

ANNUAL REPORT 2025



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Metropolitan Bank (China) Ltd.
Arthur V. Ty, Chairman



Chairman's Statement

Keeping Pace with the Times and Connecting to the Future: Serving as a Financial Bridge at the Crossroads of History

As this annual report is presented to you, we stand together at the forefront of an era marked by profound transformations. The year 2025 not only represents a pivotal milestone in the development journey of Metropolitan Bank (China) Ltd. (hereinafter referred to as “Metrobank (China)”) but also a strategic advancement year where we identified new opportunities amid changes and defined our core value through integration.

Over the past year, the global economy has struggled to find stability amid multiple paradigm shifts. However, the “giant ship” of China's economy, armed with its unique resilience, steadfastness, and reform wisdom, has navigated through cycles and is heading toward broader horizons of high-quality development. Against this grand backdrop, every step we take is aligned with the core rhythm of national development and connected to the profound expectations of our customers, partners, and even the general public.

We have deepened our symbiotic bonds with this land through key breakthroughs. In April 2025, the Bank officially obtained approval to conduct RMB business for domestic residents. This achievement goes far beyond the acquisition of a business license, it symbolizes a profound localization transformation and identity elevation for Metrobank (China) since it took root in China. It means we can now fully integrate into China's financial ecosystem, growing into an important member capable of fully engaging in and serving the economic vitality of Chinese society from a participant in China's financial market. This grants the Bank unprecedented capabilities to connect China's domestic and international dual circulations. Meanwhile, the major upgrade of Changzhou and Shanghai Branches stands as tangible evidence of our efforts to optimize our strategic layout and enhance service capabilities. These branches, equipped with a more contemporary outlook, will serve as new pillars for our shared growth and prosperity with the Yangtze River Delta—a dynamically developing region in China.

We have expanded the spiritual boundaries of corporate citizenship through unwavering commitment to values. Ultimately, business success is measured by its contribution to social progress. In 2025, a milestone year marking the 50th anniversary of China-Philippines friendship, we launched the Rural Children's Painting Competition and the MinHai Youth Study Tour under the name of "Dr. George Ty - Metrobank". These initiatives are more than just charitable acts, they represent vivid practices of investing in future cultural exchanges. We strive to convey warmth, inspire dreams, and foster understanding beyond the realm of finance—this is the core expression of our commitment to long-termism and pursuit of comprehensive value. The vitality of an enterprise stems from a positive value cycle with society, and we are dedicated to nurturing this cycle.

Those who understand trends are wise, and those who harness them achieve success. Currently, we face an increasingly complex and diverse global landscape: technological advancements are reshaping industries and daily life at an exponential rate; green development is transitioning from a consensus to urgent action; and the global economic governance system is seeking a new balance amid restructuring. Meanwhile, China is steadily advancing Chinese-style modernization, whose rich connotations including the pursuit of common prosperity, the commitment to self-reliance in science and technology, and the emphasis on harmonious coexistence between humans and nature are generating unprecedented structural opportunities. As the core of the modern economy, finance has evolved from a simple capital intermediary to a key hub for resource allocation, risk adjustment, and expectation guidance. At this historic crossroads, Metrobank (China)'s unique DNA - its profound Asian heritage, cross-border network perspective, and in-depth localization experience in China endows it with a special mission: to act as a "financial bridge" connecting diverse markets, capital, and opportunities. This bridge should not only facilitate the flow of capital but also convey the sincerity of trust and promote collaborative development.

Looking Ahead to 2026, We will Shift Our Focus Beyond Short-term Business Metrics to All-Round Services Lead Ultimate Experience:

We will actively act as a connectivity hub in the new global landscape. As the form of globalization undergoes profound adjustments. We will leverage the group's network advantages to promote economic, trade, and capital interactions between China, Southeast Asia, and broader regions. We will assist customers in identifying new positions amid value chain restructuring, managing risks, and capturing stable growth amid uncertainties.

We will courageously embrace the new financial paradigm driven by technological revolution. Technologies such as artificial intelligence and block chain are reshaping the fundamental logic of finance. We will proactively explore how these technologies can transform our product innovation, risk management, and customer engagement approaches, striving to build a more intelligent, open, and financial service platform.

We will firmly practice responsible finance oriented to sustainable development. We will integrate environmental and social factors more deeply into our decision-making processes, vigorously develop green finance, drive low-carbon transformation for both ourselves and our customers.

Looking at the present, Metrobank (China) has stood at the starting point of deeply cultivating the local market. We will take business as the fulcrum, service as the support, social responsibility practice as the anchor, and the group's global resources as the advantage to build a more comprehensive service platform for Chinese and foreign customers, play the role of your most trustworthy partner, and lead a ultimate experience of excellent service.

Arthur V. Ty
April 2026

President's Message

Sustainable Banking With Meaningful

Looking back on the ups and downs of the global and Chinese economic and financial markets in the past year, we have a deeper understanding of the practical significance of "seeking progress while maintaining stability". In 2025, the global economy moved forward under pressure from multiple challenges such as rising protectionism, geopolitical tensions, accumulation of debt pressures and divergence of monetary policies, which had a sustained impact on global trade and investment. China's economy insisted on steady progress, accelerated the development of new quality productive forces in deepening the structural reform of the supply side, and strived to promote high-quality development. Macroeconomic policies focused on expanding domestic demand, stimulating the vitality of business entities, and preventing and resolving risks in key areas, so as to continuously consolidate and enhance the economic recovery. Under this background, the operating environment of China's banking industry has shown a series of new features: the pressure of interest margin management continued under the low interest rate environment, the accuracy and forward-looking requirements of risk prevention and control were further enhanced, the digital transformation and green financial development were further promoted, and the mission of serving the real economy and doing a good job in the "five major articles" needed to be better shouldered.



Metrobank (China) Ltd.

Thomas Huang, President & Executive Director

Under this background, Metrobank (China) has always adhered to the business philosophy of "keeping risk management and compliance as baseline", adhered to the original intention of serving for the real economy, and actively responded to market changes. We are grateful for the long-standing trust and support of our customers, as well as the concerted efforts of all staff. In 2025, we have once again demonstrated resilient growth. **The business scale grew steadily and the structure was continuously optimized.** Total assets expanded steadily to RMB23.323 billion by the end of 2025, representing an increase of 14% from 2024. Among them, the loan balance reached RMB10.168 billion, 7% higher than the same period last year. The credit resources continued to be precisely invested in key areas of the real economy. The balance of total liabilities was RMB21.094 billion, up 15% year on year. The deposit scale reached a record high again, with a balance of RMB15.088 billion, rising 8% year on year, indicating increased customer confidence in the Bank. We achieved 10% increase in operating income, which was reported at RMB349 million. The net profit was RMB65.29 million, an increase of 4% over the same period last year, maintaining a good momentum. **The quality of assets remained good and the ability to resist risks was solid.** We always regard asset quality as our lifeline. By the end of 2025, the non-performing loan ratio was controlled at a low level of 0.16%, the loan provision ratio went up to 2.23%, and the provision coverage ratio was maintained at a sufficient level of 1386.22%. Moreover, based on the sound risk management system of the Bank, good liquidity as well as the strong strength of the Metrobank group, the Bank maintained its AA + domestic long-term entity credit rating and Baa2 (investment grade) international local currency and foreign currency deposit long-term rating in 2025, both with a stable outlook.

At the end of April 2025, the Bank also obtained RMB business license for domestic residents, thereby becoming one of the few fully licensed foreign banks in China. This milestone has formally established a new framework for diversified synergistic development across corporate and retail banking, as well as cross-border and domestic operations.

The strategic layout has been deepened and implemented, and the distinctive advantages have been continuously highlighted. In 2025, we focused on the following areas around the established vision mission:

Build a strong line of defense against risks and protect the safety of assets: In the face of the complex situation, we continued to strengthen comprehensive risk management, deepened the refined management of credit risk, market risk and operational risk, and strictly adhered to the bottom line of risk to ensure the stability of bank operations and the safety of customer assets.

Adhere to customer-centric, enhance service experience: "Customer-Oriented" is our commitment to no change. We are committed to building a professional and efficient service team, optimizing service processes, focusing on upgrading customer experience, accelerating product innovation and iteration, and strengthening the integrated application of credit, transaction banking, investment banking and personal wealth management products, to provide customers with more targeted integrated financial solutions.

Develop cross-border finance to empower China's open economy: By seizing the opportunities brought by China's high-level opening up, giving full play to our natural advantages in cross-border network and product innovation, deepening cross-border linkage with the parent bank, we provided convenient and diversified financial support for trade and cross-border investment of Chinese and foreign enterprises.

Accelerate digital transformation to empower future development: We leveraged digitalization as a key driver, continuously increased investment in technology to optimize online business scenarios and enhance operational efficiency, thereby empowering customer service and internal management through technological capabilities.

Implementing the EESG concept to promote sustainable development: We embedded the economic, environmental, social and corporate governance (EESG) philosophy deeply into the credit investment, product research and development, customer service, daily operation and other aspects, to achieve the unity of business value and social value.

Looking forward to 2026, although the complexity, severity and uncertainty of the external environment still exist, China has the demand advantage of a super-large-scale market and the supply advantage of a complete industrial system. Its determination to build a new development pattern and promote high-level opening-up is no change. Industrial upgrading and technological innovation will continue to inject new momentum into economic development and shape new development advantages. These provide a broader space for the banking industry to grasp the strategic opportunities and consolidate the sound operation foundation in the changing situation.

“Good Service, High Efficiency, Good Reputation, Small yet Exquisite & Decent” is our long-term vision mission. The road ahead is long and arduous. Yet by persevering, we shall reach our destination. In 2026, Metrobank (China) will continue to maintain its strategic focus and grasp the certainty in the uncertainty: firstly, we will stick to the certainty of risk compliance to build a safety cushion for development; secondly, we will stick to the certainty of customer service, focus on the iterative momentum of corporate banking business and financial markets business, gather the new momentum of retail finance, and cultivate the service moat; thirdly, we will adhere to the certainty of specialized operations, particularly leveraging distinctive advantages in cross-border finance, while expanding into global business domains; fourthly, we will adhere to the certainty of long-term doctrine, and consolidate the foundation of sustainable development through EESG practice, talent cultivation and continuous optimization and upgrade of the IT systems.

Only by working hand in hand can we go steadily and far. In the new year, Metrobank (China) will continue to work together with you to share development opportunities and win a better future!

Thomas Huang
April 2026



About Metropolitan Bank and Trust Company

Metropolitan Bank and Trust Company (hereinafter referred to as “Metrobank Group”) is a diversified financial services company founded in 1962 by patriotic overseas Chinese Dr. George Ty from Quanzhou, headquartered in Manila, Philippines.

In 1981, Metrobank Group became the first bank to be granted a universal banking license by the Central Bank of the Philippines (BSP). Its business includes comprehensive public and private business including deposits and loans, trade financing, settlement, credit card, insurance, trust and investment banking. After more than 60 years of development and operation, Metrobank Group has become a large scale commercial bank group, including a number of savings bank, investment bank, finance company, securities company, credit card company, exchange company, insurance company, leasing company, etc. The group is listed on the Philippine Stock Exchange under the symbol “MBT”.

At present, Metrobank Group has nearly 1,000 branches or affiliates around the world. Metrobank Group has become one of the most important commercial banking groups in the Philippines and has maintained a good international influence. It has won the title of the Strongest Commercial Bank in the Philippines for many years from the Asian Banker. Metrobank Group has an excellent external rating. Moody's recently grant a long-term debt rating of Baa2 and an outlook rating of STABLE.

About Metrobank (China)

Metrobank (China) is a wholly foreign-owned bank approved by CBIRC and established in Nanjing by Metrobank Group. On March 2, 2010, Metrobank (China) officially opened its business. As the first wholly foreign-owned bank in Jiangsu Province, Metrobank (China) has been developing branches around the initial development strategy of “taking the Yangtze River Delta as the center and further radiating the whole country” since its restructuring and opening up in 2010. As of the end of 2025, Metrobank (China) has seven branches in Shanghai, Nanjing, Changzhou, Quanzhou, Xiamen, Suzhou, Ningbo, as well as two sub-branches of Shanghai Pudong Sub-branch and Changzhou Wujin Sub-branch. The total amount of employees in the Bank reached to 294.

Metrobank (China) has been continuously innovating in the midst of steady development and providing excellent quality financial services to the customers in China and all over the world. As for the long-term corporate credit rating, with excellent operating performance and sound risk control, Lianhe Credit granted Metrobank (China) AA+ credit rating for 4 consecutive years. In 2025, Moody's maintained Metrobank (China)'s Baa2/P-2 deposit rating with a stable outlook and assigned an ESG Credit Impact Score of CIS-2.

