

**PING AN BANK CO., LTD.,
HONG KONG BRANCH**

**Annual Financial Disclosure Statement 2025
(Unaudited)**

Contents

In compliance with the disclosure standards set out in the Banking (Disclosure) Rules, the following key financial information (unaudited) is presented as follows, which is also available at the office of Ping An Bank Co., Ltd., Hong Kong Branch (the “Branch”) (38/F, One Exchange Square, Central, Hong Kong) and the official website of the Hong Kong Monetary Authority (the “HKMA”), (www.hkma.gov.hk) and Ping An Bank Co., Ltd. (bank.pingan.com).

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Income Statement

For the year ended 31 December 2025

	For the year ended 31 December 2025	For the year ended 31 December 2024
	HK\$'000	HK\$'000
Interest income	3,584,427	3,907,410
Interest expense	(3,089,675)	(3,524,390)
Net interest income	494,752	383,020
Gains less losses from dealing in foreign currencies	240,801	124,517
Gains less losses from other trading activities	(9,697)	84,738
Gains less losses on securities held for trading	-	(159)
Income from non-trading investments	7,644	12,834
Net fee and commission income	379,848	236,134
- <i>Fee and commission income</i>	389,274	248,096
- <i>Fee and commission expenses</i>	(9,426)	(11,962)
Other operating income	96,293	115,080
Operating income	1,209,641	956,164
Staff expenses	(198,763)	(262,036)
Rental expenses	(44,444)	(48,782)
Other operating expenses	(40,972)	(48,160)
Operating expenses	(284,179)	(358,978)
Operating profit before impairment	925,462	597,186
Net charge for impairment allowances	(21,627)	(271,863)
Profit before taxation	903,835	325,323
Taxation	(161,063)	(186,895)
Profit for the period	742,772	138,428

Balance Sheet

31 December 2025

	31 December 2025	30 June 2025
	<u>HK\$'000</u>	<u>HK\$'000</u>
Assets		
Cash and balances with banks	13,317,210	3,167,856
Due from exchange fund	316,641	346,227
Placements with banks maturing in 1 to 12 months	2,577,303	2,796,441
Amount due from head office	41,827	54,466
Certificates of deposit held	9,744,225	11,486,051
Investment securities	12,998,581	12,469,681
Derivative assets	589,520	235,279
Loan and receivables		
- Loan and advances to customers	65,222,170	62,870,729
- Accrued interest and other accounts	198,189	171,786
- Expected credit loss provision	(823,833)	(752,107)
Right-of-use assets	21,079	38,809
Fixed assets	11,632	13,816
Other assets	41,962	31,135
Total Assets	104,256,506	92,930,169
Reserves and Liabilities		
Deposits and balances from banks	23,529,013	20,780,859
Deposits from customers		
- Demand deposits and current accounts	209,914	95,329
- Saving deposits	6,174,724	7,310,176
- Time, call and notice deposits	58,160,106	50,474,138
Amount due to head office	12,381,760	10,937,540
Certificates of deposit issued	1,718,372	1,468,836
Derivative liabilities	635,778	287,316
Right of use liabilities	18,874	36,057
Other liabilities	217,001	630,406
Total Liabilities	103,045,542	92,020,657
Reserves		
Other reserves	468,192	475,248
Profit for the period	742,772	434,264
Total Reserves and Liabilities	104,256,506	92,930,169

Supplementary Information

31 December 2025

1) Impaired loans and advances to customers and banks

The Branch has no impaired loans as at 31 December 2025 and 30 June 2025. The Branch has provided stage 2 ECL on the following loans:

	31 December 2025		30 June 2025	
	<u>HK\$'000</u>	<u>% to Total Advances to customers</u>	<u>HK\$'000</u>	<u>% to Total Advances to customers</u>
Loans and advances to customers with stage 2 ECL provision	63,222	0.10%	67,116	0.11%

	31 December 2025		30 June 2025	
	<u>HK\$'000</u>		<u>HK\$'000</u>	
Allowances for credit and other losses made				
- Stage 2		11,279		4,101

No provision for loans and advances or other exposures of Ping An Bank, Hong Kong Branch is maintained at Ping An Bank, Head Office.

