internal self-assessment, internal policy and procedure setup or updating, AML and sanction compliance etc. As the leading department of AML work, Compliance convenes a quarterly meeting of the Anti-Money Laundering Working Group Committee. The meeting brings together the Chief Operating Officer and representatives from member departments to discuss and formulate anti-money laundering work plans, review the progress of anti-money laundering efforts, and assess the implementation of internal controls etc.

As the second line of defense, compliance control is one of the important measures of our bank on risk management and control. Compliance risk management and control inspections cover anti-money laundering, related party transaction management, corporate governance, reputational risk, major event reporting, financial licenses, employee professional ethics, market integrity, and services including loans, bills, capital pools, derivatives, bond transactions, Various business areas including structured deposits, bond capital markets, interbank business, QFII/RQFII custody, and QDII Trust domestic custody.

In 2025, the compliance department carried out and implemented the above-mentioned compliance control in a planned, targeted, regular and orderly manner. Operational errors were discovered and corrected in a timely manner, which led the business departments to improve daily risk prevention and control while supervising the rectification, and further enhance the intensity of post-event business risk review. At the same time, in the process of changing regulations, compliance will continue to update the key points of risk management and control inspections, and refresh the inspection points with the business departments in a timely manner, which also strengthens the implementation of new regulations by the business department.

8. Money Laundering and Terrorist Financing Risks

Bank confirms that anti-money laundering, anti-bribery and corruption, combating financing of terrorism and sanction compliance is the responsibility of each staff. Bank sets up AML Working Group Committee to be responsible for the detailed organization, management, allocation of resources, and assignment of AML (Anti-money Laundering) /CFT (Combating Financing of Terrorism) related works of the bank. COO as the Chairman of AML Working Group Committee is in charge of AML & CFT issue of the Bank in general; Compliance is the leading department in charge of AML & CFT work of the Bank; other member departments cover bank's front lines, middle and back offices, internal audit which is responsible for independent inspection, and various functional departments for supporting works. At branch level, a correspondent AML Working Team is set up to be responsible for branch AML/CFT related works and chaired by branch manager.

Bank's main AML/CFT work includes:

- (1) Establish and improve internal policies and operating procedures of anti-money laundering.
- (2) Implement internal controls of KYC due diligence, identification and management of beneficial owner, and suspicious transaction monitoring.
- (3) Timely report large-value transactions and suspicious transactions to the People's Bank of China, and simultaneously report to the Police when suspicious criminal case is detected.
- (4) Implement anti-money laundering special preventive measures, report customers and transactions suspected of terrorist financing, and take related restrictive measures.
- (5) Keep anti-money laundering and anti-terrorist financing information confidential.
- (6) Keep records customer identity information and transaction records, and establish a sound anti-money laundering information system.
- (7) Assist regulatory authorities in their investigations.
- (8) Conduct money laundering risk self-assessments and report the self-assessment results to regulator.

- (9) Organize employee training on KYC due diligence, anti-money laundering, anti-terrorist financing, and conduct promote public education on anti-money laundering work.
- (10) Make annual report on anti-money laundering and anti-terrorist financing work of the bank to the regulator and cooperate with regulator's money laundering risk evaluation work with the bank.
- (11) Conduct internal audits and control testing on anti-money laundering work.

AML Working Group Committee meeting is called on quarterly basis to review AML/CFT related work of this year, to set up work plan for next year, discuss and set up AML Strategy based on key focus of current AML work and regulatory requirements, etc. On semi-annually basis, in Compliance & Control Committee meeting and Territory Compliance Committee meeting, compliance will present to senior management & business departments the updates of Group and local AML internal control policies/procedures, utilization of information technology in AML work, quarterly AML internal control result, self-assessment result on ML/TF Risk based on the PBOC approach and according to Group Compliance methodology. The KPRIs of AML work are also presented to Board in quarterly Risk Committee meeting.

In order to further improve the effectiveness of anti-money laundering transaction monitoring, our bank invested in the deployment of the anti-money laundering transaction monitoring and reporting system ARMS in 2020. Since then, the bank has continued to enhance the system functions and review and adjust the suspicious transaction monitoring model every year. In 2025, our bank launched 3 new anti-money laundering transaction monitoring models. The most recent model review took place from September to November 2025, and the model adjustments were completed on November 21, 2025.

9. Reputational Risk

According to newly released regulation, our bank revised the internal policy PRC99 "Guidelines for Reputational Risk Management". The reputational risk management framework has been further improved. The responsibilities of the board of directors, supervisors and senior management have been clarified. The responsibilities of relevant departments of daily monitoring, processing and reporting of risk events have been clarified.

The Board of Directors assumes the ultimate responsibility for reputation risk management of the Bank, and the chairman of the board is the primary responsible person. The supervisor shall respectively assume the supervisory responsibility for reputational risk management. The supervisors shall be responsible for supervising the performance of duty by the board of directors and senior management in the aspect of reputational risk management and incorporating the relevant information into the work report of the supervisors.

The senior management shall respectively assume the management responsibility for reputational risk management. Its main responsibilities include:

- Ensure a sound corporate governance structure and mechanism being properly set up within the Bank;
- Ensure the implementation of reputation risk management system and measures;
- Clarify the responsibilities of all departments of the Bank in regard to reputation risk management;
- Formulating a reputational risk response plan and addressing plan for material events, and arranging and advancing the addressing of reputational events.
- Lead the reputation risk incident handling work, in order to ensure necessary actions to be taken, continuous and effective monitoring to be conducted, and reputation risks to be controlled and reported, reputation risk incident to be handled in timely manner;
- Ensure related training program in place so as to staff are aware of the importance of reputation risk management; and
- Set up the corporate culture of reputation risk management within the Bank and promote staff's awareness of reputation risks.
- Reputational risk management shall be assessed at least once a year.

As soon as a material reputation risk incident is identified, an ad hoc Reputation Risk Committee will be created. The ad hoc Reputation Risk Committee consists of:

- the Comex members
- Head of Legal, Head of Brand & Communications, Head of Finance & Control, and any other involved parties.

10. Strategic Risk

The Strategy Committee

- Supports the Board of Directors in fulfilling its oversight responsibilities with regards to the bank's strategy.
- Advises the Board of Directors with regards to the business strategy for the sustainable development of the Bank.
- Discusses and advises the Board of Directors as to whether the governance, risk appetite, financial and capital planning, liquidity and funding management, control environment and resources to support the Bank's strategic objectives.
- Oversees the Management's implementation of the strategic plan and the execution progress against strategic milestones and goals.

COMEX meeting

- The Bank holds bi-weekly COMEX meetings comprising Senior Management and heads of business lines. The Chairman of the Board can attend the meeting.
- The meeting focuses on day-to-day management issues of the Bank. Business, operational, administrative and compliance issues are discussed and monitored to ensure strategy risk is assessed on a timely manner.
- Business review sessions are organized on a monthly basis to review the operational performance of the Bank, and to ensure that latest legal, compliance and regulatory issues are discussed and complied with.

11. Large Exposure management

Accurate and timely measurement of large exposure is the basis for internal control and management. The Bank has developed local calculation tools. Used for monitoring large exposure. The local calculation tool is based on the scope provided by the Finance & Control and the Compliance based on the requirements of the "Measures", capturing the main risk exposures of all customers, and using the "SA-CCR" to calculate the counterparty credit risk of derivative instruments. The tool has been operational since the end of December 2018 and generates exposure reports daily, and latest updated in Q4 2025, the Bank has further optimized the daily large exposure monitoring tool, incorporating specific risk exposures arising from asset securitization products into measurement and monitoring, thereby improving the management of large exposures. Since 2021, the Bank has established a quarterly two-way reconciliation for internal and external reports between Risk and the Finance & Control. According to the results of internal two-way reconciliation in the past year, the local computation tool is running stably.

In addition to the IT system construction, in accordance with the requirements of the regulation, the Bank has established and improved the organizational structure for large exposure management, clarified the management responsibilities of the Board of directors, senior management, and relevant departments. Developed the procedure for large exposure management, and report to regulator for filling in a timely manner. In accordance with the regulatory requirements for large exposure management and based on the actual situation of the Bank, internal thresholds for large exposure are set, and continuous monitoring, early warning and control is carried out to implement large exposure management.

Based on the above regulatory framework for large exposure management, the Bank's business departments actively cooperate as the 1st line of defense to proactively monitor clients' large exposure. For external clients and groups with the largest exposure, the Bank's large exposure working group has designated the FI coverage team as the coordinator. The team serves as the unified coordinator and performs centralized pre-trade exposure calculation and management when customer exposure is too high or

approaches the internal warning threshold. If necessary, it is submitted to the Large Exposure Working Group and a meeting is held immediately to discuss and decide further action plan. Since the implementation of the "Measures", as of the end of 2025, the overall situation of all large exposure of our bank is well managed, and the large exposure of counterparties have been controlled within the regulatory threshold.

IV Corporate Governance

1. Board Members and Performance

1.1 Members of the Board of Directors

The Board of Directors consists of Chairman, four Directors and three independent Directors as below:

Names	Gender	Roles
Paul YANG	Male	Legal Representative/Chairman
Chang Geng LAI	Male	Executive Director/ CEO
Bruno Philippe WEILL	Male	Director
Chung Mei Sandra YIU	Female	Director/ Independent Director
Jean-Claude BERGADAA	Male	Independent Director
Yan YAN	Male	Independent Director
Chee Kay Terry TSE	Male	Independent Director
Fang ZHANG	Female	Executive Director / Deputy CEO
Corina TONG	Female	Director

Paul YANG

Paul Yang is the legal representative and Chairman of BNPP China Limited. He is also the Head of Asia Pacific at BNP Paribas, overseeing the bank's strategic development across all business lines in the region.

Mr. Yang is a veteran banker with extensive experience across a wide range of financial services. He joined BNP Paribas in Paris in 1988 and has held various senior positions in France and Asia since then.

Prior to his current role of Head of Asia Pacific at BNP Paribas, Mr. Yang was the Chief Executive Officer, Corporate & Institutional Banking for Asia Pacific, a role he has held since October 2019. Mr. Yang was Head of Greater China from 2014 to 2019 and CEO of BNP Paribas Hong Kong Branch from 2011 to 2019.

He was Deputy Head of Corporate Finance for Greater China from 2007 to 2011, during which time he led a number of high profile IPOs and share placements.

Amongst Mr. Yang's other roles were Deputy CEO of BNP Paribas Hong Kong Branch from 2004 to 2007, and Head of Territory for Taiwan from 2001 to 2004.

Mr. Yang holds a Bachelor Degree of Science in Information Systems from the University of Paris XII.

Chang Geng LAI

Mr. CG Lai is the Executive Director on the Board of BNP Paribas (China) Ltd. and also the CEO. He is responsible for overseeing the bank's strategic growth and overall business development in this rapidly growing and vital market.

CG joined BNP Paribas in 1996. Before being appointed CEO for BNP Paribas China Limited, CG was Deputy CEO of BNP Paribas China Limited, leading China Capital Market platform. He was also the Head of Global Markets for Greater China.

Prior to joining BNP Paribas, he has worked for Chase Manhattan Bank and American Express Bank.

CG holds a Master in Business Administration Degree from the University of Washington.

Bruno Philippe WEILL

Mr. Bruno Weill has been a Director on the Board of BNPP China Limited since November 2014.

He is responsible to coordinate and develop BNP Paribas businesses in China. He also contributed to the establishment of Group operating strategy and represents all the activities of Group in China towards the Chinese financial regulators.

BNP Paribas has multiple legal entities and joint ventures in China. As a Group representative, he assumed the role of Director or Supervisor on the Boards of most of these legal entities and joint ventures. He is also the Group Executive Sponsor for a few Chinese and International strategic clients in China.

After his baccalaureate in Spain, Bruno obtained a Master degree in Physics and Engineering diploma from the French Ecole des Mines de Paris.

Chung Mei Sandra YIU

Ms. Sandra Yiu served as a director of BNP Paribas (China) Co., Ltd. and concluded her term in May 2025. In December 2025, Sandra received approval from the NFRA to assume the position of independent director at BNP Paribas (China) Co., Ltd.