Since its establishment, Metrobank (China) is always committed to the excellent service principle of “Customer Oriented”, and integrates the core values of “Integrity, Service, Efficiency, Professionalism and Innovation” into the customer value proposition. The Bank introduces the advanced international management concept and experience from the parent bank and combines with the local culture and industry operation in China so as to strive to provide internationalized, diversified and high-standard banking services to the customers. We are committed to be a specialty bank with “Good Services, High Efficiency, Good Reputation and Small Yet Exquisite & Decent”.

VISION & MISSION STATEMENT

To be the country's premiere financial conglomerate, empowering our individual and business clients to realize their goals and reach their full potential. By creating and customizing financial solutions in response to our stakeholder's needs, continuously expanding our scope of reach, and leading in community service, we live up to our “You're in Good Hands” embodies who we are and what we do. We are Metrobank.

WE COMMIT TO BE

The Trusted Financial Partner The Employer of Choice A Responsible Bank An Institution with a Heart

Corporate Information

Registered Name: Metropolitan Bank (China), Ltd.

Legal Representative: Arthur V. Ty

Registered Office: Room 2103-2111, 2201-2216, One ifc, Nanjing ifc, No.347 Jiangdong Middle Road, Jianye District, Nanjing, Jiangsu Province

Date of Incorporation: 14 January 2010

Paid up Share Capital: RMB1,700,000,000

Customer Service Line: 400-864-9000

Bank Network

| Unit | Address | Phone No. | Fax No. | Zip Code |
|----------------------------|---|------------------|---|----------|
| Head Office | L21/22, One ifc, Nanjing ifc, No.347 Jiangdong Middle Road, Jianye District, Nanjing, Jiangsu Province | (025) 6858 4194 | / | 210019 |
| Nanjing Branch | Room 1701-2,17F,China Life Building,No.179 Yanshan Road, Jianye District, Nanjing, Jiangsu Province | (025) 6976 1345 | / | 210019 |
| Shanghai Branch | Room 101/102/103, No.1152 & Room 301/302/303/2505, No.1160 & Room 305, No.1168 West Yan'an Road, Changning District, Shanghai | (021) 3183 2500 | (021) 3183 3379 (021) 3183 3378 (021) 3183 3376 | 200052 |
| Changzhou Branch | No.88-301, Tongjiang South Road, Zhonglou District, Changzhou City, Jiangsu Province | (0519) 6896 0169 | / | 213003 |
| Quanzhou Branch | Unit 1302-1303, South Asia Plaza, 666 Fengze Street, Fengze District, Quanzhou, Fujian Province | (0595) 2988 9372 | (0595) 2988 9377 | 362000 |
| Xiamen Branch | Unit 05-07, 11F, Yishan Business Center(Xiamen Fortune Center), 100 Lujiang Road, Siming District, Xiamen, Fujian Province | (0592) 2110 265 | (0592) 2113 275 | 361001 |
| Suzhou Branch | 1805-1808, China Life Finance Center, Building 24A, Harmony Times Square, Suzhou Industrial Park, Suzhou, Jiangsu Province | (0512) 8885 9159 | / | 215000 |
| Ningbo Branch | 20F, New World Ningbo Tower, No. 51, Sanyanqiao Street, Ningzhu Square, Yinzhou District, Ningbo, Zhejiang Province | (0574) 2890 0173 | / | 315000 |
| Shanghai Pudong Sub-Branch | Building D, 12F, New Shanghai International Tower, No.360 South Pudong Rd., Pudong New Area, Shanghai | (021) 3183 3336 | / | 200122 |
| Changzhou Wujin Sub-Branch | No.101-102, Building13, Wanda Plaza, Wujin District, Changzhou, Jiangsu Province | (0519) 6896 0158 | / | 213100 |

(By the end of 2025)

Important Highlights

Feb

Metrobank (China) officially launched remote account opening services

Experts from the Special Account Management Team of Metrobank Group visited China for the first time to organize training for the whole bank

Mar

Metrobank (China) won CBIMC 2025 Financial Consumer Education and Publicity Outstanding Case

Apr

Metrobank (China) Changzhou Branch relocated to a new premises, embarking on a new journey of serving the Yangtze River Delta region

With the theme of "Friendship, Dream and the World", The 4th "Dr. George Ty-Metrobank" Rural Children Painting Competition launched

Metrobank (China) renewed its new financial license and simultaneously obtained the RMB business license for domestic residents

Jun

Metrobank (China) Launched special ESG campaign "Seeking the ESG Working Spot" for all employees

Jul

Metrobank (China) won the title of 2025 'Golden Promise Annual Brand Promotion Video' award

Aug

Metrobank (China) hosted a Touring Forum with the theme of "Hand in Hand with Metrobank, Side by Side Forward Future" in Nanjing

Metrobank (China) launched The MinHai Youth Study Tour in Xiamen

Sep

Metrobank (China) hosted an exchange event for Taiwan-funded banks in Shanghai

Oct

Metrobank (China) successfully launched two new structured deposit products, namely "Huitong Deposit" and "Huiying Deposit"

Metrobank (China) hosted a specific training session on syndicated loan transfer business for foreign banks in Shanghai

Metrobank (China) Nanjing Branch, in collaboration with the International Department of Hexi Foreign Language School, jointly organized an educational practice event themed "Financial Journey: Building Dreams for the Future"

Nov

Metrobank (China) upgraded branding with the launch of new Logo design as well as the new uniforms.

Metrobank (China) Shanghai Branch underwent a comprehensive upgrade, creating a service "Model Branch"

Dec

Metrobank (China) launched cooperative exchange with the Philippine Metrobank Foundation in Shanghai

Economic Situation

A close-up, slightly blurred photograph of a person's hands in a dark suit jacket and white shirt cuff, typing on a black laptop keyboard. The person is sitting at a light-colored desk. In the background, another person's hands are visible, holding a pair of glasses. The overall scene suggests a professional or business environment. The text 'Economic Situation' is overlaid in a large, white, bold, sans-serif font across the center of the image.

Economic Highlights

| | 2025 | 2024 | Increase/ (Decrease) |
|-----------------------------------|-----------------|-----------------|-------------------------|
| Operating Result | RMB '000 | RMB '000 | % |
| Net interest income | 310,392 | 251,802 | 23.27 |
| Total operating income | 348,686 | 317,192 | 9.93 |
| Total operating expense | 207,998 | 200,327 | 3.83 |
| Impairment losses | 48,645 | 28,012 | 73.66 |
| Profit before tax | 89,735 | 85,363 | 5.12 |
| Net Profit | 65,291 | 62,512 | 4.45 |
| Balance Sheet | RMB '000 | RMB '000 | % |
| Total assets | 23,323,499 | 20,436,485 | 14.13 |
| Financial Indicators | % | % | % |
| Return on equity | 2.98 | 3.10 | -0.12 |
| Return on assets | 0.30 | 0.33 | -0.03 |
| Cost/income ratio | 59.65 | 63.16 | -3.51 |
| Loan-to-deposit ratio | 67.39 | 68.38 | -0.99 |
| Liquidity ratio | 78.26 | 93.12 | -14.86 |
| Leverage ratio | 8.42 | 9.28 | -0.86 |
| Non-performing loan ratio | 0.16 | 0.17 | -0.01 |
| Loan provision ratio (Note 1) | 2.23 | 1.96 | 0.27 |
| Provision coverage ratio (Note 1) | 1,386.22 | 1,147.57 | 238.65 |
| Capital adequacy ratio (CAR) | | | |
| Core Tier 1 CAR | 14.43 | 15.05 | -0.62 |
| Tier 1 CAR | 14.43 | 15.05 | -0.62 |
| CAR | 15.61 | 16.24 | -0.63 |

In 2025, regulators requested the Bank's loan provision ratio to be no less than 2.10% and provision coverage ratio to be no less than 140%.

The image features a group of approximately 15 business professionals in a modern office setting, silhouetted against a bright background of large windows. They are engaged in various activities: some are standing and talking, others are seated at a long table. The scene is reflected on a glossy floor. The text 'Corporate Governance' is centered in a large, white, sans-serif font.

Corporate Governance

Performance of Board of Directors and Supervisor

Board of Directors

In 2025, the Board of Directors of the Bank is composed of 9 directors, including 3 independent directors. The Board of Directors is authorized to decide all substantial matters except for those to be decided by the shareholder. The Board of Directors conducts procedures in the aspects of decision-making, authorizing, and voting in strict compliance with laws, regulations, and the Articles of Association. All the directors attend the board meeting in an earnest and responsible manner. They understand the rights, obligations, and responsibilities as a director, keep diligence to fulfill their responsibilities and pay attention to guarantee the interest of the Bank and the shareholder. The Board has built up an effective decision-making and supervising mechanism. During the year of 2025, the Bank held 4 regular board meetings and 1 interim meeting.

Supervisor

The Bank has 1 supervisor, whose responsibility is to supervise the Board of Directors and senior management in an independent and fair way, and prevent the Board of Directors and senior management's behaviors from hurting the legal rights and interests of the Bank, the shareholder and depositors.

The supervisor attended all board meetings and reviewed meeting materials and minutes of the Board of Directors and the Board-level committees, and actively fulfilled her responsibilities.

| Position | Name | Gender |
|-------------------------------|-----------------------------|--------|
| Chairman of Board | Arthur V.Ty | Male |
| Vice Chairman of Board | Lin Gui Xian | Female |
| Executive Director, President | Thomas Huang | Male |
| Independent Director | Peter Yueh | Male |
| Independent Director | Terence Lau | Male |
| Independent Director | Calvin Leung | Male |
| Non-executive Director | Anthony Paul C. Yap | Male |
| Non-executive Director | David Lin | Male |
| Non-executive Director | George Tsai | Male |
| Supervisor | Marilou C. Bartolome-Cirilo | Female |



Mr. Arthur V. Ty, MBA, Columbia University, was approved as the Chairman of Metrobank (China) by the regulators in December 2009. Mr. Arthur V. Ty has over 30 years of experience in international finance and management. He joined Metropolitan Bank & Trust Company in 1991 and was appointed as Director in 2002 and as President in May 2006. Mr. Ty has been the Chairman of Metropolitan Bank & Trust Company since May 2012. He is also the director of multiple subsidiary and associate companies within Metrobank Group, including as the Vice Chairman of Philippine Savings Bank.



Ms. Lin Guixian, MBA, Macau University of Science and Technology, joined Metrobank (China) in June 2009 and was appointed Executive Vice President, Executive Director and President successively. She was appointed Vice Chairman of the Board with regulatory approval in May 2017. Prior to joining Metrobank (China), Ms. Lin Guixian served in the Industrial and Commercial Bank of China for a long time, where she was Head of the Planning and Finance Department, Head of the Credit Management Department and Deputy General Manager of Nanjing Branch of Jiangsu Provincial Branch.



Mr. Thomas Huang, Master of International Business, Tamkang University, joined Metrobank (China) in February 2015 and was appointed Managing Director, Executive Director and Board Advisor successively. He was appointed Executive Director and President with regulatory approval in June 2023. Prior to joining Metrobank (China), Mr. Thomas Huang served in financial institutions including EnTie Commercial Bank, Ta Chong Bank and Fubon Bank (China) Ltd., where he served as Sub-branch Manager, Branch General Manager, Vice President of the Financial Product Division, etc.

Performance of Board of Directors and Supervisor



Mr. Peter Yueh, Master in Management, National Cheng Kung University, Taiwan, became Independent Director of Metrobank (China) since April 2025. Prior to joining Metrobank (China), Mr. Peter Yueh served in financial institutions including Bank Sinopac, First Sino Bank and Fubon Bank, where he served as Vice President of the Head Office, Chief Risk Officer, Chief Operating Officer and Chief Financial Officer.



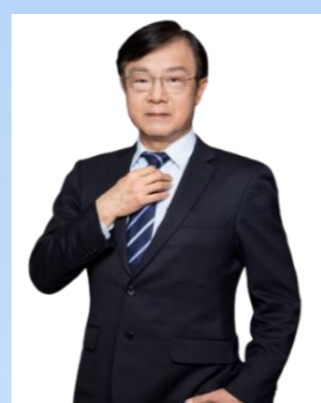
Mr. Terence Lau, MBA, York University, Canada, became Independent Director of Metrobank (China) since September 2025. Prior to joining Metrobank (China), Mr. Terence Lau served in accounting firms such as PWC, Arthur Andersen, EY and Deloitte, with rich experience in audit and advisory services of financial institutions. Mr. Lau was the Independent Director of Citibank (China) Co. Ltd, and is currently the Independent Director of Credit Agricole Corporate & Investment Bank (China) Limited.