Supplementary Information

31 December 2025

2) Loan and advances to customers

(a) Breakdown by industry sectors

	31 December 2025		30 June 2025	
	<u>HK\$'000</u>	<u>% covered</u>	<u>HK\$'000</u>	<u>% covered by</u>
		<u>by collateral</u>		<u>collateral</u>
Industrial, commercial and financial				
Manufacturing	10,323,904	3.99%	16,387,502	0.01%
Property development	3,884,081	6.77%	3,963,003	6.39%
Property investment	1,578,251	17.01%	984,000	30.49%
Civil engineering works	3,046,129	-	826,376	-
Electricity and gas	7,236,022	-	4,330,984	-
Wholesale and retail trade	466,693	-	527,521	-
Transport and Transport Equipment	1,960,000	-	3,135,229	8.78%
Information technology	1,910,033	-	1,531,978	-
Hotels, boarding houses & catering	512,521	-	504,087	-
Financial concerns	6,634,258	4.38%	7,445,572	2.64%
Stockbrokers	5,895,945	-	2,287,829	-
Professional and private individuals	808,223	100.00%	591,743	100.00%
Others	6,176,836	-	7,788,880	-
Loans for use in Hong Kong	50,432,896	2.51%	50,304,704	3.22%
Loan for use outside Hong Kong	14,789,274	18.25%	12,566,025	18.06%
	<u>65,222,170</u>	<u>6.08%</u>	<u>62,870,729</u>	<u>6.18%</u>

(b) Breakdown by geographical segments

	31 December 2025	30 June 2025
	<u>HK\$'000</u>	<u>HK\$'000</u>
Hong Kong	46,686,397	45,918,761
Mainland China	5,808,233	5,987,518
Other	12,727,540	10,964,450
	<u>65,222,170</u>	<u>62,870,729</u>

The above analysis is based on the location of the counterparties after taking into account the transfer of risk. In general, the transfer of risk applies when an advance is guaranteed by a party in a country different from that of the counterparty.

Supplementary Information

31 December 2025

5) Non-bank Mainland exposures

	31 December 2025		
	<u>HK\$'000</u>		
	On-balance sheet exposures	Off-balance sheet exposures	Total
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	29,677,438	2,600,289	32,277,727
2. Local government, local government owned entities and their subsidiaries and JVs	20,014,155	12,231	20,026,386
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	9,709,924	1,875,824	11,585,748
4. Other entities of central government not reported in item 1 above	460,208	-	460,208
5. Other entities of central government not reported in item 2 above	100,303	-	100,303
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	3,967,813	29,545	3,997,358
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	63,929,841	4,517,889	68,447,730
Total assets after provisions	104,256,506		
On-Balance Sheet exposure as % of total assets	61.32%		

Supplementary Information

31 December 2025

5) Non-bank Mainland exposures (continued)

	30 June 2025		Total
	On-balance sheet exposures	Off-balance sheet exposures	
	<u>HK\$'000</u>		
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	22,815,124	2,322,510	25,137,634
2. Local government, local government owned entities and their subsidiaries and JVs	14,177,883	1,092,335	15,270,218
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	19,279,838	665,871	19,945,709
4. Other entities of central government not reported in item 1 above	249,557	-	249,557
5. Other entities of central government not reported in item 2 above	6,577	-	6,577
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,419,892	258,896	4,678,788
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	60,948,871	4,339,612	65,288,483
Total assets after provisions	92,930,169		
On-Balance Sheet exposure as % of total assets	65.59%		

Supplementary Information

31 December 2025

6) Currency risk

	31 December 2025				
	HK\$ millions				
	<u>USD</u>	<u>CNY</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Spot assets	48,749	27,151	3,084	745	79,729
Spot liabilities	(55,881)	(23,216)	(57)	(23)	(79,177)
Forward purchases	83,243	38,231	765	20	122,259
Forward sales	(74,912)	(41,194)	(3,663)	(736)	(120,505)
Net options position	(1,426)	891	-	-	(535)
Net long (short) position	(227)	1,863	129	6	1,771
Net structural position	-	-	-	-	-

	30 June 2025				
	HK\$ millions				
	<u>USD</u>	<u>CNY</u>	<u>EUR</u>	<u>Others</u>	<u>Total</u>
Spot assets	38,312	20,658	9,184	22	68,176
Spot liabilities	(44,283)	(16,300)	(7,759)	(17)	(68,359)
Forward purchases	47,758	32,886	119	-	80,763
Forward sales	(41,142)	(35,503)	(1,297)	(5)	(77,947)
Net options position	156	(159)	-	-	(3)
Net long (short) position	801	1,582	247	-	2,630
Net structural position	-	-	-	-	-

The net position in particular foreign currency is disclosed if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies. The net options position is calculated using the delta equivalent approach.