Sandra joined BNP Paribas in 2018 and was the Head of Corporate Coverage Hong Kong prior to her retirement. Sandra led a team of senior bankers and relationship managers covering HK and mainland Chinese corporates.

Prior to joining BNP Paribas, she worked in HSBC and ING Bank holding various senior management positions across Asia.

Sandra graduated from Scripps College, Claremont California with a degree in Economics and Accounting.

Jean- Claude BERGADAA

Mr. Jean- Claude BERGADAA has been an Independent Director of BNPP China Limited since September 2019 and concluded his term in September 2025.

Before retirement in December 2015, Mr. Jean- Claude BERGADAA had assumed managerial roles with BNPP entities in Hong Kong, New York, Singapore and Paris.

Mr. Jean- Claude BERGADAA graduated in 1973 from HEC (Paris), a Business and Management School.

Yan YAN

Mr. Yan Yan has been an Independent Director of BNPP China Limited since January 2021.

Mr. Yan is a lawyer and partner at Beijing Long An Law Firm in Shanghai Office. Currently, he is also an Independent Director and the Chairman of Audit Committees of Suyin Wealth Management. and Shenzhen Expressway Group Co. Ltd.

He has previously held the positions of independent director and Audit Committee chairman at Bank of Nanjing, Bank of Jiangsu and Jiangsu Financial Leasing Co., Ltd.

Mr. Yan holds a Doctor of Management degree from the Department of Accounting at Fudan University and a Doctor of Law degree from the School of Law at Nanjing University, as well as a professorial title. He is a lawyer and a non-practicing member of the Chinese Institute of Certified Public Accountants.

Terry Chee Kay TSE

Mr. Terry TSE assumed the role of Independent Director of BNPP China Limited from February 2021.

Mr. Terry TSE has engaged in the financial industry for over 20 years. He started his career as a financial engineer with Moody's and Vice President with Deutsche Bank, and is currently the venture partner for Alpha JWC Ventures, a technology VC fund focused on APAC and Executive Director of Jabex Asset Management. He currently serves as an Independent Director for LBX Pharmacy Chain Joint Stock Company and Director of Funding Societies Pte. Ltd.

Mr. Terry TSE holds Bachelor and Master's Degrees in Science from Stanford University.

Fang ZHANG

Ms. Zhang Fang received approval from the NFRA in May 2025 to serve as an executive director of BNP Paribas (China) Co., Ltd., while also serving as Deputy CEO and Head of Corporate Coverage of BNP Paribas (China) Ltd.

Ms. ZHANG joined BNP Paribas (China) Ltd. Beijing Branch in September 2007 as the North China Head, Local Corporate Team of the Corporate Banking Department, responsible for the business management of the Chinese corporate clients in the North China and the credit, compliance and operational risk maintenance of the business under her jurisdiction. In August 2012, Ms. ZHANG was transferred to BNP Paribas Hong Kong Branch as the Head of China Desk, Corporate Banking Group, responsible for the business management of Chinese corporate clients in Hong Kong and the credit, compliance and operational risk maintenance of the business under her jurisdiction. In September 2020, Ms. ZHANG was relocated to BNP Paribas (China) Ltd. and was appointed the Head of Corporate Coverage in China, focusing on the business development of corporate clients in China, managing the RM teams of local Chinese and multinational corporate clients and being responsible for the credit, compliance and operational risk maintenance of the business under her jurisdiction.

Ms. ZHANG holds a bachelor degree in English from Beijing Foreign Studies University, and a master degree in Management and Regulation of Risk from London School of Economics and Political Science. Ms. ZHANG started her career at Xinhua News Agency as English Editor of International News Department, and then at McKinsey & Company as Communication Specialist. She started to pursue her career in the banking industry from September 2002, and had worked at Deutsche Bank as Risk Analyst and Approver firstly then at ABN AMRO as Senior Relationship Manager.

Corina TONG

Ms. Corina Tong was approved by the NFRA in September 2025 to serve as a director of BNP Paribas (China) Co., Ltd.

Ms. Corina Tong joined BNP Paribas in September 2014 and is now Managing Director for the Asia-Pacific region in the Global Banking division, Deputy Head of the Global Capital Markets division, and Head of the Real Estate division. She previously worked at Deutsche Bank, Lehman Brothers' Investment Banking division in New York, Merrill Lynch's Investment Banking division in New York, Heitman, etc.

Ms. Corina Tong holds a Master of Business Administration from the Wharton School, University of Pennsylvania.

1.2 Powers and Authorities of the Board of Directors

The Board of Directors exercises powers and authorities including but not limited to below:

- (1) Reporting its work to the Shareholder as required;
- (2) Implementing the decisions of the Shareholder;
- (3) Resolving on the business policies and plans and investment strategies and plans of the Bank;
- (4) Reviewing the Bank's annual financial budget and final accounts, any budget for capital expenditure, and any material variations to any of the foregoing as formulated by the Finance & Control Department of the Bank;
- (5) Formulating a plan for profit distribution and loss make-up of the Bank;
- (6) Formulating a proposal for the increase or reduction of the Bank's registered capital or the issuance of bonds;
- (7) Formulating a proposal for the merger, de-merger, change of corporate form and dissolution of the Bank;
- (8) Resolving on the internal management organization of the Bank;
- (9) Resolving on the engagement or dismissal of the Chief Executive of the Bank and his/her remuneration; deciding on the engagement or dismissal of the Deputy Chief Executive and other Senior Management Personnel according to the nomination by the Chief Executive of the Bank and their remunerations;
- (10) Ratifying the approval authority of different levels of Senior Management;
- (11) Delegating to the Senior Management and other officers of the Bank the power to execute and deliver certain types of documents and contracts in the name of the Bank on either a general basis or a transaction by transaction basis;
- (12) Formulating the basic management system of the Bank;
- (13) Overseeing local liquidity policy and limits as formulated by the ALCO and in according with internal delegations, policies and relevant laws and regulations;
- (14) Overseeing the management of the business and affairs of the Bank;
- (15) Reviewing the performance of the Bank in the light of its strategy, objectives, plans and budgets;
- (16) Approving the change of the Bank's business scope and geographic areas; and
- (17) Exercising other authorities vested by the AOA or by laws, regulations and regulatory provisions or authorized by the Shareholder.

1.3 Performance of the Board of Directors

Board Meetings were held on quarterly basis to review CEO business performance reports covering QoQ and YTD performance, important changes in Bank activities and laws and regulations in the PRC, to make resolutions, review reports by Board Committees, and reports by Heads of Business and Functions, etc.

2. The Board of Supervisors and Performance

For the Bank as a single shareholder entity, the Board of Supervisors was not set up. Rather a Supervisor was appointed.

Effective from December 15, 2022, Mr. Jai SHETH assumed the role of Supervisor of the Bank.

Mr. Jai SHETH is a senior member of staff from BNP Paribas SA with considerable experience working in the banking industry. Mr. Jai SHETH assumed the role of BNPP SA APAC COO from January 1, 2023. With BNP Paribas he has held senior positions in ISPL, IT & Operations in the past.

In order to monitor the performance of the Board of Directors, the work done by the Supervisor included the followings:

- Review of Board meeting agenda, presentations, proposals of resolutions, proposals of appointments, proposals for revision of Terms of References of committees.

- Attendance to Board meetings.
- Attended the Risk Committee and Audit Committee meetings.

In order to monitor the company's important financial affairs, the work done by the Supervisor included the followings:

- Review of BNP Paribas China Ltd financial statements of each year.
- Review of financial information provided to Board of Directors.

In order to ensure Directors' and senior management's performance of functions and duties related to compliance management, the Supervisor has performed the following work:

- Review material changes in laws and regulations, regulatory interactions, regulatory rating updates, annual compliance reports, CBIRC annual ratings/corporate governance ratings, etc.
- Attendance of Audit Committee meetings to review internal audit results and management remediation progress.
- Review risk reports, e.g. case risk report

In order to complement his review of above listed documents, the Supervisor has performed the following work:

- Regular meetings with China Ltd Chief Executive Officer and Chairman
- Regular contacts, conference calls and meetings with the Chief Operational Officer.
- Conducting the annual evaluation of board members' performance

During the due diligence work described above, the Supervisor has not been made aware of any conduct by senior management, Board member or committee members that would be in contravention of the Article of Association or Bank's policies or any law or regulation applicable to the Bank.

3. The senior management and basic information

The senior positions of the Bank are assumed by suitably qualified and experienced staff members.

The annual appraisals for those staff in 2025 have "generally met expectation".

The CEO, deputy CEOs, COO, CRO, Head of Global Market, Head of Transaction banking, Head of Multinational Coverage, Head of Financial Institution, Head of Asset Custody, Head of Treasury, Beijing Branch Manager, Guangzhou Branch Manager, Tianjin Branch Manager, Head of Credit & Risk Control, Head of Credit Management, Head of Compliance and Head of HR makes up the Executive Committee of BNP Paribas (China) Limited (Comex) which meets twice every month under the chairmanship of the Chief Executive Officer.

The bios of key senior managers are as follows.

Chang Geng LAI, CEO *Please refer to section 1.1 for bio.*

Youfang ZHANG, Deputy CEO

From June 1991 to September 1995, Mr. Zhang worked in the Shaanxi Provincial Government. Mr. Zhang joined BNP Paribas Singapore Branch in June 1997 and successively worked as Analyst, AVP and VP in the Project Finance Asia Team. In October 2004, Mr. Zhang was transferred to BNP Paribas (China) Limited to carry out onshore structured finance business. Mr. Zhang took up the role of Head of Energy & Commodity from March 2008, and was responsible for the energy and commodity finance business in Greater China from November 2011. Mr. Zhang was the Greater China Head of the Energy & Commodity since January 2017. Mr. Zhang has been the Deputy CEO of BNP Paribas (China) Limited since August 2018, assisting the CEO in managing the Bank's operations.

Mr. Youfang Zhang holds a Bachelor and Master degree in Engineering from Xi'an Jiaotong University, and a Master degree in Finance from National University of Singapore.

James ZHANG, Deputy CEO / COO

James Zhang joined BNP Paribas Tianjin Branch in July 1998 and performed the role of Credit Analysis Officer and Finance & Control Manager respectively. He was then transferred to BNP Paribas Beijing Branch in July 2001 for the role of Senior Manager of Financial & Control. In September 2007, he was transferred to BNP Paribas (China) Limited for the role of Head of Finance & Control and was promoted as Chief Financial Officer in May 2016. Since January 2023, Mr. Zhang has been performing the role of Chief Operating Officer of BNP Paribas (China) Limited.

Mr. Zhang holds a Bachelor degree in International Economics and Trade from Nankai University. In addition, he is a member of the Chinese Institution of Certified Public Accountant, Fellow Member of Association and Chartered Certified Accounts and Fellow Member of Chartered Institute of Management Accountants.

Fang ZHANG, Deputy CEO / Head of Corporate Coverage China *Please refer to section 1.1 for bio.*

Howard JIA, CRO

Howard JIA joined BNP Paribas (China) Limited in December 2022 as Chief RISK Officer, responsible for the overall risk management of BNP Paribas (China) Limited. Prior to that, Mr. Jia had successfully worked at Morgan Stanley Bank International (China) Limited as Chief Risk Officer, Banco Santander Shanghai Branch as China CRO, Standard Chartered Bank (China) Limited as Head of Market & Liquidity Risk, Standard Chartered Bank (Hong Kong) Limited as Senior Risk Manager for Greater China/North Asia, Trafigura Investments (China) Co., Ltd. as the Director of Credit Risk for China, and HSBC Bank (China) Limited Shenzhen Branch as Vice President of Credit Risk Department for South China.

Mr. Jia holds Master's degree in Finance from the University of New South Wales, Australia and Master's degree in Accounting from the University of Sydney, Australia. Mr. Jia is also a certified FRM.

Xutao BAO, Head of Compliance

Mr. Bao possesses nearly 30 years of experience in the banking industry, having successfully worked at Standard Chartered Bank Shanghai Branch, Donghai Bank Shanghai Branch, UFJ Bank Shanghai Branch and Bank of America Limited Shanghai Branch to hold various positions in compliance, financial control and operations. In particular, Mr. Bao possesses rich and extensive experience in compliance management. Mr. Bao joined BNP Paribas (China) Limited in September 2008 as Head of Compliance, and has been performing this role till now.