Mr. Calvin Leung, MBA of the University of South Australia, has served as an Independent Director of Metrobank (China) since December 2025. With over 35 years of experience in international banking, he possesses extensive expertise and leadership role in trade and commodity finance, transaction banking, corporate and institutional banking. Prior to joining Metrobank (China), he held senior regional management positions for Greater China at several leading financial institutions, including Union Bank of Switzerland, DZ BANK AG, and National Australia Bank, Hong Kong Branch.



Mr. Anthony Paul C. Yap, MBA, Ateneo de Manila University, was appointed Non-executive Director of Metrobank (China) since July 2025 with regulatory approval. He has long served at Metropolitan Bank & Trust Company, currently as Head of International Offices and Subsidiaries Group, and previously as Head of Treasury Group, Head of Branch Banking Sector and Head of Corporate Banking Group.



Mr. David Lin, Bachelor of business management, Fu Jen Catholic University, joined Metrobank in August 2016. He was appointed Board Advisor, Vice Chairman of the Board, Executive Director and President successively, and became a Non-executive Director since June 2023. Prior to joining Metrobank (China), Mr. David Lin served in International Commercial Bank of China (now Mega Bank) and Fubon Bank where he served as Branch General Manager, Vice President of the Head Office and Chief Executive Officer of Corporate Banking.



Mr. George Tsai, Master of Business Administration, Saint John's University, New York, joined Metrobank (China) in April 2014 as Board Advisor. He became a Non-executive Director since June 2024 with regulatory approval. Mr. Tsai has worked in multiple financial institutions, including Bank of Lyon, Mizuho Corporate Bank, Taishin Bank, DBS Bank, KBC Bank and First Sino Bank, where he served as Vice President of the Business Department, Vice President of the Branch, Deputy General Manager of the Business Department, etc. Mr. Tsai is currently the General Manager of Metropolitan Bank & Trust Company Taipei Branch.



Ms. Marilou C. Bartolome-Cirilo, Bachelor of Science in Accountancy, cum laude at Saint Louis University, joined Metrobank (China) in April 2017 as Supervisor. Ms. Marilou C. Bartolome-Cirilo has over 30 years of experience in the financial industry. She served as the Audit Partner at EY Philippines, later as former Controller of Metropolitan Bank & Trust Company and then as consultant for a number of foundations, with rich experiences in the financial audit and management and transaction advisory of banks and other financial institutions.

Performance of Board of Directors and Supervisor

Board of Advisors



Charles W.B. Cheung



Femand A. Tansingco



Solomon Cua



Larry Chan



Michael Ong

Performance of Board of Directors and Supervisor

Committees under the Board of Directors

To ensure that relevant decisions of the Board are executed in compliance with laws and regulations and are in accordance with the Bank's strategic targets, the Bank has set up Executive Committee, Audit Committee, Risk Management Committee, Related Party Transactions Control Committee and Nomination and Remuneration Committee under the Board of Directors. These committees monitor management's execution of the strategic, risk and operational policies approved by the Board of Directors.

The committees fulfilled their roles and responsibilities as authorized by the Board of Directors. In 2025, the Executive Committee held 12 regular meetings; The Risk Management Committee held 4 regular meetings and 4 interim meetings; The Audit Committee held 4 regular meetings; The Related Party Transactions Control Committee held 4 regular meetings, and the Nomination and Remuneration Committee held 4 regular meetings and 1 interim meeting.

Performance of Independent Directors

The Bank has 3 independent directors, accounting for one-third of the total number of directors. The chairpersons of the Related Party Transactions Control Committee, Audit Committee, and Nomination and Remuneration Committee are all independent directors, and the proportion of independent directors in each Board-level committee meets the regulatory requirements.

In 2025, all independent directors diligently fulfilled their duties, reviewed meeting proposals, and expressed objective and impartial independent opinions and suggestions on the Bank's operational development, corporate governance, risk management, internal control, etc. They played an active role in promoting reasonable decision-making by the Board of Directors and ensuring the stable operation of the Bank.

Committees under Management Team

To ensure that management's execution of Board decisions is in accordance with the Board resolutions, the daily operation is in accordance with relevant regulatory policies, indicators and the daily business is conducted in accordance with the requirements of business development and risk control. The Bank set up Credit Committee, Assets and Liabilities Committee, Information Technology Committee, Anti Money Laundering Committee, Rewards and Discipline Committee and Emergency Management Committee under the management team. In 2025, all the committees actively fulfilled their responsibilities.

Remuneration Policy and Management

The remuneration policy of Metrobank (China) aims to provide competitive remuneration package to appropriately attract, motivate and retain high quality talents who not only fit the Bank's culture and share the same values but also meet the long-term development of the Bank. Meanwhile, the remuneration entitlement links to the Bank's performance, long-term benefits and risk management. The remuneration policy applies to all of the full-time employees in the Bank.

According to the Bank's remuneration policy, in line with the principles of rewards for productivity and pay for performance, the employee's salary is mainly linked to the individual performance, the Division's or Business Unit's performance. The performance objectives setting clearly shows the requirements and expectations of the Bank for risk management and performance of the division or business unit and the individual. In addition, the compensation of the employees who are taking risk management, compliance and internal audit's roles is independent with the performance of the business lines they supervise.

In line with the Supervisory Guidelines on Sound Compensation in Commercial Banks, the senior executives and the employees whose roles have material impacts on the Bank's risk exposure would have a portion of their variable pay deferred. The deferral payment method links the employees' variable pay to the Bank's performance and current and future risks.

Compensation for Board Directors, Supervisor and Senior Management

In 2025, Metrobank (China) paid a total of RMB2,110,700 compensation to the directors and supervisor, and paid a total of RMB23,043,100 compensation to the senior executives.

Management Team



Management Team



Lin Quan
Head of Financial Markets



Alice Shi
Head of Human Resources



Billy Lau
Corporate Secretary &
Head of Accounting and Finance
Division



Willson Chen
Head of Information
Technology



Katherine Gao
Head of Loan Administration

Management Team



Crystal Yang
Head of Internal Audit



Bin Li
Head of Risk Management



Tomas Wei
Head of Administration
Management &
Head of Security



Louis Liu
Head of Compliance



Rachel He
Head of Operations

Management Team



Raymond Yang

GM of Shanghai Branch



Jasmine Liu

GM of Nanjing Branch



Xuefen Feng

GM of Changzhou Branch



Gary Lu

GM of Suzhou Branch



Terry Zhao

GM of Ningbo Branch



Ryan Yang

GM of Xiamen Branch



Stephen Yu

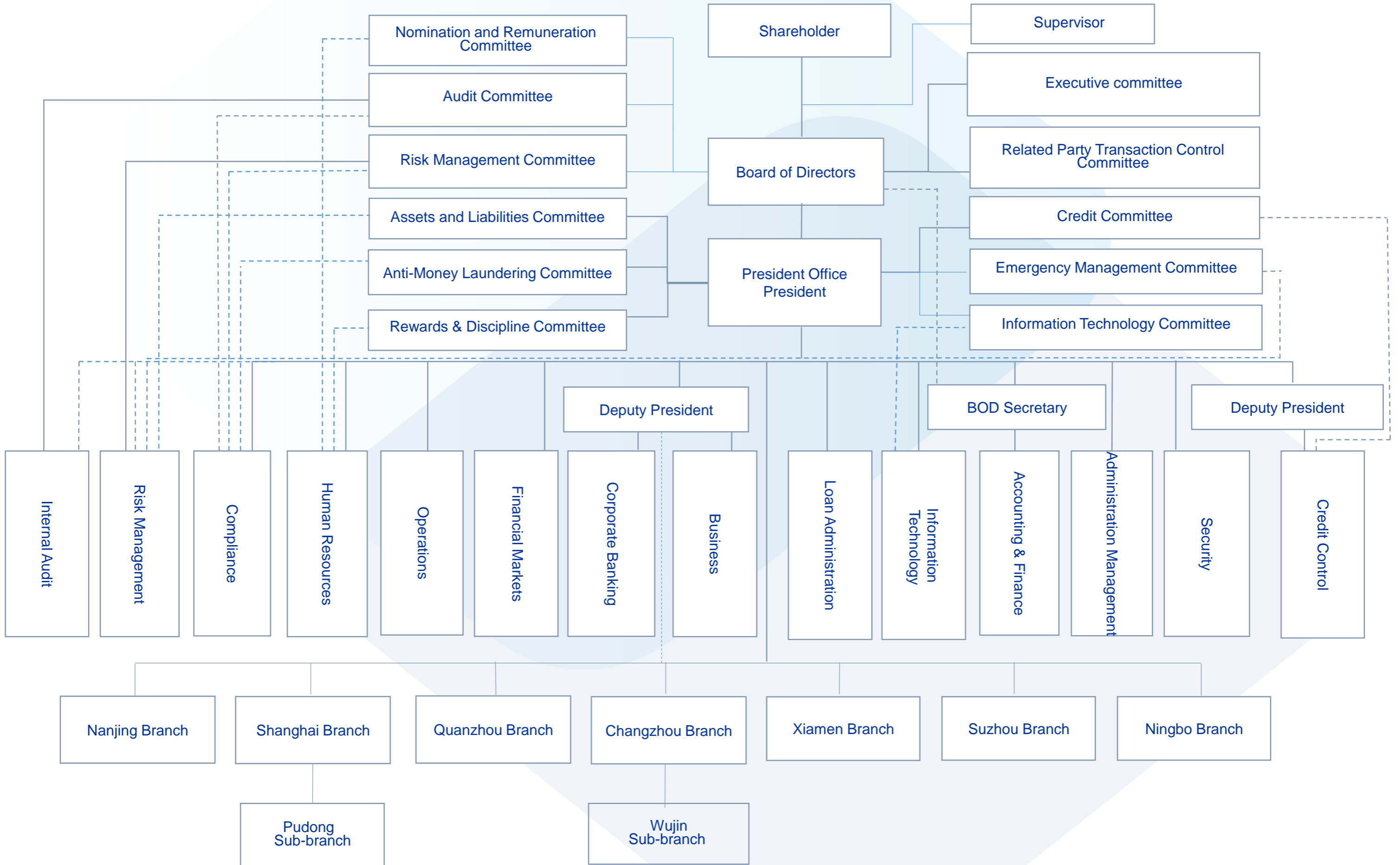
GM of Quanzhou Branch

Management Team

Senior Management

| Name | Position | Gender | Year of Birth | Assignment Commencement | Highest Academic Degree | Years of Experience |
|---------------|---|--------|---------------|-------------------------|---|---------------------|
| Thomas Huang | President & Executive Director | M | 1967 | 2023.06.14 | Tamkang University Master of International Business Management | 32 |
| Wesley Chen | Deputy President Double hatting the Head of Credit Control | M | 1961 | 2023.08.29 | National Taiwan University Bachelor of Economics | 37 |
| Alex Hong | Deputy President | M | 1974 | 2024.06.24 | National Central University Master of Management | 28 |
| Billy Lau | Corporate Secretary & Head of Accounting and Finance Division | M | 1973 | 2023.08.23 | City University of Hong Kong Bachelor of Art (Honors) | 29 |
| Alice Shi | Head of Human Resources | F | 1983 | 2018.08.06 | Shanghai University of Finance and Economics Master of International Economics | 20 |
| Quan Lin | Head of Financial Markets | M | 1979 | 2016.01.13 | University of Durham Master of Science Finance and Investment | 20 |
| Tomas Wei | Head of Administration Management & Head of Security | M | 1972 | 2011.06.20 | Beijing Institute of Machinery Industry Bachelor of Mechanical and Electrical Engineering | 25 |
| Willson Chen | Head of Information Technology | M | 1975 | 2020.03.01 | Shanghai Jiao tong University Bachelor of Engineering in Computer Science and Technology | 30 |
| Crystal Yang | Head of Internal Audit | F | 1982 | 2019.11.14 | Shanghai University of Finance and Economics Bachelor of Financial Management & Business English | 21 |
| Li Bin | Head of Risk Management | M | 1984 | 2020.07.01 | East China Normal University Bachelor of Science in Information and Computer Sciences | 20 |
| Katherine Gao | Head of Loan Administration | F | 1971 | 2025.04.18 | Nantong Industry College Bachelor Degree of Foreign Industrial Trade | 32 |
| Louis Liu | Head of Compliance | M | 1982 | 2025.01.02 | Simon Fraser University Master of Business Administration | 21 |
| Rachel He | Head of Operations | F | 1974 | 2025.04.23 | Economic University Bachelor of Finance | 33 |
| Raymond Yang | GM of Shanghai Branch | M | 1980 | 2024.06.24 | Shandong University Bachelor of Business Administration | 24 |
| Jasmine Liu | GM of Nanjing Branch | F | 1974 | 2022.10.21 | Nanjing University MBA | 31 |
| Feng Xuefen | GM of Changzhou Branch | F | 1971 | 2022.09.13 | Party School of the Central Committee of the Communist Party of China Bachelor of Economics and Management, | 32 |
| Stephen Yu | GM of Quanzhou Branch | M | 1976 | 2021.12.21 | Xiamen University Master of International Trade | 25 |
| Ryan Yang | GM of Xiamen Branch | M | 1975 | 2025.06.20 | Minchuan University Master of Economics | 23 |
| Gary Lu | GM of Suzhou Branch | M | 1982 | 2022.04.02 | Hohai University Bachelor of Accounting | 19 |
| Terry Zhao | GM of Ningbo Branch | M | 1982 | 2022.11.09 | Shanghai Lixin University of Accounting and Finance Bachelor of Accounting | 24 |