Supplementary Information

31 December 2025

7) Off-balance Sheet exposures

(a) Contingent liabilities and commitments

	31 December 2025	30 June 2025
	<u>HK\$'000</u>	<u>HK\$'000</u>
Direct credit substitutes	-	-
Trade-related contingencies	-	-
Other commitments	10,900,141	7,198,060
Others	-	-

(b) Derivatives

	31 December 2025	30 June 2025
	<u>HK\$'000</u>	<u>HK\$'000</u>
Contract amount		
- Exchange rate contracts	173,746,642	92,225,665
- Interest rate contracts	16,046,244	20,063,166
Fair value		
- Exchange rate contracts	(39,764)	(82,286)
- Interest rate contracts	(6,377)	36,561

The above exposures do not take into account the effects of bilateral netting arrangements.

Supplementary Information

31 December 2025

8) Liquidity

	For the quarter ended 31 December 2025	For the quarter ended 31 December 2024
Average liquidity maintenance ratio	83.56%	77.59%

The average liquidity maintenance ratio is calculated based on the arithmetic mean of the average values reported for each month during the quarter in the Return of Liquidity Position submitted by the Branch to the HKMA pursuant to Section 63 of the Banking Ordinance.

Liquidity Risk Management

Governance

Liquidity risk refers to the risk that a Branch cannot obtain sufficient funds at a reasonable cost for timely debt repayments, fulfilling payment obligations and funding business activities.

The Branch's liquidity risk management structure consists of the Asset and Liability Management Committee ("ALCO"), Finance and Planning Department, Risk Management Department, business units and other relevant departments. The ALCO is responsible for supervising the liquidity risk management, and the departments formulating and carrying out relevant policies and strategies for liquidity risk management.

The Branch adheres to a cautious liquidity risk management principle and a prudent management strategy, and determines a risk tolerance level through regular assessment of risk factors. The Branch establishes a reasonable and effective liquidity risk management mechanism to identify, measure, monitor and control liquidity risk, and ensures sufficient funds for the asset growth and the repayment of liabilities, in normal or stressed business environment.

Funding

The Branch's liquidity and funding positions are managed independently. Funding is mainly sourced from the head office, interbank borrowing, customer deposits and certificates of deposit issued. The ALCO regularly reviews the asset-liability portfolio, market conditions and other factors so as to improve the funding strategy. The Branch continues to exploit the funding opportunities and diversify the funding sources.

Supplementary Information

31 December 2025

8) Liquidity (continued)

Liquidity Stress Testing

The liquidity risk stress test is an important tool for the assessment on quantitative management of the liquidity risk. The Branch considers various factors and formulates stress scenarios on the liquidity risk in accordance with the characteristics of different assets, liabilities and off-balance sheet items. The Branch performs stress testing on a regular basis, which provides the basis for decision making on the formulation and revision of liquidity risk appetite, strategy and limits.

Liquidity Risk Mitigation

The ALCO regularly discusses strategies and plans to manage the liquidity risk of the Branch. To mitigate the risk, the Branch monitors and optimizes the asset and liability structure in a timely manner, through responsive liability management to achieve stable growth of the core liabilities. The Branch also manages the liquidity mismatch risk, and maintains diversified funding sources.

Contingency Funding Plan

To cater for potential or actual crisis, the branch has set up a contingency funding plan that established clear lines of responsibilities, a series of early warning indicators, procedures and contingent funding measures to handle and respond to liquidity crisis. The contingency funding plan is reviewed and the relevant drill is performed at least once a year in order to ensure its effectiveness and operational feasibility.

Source of funding

	31 December 2025	31 December 2024
	<u>% of total liabilities</u>	<u>% of total liabilities</u>
Deposits and balances from banks	22%	22%
Deposits from customers	63%	63%
Amount due to head office	12%	12%
Certificates of deposit issued	2%	2%
Others	1%	1%
Total liabilities	<u>100%</u>	<u>100%</u>

Supplementary Information

31 December 2025

8) Liquidity (continued)