Mr. Bao Xutao holds a Bachelor degree in Applied Accounting and a Master degree in Business Administration from Oxford Brookes University, UK.

Catherine ZHU, Head of Internal Audit

Since 2006, Ms. Zhu has been engaged in auditing and internal control at ABN AMRO Bank (China) Limited, DBS Bank (China) Limited and HSBC Bank (China) Limited. Ms. Zhu joined BNP Paribas (China) Limited in September 2010 as Internal Auditor and was promoted as the Head of Internal Audit of BNP Paribas (China) Limited in January 2016 and has been holding this role until now.

Ms. Zhu holds a Bachelor degree in Economics & Finance from the University of Hong Kong and a Master degree in Economics & Finance from Warwick Business School, University of Warwick, UK.

Sandy YANG, Chief Information Officer

Sandy Yang joined BNP Paribas (China) Limited in January 2013 as Business Analyst. He was promoted as the Head of Global Banking IT in July 2018 and then Deputy Chief Information Officer in August 2021. Since April 2022, he has been performing the role of Chief Information Officer of BNP Paribas (China) Limited. Prior to that, Mr. Yang worked in HSBC Bank (China) Limited from July 2004 to January 2013, responsible for IT service delivery.

Sandy holds a Bachelor degree in Computer Science and Technology from Shanghai Jiaotong University and a MBA degree from Hong Kong University.

Li Jin, Beijing Branch Manager

Ms. Li Jin joined BNP Paribas (China) Limited Beijing Branch in June 2008, and successively served as Corporate FXLM Sales in Global Markets and then was promoted to Head of Corporate FXLM sales, Beijing in January 2016. In October 2019, she was transferred to Corporate Coverage China, Beijing Team as Senior Relationship Manager, and was appointed Head of PRC Corporate Coverage Beijing Team in July 2021. She was promoted to the branch manager of BNP Paribas (China) Limited Beijing Branch in October 2024.

Ms. Li Jin holds a Master of Science in Economics from University College London.

Wei WU, Tianjin Branch Manager

From July 1998 to December 2001, Wei worked in Bank of China Tianjin Branch at the International Settlement Department. Mr. Wu joined BNP Paribas Beijing Branch in January 2002 as Clerk of Operations Department. In April 2009, Wei was transferred to BNP Paribas (China) Limited Tianjin Branch to take up the role of Head of Operations for the branch. In December 2019, Wei was promoted as the Deputy Branch Manager of BNP Paribas (China) Limited Tianjin Branch. Since March 2023, Mr. Wu has been performing the role of Branch Manager of BNP Paribas (China) Limited Tianjin Branch, responsible for the overall branch management and operations.

WU Wei holds a Bachelor degree in International Finance of English Dept, from Tianjin Foreign Studies University.

Kalen Zhang, Guangzhou Branch Manager

Ms. Kalen Zhang previously worked for Sumitomo Mitsui Banking Corporation (China) Co., Ltd. Guangzhou Branch, Standard Chartered Bank (China) Co., Ltd. Guangzhou Branch, and Citibank (China) Co., Ltd. Guangzhou Branch. Ms. Zhang joined BNP Paribas (China) Co., Ltd. Guangzhou Branch in March 2021 as the head of the Guangzhou local corporation team in the Corporate Banking Department of China and was promoted to the branch manager of BNP Paribas (China) Co., Ltd. Guangzhou Branch in January 2024, responsible for the overall management of the Guangzhou Branch.

Ms. Zhang holds a master's degree in International Economics from Kyoto University, Japan.

Lynn Qiu, Head of Finance&Control

Ms. Lynn Qiu possesses extensive financial and accounting experience, having worked in the field since 2003. Her career began with auditing roles at Shanghai Certified Public Accountants Firm (2003-2005) and Ernst & Young (2005-2007). In 2008, she joined BNP Paribas (China) Ltd., where she steadily progressed through their reporting team structure. She was promoted to Reporting Team Manager in 2012 and most recently to Head of Finance & Control in August 2022. This latter promotion was officially approved by the CBIRC in Shanghai in May 2023. In addition to her professional experience, Ms. Qiu holds a Bachelor's Degree in Accounting from Shanghai University (1999-2003) and has earned the Certified Internal Auditor (CIA) designation.

him as Independent Directors for a tenor of three years. In 2025, Mr. Tse actively participated in the discussions and decision-making of board and committee meetings, offering objective and impartial independent opinions on the matters under review. During the year, Mr. Tse served as Chair of the Risk Management Committee and the Compensation Committee, acted as interim Chair of the Audit Committee, and was also a member of the Strategy Committee. He attended every board and committee meeting and fulfilled his responsibilities as an independent director in an independent and objective manner.

- Ms. Sandra Yiu previously served as a director of BNP Paribas (China) Ltd., and her term expired on 31 May 2025. On 19 December 2025, she received approval from the NFRA to assume the role of independent director of BNP Paribas (China) Ltd.

In January 2026, Ms. Yiu was appointed Chair of the Audit Committee and also became a member of the Risk Management Committee, the Related-Party Transaction Committee, the Strategy Committee, and the Compensation Committee.

Independent directors owe duties of honesty and diligence to BNP Paribas (China) Ltd. and its shareholders. In accordance with the laws and regulations and the company's Articles of Association, independent directors perform their responsibilities independently and protect the overall interests of BNP Paribas China. In 2025, independent directors diligently executed their duties.

6. Compensation Management System

The Compensation Management Committee (hereafter "Committee") of BNP Paribas (China) Limited (hereafter "Bank") is formulated in accordance with the "Supervisory Guidelines on Sound Compensation in Commercial Banks" of China Banking and Insurance Regulatory Commission ("CBIRC"). The Committee is primarily responsible for establishing compensation system which is good for the Bank's strategic and enhancing its competitiveness, is suitable for fostering and retaining talent as well as controlling risks. The Committee reports directly to the Board of Directors of the Bank.

The Committee is made up of 3 members and is chaired by an Independent Director. Committee members include:

- Two Independent Directors, and
- Chairman of the Board of the Bank.

The Committee is responsible for:

- Reviewing the relevant Compensation system and policies effectively in line with the corresponding policies of the BNP Paribas Group;
- Establishing a scientific and reasonable Compensation Management system that can ensure the Bank's long-term, sound and sustainable development;
- Establishing a scientific system of performance assessment with relevant indicators;
- Establishing an effective mechanism for the supervision of Compensation
- Proposing the remuneration of newly appointed Senior Management Personnel and submitting the proposal to the Bank's Board of Directors for approval; and
- Reporting on Compensation Management to the Bank's Board of Directors annually.

Two Committee meetings were held to review and approve the general guidelines on performance bonus and next year's salary increase.

In accordance with the BNP Paribas Group's relevant policies and compensation guidelines, the Compensation Management Committee is mainly responsible for establishing and regularly reviewing the Bank's related compensation systems/ policies and performance evaluation mechanism. These policies are applicable to all permanent employees (including those who have signed a labour contract with the Bank and expatriates who are assigned to work for the Bank from overseas entities of the Group).

The Committee has developed a competitive compensation management mechanism that is suitable for risk control, which is designed to attract talents and motivate outstanding employees to pursue long-term career development in the Group, so as to achieve sustainable business development of the Bank's business. This mechanism will ensure that Risk and Compliance staff's compensation is independent of the business performance under their monitoring. This compensation management mechanism is also one of the main components of corporate governance, which effectively combines the compensation system with the development strategy of the Bank.

7. Compensation Review

For the measurement of annual remuneration, the Bank emphasizes total compensation and considers the factors of risk control as well as combining employee incentive mechanisms and performance management, so that compensation is linked with performance. Total compensation takes all the components of compensation into consideration, including fixed compensation (basic salary, allowance, etc.), variable compensation (performance bonuses and mid/long-term incentives), social benefits (social securities and housing fund) and other benefits provided by the Bank. This will not only balance the difference in basic salary, but also ensure the fairness and consistency of the Bank's internal compensation design. In determining variable compensation, considering factors include a variety of financial data, which reflects sustainable operation level including risk indicators. The variable compensation reflects sufficient types of risks, and the incentive and restraint requirements of the sustainable development of the Bank.

To promote the sound operation and sustainable development of the Bank, and ensure that the compensation and benefit schemes of the Bank are in line with the market, the Bank's management will continuously review the compensation and benefit schemes to ensure objectivity in the process of compensation planning and in line with the relevant human resources policies of BNP Paribas Group, as well as ensuring that remuneration will play a guiding role in the risk management of the Bank.

Meanwhile, the Bank regularly participates in market surveys of compensation and benefits for banks. This kind of information from market surveys provides the Bank with the basis to formulate and update our compensation plans so that the Bank can remain fair and competitive in terms of compensation and benefits in the job market, so as to attract, motivate, retain and reward all employees who are contributing to the Bank's business development.

The Bank usually conducts compensation review annually. In line with the Bank's compensation review guidelines, all increments and bonuses will be determined according to the performance of the whole bank and business lines' results, market conditions, performance of individual employees (in particular, respect of the Code of Conduct, regulations and policies related to risk control, compliance requirements and Group values), and such other factors that the Bank considers relevant.

8. Deferred Compensation and Claw-back of Performance Bonuses

Deferred Payment of Performance Bonuses

For senior management executives and employees in key positions with material impact on risks, the Bank has established a deferred compensation policy in line with the local regulatory requirements and the BNPP Group policies. Depending on the amount of the individual employee's performance bonus, a certain percentage of the performance-based compensation will be deferred, and the deferred payment period is

generally not less than 3 years. For the deferred performance compensation, the relevant employees must satisfy the corresponding payment conditions, as well as the performance indicators set by each business line and the Bank have been achieved.

Claw-back of Performance Bonuses

In order to fully exercise the guiding role of performance bonuses in the operation and management of the Bank, balance the relationship between the current and long-term period as well as that between income and risks, ensure remuneration incentives to match with risk-adjusted performance, prevent aggressive business practices and illegal behaviours and violations of laws and regulations, in accordance with the “Supervisory Guidelines on Sound Compensation in Commercial Banks” and the “Guiding Opinions on Establishing and Improving the Mechanism of Banking and Insurance Institutions for the Claw-back and Deduction of Performance-Based Compensation” issued by the former CBIRC and relevant policies of BNP Paribas Group, the Bank has implemented the claw-back mechanism of performance bonuses, and has the right to claw back in whole the paid performance bonus for the corresponding period, and cease all unpaid performance bonuses. This claw-back mechanism applies to all employees of the Bank.

- Specifically, the Bank reserves the right to terminate and/or reduce any unpaid performance bonuses (including but not limited to cash bonuses or deferred bonuses) in accordance with relevant local laws if there is evidence of misconduct or material mistake by the relevant employee (e.g. breaches of the Bank’s or the Group's Code of Conduct, internal compliance policies or risk management procedures, etc.). This clause also applies to employees who have left the Bank or retired.
- Furthermore, if an employee has a serious violation or is terminated due to a serious violation or misconduct (or if the employee has left the Bank or retired, but the Bank discovers after his/her departure that he/she had committed a serious violation, or had been engaged in major misconduct during his/her employment that would lead to the employee's dismissal if he/she was still employed), in addition to the termination of any unpaid performance bonus (including but not limited to cash bonuses or deferred bonuses), the Bank also reserves the right to claw-back all or part of performance bonuses already paid (including but not limited to the cash bonuses or deferred bonuses paid) in accordance with relevant local laws. The Bank may exercise this right within 5 years from the date of the last payment of the deferred bonus or from other periods (which may be less or longer than 5 years in accordance with local laws and regulations).

In 2025, the Bank has paid the performance bonus of CNY 25.53 million to employees, who are senior management executives and employees in key positions with material impact on risks. This amount includes a total of CNY 17.19 million of the performance bonus deferred from the previous years. In addition, the Bank has not made any severance payment to any of the senior management executives or employees in key positions with material impact on risks.

Specific remuneration information for senior management executives and employees in key positions with material impact on risks is as follows:

	Fixed Compensation	Variable Compensation	Deferred Compensation	Others
Senior Management Executives and Employees in Key Positions with Material Impact On Risks	CNY 49.12 million	CNY 8.34 million	CNY 17.18 million	CNY 7.37 million

For deferred and retained compensation, the Bank has not made any explicit or implicit adjustment in 2025.