Organization Chart



Corporate Banking Business

In 2025, closely following the parent bank's development concept of "Meaningful Banking", the Bank continued to uphold the existing strategic development vision, devoting to build a foreign bank which provides "Excellent Service", has "High Efficiency", and "Good Reputation", and is "Small Sized" yet "Exquisite", so as to achieve sustainable growth in asset scale and business performance. The Bank adhered to the development principle of steadiness and prudence and thoroughly implements the business policy of "Risk Prevention, Promotion of Transformation, Structure Adjustment and Steady Growth". Adhering to the principles of "customer-centered, employee-oriented and profit-driven", the Bank continuously improved the quality and efficiency of financial services, and devoted to achieving the overall goal of "Sustainable Banking with Meaningful".

Looking ahead, the Bank will take "All-round Services Lead Ultimate Experience" as the development theme, focus on three core business segments of corporate banking business, financial market business and global business, to build an integrated comprehensive service platform, create new revenue growth points, continuously optimize the assets structure, revenue structure and internal control management level, and strive to become a provider of all-round financial solutions.

Meanwhile, the Bank will jointly promote the development of personal wealth management business, advancing in an integrated manner following the three directions of "customer group positioning + cross-border collaboration + system support", and the concept of "taking corporate business as the foundation and personal wealth management as the extension". On the one hand, make full use of corporate customer resources to promote personal wealth management, enabling corporate banking business to drive the coordinated development of personal wealth management. On the other hand, relying on the business accumulation of parent bank in China, the Bank will continuously improve the deposit mechanism for the parent bank's customer in China, and achieve business synergy and value enhancement, through the integration of cross-border resources.

Facing the complex and volatile international situation and macroeconomic environment, as well as the increasingly fierce competition among peers, the Bank had always adhered to the original intention of providing financial services, consolidated the foundation for steady development, continuously strengthened the risk prevention and control system, adhered to the development strategies of focusing on regions, industries, customers, and products, continuously promoted the iterative upgrading of financial tools and services, and strived to create differentiated financial services, so as to jointly promote high - quality development with our customers.

The Bank had always been committed to deeply integrating corporate business with the Chinese market and aligning it with global development. the Bank will promote and implement this through the following six aspects:

In terms of region and customer, deeply anchoring to the local market characteristics and the core needs of customers, the Bank provided highly adaptable professional financial solutions. Centering on the diversified financial demands of Chinese and foreign-funded enterprises and their industrial chain customers, relying on the global institutional network of the parent bank, the Bank constructed a full-chain global financial service system covering the whole chain of cross-border settlement, investment and financing, and risk management, etc. Seizing the opportunity of China's high-level opening up, the Bank actively expand the incremental space of the global financial market, and enable mutual benefit and win-win results for banks and enterprises..

In terms of industries, the Bank continuously increased financial support for the real economy, with a particular focus on key areas such as the transformation and upgrading of traditional industries, advanced manufacturing industries, strategic emerging industries. The Bank gave full play to the comparative advantages of foreign banks in the Group's global network, risk control management, global business and product innovation, strengthening financial empowerment and support for China's foreign trade, cross-border investment and the construction of an open economic.

In terms of product innovation, the Bank deepened strategic cooperation with domestic peers by closely adhering to the requirements of enhancing global financial service capability under China's high-level opening-up and, relying on group's global resource endowment,. The Bank focused on key businesses such as Southeast Asia manufacturing, onshore-guaranteed offshore loans for Chinese-funded enterprises, bond investment, syndicated loans, bill financing, cross-border trade financing, foreign exchange settlement and sale and derivatives. By linking the group's global network resources with the development needs of domestic customers going global, the Bank created a diversified investment product system. Whiling meeting the cross-border personal wealth management needs of domestic residents and helping enterprise cultivate new drivers of development, the Bank addressed customer's core demands through the integration of peer resources. Enhancing service value through product innovation. Meanwhile, the Bank become an international bridge with ASEAN characteristics on the "full service platform", and build exclusive cross-border financial services capabilities.

Corporate Banking Business

In terms of policy response, the Bank actively implemented the spirit of the Central Financial Work Conference, earnestly advanced the five major financial initiatives of finance, and focused precisely in light of national strategies and industrial policies, combining our own characteristics and advantages. The Bank adhered to steady local operations, expanded support for areas such as manufacturing, private small and micro enterprises, and green finance, focused on regional characteristic industries, and assisted industries on achieving green and low-carbon transformation, The Bank deeply understood the financial needs of domestic customers, continuously broadened the breadth and depth of customer services to effectively meet the diversified financial needs of various customers. At the same time, the Bank actively promoted the scientific and technological innovation and technology-enabled service, accelerated the pace of digital transformation, and comprehensively improved service efficiency and customer experience.

In terms of the asset, the Bank deeply explored state-owned enterprise customers and steadily expanded the customer group of multinational enterprises, and continuously promoted the optimization and adjustment of the assets structure on the basis of adhering to the bottom line of risk prevention and control. By the end of December 2025, the Bank's total assets scale steadily climbed to RMB23.323 billion, a year-on-year increase of 14%. The balance of credit assets remained stable at RMB11.223 billion, among which, the loan balance was RMB10.168 billion, a year-on-year increase of 7%. The asset quality of the whole bank remained excellent, with the non-performing loan ratio further dropping to 0.16%, demonstrating remarkable results in risk control.

In terms of liabilities, the Bank had always adhered to the business orientation of "stabilizing scale and controlling cost", and continuously deepened active liabilities management. Facing the downward cycle of market interest rates, the Bank actively optimized the deposit structure, strengthened the control and adjustment of high-cost deposits, and promoted the continuous improvement of the liability structure. By the end of December 2025, the Bank's balance of various deposits reached RMB15.088 billion, an increase of 8% as compared with the end of the previous year, achieving the simultaneous optimization of the liability scale and structure. Benefiting from the liability cost control and the asset structure optimization, the net interest of the year increased from 1.15% to 1.34%, and the net interest margin increased from 1.48% to 1.60%, further expanding the profit margin.

In 2025, the overall operation of the Bank advanced steadily with a steady improvement in development of quality and efficiency. Focusing on three cores of customer identification, risk control and efficiency improvement, based on risk control and the optimization of the industry-customer structure, the Bank continued to deeply cultivated key customers and promote the adjustment of the business structure. In order to continuously stimulate the internal driving force for high-quality development and comprehensively improve the service experience of internal and external customers, the Bank focused on reshaping internal momentum and deepened the reform of system and mechanism in key areas such as risk prevention and control, human resource allocation and business process re-engineering. In terms of operating performance, the Bank achieved growth with an annual operating income RMB349 million, increased 10% YOY; profit before provision RMB137 million, the net profit of RMB65.29 million, increased 4% YOY, and non-interest income RMB38.29 million, accounting for 11% of the operating income, keeping the business structure stable.

[In April 2025, the Bank was obtained the RMB business license for domestic residents, expanding the business scope and service coverage.](#)

Taking this opportunity, the Bank has continued to improve the infrastructure of the personal wealth management business, optimized customer service processes, and enhanced operational efficiency and customer experience. The Bank has launched both local and foreign currency structured deposit products for individual customers to meet their daily financial needs, laying a solid foundation for the sustainable development of the personal wealth management business.

Financial Markets Business

In 2025, the Bank's financial markets business achieved diversified development. In addition to the main business of asset and liability management, FX & derivatives, FI business, investment banking and trade finance business also achieved rapid growth and a number of new businesses were implemented. In view of the Bank's strong capital strength and ample liquidity, Moody's maintained the Bank's Baa2 long-term and prime-2 short-term local currency and foreign currency deposit ratings, with a stable outlook; United Credit maintained the Bank's long-term main credit rating of AA+, with a stable outlook.

Asset and Liability Management

While managing the overall liquidity of the Bank, the Treasury Department adjusted the business structure and asset allocation in a timely manner adapting to changes in market condition, to improve the level of efficiency and capital return. The business of asset and liability management are mainly domestic and foreign currency money market business and various fixed income investment business. Treasury business income has become one of the main sources of profit of Metrobank (China).

The Bank's FI assets are mainly loans to non-bank financial institutions, which mainly cooperate with financial leasing companies, consumer finance companies and auto financing companies with strong shareholder backgrounds; FI cooperation targets are mainly joint-stock banks, urban commercial banks and foreign banks. In terms of FI liabilities, the Bank obtains overseas low-cost funding through the parent bank on offshore market, and continues to expand the scope of domestic cooperative financial institutions to broaden the source of liability funds actively. The scale of FI integration funds has increased significantly in recent years.

FX & Derivatives Business

In 2025, FX & derivatives business continues to develop. In response to the cross-border settlement and exchange rate/interest rate risk management needs of customers, we provide diversified products and solutions for clients, including FX spot and FX forward, FX swaps, FX options, interest rate options, currency swaps and interest rate swaps, etc. We analyze the risk points of our clients, promote the concept of exchange rate risk neutrality, and tailor the exchange rate risk management products for clients. Driven by the continuous optimization of services, the number of customers continues to grow by 2% in 2025. The transaction volume of FX & derivatives business has grown significantly, with a substantial increase of 87% compared to 2024.

Financial Institution Business

In 2025, we paid close attention to the trend of macroeconomic situation and changes in regulatory policies, and constantly optimized the structure of assets and liabilities. In response to the national financial policies that encourage and support consumption, we provided moderate support for the development of consumer finance companies. We actively engaged in FI business with financial leasing companies, leveraging the foreign currency funding advantages of foreign-funded banks to support the development of shipping and aviation leasing businesses.

Investment Banking

In 2025, we promoted the investment banking business development steadily. In terms of syndicate business, the Bank responded to the latest national guidelines on syndicate measures in a timely manner, improved the internal methods and processes of syndicate transfer business, jointly organize training for foreign banks in Shanghai with CBCA, actively interacted with financial institutions, sought cooperation between primary and secondary syndicates, and continuously increased the proportion of syndicate business. At the same time, the Bank strives to participate in local bond underwriting qualifications in Jiangsu, Ningbo and other regions, so as to prepare for subsequent bond underwriting qualifications.

Financial Markets Business

Trade Finance Business

In terms of transactional banking business, based on regional economic advantages, continued to focus on customers, concentrating on trade finance, cross-border finance, and channel construction, to build an ecosystem financial scenario driven by transactional banking. Trade finance products cover Bank Acceptance Drafts, Domestic Letters of Credit and Forfaiting, and Commercial Bills Discounting services. By the end of 2025, the transaction volume of trade finance business reached RMB5.337 billion yuan, with a year-on-year growth of 6.15%. By utilizing trade financing products such as Domestic Letters of Credit, International Letters of Credit, and primary market forfaiting, we have further achieved a transition towards light-asset business transformation, and we actively formulated comprehensive transaction banking service plans for customers based on their trade backgrounds. In addition, with the goal of improving customer experience, the Bank has been continuously improving products and infrastructure under strict risk control, gradually achieving the digitalization and electronicization of trade finance business, promoting the standardized development of the business, and enhancing service efficiency.