Cash Flow Maturity Mismatch Analysis

	As at 31 December 2025 (HKD'000)						
	Next day	2 days to 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue
Deposits from customers	8,055,717	11,869,306	17,224,220	27,394,232	1,269	-	-
Amount payable arising from derivatives contracts	6,712,065	46,352,635	48,285,979	54,016,959	3,600,201	12,202	-
Deposits and balances from banks	82,884	10,128,028	22,327,734	3,372,127	-	-	-
Debt securities & prescribed instruments outstanding	-	-	557,088	1,169,337	-	-	-
Other liabilities	-	7,266	-	-	-	-	228,609
Capital and reserves	-	-	-	-	-	-	1,210,964
Total on-balance sheet liabilities	14,850,666	68,357,235	88,395,021	85,952,655	3,601,470	12,202	1,439,573
Total off-balance sheet obligations	-	10,900,141	-	-	-	-	-
	Next day	2 days to 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue
Amount receivable arising from derivative contracts	6,712,288	46,860,508	48,376,718	53,984,338	3,552,092	13,187	-
Due from MA for a/c of Exchange Fund	316,641	-	-	-	-	-	-
Balances and placements with banks	4,919,384	8,447,462	1,184,642	1,392,662	-	-	-
Debt securities & prescribed instruments held	22,808,847	-	-	-	-	-	-
Loans and advances to customers	1,650,729	18,083,179	7,969,824	16,038,103	21,444,102	234,424	-
Other assets	-	-	-	-	-	-	74,348
Total on-balance sheet assets	36,407,889	73,391,149	57,531,184	71,415,103	24,996,194	247,611	74,348
Total off-balance sheet claims	-	-	-	-	-	-	5,000,000
Contractual Maturity Mismatch	21,557,223	(5,866,227)	(30,863,837)	(14,537,552)	21,394,724	235,409	
Cumulative Contractual Maturity Mismatch	21,557,223	15,690,996	(15,172,841)	(29,710,393)	(8,315,669)	(8,080,260)	

Positive indicates a position of liquidity surplus, while negative indicates a liquidity shortfall.

Supplementary Information

31 December 2025

8) Liquidity (continued)

Cash Flow Maturity Mismatch Analysis (continued)

	As at 31 December 2024 (HKD'000)						
	Next day	2 days to 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue
Deposits from customers	3,071,058	13,516,342	17,680,270	17,546,261	-	-	-
Amount payable arising from derivatives contracts	1,047,443	10,219,034	8,748,856	6,736,181	595,762	-	-
Deposits and balances from banks	137,368	4,825,685	16,629,043	6,792,547	-	-	-
Debt securities & prescribed instruments outstanding	-	717,455	367,234	776,480	-	-	-
Other liabilities	-	3,986	-	-	-	-	369,070
Capital and reserves	-	-	-	-	-	-	415,109
Total on-balance sheet liabilities	4,255,869	29,282,502	43,425,403	31,851,469	595,762	-	784,179
Total off-balance sheet obligations	-	5,786,820	-	-	-	-	-
	Next day	2 days to 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue
Amount receivable arising from derivative contracts	1,091,505	10,212,792	8,804,471	6,757,450	626,482	-	-
Due from MA for a/c of Exchange Fund	175,452	-	-	-	-	-	-
Balances and placements with banks	5,648,954	8,473,311	406,885	1,419,060	-	-	-
Debt securities & prescribed instruments held	15,579,845	-	-	-	-	-	-
Loans and advances to customers	232,836	19,272,683	3,820,043	10,750,370	17,570,217	-	-
Other assets	-	-	-	-	-	-	134,190
Total on-balance sheet assets	22,728,592	37,958,786	13,031,399	18,926,880	18,196,699	-	134,190
Total off-balance sheet claims	-	-	-	-	-	-	5,000,000
Contractual Maturity Mismatch	18,472,723	2,889,464	(30,394,004)	(12,924,589)	17,600,937	-	-
Cumulative Contractual Maturity Mismatch	18,472,723	21,362,187	(9,031,817)	(21,956,406)	(4,355,469)	(4,355,469)	-

Positive indicates a position of liquidity surplus, while negative indicates a liquidity shortfall.

Consolidated Financial Statements

Ping An Bank Co., Ltd.

(a) Capital adequacy ratio and shareholder's fund

	31 December 2025	30 June 2025
	<u>RMB millions</u>	<u>RMB millions</u>
Capital adequacy ratio	13.77%	13.26%
Shareholders' equity	551,184	510,062

The capital adequacy ratio above is calculated in accordance with the guidelines issued by the National Administration of Financial Regulation, and is not calculated according to the documents as stated in Section 105(a) of the Banking (Disclosure) Rules.