9. Basic Information of Major Senior Management Executives and Employees in Key Positions with Material Impact On Risks

The list of Major Senior Management Executives and Employees in Key Positions with Material Impact On Risks for 2025 is as follows:

SN	Name	Position	Department
1	LAI Chang-geng	Chief Executive Officer	CEO Office
2	Fang ZHANG	Deputy Chief Executive Officer Head of Corporate Coverage, China	Corporate Coverage
3	ZHANG Jin	Deputy Chief Executive Officer Chief Operating Officer	Finance & Control, IT and Operations
4	You Fang ZHANG	Deputy Chief Executive Officer	CEO Office
5	WANG Yujiang	Head of Financial Institutions Coverage, China Head of Global Markets, China (appointed as Head of Global Markets, China effective from 1st August 2025, in addition)	Financial Institutions Coverage Global Markets
6	JIE Xiaobo	Board Secretary	Board
7	JIA Minghao	Chief Risk Officer	Risk Management
8	QIU Ling	Head of Finance & Control	Finance & Control
9	ZHU Yunlan	Head of Internal Audit	Internal Audit
10	BAO Xutao	Head of Compliance, China	Compliance
11	Yang Yi	Chief Information Officer	Information Technology
12	LI Jin	Branch Manager	Beijing Branch
13	WU Wei	Branch Manager	Tianjin Branch
14	ZHANG Ling	Branch Manager	Guangzhou Branch

10. Self-Assessment of Corporate Governance

In summary, the Bank's corporate governance is basically sound and effective. Meanwhile, the Bank actively took measures to continuously improve its corporate governance system.

V. Annual Significant Events

Changes on the Senior Management:

- Resignation of Mr. George Sun from the position of Deputy CEO of BNP Paribas (China) Limited on Jan 17, 2025.
- Ms. Zhang Fang was appointed as a Director effective March 1, 2025.
- Ms. Yiu Chung Mei Sandra, Director, left her position on May 31, 2025;
- Mr. Wang Yujiang, Head of Financial Institutions Department, was also appointed as Head of Global Markets Department effective August 1, 2025;
- Ms. Tong Man Wai was appointed as a Director effective September 16, 2025;
- Mr. Jean-Claude Bergadaa, Independent Director, retired on September 17, 2025;
- Ms. Yiu Chung Mei Sandra was appointed as an Independent Director effective December 19, 2025.

VI. Capital Adequacy Ratio Situation

1. Banking Group Name, Capital Adequacy Ratio calculation scope and consolidation scope and differences

BNP Paribas (China) Ltd. belongs to BNP Paribas Group and is the whole owned subsidiary of BNP Paribas S.A.

BNP Paribas calculates the capital adequacy ratio in accordance with "Rules for Regulating the Capital Adequacy Requirement of Commercial Banks" and relevant regulations. The scope of capital adequacy ratio calculation is legal person, including Head office and all branches.

BNP Paribas (China) Ltd. has no equity investment inside and outside China, therefore there is no need to consolidate financial statements or calculate capital adequacy ratio on consolidated basis. And there is no difference in the two scopes, both at legal person level. In the reporting period, there is no capital transfer constraint.

2. Amount of capitals and all level of capital adequacy ratios

Up to Dec. 31 2025, BNP Paribas (China) Ltd's correspondence between regulatory capital items and audited financial statement items are as follows:

Item	Audited Financial Statement
Paid-in capital	Paid-in capital

General reserve	General reserve
Surplus reserve	Surplus reserve
Retained earnings	Retained earnings
Accumulated other comprehensive income	Other comprehensive income
Other intangible assets (excluded land-use right) (net of associated deferred tax liabilities)	Intangible assets
Deferred tax assets that relying on future profitability of the bank (net of associated deferred tax liabilities)	Deferred tax assets

Key prudential regulatory indicators and overview of risk-weighted assets

KM1 Key prudential regulatory indicators

Unit: CNY Mio, %

Items		Dec.31 2025	Sep.30 2025	Jun.30 2025	Mar.31 2025	Dec.31 2024
Available capital						
1	Net Common Equity Tier 1 capital	11,011	11,406	11,334	11,239	10,957
2	Net Tier 1 capital	11,011	11,406	11,334	11,239	10,957
3	Net capital	11,365	11,752	11,671	11,599	11,358
Risk-weighted Assets						
4	Risk-weighted Assets (RWA)	62,690	59,123	55,348	59,549	71,289
Capital adequacy ratio (CAR)						
5	Common Equity tier 1 capital adequacy ratio (%)	17.6%	19.3%	20.5%	18.9%	15.4%
6	Tier 1 capital adequacy ratio (%)	17.6%	19.3%	20.5%	18.9%	15.4%
7	Capital adequacy ratio (CAR) (%)	18.1%	19.9%	21.1%	19.5%	15.9%
Total of bank CET1 specific buffer requirements						
8	Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank G-SIB and/or D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%) (8+9+10)	2.5%	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	10.1%	11.9%	13.1%	11.5%	7.9%
Leverage ratio						
13	Total leverage ratio exposure measure	74,686	73,259	75,131	83,710	83,261
14	Leverage ratio (%)	14.7%	15.6%	15.1%	13.4%	13.2%
14a	Leverage ratio a (%)	14.7%	15.6%	15.1%	13.4%	13.2%
LCR						
15	Total high-quality liquid assets (HQLA)	N/A	N/A	N/A	N/A	N/A

16	Total net cash outflow	N/A	N/A	N/A	N/A	N/A
17	LCR (%)	N/A	N/A	N/A	N/A	N/A
NSFR						
18	Total available stable funding	N/A	N/A	N/A	N/A	N/A
19	Total required stable funding	N/A	N/A	N/A	N/A	N/A
20	NSFR (%)	N/A	N/A	N/A	N/A	N/A
Liquidity Ratio						
21	Liquidity Ratio (%)	122.4%	96.7%	92.2%	115.9%	116.7%

Capital composition

CC1 Capital composition

Unit: CNY Mio, %

Items		Dec.31 2025
Common Equity Tier 1 capital		
1	Accruable part of Paid-in Capital and Capital Reserve	8,711
2	Retained Earnings	2,335
2a	<i>Surplus Reserve</i>	746
2b	<i>General Reserve</i>	659
2c	<i>Undistributed profit</i>	930
3	Accumulated other comprehensive income	6
4	Accruable part of Minority Shareholder Capital	0
5	Common Equity Tier 1 capital before regulatory adjustments	11,052
Common Equity Tier 1 capital: regulatory adjustments		
6	Prudent valuation adjustments	0
7	Goodwill (net of associated deferred tax liabilities)	0
8	Other intangible assets (excluded land-use right) (net of associated deferred tax liabilities)	41
9	Deferred tax assets (DTA) that rely on future profitability	0
10	Cash flow hedge reserve for items not measured at fair value	0
11	Shortfall of provisions to expected losses	0
12	Gain on sale from asset securitization	0
13	Gains and losses due to changes in own credit risk on fair valued liabilities	0
14	Defined benefit pension fund net assets	0
15	Investments in own shares	0
16	Reciprocal cross-holdings in CET1 capital instruments	0

17	Deductible amount of investments in the common shares of unconsolidated financial institutions in CET1 capital instruments	0
18	Deductible amount of significant investments in the common shares of unconsolidated financial institutions in CET1 capital instruments	0
19	Other DTA items that rely on the bank's future profitability	0
20	Amount to be deducted if the unrecognized portion of significant investments in the common shares of unconsolidated financial institutions and net DTA that rely on future profitability of the bank exceeds 15% threshold of CET1 capital	0
21	Of which: significant investments in the common shares of financial institutions	0
22	Of which: DTA that relying on future profitability of the bank	0
23	Other items to be deducted from CET1 capital	0
24	Adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	0
25	Total regulatory adjustments to Common Equity Tier 1 capital	41
26	Net Common Equity Tier 1 capital (CET1)	11,011
Additional Tier 1 capital		
27	Directly issued qualifying additional Tier 1 capital plus related stock surplus	0
28	Of which: classified as equity	0
29	Of which: classified as liabilities	0
30	Accruable part of Minority Shareholder Capital of additional Tier 1 capital	0
31	Additional Tier 1 capital before regulatory adjustments	0
Additional Tier 1 capital: regulatory adjustments		
32	Investments in own additional Tier 1 capital	0
33	Reciprocal cross-holdings in additional Tier 1 capital	0
34	Deductible amount of investments in the common shares of unconsolidated financial institutions in additional Tier 1 capital	0
35	Deductible amount of significant investments in the common shares of unconsolidated financial institutions in additional Tier 1 capital	0
36	Other items to be deducted from additional Tier 1 capital	0
37	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	0

38	Total regulatory adjustments to additional Tier 1 capital	0
39	Additional Tier 1 capital	0
40	Net Tier 1 capital	11,011
Tier 2 capital		
41	Directly issued qualifying Tier 2 capital plus related stock surplus	0
42	Accruable part of Minority Shareholder Capital of Tier 2 capital	0
43	Accruable part of excess loss provision	354
44	Tier 2 capital before regulatory adjustments	354
Tier 2 capital: regulatory adjustments		
45	Investments in own Tier 2 capital	0
46	Reciprocal cross-holdings in Tier 2 capital and TLAC non capital debt instrument investment	0
47	Deductible amount of investments in the common shares of unconsolidated financial institutions in Tier 2 capital	0
48	Deductible amount of significant investments in the common shares of unconsolidated financial institutions in Tier 2 capital	0
49	Other items to be deducted from Tier 2 Capital	0
50	Total regulatory adjustments to Tier 2 capital	0
51	Net Tier 2 capital	354
52	Total net capital	11,365
53	Total risk-weighted assets (RWA)	62,690
Capital adequacy ratio and Institution-specific buffer requirement		
54	Common equity tier 1 capital adequacy ratio	17.6%
55	Tier 1 capital adequacy ratio	17.6%
56	Capital adequacy ratio (CAR)	18.1%
57	Institution-specific buffer requirement (%)	
58	of which: capital conservation buffer requirement	2.5%
59	of which: countercyclical Buffer Requirement	0.0%
60	of which: Bank G-SIB and/or D-SIB additional requirements	
61	Common Equity Tier 1 capital (as a percentage of risk weighted assets) available after meeting the bank's minimum capital requirements	10.1%
National minimum capital requirements		
62	National minimum Common Equity Tier 1 capital adequacy ratio	5%
63	National minimum Tier 1 capital adequacy ratio	6%
64	National minimum Total capital adequacy ratio	8%
Unrestricted portion of threshold deduction items		

65	Non-significant investments in the capital of other financial entities	0
66	Significant investments in the common stock of financial entities	0
67	Deferred tax assets that relying on future profitability of the bank (net of associated deferred tax liabilities)	228
Limit of Provisions eligible for inclusion in Tier 2		
68	Inclusion of provision in Tier 2 in respect of exposures subject to the Standardized approach	354
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the Standardized approach	354

3 Internal Capital Adequacy Assessment Process, Capital Planning and capital adequacy ratio monitoring

The Internal capital adequacy assessment process of BNP Paribas (China) Ltd. includes governance framework, risk identification and assessment, stress test, capital assessment, capital planning and emergency management, which assess the capital adequacy under comprehensive considering and evaluation of the major risk faced by the bank. Capital planning is to ensure the capital adequacy ratio level is in line with the China business development strategy, risk appetite, risk manage ability and external operating environment, to fulfil short term and long-term capital needs, and take into consideration the capital supplement source and long-term sustainability. BNP Paribas (China) Ltd. monitors dynamically and closely the capital adequacy ratio situation through calculation of capital adequacy ratio and reasonably forecast and improve the efficiency of capital utilization.

VII. Liability Quality Management

General Guideline of Liability Quality Management serves as an overarching guideline for the governance in liquidity / liability management in BNPP (China) Ltd. (referred to as “BNPP China” or “the Bank” hereafter).

Within BNPP China, the Board assumes the ultimate responsibility of liabilities quality management. ALCO, which is a specialized committee under CEO’s supervision, assumes the mandate of steering liabilities quality management.