New Businesses

In 2025, the Bank steadily promoted the product innovation and expanded the business scope. In April, we successfully launched a USD bond outright Sell/Buy repo business with overseas institutions for the first time, further enriching our cross-border financing products portfolio. In October, the Bank launched the new structured deposit products of "Payout-earning Deposit" and "Dual Currency Deposit". On the basis of controllable risks, by optimizing product design, we offer customers more competitive income options. This not only effectively improves the Bank's deposit product line, but also represents an important practice of business innovation.



Information Technology

In 2025, the Bank continued to implement the information technology strategy, guided by the "integration of three modernizations" (digitalization, networking and intellectualization), and based on the improvement of data governance capabilities, we continued to use digital technology to promote business innovation, optimize risk management and process reengineering, so as to achieve cost reduction, efficiency enhancement and user experience. Further strengthening the technological foundation for high-quality development.

During the year, the Bank strengthened the construction of IT governance system, optimized the internal processes through refined means, promoted cross-division collaboration, and built an IT risk control system driven by "management + technology". We adhere to the security principle of proactive defense and ensure the safe and stable operation of information systems by using forward-looking/real-time prevention and control technology.

In terms of talent development and technology application, the Bank continued to increase resource investment, strengthened independent research and development and intelligent operation and maintenance capabilities, and constantly improved the security and sustainability of information systems. We adhere to the path of centralized construction, standardize infrastructure standards, optimize application system architectures, strengthen resource planning and management capabilities, and ensure the efficient operation of the system under the premise of safety, user friendliness and scalability. By strengthening platform integration and independent development, we gradually master key core technologies and improve the level of independent and controllable operation and maintenance.

In terms of data governance, the Bank has been continuously strengthening the system construction, aiming to build a solid digital transformation data foundation. Based on the previous data quality governance, we have further deepened the data mining and application capabilities, optimized the data architecture, built and operated an enterprise-level data platform, and provided high-quality and reusable data services for all business processes of the Bank.

In terms of major information technology project system construction, the Bank successfully promoted the construction and launch of several key systems in 2025, including:

Data center system: built a unified, open and intelligent data service platform, to achieve efficient integration and sharing of data resources, and provide accurate and timely data support for each business line;

One table reporting system: achieve the automatic and standardized submission of the regulator report, aiming at improve the data quality in the line with the regulator requirements;

Message notification platform: establish a unified and reliable message access mechanism to improve the instantaneity and accuracy of customer service and internal collaboration.

The construction of these systems has further enhanced the Bank's capabilities in digital operations, business collaboration and customer interaction, and providing a strong guarantee for the implementation of the Bank's system architecture planning.

In terms of data governance, relying on the two-tier governance structure of "decision-making level + implementation level", this year we have continuously carried out special efforts to improve data quality, significantly improved the level of data standardization and report automation, and the value of data in decision support, risk control and business innovation has become increasingly prominent.

In terms of information technology risk management, we have further improved the information technology risk management system, and regularly carried out system security assessment, vulnerability scanning, penetration testing, baseline verification and business continuity exercises. By building an automated risk monitoring system, we have significantly enhanced the ability of risk identification and disposal, and the safe and stable operation of information systems is effectively guaranteed.

Internal Audit

Internal Audit Division (IAD) is directly established by the Board of Directors, targeting to assist various divisions and business units of the bank in identifying potential risks for key areas by providing independent, objective assurance and consulting services. Combined with specific business practices and advanced industry experience IAD also delivers high-value-added improvement suggestions, therefore enhancing the bank's comprehensive management and control capabilities in risk management, internal control, corporate governance and other aspects.

Internal audit activities are conducted in full compliance with the Global Internal Audit Standards and the Code of Ethics. As the third line of defense, IAD consistently maintains the highest level of independence. All auditors report to the Head of IAD, who has a direct functional reporting line to the Board of Directors through the Audit Committee and an administrative reporting line to the President.

In 2025, IAD remained following the risk-based audit approach and took internationally accepted auditing standards to conduct comprehensive risk-based audit engagements which covers the Head Office Divisions, Branches and Sub-Branched, Business Products and Processes, as well as Information Technology Areas and Application Systems. Audit activities achieve full coverage of higher-risk areas and key business. Confronted with the increasingly stringent external regulatory expectations, IAD not only successfully delivered the annual audit plan, but also embedded key regulatory concerns into routine audit engagements, thoroughly investigated the root causes of identified issues and drove source-based rectifications. For internal control weaknesses and risks that may impact the achievement of the Bank's business objectives, IAD timely provided audit recommendations to promote enhanced accountability, improved operational performance and optimized business management, providing solid support for the bank's long-term and stable development.



Furthermore, under the background of increasing stringent internal and external regulatory and management requirements, IAD has consistently focus on improving the working efficiency and optimizing communication mechanisms as key priorities to enhance the overall audit quality continuously. Meanwhile, IAD has closely aligned with the Bank's business strategy adjustment and risk dynamics to optimize audit work priorities, and to enhance professional skills in emerging business areas, thus exceeding the annual established audit targets. Through high-quality audit assurance and advisory services, IAD has put forward a series of sufficient and workable solutions to the bank, and the effectiveness of related work have been highly recognized and praised by senior management, the auditees and the regulators. Moving forward, IAD will adhere to the professional principles of integrity and diligence, steadily consolidate the professional capabilities, improve the quality of audit projects, effectively exert the supervision and consulting functions of internal audit, helping the Bank prevent the potential risks in a proactively manner and achieve stable and long-term development.

Risk Management

Our management team adheres to the principle of safety and stability, conducting a comprehensive assessment of various risks such as credit risk, market risk, liquidity risk, compliance risk, operational risk, and country risk, in order to achieve a balance between risks and returns and to lay a solid foundation for the Bank's operations.

The Risk Management Committee (RMC) is set up under the Board of Directors. The committee member are appointed by the Board of Directors annually. The chairman of the committee is Mr. Anthony Paul C. Yap, a Non-executive Director, with Mr. Peter Yueh, an Independent Director, serving as Vice-Chairman. Other committee members include Ms. Lin Guixian, Vice-Chairman of the Board, Mr. Liu Zhenfa, an Independent Director, and Mr. Liang Jiamin, an Independent Director.

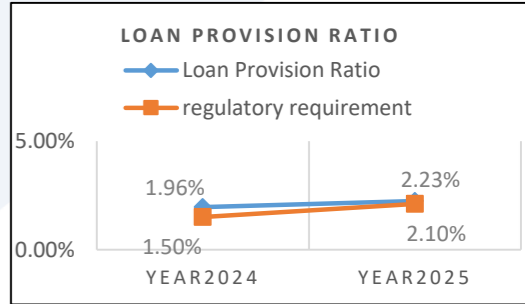
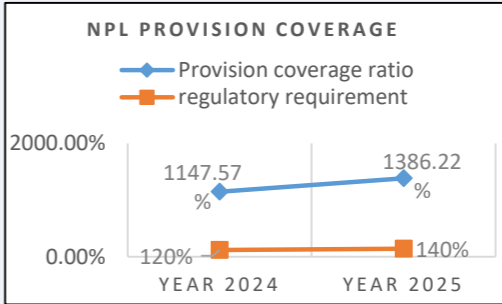
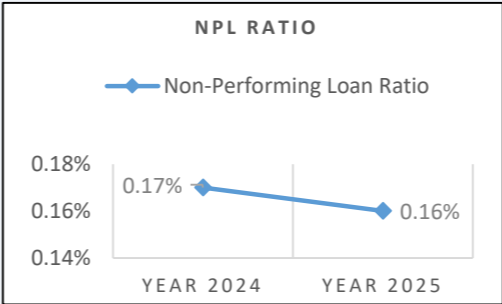
In 2025, the Risk Management Committee held a total of 4 offline regular meetings and 5 online meetings. These meetings conducted a review of the Bank's risk control and risk management strategy. The RMC reviewed and approved relative regulations and limits for credit, market, liquidity and operational risk, and conducted a regular and comprehensive review of the Bank's risk profile.

Credit Risk Management

Credit risk is the risk that the borrower or counterparty will not be able to meet its contractual obligations as they fall due or assume.

In accordance with the policies of facility authorization and credit risk management of the Bank, faces primarily exist in on-balance-sheet businesses and off-balance-sheet businesses such as loans, trade financing, acceptance bills, interbank transactions, fixed-income securities derivative financial instruments etc. In recent years, guided by New Basel Capital Accord and China Banking Regulatory Commission's risk policy, and learning from Metropolitan Bank and Trust Company's risk management system and risk management experience, Metrobank (China) has established credit risk management mechanism including risk exposure limit, facility approval limit, and management of mortgaged and pledged properties for various kinds of business. Meanwhile, Metrobank (China) continuously adjusts and improves its credit risk management system according to the macroeconomic financial environment and its business development goals.

In Year 2025, the Bank continued to strictly follow the regulatory authorities' regulatory guidance requirements on provision coverage ratio, loan provisioning ratio and non-performing loans, strengthen loan classification management and actively dispose of non-performing loans, so as to lay a solid foundation for the Bank's sound operation. As of the end of December, the non-performing ratio is 0.16% (end of 2024: 0.17%); the provision coverage ratio decreased to 1386.22%(end of 2024: 1147.57%) and the loan provisioning ratio is 2.23% (end of 2024: 1.96%).



Risk Management

The Bank has made the procedure of pre-loan investigation and post-loan management, forming a series of complete system mechanism and operation procedures. The due diligence of Metrobank (China) shall conform to principles of authenticity, completeness and effectiveness. RMs shall perform duties of due diligence, conduct credit analysis according to the survey result and form written facility application. According to different business types, facility lines and risk mitigation measures, Metrobank (China) implements approval systems of different levels including President, Credit Committee and Executive Committee. Metrobank (China) has established post-loan inspection mechanism. Through regular investigation of the operation and financial status of credit customers, the Bank can timely master the repayment ability and willingness of the borrower, to ensure identifying "pre-warning signals" in the early stage so that the Bank can take actions as soon as possible after problems are found.

Market Risk Management

Market risk refers to the risk of losses in the Bank's on-balance sheet and off-balance sheet businesses due to adverse changes in market prices. The Bank's market risk mainly includes currency risk and interest rate risk.

The Bank manages market risk at a strategic, transactional and portfolio level respectively. The BOD and senior management are responsible for formulating the risk management strategic guidelines, while each Division take action to improve risk management at the transactional and portfolio level.

The BOD and the RMC have oversight on management of the Bank's market risk. The Bank has established a limit management system for market risk. The Bank also continues to enhance and standardize the management procedure and reporting system for market risk.

The Risk Management Division is responsible for implementing and monitoring risk controls to manage the Bank's overall market risk management, including:

- Identify, analyze and measure risks from every transactions of the Bank;
- Assist Risk-Taking Personnel (i.e., Financial Markets Division) to develop risk mitigation strategy;
- Analyze risk exposure and make recommendation of limits to the RMC;
- Set up limit standards for monitoring and compliance reporting;
- Conduct the risk assessment for new products and operating processes;
- Keep in Communication with risk-taking divisions.

Value at risk (VaR) limit, which is a major tool in controlling market risk in trading activities, is the value of maximum limit of potential losses due to price fluctuation that the Bank could take. The limits are calculated using the Basel framework, which states that Banks must have enough capital to sustain 10-day losses from their market risk-taking activities.

The Delta Economic Value of Equity (Δ EVE) and The Earning at Risk (EaR) limit are the primary control tool for the market risk of bank account activities. Delta Economic Value of Equity (Δ EVE) measures changes in the net present value of the Banking Book given different interest rate shocks and stress scenarios. It reflects changes in the economic value of equity over the remaining life of the assets and liabilities, i.e. runoff assumption. The delta EVE limit is set at 15% of the Common Equity Tier 1 (CET1) Capital based on Basel definition of outlier bank. Risk-return (EaR) measures the potential decline in a bank's interest income which is a result of interest rate movement that is not conducive to the current repricing configuration. The risk-return limit is the difference between the target net interest income (NII) for the year and the actual net interest income (NII) on the books for the past year.

The market risk limits for banking book and trading book must be updated each year according to the annual budget, and the limits are set in accordance with a percentage of budgeted profit of each year in order to link the risks and expected income from trading activities to the overall capital and income of the Bank. All limit recommendations must be initiated by divisions, reviewed by the Asset-Liability Committee, and then submitted to the Risk Management Committee for deliberation. Finally, they will be approved by the Board of Directors.

Risk Management

Currency Risk

The foreign currency transactions of the Bank are mostly in USD and in lesser amounts in AUD, GBP, JPY, EUR, SGD, HKD and PHP. The Bank's loans and advances to customers are mainly in RMB. The Bank makes appropriate adjustments of foreign currency net position to prevent currency risk caused by market exchange rate fluctuation.