(b) Other financial information

	31 December 2025	30 June 2025
	<u>RMB millions</u>	<u>RMB millions</u>
Total assets	5,925,777	5,874,961
Total liabilities	5,374,593	5,364,899
Total loans and advances	3,390,840	3,408,498
Total customer deposits	3,582,755	3,694,471
	Year ended	Year ended
	31 December 2025	31 December 2024
	<u>RMB millions</u>	<u>RMB millions</u>
Pre-tax profit	51,159	54,738

1 CNY = 1.0597 HKD at 31 December 2024

1 CNY = 1.0958 HKD at 30 June 2025

1 CNY = 1.1142 HKD at 31 December 2025

Remuneration

Ping An Bank Co., Ltd., Hong Kong Branch's ("Hong Kong Branch") has adopted the remuneration policy and principles stipulated by Ping An Bank Company Limited ("Head Office"). The remuneration policy has been approved by the Head Office and is applicable to all levels of employees. The bank has fully complied with "Guideline on a Sound Remuneration System" issued by the HKMA to disclose information in relation to our remuneration and incentive mechanism. The following groups of employees have been identified as "Senior Management", including Chief Executive, Alternate Chief Executive and Assistant President, etc., who are responsible for overseeing the Branch-wide strategy or material business lines.

The fixed remuneration of the Hong Kong Branch is linked to multiple factors including market salary level, seniority, experience and competence, position value, etc. The variable remuneration of the Hong Kong Branch is based on both financial and non-financial performance, which hinged on the Branch's overall performance, and distributed to employees according to individual staff's contribution. In the event of misconduct, a reduction to, or elimination of, any variable remuneration may be reflected from the amount of remuneration.

In order to prevent excessive short-term gains generated by taking greater risks, and to encourage employees to take long-term value creation, time horizons of risk, potential business risks minimization and relevant losses into consideration, the variable remuneration of the Branch is subject to a deferral mechanism, as stipulated by Head Office. The impacts of deferral policy are vesting conditions, proportion and time line to employees depend on a number of factors, including employee's seniority, positions, risk association, etc.

For the years ended 31 December 2025 and 31 December 2024, remuneration of the Senior Management is disclosed below:

Total value of remuneration awards to six senior management and eleven key personnel for the year of 1 January 2025 to 31 December 2025

	Non-deferred	Deferred
	<u>HK\$'000</u>	<u>HK\$'000</u>
Fixed remuneration ⁽¹⁾		
● Cash-based	24,778	N/A
Variable remuneration ⁽²⁾		
● Cash-based	9,121	3,670

Remuneration

Total value of remuneration awards to eight senior management and twelve key personnel for the year of 1 January 2024 to 31 December 2024

	Non-deferred	Deferred
	<u>HK\$'000</u>	<u>HK\$'000</u>
Fixed remuneration ⁽¹⁾		
● Cash-based	25,991	N/A
Variable remuneration ⁽²⁾		
● Cash-based	8,132	2,897

Remarks:

- 1) Fixed remuneration included basic salary and allowance only.
- 2) Variable remuneration includes performance bonus and incentives only, and subject to deferment according to the policy set out by Head Office.

Total value of guaranteed bonuses, sign-on awards and severance payments for our senior management and key personnel for the year of 1 January 2025 to 31 December 2025

Special payments	Guaranteed bonuses		Sign-on awards		Severance payments	
	Number of employees	Total amount <u>HK\$'000</u>	Number of employees	Total amount <u>HK\$'000</u>	Number of employees	Total amount <u>HK\$'000</u>
Senior management and key personnel	N/A	N/A	N/A	N/A	1	90

Total value of guaranteed bonuses, sign-on awards and severance payments for our senior management and key personnel for the year of 1 January 2024 to 31 December 2024

Special payments	Guaranteed bonuses		Sign-on awards		Severance payments	
	Number of employees	Total amount <u>HK\$'000</u>	Number of employees	Total amount <u>HK\$'000</u>	Number of employees	Total amount <u>HK\$'000</u>
Senior management and key personnel	N/A	N/A	N/A	N/A	2	488

Compliance Statement

The Ping An Bank Co., Ltd., Hong Kong Branch's 2025 annual financial disclosure statements are prepared in full compliance with the requirements set out in the Banking (Disclosure) Rules and the Supervisory Policy Manual (SPM) module CA-D-1 "Guideline on the Application of the Banking (Disclosure) Rules" issued by the HKMA.



Li Yi

Alternate Chief Executive

Ping An Bank Co., Ltd., Hong Kong Branch

29th April, 2026