On a more frequent basis, CHAM committee meets and reviews various client deposit related topics, and meeting minutes are submitted to ALCO for review.

The main departments that are involved in the liability related activities include: ALMT, LIS, TB, Coverage, Risk and Finance. Among them, in principle, ALMT is mainly responsible for the interbank liability business, while LIS coordinates corporate deposit relevant business with support from TB and Coverage etc. Risk is in charge of reviewing and monitoring relevant risk indicators while Finance delivers the computation and reporting of regulatory data.

In 2025, in line with bank’s business strategy, risk appetite and overall business profile, BNPP China reviewed the General Guideline of Liability Quality Management and only some minor changes were deemed necessary and were validated by ALCO. The elements of liabilities quality management met the requirement of the measure issued by CBIRC.

The following main regulatory ratios were monitored on a daily basis and were in compliance throughout the year of 2025:

1. Onshore Interbank Funding Ratio;
2. High-Quality Liquidity Assets Adequacy Ratio;
3. Liquidity Matching Ratio;
4. Liquidity Ratio.

VIII. Corporate Social Responsibility

“We are at the service of our clients and the world we live in”, BNP Paribas’ mission is to contribute to responsible and sustainable economy by financing and advising its clients according to the highest ethical standards. The Group offers secure, sound and innovative financial solutions to individuals, professional clients, corporate and institutional investors while striving to address the fundamental challenges of today with regard to the environment, local development and social inclusion.

Corporate Social Responsibility has long been a key focus of our business strategy. BNP Paribas has become one of the first companies to include a clear reference to the United Nations Sustainable Development Goals (SDGs) in our CSR strategy since 2015. As a responsible bank dedicated to offering clients with a complete set of financial solutions, BNP Paribas has been undertaking social responsibilities in four areas: The Economy, Our People, The Community and The Environment, with 12 commitments made based on these four CSR pillars, which are in line with the United Nations’ 17 SDGs. Sustainability has been deeply embedded in our daily operation and activities and has become a key value proposition of our business development. In line with its company purpose, BNP Paribas’ strategic plan, named “Growth, Technology, Sustainability” (GTS), has placed sustainability at the heart of its strategy, reaffirming its responsibility to leverage its European leadership to provide a full contribution to a more sustainable and inclusive economy. Within the Sustainability pillar of the strategic plan, the Group has defined three strategic areas to accelerate the implementation of its commitments in CSR and sustainable finance: Aligning our portfolios with our carbon neutrality commitment; Engaging with clients to accompany them in the transition towards a sustainable & low-carbon economy; Strengthening our sustainability culture and expertise, steering tools, processes & set-ups.

In line with BNP Paribas group policy, BNP Paribas (China) Limited (“BNPP China” or the “Bank”) has established the BNP Paribas China CSR Committee to help achieve the Group's global vision of becoming a leader in CSR in the banking sector, while implementing the Bank's CSR initiatives in China. The Committee's main responsibilities include setting guidelines for BNPP China's CSR strategy and monitoring its progress. The Committee is composed of 15 staff members holding senior positions in China, representing different business lines, branches and functional departments. The Committee discusses plans and budgets for annual work and ad-hoc projects through regular meetings and regularly reviews and summarizes project progress.

The Economic Responsibility

Financing the economy in an ethical manner

BNP Paribas’ primary mission is to provide financial services to individual and corporate clients in an ethical manner, in order to drive economic development and create jobs. Given its leading positions in financial services in the 64 locations in which it operates, the Group’s financing capacity and the way it conducts its business can have a direct impact on local economies. Aware of this economic responsibility, BNP Paribas bases its actions on its three commitments:

- Investments and financing with a positive impact
- Ethics of the highest standard
- Systematic integration and management of environmental, social and governance risks

BNP Paribas believes that rigorous risk control is an important responsibility of the bank to its customers or the entire financial system. Under the guidance of the Group, BNP Paribas China provides customers with complete financial solutions by strictly controlling risks, complying with Chinese laws and regulations, and adhering to regulations and strict business ethics.

Investments and financing with a positive impact

BNP Paribas has mobilized its integrated model and all business lines in supporting clients in the transition towards a sustainable & low-carbon economy by aligning our portfolios with our carbon neutrality commitment. With the trajectory for CO₂ emissions reduction being supported by financing policies towards the sectors with the highest levels of emissions, The Group has been aligning the objectives of its business lines with shared objectives by sectors while taking into account clients' transition needs.

BNP Paribas has set up a CSR dashboard with CSR indicators for 2025. The indicators include Amount of sustainable loans, Amount of sustainable bonds, Amount of article 8 and 9 assets under management according to the SFDR, Amount of the support enabling our clients to transition to a low carbon economy, Amount of financing to companies contributing to terrestrial and marine biodiversity protection, etc.

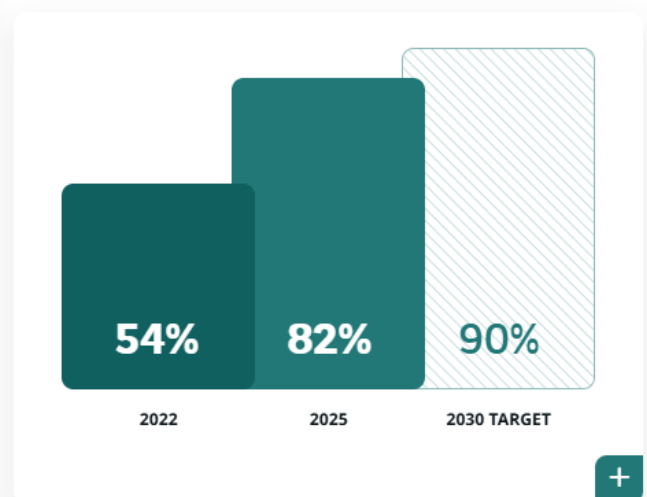
In order to support the transition to a low-carbon economy, the Group has set targets to limit the emissions of greenhouse gases from our loan portfolio. We have defined a trajectory based on reference scenario such as the International Energy Agency's Net Zero Emissions by 2050 scenario, for sectors with the highest emissions. Already fully committed to helping the economy transition to low-carbon energies, the Group implemented a new stage of strong acceleration in 2025, to be in line with the sectoral reference scenarios such as the International Energy Agency's Net zero emissions scenario.

BNP Paribas has already made a major pivot towards financing the production of low-carbon energies. In 2022, financing for low-carbon energy amounted to €28.2 billion; by 2025 it had risen to €38.3 billion, with a target of €40 billion by 2030. At the same time, the share of low-carbon energy within total energy financing reached 82 % in 2025, and the bank aims to reach 90 % by 2030.

Financing low-carbon energy



Percentage of the stock of energy financing dedicated to low-carbon



The financed emissions of the oil-and-gas sector dropped sharply from 27.3 MtCO_{2e} in 2022 to 5.3 MtCO_{2e} in 2025. The carbon-emission intensity of financing for the electricity-generation sector also fell from 179 g CO₂ per kWh in 2022 to 119 g CO₂ per kWh in 2025.

Financed emissions for the oil and gas sector



CO₂ intensity of financing for electricity generation



Focus on the steel, aluminium, and cement sectors

For the steel, aluminium, and cement sectors, we aim to reduce our portfolio emission intensity by 25%, 10%, and 24% respectively by 2030 compared to the baseline figure.

Focus on the aviation, shipping and commercial real estate sectors

By 2030, we aim to reduce our portfolio emission intensity from the 2022 baseline by 18% for aviation, 23% for shipping and 31% for commercial real estate.

For the automotive sector, the Group has set a new 2030 emission intensity target from 115 to 136 gCO₂/km WLTP. The target takes into account the adjustments currently happening in the global automotive sector and anticipates different electrification trends across the major markets.

For the power generation sector, BNP Paribas has set a 2030 emission intensity target from 110 to 125 gCO₂/kWh. This target is more ambitious than the level projected by the IEA's NZE scenario.

By leveraging the sector-specific emission-reduction targets outlined above, BNP Paribas will further drive its clients toward low-carbon transitions throughout their respective value chains, contributing to a low carbon economy.

Following the Group's low-carbon transition path and China's "carbon peak and carbon neutrality" strategy, BNP Paribas China has formulated a transition finance strategy suitable for the Chinese market to support the low-carbon transition of high-carbon emission industries with innovative and diversified finance solutions, to develop low-carbon sustainable finance with BNPP's characteristics and tailored to the local market environment in China.

Ethics of the Highest Standard

BNP Paribas strives to conduct its businesses in an ethical and responsible way as a major provider of financial products and services. By contributing to economic development and job creation in worldwide markets, the Group makes every effort to pursue this commitment. The respect of the most rigorous ethical standards is a prerequisite at BNP Paribas. All Group employees, including China employees are required to strictly respect all laws, rules and regulations in effect, as well as all professional standards that apply to their activities.

A Comprehensive ESG (Environmental, Social and Governance) Risk Management Approach

BNP Paribas' global credit policy and procedure have incorporated ESG risks, especially climate related risks into the group risk management framework, with internal system and mechanism to identify, assess and manage relevant risks. Our business lines, CSR department and Risk department work together to manage risks related to climate and energy transition in their daily work.

Since 2011, BNP Paribas has gradually deepened and broadened its framework to manage the ESG risks that may affect its activities. Initially focused on the most sensitive sectors from an ESG point of view with the development of CSR policies towards those sectors of most environmental and social exposure, the framework is now becoming more exhaustive to gradually cover all the sectors of the economy in which we have customers. At the same time, sectoral policies are regularly updated to better address new challenges facing the relevant sectors.

BNP Paribas takes ESG risks into account in its credit decision-making processes. ESG risk assessment is integrated into the Know Your Client (KYC) and in credit and rating policies. All BNP Paribas credit proposals must include client's ESG risk assessment to fully integrate ESG risk management into existing credit decision-making processes.

BNP Paribas has rolled out the ESG Assessment Tool which is a global tool to identify, assess and monitor the ESG performance and risks of corporate clients. By assessing key ESG aspects of clients by sector with a common approach within the Group for a given customer segment, the assessment aims to perform a systematic ESG analysis as part of the credit process. It covers the environmental (climate and biodiversity), social (health, safety and impact on communities) and governance (business ethics) dimensions through a set of questions, supplemented by an analysis of the controversies affecting the client. The questionnaires developed in this context are specific to each sector in order to better integrate the challenges and issues specific to their activities. This tool will assess clients' compliance with sectoral policies, as well as the maturity of their ESG strategy and its implementation. The deployment of ESG Assessment, included in the credit files for all business sectors and business groups, enables the RISK Function as the 2nd line of defence against ESG risks to exercise greater control over the ESG dimensions during credit committees, based on the results of the ESG assessment.

ESG Assessment has been rolled out to all large corporate clients by the end of 2023. It has been adopted for medium-sized corporate customers and financial institutions by the end of 2024. BNPP China has also established a comprehensive ESG assessment management framework in accordance with the group's requirements to strengthen the bank's ESG risk management on clients. Relationship Managers and Credit Analysts should ensure that client groups' ESG risk profile analysis and Relationship Managers' opinions be included in credit proposals. Such credit proposals are submitted to and reviewed and approved by Credit Committee with relevant ESG information presented.

BNP Paribas considerably enhanced its ESG training offering. It now covers a broad spectrum ranging from general awareness-raising on the major ESG issues related to the energy transition, the protection of biodiversity and respect for human rights, to expert training on ESG risk management setups and the offer of sustainable finance products and services. In 2025, BNPP China staff completed more than 442 online and offline trainings related to ESG and sustainable development.

Supporting the Transition by Offering a Wide Range of Sustainable Products

Sustainability is at the heart of BNP Paribas' strategy.

BNP Paribas accompanies our clients with complete solutions, providing financial toolbox to answer clients' sustainability financing and investing needs.

In terms of financing, BNP Paribas provides products and products linked to ESG performance, including green loans, green bonds, transition bonds, sustainable indicator-linked loans/bonds, sustainable supply-chain financing, sustainable deposits, etc. On investment, BNP Paribas provides services to help enterprises adapt their business models to sustainable development, help clients achieve sustainable transition and development through mergers and acquisitions and industrial investments, help clients invest in sustainable assets and meet their ESG investment strategies. BNP Paribas also offers sustainable hedging solution, such as interest-rate derivatives linked to sustainable indicators to encourage clients meet their ESG performance targets.