Interest Rate Risk

The Bank's interest rate risk mainly arises from the mismatch of contractual maturity date and re-pricing date of interest-generating assets and interest-bearing liabilities. Floating interest rate instruments expose the Bank to cash flow interest risk, whereas fixed interest rate instruments expose the Bank to fair value interest risk.

Interest rates of the Bank's loan and large amount deposits are primarily based on market. Interest rates of inter-bank placements and borrowings are determined by market. The Bank conducts regular assessment and monitoring on the macro-economic status during operation to reduce the risk caused by the interest rate fluctuation. It adjusts the structure and terms of relative assets and liabilities based on this assessment.

Liquidity Risk Management

Liquidity risk is the risk that no sufficient funds will be available to make debt repayment when falling due. Liquidity risk of the Bank mainly arises from early or concentrative withdrawal by depositors, delayed loan repayment by borrowers and amount or maturity mismatch of assets and liabilities.

In accordance with the Liquidity Risk Management Measures for Commercial Banks and relevant regulations, the Bank should continuously meet the minimum regulatory standards for the adequacy ratio, liquidity ratio and liquidity matching ratio of high-quality liquidity assets. At the same time, the Bank control the liquidity risk according to the different maturity of assets and liabilities

1. Governance Structure of Liquidity Risk Management

- ① The BOD and senior management understand the inherent liquidity risk in the Bank's business activities through the approval of policies, processes and limits. The BOD and senior management impose liquidity risk limits and approve relevant guidelines on liquidity risk.
- ② For liquidity management, the risk approval process for MCO, assets and liabilities limit and other liquidity Limits should be formulated at least annually. This is presented by the Bank's Risk Management Division and Financial Markets Division to its ALCO, for confirmation of the RMC and final approval of the BOD.
- ③ The ALCO holds meetings every month, discussing strategy for market risk and liquidity risk management, investment portfolio management policy, structure optimization of assets and liabilities, and forecast of market risk trend. The balance sheet committee also holds weekly capital meetings to discuss bank liquidity and to determine the level of transfer pricing (FTP);
- ④ Financial Markets Division closely monitors the position, term, limit and cost to maintain liquidity in RMB and foreign currencies. It controls daily liquidity by maintaining a minimum prescribed level of cash buffer, and reports cash flow forecasts to satisfy the funding and investing requirement of the Bank;
- ⑤ Accounting and Finance Division prepares daily liquidity ratio report including daily reserve funds and loan to deposit ratio, which is sent to Financial Markets Division and Risk Management Division, to check if the Bank comply with the NFRA's minimum liquidity compliance ratios.
- ⑥ Risk Management Division prepares the Maximum Cumulative Outflow (MCO) report. There is a MCO limit in terms of both absolute liquidity gap amount. These limits are set and approved by ALCO, RMC and BOD. Any breach against these limits is reported to the ALCO, Risk Management Committee and management is required to take corrective measures;
- ⑦ Financial Markets Division ensures the internal and regulatory limits are complied with at any time.

2. Liquidity Risk Management Strategy and Policies

In the year of 2025, the limits and policies were reviewed and confirmed by the RMC and approved by the BOD.

The Bank has a contingency funding plan that identifies 3 levels of potential illiquidity scenario, and performs liquidity stress test accordingly. The test scenarios are divided into light test, moderate test and severe test with different assumptions. Each scenario assumes increasing rates of deposit withdrawals influenced by internal and external factors to test funding issues and impact on liquidity and solvency. For each scenario, the Bank has relative actions to be taken. The contingency funding plan is approved by the BOD and reviewed at least annually.

Risk Management

3. Major Liquidity Risk Identification, Measurement, Monitoring and Control Methods

(1) MCO limit

The MCO limit will vary depending on the remaining portion of the Bank’s funding capacity. The funding capacity is the amount that Financial Markets Division can generate on a Business-as-Usual (BAU) scenario to ensure that the Bank can comply with all its funding obligations within the specified amount of time.

(2) Management Action Triggers (MAT)

Funding Utilization Triggers are set as an early alert of an impending liquidity squeeze.

Liquidity Ratio, Liquidity Matching Ratio and High Quality Liquid Assets Adequacy Ratio: This trigger is set as an early warning alert to ensure that the ratios will not fall below the regulatory requirement.

This trigger aims to provide an early warning alert on the potential funding concentration risk from a group of identified Large Fund Providers. The tolerance is set based on the capacity of the Bank to support a deposit run-off and considering also defined industry standards.

Additional Trigger on interbank liabilities reliance ratio is set as an early warning alert to ensure that the ratio will not fall below the regulatory requirement.

(3) Product Cap

The Product Cap can take various forms: volume limit or limit on number of deals. As a tertiary limit, the product cap serves as a supplementary control. The Bank uses the product cap to minimize market liquidity risk.

(4) Qualitative Limits

Qualitative limits are set to ensure that the transactions entered into by the Financial Markets Division adheres to regulatory and accounting standards and are in accordance to all internally set policies and guidelines.

Liquidity Risk Management

4. Major liquidity risk and liability quality management indicators with summary analysis

The Bank’s monitoring of Internal Risk Management Indicators and Limits in 2025 is summarized below:

(1) In the year of 2025, the bank’s actual levels of liquidity related ratios are all within the regulatory requirement.

| Key indicators | 12/2025 | 9/2025 | 6/2025 | 3/2025 | Regulatory requirement |
|---|---------|---------|---------|---------|------------------------|
| Liquidity Ratio | 78.26% | 79.50% | 90.04% | 88.56% | $\geq 25\%$ |
| Liquidity Matching Ratio | 147.25% | 138.99% | 150.76% | 143.09% | $\geq 100\%$ |
| High-Quality Liquid Assets Adequacy Ratio | 144.08% | 162.27% | 200.29% | 163.78% | $\geq 100\%$ |

(2) In the year of 2025, the bank conducted regular monitoring of the internal MCO limits, Interbank Lending/Borrowing position Limit and Top 10/3/1 Depositors Concentration Risk Trigger. There is no breach on these limits/triggers in 2025

5. Major Factors impact Liquidity Risk

(1) The regulatory requirements High Quality Liquid Assets Adequacy Ratio was effective but there is also an increasing trend in the asset size. The Bank shall maintain sufficient high quality liquid assets, i.e. government bonds and policy bank bonds with comparatively lower risk and high liquidity. However, it may affect the overall return from assets.

(2) The Bank’s liabilities are mainly composed of customer deposits, supplemented by short-term and long-term liabilities from FIs. The customer deposits of the Bank mainly consist of RMB deposits, RMB structured deposits, RMB margin deposits, and USD deposits both domestically and abroad. The current deposits of the Bank have strong retention and stability. The sources of deposits and FI financing of the Bank have relatively short terms.

Risk Management

6. Stress Test

In the year of 2025, the bank conducted liquidity risk stress test on a quarterly basis and checked if the identified contingent funding sources can cover the liquidity requirement under these stressed scenarios. The stress test result shows that the current contingent funding sources are sufficient and can cover urgent liquidity emergency situations (i.e., within one month). In a prolonged liquidity crisis, liquidity support will be required from the parent bank.

Compliance Risk Management

In 2025, in accordance with the Measures for the Compliance Management of Financial Institutions (Order No. 7 [2024] of the National Financial Regulatory Administration), the Bank revised the Compliance Manual, which became effective after review and approval by the Board of Directors. It's clearly indicated in the Compliance Manual that compliance management is a core risk management activity of the Bank, and the Risk Management Committee is authorized to guide and supervise the Bank's daily compliance risk management. The senior management paid high attention to compliance management, integrated the concept of compliance culture into the core value of the Bank, strengthened the compliance awareness of units and employees at all levels, established a whole process management mechanism for the identification, evaluation, monitoring, response and assessment of compliance risks, continued to strengthen the compliance management including internal control, case prevention and control, legal affairs, etc., and ensured the compliance of banking activities through compliance training, compliance inspection, internal control assessment and evaluation, tried to improve the efficiency of compliance management, prevented compliance risks and ensured sustainable development. This revision also updates the definition of compliance management, refines the compliance responsibilities of all staff, broadens the contents of compliance management, further improves the compliance management system, develops compliance culture, and provides solid support for the operation and sustainable development of the Bank.

In 2025, in accordance with the newly issued Anti Money Laundering Law, the Bank revised the Money Laundering and Terrorist Financing Prevention Manual, which became effective after review and approval by the Board of Directors. In the manual, it's clearly indicated that money laundering and terrorist financing prevention is important obligations of the Bank and all employees, and authorized the Audit Committee to guide and supervise the Bank's daily money laundering risk management. The senior management paid high attention to compliance management, established AML Committee to convene quarterly meetings, discussed anti money laundering work, improved anti money laundering internal control systems and operating procedures, established anti money laundering internal control systems and management processes such as customer due diligence, reporting of large-amount and suspicious transaction, training and publicity, evaluation and inspection. Meanwhile, the Bank developed the AML system which covered all businesses and clients with taking their characteristics into consideration and collected and recorded the information required for ML risk management in a timely, accurate and complete manner, strengthened the refined management of money laundering risks through digital means.

Operational Risk Management

Operational risk refers to the possibility of loss caused by imperfect or defective internal procedures, employees and information technology systems, as well as external events. Including legal risks, excluding strategic risks and reputational risks. There are seven main categories of operational risk losses that the Bank may face: internal Fraud; External fraud; Employment Policies and Workplace safety; Clients, Products & Business Practices; Damage to Physical Assets; Execution, Delivery & Process Management; Business disruption and System Failures.

Risk Management

The Bank strictly complies with the requirements of the Measures for the Operation Risk Management of Banking and Insurance Institutions issued by the NFRA. Under the leadership of the BOD and senior management, we implement an operational risk management model featuring comprehensive governance and risk control by classification. The Bank's Operational Risk Management Measure provide detailed definitions of significant, important and general operational risk events, and specify the process of recording, reporting and collecting operational risk events according to the event level, and establish specific handling processes for operational risk identification, assessment, measurement, monitoring and control, offsetting, reporting, disclosure and acceptance. The Bank's operational risk management is mainly based on the notification of operational risks by each unit and the self-examination and review of key risk control processes as the main tools to reasonably determine the Bank's tolerance for these risks through the statistics and reporting of events. The Bank adopts the basic indicator method to measure the operational risk capital in accordance with the relevant requirements of the capital regulatory approach on the measurement of operational risk regulatory capital of commercial banks, taking into account the size and business of the Bank. In 2025, there was no significant operational risk events, undiscovered cases and case risk information.

IT Risk Management

IT risk refers to the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within the Bank; e.g., potential adverse outcome, damage, loss, violation, failure or disruption. IT-related risk events can potentially impact the business and occur with uncertain frequency and magnitude, which creates challenges in meeting strategic objectives.

The Bank conducts the whole process of IT risk closed-loop management from risk identification, risk assessment, risk response and mitigation to risk control monitoring and reporting.

Meanwhile, the Bank has established relatively comprehensive information technology management guidelines and policies, and review them as needed, which included: Information Security Management Framework; Information Security Risk Management Framework; Information Technology Process Risk Control Self-assessment Guideline; System and Risk Control Self-assessment Guideline; System

Country Risk Management

Country-specific risk covers all risks arising from the inability or unwillingness of a sovereign borrower or a specific country borrower to meet its foreign currency or local currency foreign debt repayment obligations as a result of regulation imposed by a country or a region due to possible or actual lack of foreign currency, regulations or political factors, which impose restrictions on foreign exchange transactions.

The Bank has formulated Internal Guidelines on Country Risk Management in accordance with the "Administrative Measures for Country Risk Management of Banking Financial Institutions" (Jin Gui [2023] No. 12) issued by the NFRA, established relevant risk management systems and strengthened relevant management procedures to manage cross-border risk exposures and avoid excessive concentration of international credit or other businesses that generate cross-border risk exposures. Country risk limits are approved by the BOD and reviewed annually.



An aerial photograph of a lush green valley featuring terraced rice fields. A river flows through the center of the valley, and several traditional wooden houses with tiled roofs are nestled among the fields. The overall scene is peaceful and rural.

Environmental Governance

Guided by the "Carbon Peaking and Carbon Neutrality" goals, China is undergoing a widespread and profound systemic economic and social transformation. As an important engine to drive this transformation, green finance will face greater development opportunities and challenges in the coming years. Based on the Bank's solid foundation in green finance over the years, in 2025 we continued to deepen our green finance strategy, fully support the country's achievement of the "Dual Carbon" goals, and promote the green transformation of economic development models.