BNP Paribas China is one of the most active international banks in sustainable finance in China. We develop sustainable finance business in accordance with the guidance of Group strategy and the relevant regulatory policies, focusing on energy transition and designated sustainable industries and fields. In 2025, the sustainable finance business has covered several sectors, including new energy vehicle and green vessel production, development of charging facilities, manufacturing of hydrogen cell systems, recycling and re-utilization of industrial solid waste, clean energy facility construction and operation, new energy equipment manufacturing, green buildings, green smart manufacturing, etc. BNP Paribas China actively cooperates with the Group and international institutions to support sustainable finance business in offshore market for Chinese financial institution and corporates through sustainable bonds and loans, as well as provide finance solutions to support Chinese corporates and Multinational Corporation in their sustainable developments in China onshore.

- **In 2025, we successfully concluded or assisted in closing several sustainable finance transactions related to China:**
 - BNP Paribas supports CNGR Advanced Material, a leader in EV battery materials producer, in completing its Hong Kong Stock IPO
 - BNP Paribas led the syndication loan for COBCO, the Moroccan joint-venture subsidiary of CNGR. The syndicate, insured by China Export & Credit Insurance Corporation (“Sinosure”), will be used to finance COBCO’s construction Morocco of a high-performance nickel-based precursor material production line with an annual capacity of 40,000 tonnes
 - Bright Food International euro green bond
 - BNP Paribas, with its global network and extensive range of products and services, accompanies Chinese energy storage corporates in their 'going global' push. The German subsidiary of BNP Paribas Personal Finance, Consors Finanz, has partnered with Anker Innovation’s Anker SOLIX to launch a consumer finance service for its balcony energy storage system business.
 - Prometeon under Sinochem Group | first ESG-linked loan to PTG to support its green and sustainable development strategy
 - GOLDWIND: Bank Guarantee issuance to support its strategic cooperation in the largest operational wind farm in Africa ‘Egypt Gulf of Suez II (GOS II) 650MW Wind Farm
 - Sustainable deposits for AAC Technologies
 - State Grid International’s first dim sum green bond
 - Fosun International: 3-year, sustainability-linked syndicated loan
 - Shanghai’s Green Foreign-Debt Pilot: BNP Paribas facilitates client’s low-carbon financing
- **Assisting Chinese enterprises in cooperating with multinational companies, to share internationally advanced green technologies in their low carbon transition.**

For example, we financed the joint venture project between Envision Energy and Total in distributed solar energy and the partnership between Xiaoju and BP in EV charging business, etc.

- **BNP Paribas China also actively cooperates and coordinates with the head office and our international network, to leverage our own advantages to help Chinese financial institutions develop their sustainable finance business in both the onshore and offshore markets:**
 - Industrial and Commercial Bank of China:
 May 2025, BNP Paribas acted as joint lead manager & joint bookrunner to help Industrial and Commercial Bank of China Hong Kong Branch successfully print a USD1bn 3Y senior unsecured FRN green bond. The carbon neutrality themed international green bond is a drawdown under the Bank's GMTN Programme, to finance and/or refinance Eligible Green Assets as defined in the Green Bond Framework of Industrial and Commercial Bank of China (the "Framework").

 June 2025, BNP Paribas acted as joint global coordinator to help ICBC Financial Leasing issue a USD400mn 3Y floating rate green bond. This issuance is to exclusively finance and/or refinance Eligible Green Assets as further described under "Renewable energy" and "Clean transportation (general)" categories in the Company's Sustainable Finance Framework.

 August 2025, BNP Paribas acted as joint bookrunner to help Industrial and Commercial Bank of China Singapore Branch successfully issue a CNH3.5bn 3Y carbon neutrality themed international green notes. The carbon neutrality themed international green bond is a drawdown under the Bank's GMTN Programme, to finance and/or refinance Eligible Green Assets as defined in the Green Bond Framework of Industrial and Commercial Bank of China (the "Framework")
 - Bank of Communications:
 March 2025, BNP Paribas acted as joint bookrunner to help Bank of Communications Financial Leasing to successfully issue USD500mn 3Y FRN & USD500mn 5Y FRN senior unsecured green notes. The trade is the first green bond under the Multi-Jurisdiction Common Ground Taxonomy co-drafted by the PBOC, the EU Directorate General for Financial Stability, Financial Services and Capital Markets Union and the Monetary Authority of Singapore and published by the International Platform on Sustainable Finance. This issuance is to finance and/or refinance Eligible Green Projects as defined under "Clean Transportation (General)" and "Renewable Energy" categories of the Company's Sustainable Finance Framework.
 - Shanghai Pudong Development Bank:
 June 2025, BNP Paribas acted as joint lead manager & joint bookrunner to help Shanghai Pudong Development Bank London Branch successfully issue USD400mn 3Y senior unsecured floating rate green notes. This issuance is to finance and/or refinance eligible green assets or projects as set out in the Green Bond Framework.
 - Agricultural Bank of China:
 November 2025, BNP Paribas acted as joint global coordinator to help Agricultural Bank of China Singapore Branch successfully print USD 300mn 3Y floating rate sustainability-linked loans financing Bond. This issuance is to finance and/or refinance a pool of eligible sustainability-linked loans as defined in the Sustainability-Linked Loan Funding Framework for Agricultural Bank of China Limited Singapore Branch.
- **BNP Paribas China maintains close communication with relevant regulatory authorities to promote the development of related businesses in China.**
 - BNP Paribas China joined the People's Bank of China's pilot program for environmental

information disclosure by financial institutions and submitted BNP Paribas China's environmental information disclosure report to the regulator for the first time in 2023. We have been submitting the BNP Paribas China Environmental Information Disclosure Report to regulators for three consecutive years.

- In 2024, BNP Paribas China participated in the pilot program of carbon emissions accounting and information disclosure for financial institutions in Pudong New Area organized by the Pudong Financial Bureau. The 2023 Environmental Information Disclosure Report is based on the relevant requirements of the "Technical Guidelines for Carbon Accounting of Financial Institutions (Trial)" issued by the People's Bank of China, and is prepared with reference to the draft "Guidelines for Carbon Emissions Accounting and Information Disclosure of Financial Institutions in Pudong New Area". Compared with the 2022 annual report, it not only expands the disclosure scope, improves the quality of disclosed information, and provides more detailed content, but also carries out accounting work on the bank's Scope 1, Scope 2 and Scope 3 carbon emissions.
 - In the first quarter of 2023, BNP Paribas (China) Co., Ltd. was included in the scope of financial institutions of the People's Bank of China's carbon emission reduction support tools. BNP Paribas China started applying for PBOC funding under the carbon emission reduction support tool in the second quarter of 2023. As of the end of 2025, the amount of PBOC carbon reduction funding support BNP Paribas China had received is the largest among all international banks.
 - BNP Paribas China actively participated in the research on establishing a green and sustainable financial business regulatory system organized by the People's Bank of China and other regulatory agencies, providing a large amount of information on the relevant regulatory framework of European financial regulatory authorities and the development trends of green financial business of European banks and contributed to the establishment of domestic green finance standards and regulatory systems.
 - BNP Paribas China is also a key member of China Green Finance Committee and the Founding Chairman of the Green Finance Professional Committee of Shanghai Financial Industry Federation. By actively engaging in committee's activities, BNP Paribas provided strong and professional contribution to the development of China Green Finance industry with its global network expertise and technology.
 - BNP Paribas China is also the founding chairman of the Green Finance Professional Committee of the Shanghai Financial Association. By actively taking part in committee activities and leveraging global experience and technology, we provide robust support and make meaningful contributions to the development of China's green-finance industry.
- **We actively strengthen the internal system and institution on sustainable finance, conduct relevant training and improve business capabilities.**
 - Our bank manages its green-finance activities in accordance with the *BNP Paribas (China) Co., Ltd. Green Finance Process Guidelines* issued in 2023. The guidelines clearly define the scope of responsibilities and the workflow, covering areas such as the definition of green-finance activities, business organization, approval and certification procedures, ongoing management, as well as data collection, statistics, and reporting, thereby driving the development of related activities.

- Monthly China Sustainable Finance marketing meeting across departments to update business status, market info and regulatory evolution in sustainable finance in and outside of China.
- Strengthening our sustainability culture and provide ESG related training to staff. More than 442 online and offline ESG sustainable development trainings for China staff were organized in 2025.
- The 1st “Climate-Change Education Interactive Workshop” was organized by Green Finance Committee (Committee), of the Shanghai Financial Association (SFA), co-hosted by Climate Fresk and BNP Paribas who is the Chair of the Committee. The event attracted nearly 30 finance professionals from 16 domestic and foreign-owned member institutions, including banks, insurers, securities firms, asset-management companies, financial-market infrastructure providers, and service agencies. By using innovative interactive formats to disseminate climate science, the event injected new momentum into the development of green finance.

BNP Paribas is an important participant in China-EU green financial cooperation

BNP Paribas is an important participant and actively promotes global harmonization of standards through dialogues. We made contribution for establishment and improvement of EU China Common Ground Taxonomy and actively promote its implementation in the business development. In June 2022, BNP Paribas supported Bank of China Frankfurt Branch for completing the 1st ever green bond under the updated version of the EU-China Common Ground Taxonomy. Published by the International Platform for Sustainable Finance on June 3, the updated Common Ground Taxonomy covers a list of shared economic activities that will make substantial contributions to climate change mitigation. Bonds issued under the Common Ground Taxonomy are set to offer transparency, comparability and standardization for investors. BNP Paribas also assisted Bank of Communications Financial Leasing to successfully issue senior unsecured green notes in March 2025. The trade is the first green bond under the Multi-Jurisdiction Common Ground Taxonomy co-drafted by the PBOC, the EU Directorate General for Financial Stability, Financial Services and Capital Markets Union and the Monetary Authority of Singapore and published by the International Platform on Sustainable Finance.

2025 marks the 20th anniversary of the strategic partnership between BNP Paribas and Bank of Nanjing. Renewing the collaboration, the two banks have signed a new Strategic Cooperation Memorandum of Understanding, which will further expand the scope, deepen the depth, and raise the quality of the cooperation, jointly creating a higher-level model of Sino-foreign financial partnership. Both parties will continue to focus on core businesses such as green finance, cross-border services, wealth management, and consumer finance, while actively exploring cooperation opportunities in emerging areas like digital finance and pension finance. They will promote a tighter integration of BNP Paribas’s global service network with Bank of Nanjing’s local network, accelerating capabilities in business innovation, product development, and market expansion.

BNP Paribas is member as well as co-chair Sino-French Business Council, which was establishment in 2018, and BNP Paribas China actively coordinate and supported the council. In November 2025, Jean Lemierre, Chairman of BNP Paribas Group, attended the 7th Meeting of the China-France Business Committee in Beijing, as the French Chairman of the Committee.

BNP Paribas will continue to promote global sustainable development cooperation, actively integrate into global green governance, mobilize and coordinate global green financial resources, and jointly foster for deep and solid cooperation in green finance between China and EU.

BNP Paribas actively participated in various high-level forums in China and made important speeches on topics such as sustainable finance.