Accelerate innovation in green financial products, actively promote the innovation of our corporate and investment products in green finance and carbon finance; accelerate the establishment of customer environmental risk management evaluation mechanisms, embed environmental and social risk assessments into all credit business processes of the Bank, and achieve full-process management of green finance business.

Deepen strategic leadership, optimize organization structure: strengthen the leading role of the Green Finance Working Group, and coordinate the planning and implementation of green finance business across the Bank. Regularly track the development of the green finance industry, and vigorously promote green finance concepts and industry trends throughout the Bank.

Focus on green industries, enhance assessment-oriented support: continue to optimize industry strategies, prioritize support for clean energy, energy conservation and environmental protection, green transportation, ecological agriculture and other fields; implement differentiated pricing policies for green finance business; provide more favorable funding support, and guide the Bank's resources to tilt toward green industries.

Strengthen environmental risk management: The Bank has been steadily strengthening environmental risk management, continuously improving the environmental and social risk assessment system, and fully integrating it into the customer rating and credit approval processes to control environmental risks at the source. In accordance with the high-pollution industry client list issued by regulators, the Bank conducts dynamic monitoring of relevant clients. Meanwhile, incorporate green transition clauses into relevant contracts to further clarify customers' specific environmental protection responsibilities.



Strengthen internal and external cooperation and advocacy: The Bank has actively strengthened partnerships with green tech companies and environmental NGOs, jointly driving the implementation of multiple green projects. To enhance professional capabilities, systematic green finance training was organized across the entire bank. Additionally, green finance knowledge was disseminated to customers and the general public through various online and offline channels, effectively improving the societal awareness of green finance.

In summary, the Bank will take the "Dual Carbon" goals as the guide, use green finance as the starting point, continuously promote business innovation and risk management upgrades, and assist in the green transformation of the economy and society. By deepening strategic layout, optimizing resource allocation, and strengthening technological empowerment, the Bank will strive to become a leading bank in green finance and contribute financial strength to achieving sustainable development.





Social Governance

Branding

In 2025, Metrobank (China)'s branding efforts were deeply aligned with the annual theme of "Sustainable Banking with Meaningful". We firmly recognize that in the complex and changeable economic environment, an outstanding brand is not only a competitive tool in the market but also a cornerstone for upholding trust, delivering value, and achieving stable and sustainable development. Therefore, throughout the year, our brand strategy centered on "stability" as its core and "progress" as its guiding principle. Through the dual drivers of systematic brand building and multi-dimensional brand promotion, we not only achieved a comprehensive upgrade of our brand image and a significant enhancement of our influence but also effectively transformed brand strength into the core competitiveness of the Bank's development, injecting robust brand momentum into our journey of "Meaningful".

At the level of brand building, we have carried out a profound and systematic self-innovation called "Upgrade Ahead with Original Aspiration". This project is not a visual renovation, but a brand upgrading action from inside to outside, from physical space to branding spirit, aiming at returning to the original intention of service to meet future opportunities and challenges with a brand-new posture. Starting from the office space of the Bank, we upgraded the service environment of the core outlets with wisdom and humanization. The new space design integrated the efficiency of modern finance with the warmth of humanistic care, optimized the customer's moving line and functional zoning, and strived to provide a more comfortable, private and efficient service experience at every customer touchpoint. This transformation turned the "customer-centric" philosophy into a tangible reality. At the same time, we launched a new design of bank uniform. While adhering to the professional and rigorous tone of the financial industry, the new uniform featured more modern tailoring and comfortable fabrics, with meticulous details reflecting the brand's craftsmanship.

The unified and vigorous new image enabled every employee to become an ambassador for the Bank's brand, conveying the brand's vitality of keeping pace with the times through professional services. As the iconic achievements and visual core of the upgrading project, the newly optimized bank Logo was officially unveiled. On the basis of inheriting the core genes of the brand, the new logo shows more simplicity, and the color system is more inclusive and contemporary, showing a steady and enterprising new temperament. This systematic renewal from space to uniform to logo marks a new stage in the brand building of Metrobank (China) from functional expression to emotional and value resonance, and a more modern, professional and approachable brand image has thus taken shape.



Branding

Of particular significance, in April 2025, Metrobank (China) achieved a milestone by obtaining the RMB business license for domestic residents. This not only represented a historic breakthrough in the Bank's business development and a significant expansion of its service scope but also a strong confirmation and strategic upgrade of brand's strength and value. This license serves as recognition from regulatory authorities of the Bank's long-standing stable operations, compliance management, and risk prevention capabilities. It sends a clear and strong message to the public: Metrobank (China) has fully integrated into China's financial market and possesses the solid strength to provide comprehensive and secure financial services to a broader customer base. As a result, the Bank's brand role has undergone a key transformation, with its brand credibility and market position strengthened and elevated to levels furthermore.

While promoting the construction of brand core and image, the parallel brand promotion efforts took the mission of "making a strong and clear impact", and effectively transmits the brand value and strategic achievements of the bank to every corner of the market through careful planning and multi-dimensional voice. In 2025, our promotional network achieved expansion in both breadth and depth. In terms of breadth, we have constructed a panoramic communication pattern covering RCEP regional cooperation, group global dynamics, and Consumer Protection, philanthropy and frontier business innovation. We keep abreast of the times and actively promote the financial solutions that help enterprises in cross-border trade and investment under the RCEP framework, highlighting our international vision and professional capabilities. We timely link up with the Group's global network and resources to strengthen the thickness and height of brand endorsement. We continued to cultivate Consumer Protection education and build the cornerstone of brand trust through sincere and transparent communication; we devote ourselves to education, environmental protection and other philanthropy undertakings, and interpret the responsibility of the brand with practical actions. We vigorously promote innovative breakthroughs in digital finance and other fields, and shape a brand image that leads the market and is used for exploration. In depth, we have abandoned one-way information inculcation and pursued value dialogue and emotional connection with stakeholders.

Whether it is the touring forums for enterprise customers, a financial knowledge lecture for rural children, or an interaction with customers through various media platforms, we strive to convey the firm commitment of "Sustainable Banking with Meaningful" and the new atmosphere of "Upgrade Ahead with Original Aspiration". This multi-dimensional and interactive promotion strategy significantly enhanced Metrobank (China)'s brand exposure, recognition, and reputation, ensuring that the core value of our brand resonates deeply with the public.

Looking back on 2025, the brand road of Metrobank (China) is a firm voyage with the annual theme as the rudder and construction and publicity as the oar. We have completed the systematic forging and visual renewal of the brand image through the project of "Upgrade Ahead with Original Aspiration"; by virtue of the acquisition of RMB business license for domestic residents, we have achieved a historic leap in brand strength and pattern; relying on the brand publicity of multi-dimensional integration and sound volume, we have won wide recognition and praise from the market. Brand work, business development, risk management, social responsibility practice are deeply integrated and resonated at the same frequency, which together form a strong support for the core narrative of "Meaningful". Looking forward to the future, we will continue to build our brand to achieve a more extraordinary, stable and sustainable path of development.



Staff Development and Training

In 2025, the Bank closely adhered to the annual strategy of "Sustainable Banking With Meaningful" (Risk Prevention as Priority, Steady Progress for Excellence), deepening the training positioning of "Business-Driven, Talent-Empowered, and Compliance-Based". Through the construction of a diversified system and the implementation of innovative projects, we empowered all employees. The "Compliance & Risk Training" project, as the core compliance training of the year, has been successfully completed, comprehensively consolidating employees' risk prevention capabilities, injecting strong talent momentum into the Bank's stable operation, and demonstrating the professional training strength.

This year, a total of 130 learning programs were carried out, covering 9,279 person-times, with a year-on-year increase of 27% in training scale. 42 online courses were launched, and high-quality courses on risk prevention and compliance management were co-created with the parent bank, external experts and law firms. Internal trainers delivered 32 courses, with a 55% increase in activity. Closely aligned with the annual strategy, the training content covered three core dimensions: business operation, risk & compliance, and digital efficiency, achieving full coverage across all divisions and branches. Both average training hours and learning initiative hit a record high. AI tools were used to empower course development, effectively balancing training and business advancement, with a total training cost saving of over RMB550,000.

Leading by Innovative Projects, Building Dual Lines of Defense for Compliance and Business

The flagship annual compliance project "Compliance & Risk Training" reshaped the training system with a "four-dimensional drive" model, becoming a benchmark project with in-depth cross-division collaboration and high participation. It linked multiple divisions to carry out the "Steady Rudder" risk self-inspection closed-loop learning, and simultaneously held indoor expansion courses themed on risk prevention and control, strengthening employees' compliance recognition through scenario-based experience. The supporting quarterly knowledge contest attracted 649 participants, with an active participation rate of 84%, creating a strong atmosphere of "learning compliance, understanding business, and being good at collaboration". The project was recognized by "Training" magazine, with a trainer satisfaction rate of 98%.

Meanwhile, projects such as "Better ME " and "Wing II Program" were continuously upgraded, focusing on core areas such as foreign exchange business and personal wealth management, empowering frontline staff through a combination of online and offline, internal and external training models. The micro-course system was expanded simultaneously, adding content such as digital business operation and personal wealth management empowerment, combined with columns like "Insight" and "Wisdom Talk", covering policy interpretation and risk prevention. The number of learners increased by 43.8% year-on-year, realizing efficient knowledge transfer and precise business empowerment.



Staff Development and Training

Talent Echelon Upgraded, Consolidating the Foundation of Organizational Development

Based on the HR independent development model, the construction of the internal trainer team made new breakthroughs. The "Train the Trainer" Program 2.0 was implemented, adding 28 newly certified internal trainers, totaling 45, achieving 100% coverage across all divisions and business units. Through AI tool empowerment, exclusive image building and diversified incentives, the lecture rate of internal trainers reached 100%, with 10 excellent internal trainers.

The talent training system was further improved, focusing on promoting professional qualification certification training, covering 179 person-times in 6 institutions, with scenario simulation embedded to meet regulatory requirements. External training resources were continuously expanded, with 24 employees participating in 12 external professional training sessions, 6 more free places than the previous year, and the participation rate doubled. This effectively broadened employees' industry horizons and professional boundaries, reserving diverse talents for business development.



Corporate Culture

Metrobank Honor –Sustainable Banking with Meaningful

In 2025, with the theme of "Sustainable Banking with Meaningful", we continued to deal with the market risks and challenges, we have jointly promoted the realization of a positive trend on that the quantity and quality of performance indicators have been improved. As an indispensable part of the Bank's corporate culture, the annual "Metrobank Honor" selection received 76 cases, and ultimately the 12 "Sustainable Banking Team" and the 20 "Ultimate Service Star" were awarded, in recognition the resilience and commitment of the business units on "Preserving Existing Volume and Stabilizing the Increment", as well as the continuous efforts made by the colleagues in the middle and back offices on process optimization and service support. Furthermore, we also extend a special recognition to the 19 colleagues who have been steadfastly supporting the Bank over the past ten years and have made great contributions, and we have also awarded them the Long Service Award.



We Care You and You Cared

The Bank is committed to the concept of "We care you and you cared" people-oriented, with the greatest enthusiasm to care for the physical and mental health of each employee.

In 2025, "M-Club" held a variety of activities, including Write Blessing in the New Year, Women's Day flower offering, Badminton Competition, Mid-autumn Festival Activity, Healthy Food Event, Flower Art Salon, Care Diamonds and etc., the active participation of more employees has better achieved a balance between work and life, and further strengthened the cohesion of the team.



Corporate Culture

The large-scale team-building activity, - Metrobank Oscars was successfully held with a total of 265 employees participating. The film commencement ceremony filled with a sense of ritual and ignited the passion of all the employees. From creation to interpretation, from team collaboration to fun interaction, each movie from the 10 film crews embodied wisdom and mirth, fully demonstrating the positive attitude and collective cohesion of the employees.

The 2025 annual grand gala has been held successfully, featuring the Metrobank Honor Ceremony, the opening show by Senior Executives, the creative micro-movie Oscar selection, and wonderful performances by our employees made the dinner more colorful.



In addition, all branches continue to expand various "staff privilege" merchants. In 2025, through the efforts of each branch and the Human Resources Division there were 91 staff privilege merchants for all the employees, an increase of 11 from Y2024, representing a 14% growth.

Care for Female Employees

Female colleagues are our important drivers of promoting high-quality development for the Bank. Women accounted 54% of our employees as the end of 2025. To support female colleagues in balancing their life and professional responsibilities, we are constantly improving our care and benefits for female employees.