Continuous confidence and support of the BNP Paribas Group Senior Management to the sound, green and sustainable development of the Chinese economy and to the service of our Chinese and international clients through numerous participations of our Group Chairman, China Leadership to events, conferences and seminars in 2025:

- In March 2025, Mr. Jean Lemierre, Chairman of BNP Paribas Group attended China Development Forum in Beijing.
- In June 2025, BNP Paribas China participated for the third consecutive year in the Shanghai International Carbon Technology, Products, and Achievements Expo, showcasing its presence at the joint booth of the Shanghai Financial Association (SFA). At the bank's booth, On the Expo, BNP Paribas China, in its capacity of the Chair of the Green Finance Committee of SFA, partnered with SFA and Climate Fresk, to offer special 'Quiz Fresk' sessions to Expo visitors, in a bid to raise public awareness of climate issues. The 3 parties launched the joint initiative to promote climate knowledge across financial industry.
- In the second quarter of 2025, BNP Paribas submitted its annual report to the Belt and Road Green Investment Principles (GIP)
- In October 2025, BNP Paribas China participated in the 37th Shanghai Mayor's International Business Leader's Advisory Council (IBLAC), contributing insights and recommendations on how to better plan Shanghai's urban development strategy and sustain high-quality growth, under the theme "Openness, Innovation, Inclusiveness – Shanghai's Strategic Vision towards 2030."
- Other events that BNP Paribas participated in include but are not limited to:
 - Research questionnaire on the current operations and risk status of foreign banks in China – National Financial Regulatory Administration
 - Seminar on Pudong New Area's special fiscal support policies for green finance – Pudong New Area Finance Office
 - Green finance Working Conference for foreign banks – People's Bank of China
 - Submission on Hong Kong and Singapore on incentive mechanisms for green and sustainable finance – Pudong Financial Office
 - Green finance working conference – Shanghai Financial Association
 - Roundtable discussion on carbon-emission-reduction support tools – People's Bank of China, Shanghai Branch
 - Green Finance Assessment Meeting-People's Bank of China, Shanghai
 - Lecture on "Green Finance Supporting Low-carbon Transformation and Development" – Shanghai Banking Industry Association
 - Participation in the development and compilation of the industry group standard for banking ESG practice – Shanghai Banking Industry Association
 - Industry exchange meeting on "Practices, Exploration, and Challenges of ESG Investment under the Five Major Financial Initiatives" – Shanghai Financial Association
 - Seminar on financial support for circular economy development and bank-enterprise financing matchmaking– Guangzhou Green Finance Association
 - Training workshop on green finance and biodiversity finance standards – People's Bank of China, Shanghai

Our Social Responsibility

Promoting employee development and commitment

Our social responsibility is rooted in three principles: promoting diversity, equity and inclusion; providing a “good place to work” and ensuring responsible employment management; and acting as a learning business offering dynamic professional path. By adopting these principles, the Group aims to facilitate employee development and commitment.

Diversity, equity and inclusion are core commitments of BNP Paribas.

Going beyond regulatory and legal requirements, BNP Paribas has for years developed a committed and responsible Diversity, Equity & Inclusion policy in all countries where the Group does business. The Group endeavors to ensure respect and professional equity for all within the Group. Wide diversity and a real inclusion of differences are essential ingredients for everyone to flourish and for the continuous reinforcement of our “Agility”, “Openness” and “Good Place to Work” values.

BNP Paribas has based its human capital policy on three priorities that we pursue on an international level: Professional equity between women and men, Multiculturalism and Diversity of origin, Disability.

Taking action for diversity, equity and inclusion also requires training and raising the awareness of all employees. BNP Paribas reaches out to all its employees through an increasing number of local initiatives (e-learning, conferences, signing of charters, etc.), while also contributing to developing these values beyond our company gates. Diversity, Equity & Inclusion Week is a highlight for BNP Paribas and all of its employees around the world: an opportunity for the Group to promote diversity, respect for others and to demonstrate the importance of everyone’s commitment on a daily basis.

BNP Paribas employees have a personalized space to monitoring their professional development. Throughout the year, employees can enrich their Personal Development Plan to receive development offers tailored to their needs and those of the company, by providing information on their skills. The platform also enables staff to enrich their interactions between their manager and HR, thus promoting professional development and notably transversal mobility within the Group.

BNP Paribas develops a dedicated, personalised and increasingly digital experience to support the professional development of all employees. This is what we are committed to - the professional development of our people day after day, and belief in continuously learning. They can choose from a wide range of learning programs in innovative formats. We also want them to be proactive: they decide which courses they want to take and when.

During the recruitment process (and at every step in their careers), all of our employees benefit from an equal playing field. They have access to the same level of information concerning job openings, while we always evaluate their skills and qualifications in total objectivity.

Our human resources approach is rooted in a strong principle: diversity. In other words, we welcome people from every background so that our company represents the diversity of our society. All of our sites and locations are also managed in a way that respects our own values – outlined by general management and our employees in the BNP Paribas Way – and promotes diversity and equal opportunity!

Civic Responsibility

Being a positive agent for change

Committed participant in society, BNP Paribas instigates and takes part in numerous initiatives to combat social exclusion and promote education and the arts. In the context of its civic responsibility, the Group uses all the available tools, as a banker, employer and philanthropist, to foster a sustainable and harmonious development of society. These actions are in line with its three commitments:

- Products and services that are widely accessible
- Combat social exclusion and support human rights
- Corporate philanthropy policy focused on the arts, solidarity and the environment

In 2025, BNP Paribas China continues to practise civic responsibility with relevant activities carried out in China, as highlighted below:

Sponsoring China Development Research Foundation

Since 2016, BNP Paribas supported China Development Research Foundation (CDRF), as one of sponsoring corporates, for RMB 1.4 million annual sponsorship. Funding is used to support China policy research, publications, leadership training, development forums, and academic exchanges. CDRF is a public foundation initiated by the Development Research Center of the State Council (DRC). Its mission is to advance good governance and public policy to promote economic development and social progress

BNP Paribas Continued its Commitment to Support Sichuan Underprivileged Children by “Dream Up” Creative Development Project and Sichuan Scholarship

Dream Up is the flagship initiative of the BNP Paribas Foundation that promotes arts and culture while fostering social inclusion. The programme spans 30 countries and cities across five continents, reaching more than 50,000 left-behind or disabled children and young people with creative and artistic training and mentorship in areas such as music, singing, dance, theatre, circus arts, and visual arts.

In September 2015, BNP Paribas launched the “Dream Up” in Qingshen County, Sichuan Province. The programme encourages children to discover beauty, unlock potential, and build self-confidence through a diversity of courses spanning music, dancing and art.

Over the past ten years, BNP Paribas has significantly grown the richness of the programme’s content and expanded its reach, increasing the number of beneficiary rural schools and art-teachers, integrating Qingshen’s local intangible cultural heritage—bamboo weaving—into the program, and steadily expanding the project’s social impact in the region.

In the past ten years, the programme has delivered over 7,812 art classes, reaching more than 2,200 local primary and middle-school students (aged 7–12) across seven schools.

At the end of May 2025, as “Dream Up” celebrated its 10th anniversary in Qingshen, children and teachers from the six beneficiary schools gathered together to present wonderful art performance,

including choral singing, dancing, showcasing the transformative power the sustained art education can offer.

Beyond providing strong support for anniversary celebrations, volunteers from BNP Paribas attended the performances, and participated in person in some of the collaborative art classes. Together with the children and teachers, volunteers shared a memorable journey.

During their visit to Qingshen County, volunteers also joined a session of the ‘Sumu Art Workshop’, a skill training project that aims to help trainees master various needlework techniques to make hats, shoes, socks, bags, coasters, clothes and so on. The Workshop targets specifically those female local residents living in poor or disabled conditions to increase income through technique-based self-employment. Teachers involved in this workshop were also engaged in ‘Dream Up’.

Dream up project in China was also awarded 2025 “Responsibility 100 | CSR China Education Awards”.

Moreover, BNP Paribas China has been distributing scholarship to 102 left behind students in Qingshen Sichuan, the same region under Dream up project, to subsidize the living expenses of those children in need (RMB 1,500 per student per year). Since the Sichuan Scholarship first launch in 2014, the accumulative contributions have been totalled RMB 1.6 million.

1MillionHours2Help Global Volunteering Campaign

BNP Paribas launched 1MillionHours2Help employee volunteering program and made a commitment to volunteer one million hours of our employees’ collective working hours to support communities where we operate. The campaign is an important facet of the Group’s commitment to building a more sustainable and equitable world. The Group has identified 4 priority themes:

- Promote the social inclusion of youth
- Accelerate the energy transition
- Support social entrepreneurs' initiatives
- Improve local communities in the territories where we operate

In 2025, 545 volunteers at BNP Paribas in China contributed 3666 volunteering hours in total, to various events including the following:

Protect the Environment and Preserve Earth Our Home

- From “5 % Action” to “100 % Impact”-World Clean Up Day @ BNP Paribas in Shanghai, beach clean-up and zero waste experience
- Whole Food Cooking & Zero Waste Workshop in China
- Sustainable Farm Adventure Beijing Family Day
- BNP Paribas Champions Green Finance and Climate Education at Shanghai Carbon Neutrality Expo
- ALMT APAC Seminar CSR team building Soap Recycling

Youth Support-Promote the Social Inclusion for Youth

- Chi Heng Foundation Charity Project Visit to Henan
- Summer Camp Accompany Trip in Shanghai with Chi Heng Foundation
- Dream up 10th anniversary celebration and project visit
- We Are Tennis Cup 2025 China Tournament
- World Autism Awareness Day annual charity event

- Sports Day with Autistic Children
- Career Exploration Fair with Junior Achievement
- Paws for Support: Assistance Dog Experience & Awareness Event with Autistic Children
- Translation service for charity sponsors worldwide of 'Couleurs de Chine'
- Walk with Love, Stride for Goodness-step donation campaign

Improve Local Communities in Where We Operate

- APAC Community Month-Knitting for Good China ITO & Finance Sign Language Workshop Session in APAC Community Month
- “Eyes on Art, Hearts with Love” Shanghai Family Day Event

Support Social Entrepreneurs’ Initiatives with Positive Impact

- Fundraising in the form of bake sale to support 'Village 127', a social enterprise initiative of Chi Heng Foundation

APAC Fundraising Campaign in China

In 2025, BNP Paribas continued APAC Fundraising Campaign to help more children in rural areas with equal access to quality education. Through both online and offline fundraising events including charity bazaar, online bake sale, raffle ticket, online quiz, students’ summer camp etc. During the whole fundraising campaign in APAC, BNP Paribas also matched the donation of staff contribution.

“Help2Help” Projects

The “Help2Help” projects were introduced to BNP Paribas staff in China since year 2013. It is sponsored directly by the BNP Paribas Foundation in Paris aiming to encourage the staff engagement in volunteering activities. In 2025, 1 project applied by China colleague has been granted sponsorship from the Help2Help fund, equivalent to €4,000.

Nutrition & Health Status Improvement in Western China

BNP Paribas China sponsored Shanghai Guofeng Foundation in 2025 with RMB 80,000 for Nutrition & Health status improvement project to alleviate poverty in the underprivileged population of the Tibetan Plateau by improving nutrition, food habits and primary healthcare conditions at the village level, with a special focus for the children.

Sponsorship to Shanghai Qingcongquan Training Center to support autistic children

BNP Paribas China has sponsored Shanghai Qingcongquan (QCQ) Training Center since 2015 to support autistic children’s training course, sports day, new school opening, annual charity event on autism awareness day. The accumulative contributions have been totalled more than RMB 860k. We also organized many staff engaged volunteering events with QCQ.

Environmental Responsibility

Accelerating the Ecological and Energy Transition

BNP Paribas has made the ecological and energy transition its top environmental priority as a global player that finances the energy sector. The Group deploys its environmental responsibility in 3 complementary initiatives

- Enabling our clients to transition to a low-carbon economy, respectful of the environment

- Reduce the environmental impact of our operations
- Advance awareness and sharing of best environmental practices

As a financial player, it is by supporting the clients in their energy and environmental transition that BNP Paribas can have the greatest impact in terms of protecting the environment and contributing to fight climate change. The Group contributes towards building collective knowledge and awareness, involving its stakeholders in this process. It is in fact convinced that the energy and environmental transition can only succeed if stakeholders work together to bring about the necessary transformation of society as a whole.

10 years after the Paris Climate Agreement, 6 key figures on BNP Paribas' action

This 12 December 2025 marks ten years since the signing of the Paris Climate Agreement at COP21. This agreement was a turning point in multilateral global climate action that aimed to keep the global average temperature rise to well below 2°C above pre-industrial levels, with efforts to limit the temperature rise to 1.5°C. The Paris Agreement set a clear mission for banks: “to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.” On this anniversary, here are six key figures that concretely show how BNP Paribas has changed its practices and supported its clients in their low-carbon trajectory over the past ten years.

1. 38.3 billion euros in financing for renewable energies

Solar, wind, geothermal, bioenergy... In ten years, BNP Paribas has increased its financing dedicated to renewable energies by five-fold, from 6.9 billion euros at the end of 2014 to 38.3 billion euros at the end of September 2025. The Group has become a major player in the financing of renewable energies, which has seen a strong increase in demand driven by the rapid development and use of Artificial Intelligence (AI). BNP Paribas aims to have 90% of its energy production financing dedicated to low-carbon energies by 2030, with this ratio already at 82% by the end of 2025. To achieve this, BNP Paribas launched the Low-Carbon Transition Group in 2021 to support large corporate and institutional clients in their low-carbon transition.

2. 252 billion euros to support the low-carbon transition since 2022

Between the beginning of 2022 and the end of 2025, BNP Paribas provided 252 billion euros to support its clients in their transition to a low-carbon economy, reaching its objective of **200 billion euros by the end of 2025**.

The Group is committed to supporting the transition of all its clients, from helping individuals renovate their homes to be more energy-efficient or finance the purchase of an electric vehicle to supporting companies in the transformation of their production methods and financing their transition.

3. No.1 in Green Bonds between 2015 and 2025

Green bonds are among the products that **support large institutional investors in their transition**. In 2016, BNP Paribas published its "Green Bond Framework" followed by the issuance of its first green bond. In addition to its own financing, BNP Paribas has supported many sovereign clients, corporates and financial institutions by arranging the bonds they have issued for their environmental projects. According to Dealogic, **green bond issuance increased by an average of 37% per year for BNP Paribas** between 2015 and 2025, compared to 30% for the market. Furthermore, the Group is ranked number one in green bonds over this period, with around 5% of the global market share.

4. 250 million euros for innovative start-ups committed to the transition

In 2015, BNP Paribas opened an investment envelope of 100 million euros for its own account to support the scaling up of start-ups committed to the energy transition. In the five years that followed, 12 start-ups benefited from direct investments by the Group. One example is **Carbon Works**, which captures and recovers CO₂ via microalgae. In 2020, this investment envelope was increased to **250 million euros**. This additional funding made it possible for the Group to broaden its support, including

86 million euros for the **BNP Paribas Solar Impulse Venture Fund** managed by BNP Paribas Asset Management*. Open to institutional investors, large companies and clients of the Group's private bank, this fund finances start-ups committed to the ecological transition, including the French start-up **Hello Watt**, which helps individuals manage the energy consumption and renovation of their homes. In January 2025, the BNP Paribas Solar Impulse Venture Fund reached its final closing of 172 million euros.

5. 71,000 employees trained in sustainable finance challenges in 2025

In 2013, two years before the Paris Agreement, the Group set itself a **training target related to sustainable finance** for the first time ever. BNP Paribas has continued its efforts to raise awareness on sustainable finance and train all its employees on climate issues. For example, in 2020 the "We Engage" initiative was designed to introduce all teams to environmental and social issues. In addition, thanks to the Group's "**Sustainability Academy**" In 2025, close to 71,000 employees completed at least one training course from the sustainability academy, with an average of 1.6 training hour per person.

6. -50% of greenhouse gas emissions on the operational perimeter

Between 2015 and 2025, BNP Paribas halved its greenhouse gas emissions per employee, from 2.89 to 1.19 tCO₂eq/FTE (full-time equivalent). This decrease can be explained by the improved energy efficiency of the Group's buildings, the reduction of business travel, and the increase in initiatives to raise awareness among teams so that every employee is empowered to act responsibly when it comes to their own energy use. These efforts reflect a profound and lasting transformation in the Group's practices. Since 2017, BNP Paribas has been purchasing voluntary carbon credits annually for an amount equivalent to the residual greenhouse gas emissions emitted the previous year on its operational scope (emissions related to its scopes 1 and 2 and to business travel). In 2025, the Group purchased the equivalent of 192,431 tCO₂, the emissions' amount for the year 2024.

BNP Paribas is no longer a major player in fossil financing

BNP Paribas strengthens oil and gas sector financing policy to reduce fossil fuels in its portfolio.

As early as 2017, BNP Paribas decided to cease its commercial relations with unconventional hydrocarbon specialists (shale gas and oil, oil from oil sands). By 2030, financing for oil extraction and production will have been cut by 80% and will total less than €1 billion. Today, BNP Paribas no longer provides financing dedicated to the development of new oil and gas fields regardless of the financing methods.

Financing for gas exploration and production will be cut by more than 30% by 2030. A timetable for the complete exit from thermal coal had been set in 2020, with a target date of 2030 in the EU and OECD countries.

In total, financing for energy generation (low-carbon and fossil-based) accounts for less than 3% of BNP Paribas' total loans to the economy. The Bank is therefore not particularly dependent on the energy production sector, and the pace of its loan portfolio's transition is mainly linked to the real economy's transformation capabilities.

BNP Paribas China also actively develops sustainable finance business in accordance with the guidance of Group strategy and the relevant regulatory policies, focusing on energy transition and designated sustainable industries and fields.

BNP Paribas China released its third environmental information disclosure report and participated in the pilot program of [Carbon Emissions Accounting and Information Disclosure of Financial Institutions in Pudong New Area]

In the first quarter of 2023, BNP Paribas China decided to join the environmental information disclosure pilot project for banking and financial institutions organized by the People's Bank of China. In the third quarter of 2023, BNP Paribas (China) Co., Ltd. submitted the 2022 BNP Paribas China Environmental Information Disclosure Report to the People's Bank of China. In addition, our bank also became one of the first five pilot financial institutions of [Carbon Emissions Accounting and Information Disclosure of Financial Institutions in Pudong New Area] and made relevant disclosures. At the Shanghai Pudong Green Finance Development and Pudong New Area Innovation Promotion Conference, we were awarded the "Carbon Emissions Accounting and Information Disclosure Pilot Unit" plaque.

BNP Paribas Carbon Neutral on its operational scope since 2017

BNP Paribas has been carbon neutral on its operational scope (direct greenhouse gas emissions and indirect emissions linked to the purchase of energy and to business travels) since 2017, through careful monitoring and reductions of CO₂ emissions, the use of renewable energy and offsetting residual emissions. However, the work toward reducing the Group's carbon footprint did not stop there. BNP Paribas reduces its direct impact on the environment in areas such as energy, business travel and using responsible resources by setting specific and regularly implemented targets.

BNP Paribas China continued its efforts to reduce the environmental footprint linked to its own operations, such as replacing LED light sources, eliminating disposable plastic cups, promoting video conferencing technology and platforms, non-office hour light switch-off, improving printer settings and sourcing sustainable paper to reduce paper consumption. At the same time, we manage and monitor operational carbon footprint data such as business travel, paper consumption, electricity consumption and water consumption.

Control the direct impact of business activities on the environment

The direct natural resource consumption of BNP Paribas China's operating activities involves gasoline consumed by its own transportation and water used in business offices. In 2025, the self-owned vehicles of BNP Paribas China's head office and branches used 12886.6 liters of gasoline, and the total water consumption was 941.26 tons. Per capita oil consumption, the amount of water consumption decreased by 3.37% year-on-year compared with 2024, the water consumption level increased slightly from last year, and the per capita water consumption increased by 14.2% year-on-year. Our bank will continue to strengthen the management of office operation resource consumption. Indirect resource consumption by BNP Paribas' China operations includes electricity, paper and fossil energy consumed by employee travel vehicles. In 2025, our bank's total electricity consumption is 1.06 million kilowatt hours, and per capita electricity consumption is 2100 kilowatt hours, a year-on-year decrease of 8.6%; our bank's paper consumption in 2025 is 15.6 tons.

Green Company for Employee

The Green Company for Employees Programme encourages and supports the reduction of all of BNP Paribas' direct impacts on the environment, by according a central role to the participation of all employees. One of the key focuses is to fight against single-use plastic. In 2025, BNPP China has almost achieved:

- Eliminate disposable plastic cups at water fountains
- Eliminate plastic bottles, disposable plastic cups, plastic packaging in vending machines
- Eliminate plastic bottles at staff canteens and cafeterias

- Eliminate disposable plastic containers/accessories in canteens and cafeterias
- Eliminate plastic bottles in client foodservice areas
- Eliminate food/drink plastic containers and accessories, provided by external caterers
- Remove all single-use plastic references from our office supplies catalogue
- Increase the part of eco-designed and eco-labelled products in our office supplies catalogue
- Stop providing promotional items for internal use
- Eliminate promotional items that are single-use or have a limited lifetime

In 2025, BNP Paribas China organized a series of educational events and sustainable cultural exchange activities to encourage employees to reduce their carbon footprint in work and life, advocate a sustainable lifestyle, and reduce our direct impact on the environment.

- During APAC Community Month, our Beijing branch organized Spring Sustainable Farm Adventure Family Day which filled with fun, learning, and bonding at Phoenix Commune Sustainable Farm, which become the classroom for nature's wisdom. The event was a unique experience for families to explore the joys of farming, planting and handcrafting together.
- BNP Paribas China joined the global “World Clean-Up Day” campaign, which runs for a month across nearly 40 countries and regions. Partnering with the NGO “Pick-Up China,” the bank participated in the Shanghai-hosted main event at the Binjiang Forest Park. 30 bank employees, together with friends and family volunteers, formed six teams and joined almost 300 other volunteers in a “Beach-Cleaning + Zero-Waste Experience” program. Working in five-person squads, they roamed riverbanks, woods and lawns, taking part in cleaning challenges, eco-check-ins, interactive exhibitions and other activities, actively protecting both marine and forest ecosystems.
- As part of BNP Paribas’s “World Clean-up Month” in China, we organized a workshop on “Whole Food Cooking” and “Zero-Waste” lifestyles for our colleagues based in Shanghai. The session offered an interactive learning experience, showcasing the whole-food philosophy, making full use of every edible part of plants, and illustrating how it dovetails with a zero-waste mindset.
- During APAC Community Month, a weekly Charity Market is held. Employees are encouraged to bring unused items for a second-hand sale, contributing to both charitable causes and environmental protection. All proceeds are donated to support APAC Community Month fundraising
- At the **2025 Shanghai Carbon Expo**, BNP Paribas staff served as volunteers at the bank’s exhibition booth and as facilitators for a Climate Quiz Fresk’ sessions. Their involvement helped advance public climate education. The bank also actively invited employees to tour the expo and to take part in the “Sustainable-Day” check-in activities.

Sustainable Development Goals Education Series

As the bank for a changing world, BNP Paribas has become one of the first companies to include a clear reference to the Sustainable Development Goals (SDGs) in its CSR strategy since 2015. BNP Paribas believes that the energy and ecological transition can only succeed if all stakeholders (businesses, public authorities, associations, citizens/consumers) work together to bring about change. Employees are the Group’s best sustainable development ambassadors. Given the importance of achieving SDGs to our success in creating a more sustainable future, BNP Paribas launched SDG education series to connect employees across Asia Pacific with practical knowledge about how these ambitions relate to our lives and works, and how we can help in achieving them.

BNP Paribas China also organized many ESG education staff workshops and events across China offices. In 2025, China staff completed more than 442 online and offline trainings related to ESG sustainable development. Highlights include:

- **We Engage:** Miniseries consisting of bite-sized episodes dedicated to sustainable finance and current environment and social issues to encourage everyone to participate.
- **BNP Paribas' Sustainability Videos:** This video series arms you with all you need to know about the stakes, the challenges, and the solutions of sustainable finance at CIB.
- **Climate Fresk:** 3-hour workshop created under a global movement dedicated to raising participants' awareness on the complexity of climate change. It is an engaging, collaborative tool for better understanding climate change.
- **Lunch and Learn:** focus on sustainable finance and climate strategy
- **Sector policies & commitments:** to introduce BNP Paribas' sector policies and why we implement these policies.

BNP Paribas also provide informative material of Sustainable Finance on Echonet for everyone

- **ESG Assessment Framework:** provides an overview of the Bank's ESG Assessment Framework for corporate clients and projects
- **The Sustainable Finance Toolbox:** The tool to help staff to engage with clients on sustainable finance, consists of the list of positive banking products and solutions developed by BNP Paribas teams across the different Metiers of the Group
- **FIC Sustainable Finance Academy:** It provides training to drive wide-angle upskilling, and further develop sectorial and thematic expertise for FIC bankers to enhance their strategic dialogue with their clients and help to continue to drive business opportunities for the group ahead of COP26.