Corporate Social Responsibility

Throughout the development of Metrobank (China), Corporate Social Responsibility (CSR) has always been a central tenet of our business philosophy and practice. In 2025, as a foreign bank that has been deeply rooted itself in China for 15 years and remained committed to localized services and innovative development, we further internalized social responsibility into the driving force of enterprise growth, and continue to popularize financial knowledge and support the growth of rural children through a series of practical, in-depth and warm charity projects. It interprets the original intention of "finance serving the people" and the mission of "giving back to the society" with practical action.

At the beginning of 2025, we received recognition from the industry. On March 15, in the 2025 financial consumer protection and service innovation theme activity of "Safeguarding Financial Rights and Interests for a Better Life" held by CBIMC, the "Little Bankers" Financial Knowledge Campaign on Campus activities declared by our bank were strictly screened and stood out from more than 400 cases submitted by 200 financial institutions. It was awarded the title of "2025 Excellent Case of Financial Consumer Education and Publicity". This honor is not only an affirmation of a single project, but also a comprehensive recognition of the Bank's long-term commitment to Financial Consumer Protection, especially to the improvement of financial literacy in young people and rural areas. The "Little Bankers" project stems from our deep observation of reality: in today's era of rapid digital economic development, students groups, especially children in rural areas, often become "vulnerable groups" in the field of financial security because of their lack of financial knowledge.



Since its launch in the winter vacation of 2024, the project has deployed the "Seedling Protection Action" in a forward-looking manner, bringing financial knowledge classes into the campus, and helping children understand currency, savings, fraud prevention and value of credit through vivid forms such as scenario simulation and interactive games. We have innovatively constructed a dual-engine model of "content development plus instructor training", transforming abstract financial concepts into sensible life scenes, and established a team of charity lecturers composed of industry experts to ensure that professional knowledge is effectively transmitted in a way that children can understand and like to learn. From the online launch of three schools in Fujian to the follow-up in-depth offline visits, "Little Bankers" is like a seed of financial security, taking root and sprouting in the hearts of children. As a rural middle school principal who participated in the project said, this short course of 30-40 minutes may well become a crucial "big lesson" in children's life, and its impact can be transmitted to families through children and benefit the wider community. The trust and recognition inspire us to continue to spread the spark of financial education to a broader field.

Corporate Social Responsibility

The year 2025 marked the 50th anniversary of the establishment of diplomatic relations between China and the Philippines. In this historically significant year, the Bank hold the 4th “Dr. George Ty-Metrobank” Rural Children Painting Competition under the theme of "Friendship, Dream and the World". We deeply understand that cultural exchanges and spiritual communication are important bridges to consolidate the friendship between the two countries. The competition attracted the enthusiastic participation of children from many rural schools in Fujian Province. With their pure brushes and brilliant colors, they depicted their good wishes for the lasting friendship between China and the Philippines, their brave pursuit of personal dreams, and their infinite imagination of the vast world. Nearly 70 paintings full of childlike interest and creativity, not only showcased the growing aesthetic literacy and artistic potential of rural children, but also become a warm and bright movement in the “Symphony ”of China-Philippine friendship. Over the past four years, the competition has evolved from a simple art competition into an aesthetic education platform that "teaching with competition" and continuously stimulates the aesthetic creativity and emotional expression of rural children. It bears the original intention of Dr. George Ty, the founder of Metrobank, to "give back to the society", and also demonstrates the long-term commitment of the Bank to deeply integrate philanthropy genes into the development of the enterprise. The sustained social attention received by the project is the best response to our adherence to this original intention.

If "Little Bankers" program focuses on knowledge dissemination and "Painting Competition" centers on the aesthetic inspiration, then the "The MinHai Youth Study Tour", a key initiative launched in 2025, aims to open a window for rural students to explore the world expanding their horizons and the nurturing their comprehensive literacy. As another innovative practice under the "Dr. George Ty - Metrobank" Rural Children's Growth Support Project, we have carefully planned and invited students from No.1 Wengong Middle School in Youxi County, Fujian Province, to embark on a two-day exploration trip in Xiamen. During their visit in Xiamen Branch, the students gained an up-close understanding of the rigorous operation of banking business and experienced the modern pulse of financial technology. Subsequently, from the international architecture and the melody of piano and waves on Gulangyu Island, to the profound Minnan historical and cultural heritage at the Xiamen Museum, and the rich humanistic education and patriotic spirit at Jimei School Village, this immersive urban cultural experience greatly enriched the children's spiritual world and deepened their sense of identity with their hometown and country.

Looking back on 2025, our efforts in the field of Corporate Social Responsibility have demonstrated the characteristics of systematization, brand-driven and in-depth development. With the "Dr. George Ty-Metrobank" Rural Children Growth Protection Project as the core, we have constructed a multi-dimensional philanthropy support system covering financial literacy education, aesthetic education, vision expansion, teacher empowerment and so on. From "Little Bankers" program that extends the financial security line to campuses, to the Painting Competition that promotes cultural understanding and emotional expression through art, to “The MinHai Youth Study Tour” that connect rural and urban areas, reality and dreams through study tours, these projects complement each other and work together to create more equal, diverse and high-quality growth opportunities for rural children. We have always believed that the real social responsibility lies in the persistent cultivation and sincere devotion, as well as in transforming our professional financial advantages into practical actions that benefit communities and promote growth.



Consumer Rights Protection

Throughout 2025, Metrobank (China) consistently prioritized Financial Consumer Protection in its business development, and earnestly fulfilled the primary responsibilities of financial institutions through systematic work practice. During the year, the Bank further improved the institutional foundation by revising the "Consumer Rights Protection Management Measures" to ensure that consumer protection efforts kept pace with business development and regulatory requirements.



In terms of financial knowledge popularization and consumer education, the Bank closely cooperate with the publicity of regulatory themes and actively explore innovative models. The "MinHai Youth Study Tour" and the "Financial Journey: Building Dreams for the Future" Bank-School Collaboration Initiative broke away from traditional promotional formats. By integrating financial knowledge into on-site experience and career guidance, these initiatives demonstrated a deep commitment to nurturing the financial literacy of young people. Meanwhile, the Bank fully leveraged the advantages of online channels, and continuously export a series of warning cases and practical knowledge through official websites and WeChat public account, thus broadening the coverage of its educational efforts.

Internal capacity building served as a solid foundation for consumer protection work. By organizing specialized training for all employees and incorporating consumer protection courses into a mandatory course for new employees, the Bank has significantly enhanced its staff's professional awareness and service capabilities. The establishment of a clear and smooth customer complaint handling mechanism also reflected the Bank's effective efforts in handling customers' complaint.

In 2025, through the multi-faceted approach of institutional improvement, educational innovation, channel expansion, and internal empowerment, Metrobank (China) not only enhanced consumers' financial literacy and risk prevention capabilities but also conveyed the warmth and sense of responsibility inherent in financial services through practical actions. In doing so, the Bank contributed positively to the development of a healthy and stable financial environment.

ANNUAL FINANCIAL REPORT 2025



Metropolitan Bank (China) Ltd.

Audited Financial Statements

31 December 2025

Metropolitan Bank (China) Ltd.

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Important Notice

The attached financial statements have been translated from the statutory financial statements prepared in accordance with accounting standard for business enterprises established in the People's Republic of China. In the event of any differences in interpreting the financial statements, the Chinese version shall prevail.

Auditors' Report

Ernst & Young Hua Ming (2026) Shen Zi No.70071684_B01
Metropolitan Bank (China) Ltd.

To the Board of Directors of Metropolitan Bank (China) Ltd.,

(I) Opinion

We have audited the financial statements of Metropolitan Bank (China) Ltd., which comprise the balance sheets as at 31 December 2025, and the income statements, the statements of changes in equity and the statements 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 respects, the financial position as at 31 December 2025, and the 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 Metropolitan Bank (China) Ltd. 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 Metropolitan Bank (China) Ltd. 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 Company'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 Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Metropolitan Bank (China) Ltd.'s financial reporting process.

Auditors' Report (continued)

Ernst & Young Hua Ming (2026) Shen Zi No.70071684_B01
Metropolitan Bank (China) Ltd.

(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 Metropolitan Bank (China) Ltd.'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 Metropolitan Bank (China) Ltd. to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosure), 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.

Auditors' Report (continued)

Ernst & Young Hua Ming (2026) Shen Zi No.70071684_B01
Metropolitan Bank (China) Ltd.

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.

Ernst & Young Hua Ming LLP
Shanghai Office

Chinese Certified Public Accountant:
Wang, Lijun

Chinese Certified Public Accountant:
Qin, Yili

Shanghai, the People's Republic of China

27 April 2026

Important Notice

This illustrative auditor's report is an English translation of the auditor's report for the audit engagements which adopt CSAs. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Metropolitan Bank (China) Ltd.
BALANCE SHEET
31 December 2025

Unit: RMB yuan

| ASSETS | Note 5 | 31 December 2025 | 31 December 2024 |
|---|---------------|--------------------------|--------------------------|
| Cash and balances with the central bank | 1 | 1,570,605,337.68 | 1,769,177,333.94 |
| Due from banks | 2 | 708,394,099.43 | 513,989,719.42 |
| Placements with banks | 3 | 4,274,416,145.17 | 3,507,427,577.70 |
| Derivative financial assets | 4 | 5,385,210.95 | 10,992,100.60 |
| Financial assets held under resale agreements | 5 | 100,032,063.17 | 185,032,050.14 |
| Loans and advances to customers | 6 | 9,975,648,065.39 | 9,385,038,447.90 |
| Financial investment -debt investments | 7 | 20,942,143.79 | 21,080,425.48 |
| -other debt investments | 8 | 4,485,074,206.66 | 3,528,529,619.78 |
| Fixed assets | 9 | 7,262,575.80 | 6,659,293.95 |
| Right-of-use assets | 10 | 33,111,043.40 | 21,850,172.11 |
| Deferred tax assets | 11 | 15,859,760.75 | 15,356,202.89 |
| Other assets | 12 | 2,126,768,604.62 | 1,471,351,846.38 |
| TOTAL ASSETS | | 23,323,499,256.81 | 20,436,484,790.29 |

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

The Office has been authorized by Ernst & Young Hua Ming LLP to conduct business.

Metropolitan Bank (China) Ltd.
BALANCE SHEET (CONTINUED)
31 December 2025

Unit: RMB yuan

| LIABILITIES AND EQUITY | Note 5 | 31 December 2025 | 31 December 2024 |
|---|---------------|--------------------------|--------------------------|
| LIABILITIES | | | |
| Due to banks and other financial institutions | 13 | 41,036,755.91 | 38,038,563.52 |
| Placements from banks | 14 | 2,808,076,778.49 | 1,946,082,546.67 |
| Financial assets sold under repurchase agreements | 15 | 395,014,465.76 | - |
| Customer deposits | 16 | 15,165,598,003.15 | 14,036,111,199.48 |
| Derivative financial liabilities | 4 | 5,355,254.71 | 11,015,855.49 |
| Payroll payables | 17 | 48,361,160.84 | 46,386,162.48 |
| Tax payables | 18 | 12,345,326.69 | 9,765,219.28 |
| Provisions | 19 | 12,124,876.06 | 9,537,181.07 |
| Bonds payables | 20 | 453,474,516.73 | 699,281,599.25 |
| Lease liabilities | 21 | 33,042,275.86 | 22,210,952.91 |
| Other liabilities | 22 | 2,119,548,827.99 | 1,460,701,247.14 |
| TOTAL LIABILITIES | | 21,093,978,242.19 | 18,279,130,527.29 |
| EQUITY | | | |
| Paid-up capital | 23 | 1,700,000,000.00 | 1,700,000,000.00 |
| Capital reserves | 24 | 453,890.00 | 453,890.00 |
| Other comprehensive income | 25 | 43,611,890.73 | 36,736,127.62 |
| Surplus reserves | 26 | 46,987,994.63 | 40,458,895.78 |
| General reserves | 27 | 325,223,125.36 | 279,107,642.98 |
| Retained earnings | 28 | 113,244,113.90 | 100,597,706.62 |
| TOTAL EQUITY | | 2,229,521,014.62 | 2,157,354,263.00 |
| TOTAL LIABILITIES AND EQUITY | | 23,323,499,256.81 | 20,436,484,790.29 |

The financial statements have been signed by:

President_____
Head of Accounting and Finance Division

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

Metropolitan Bank (China) Ltd.
INCOME STATEMENT
For the year ended 31 December 2025

Unit: RMB yuan

| | Note 5 | 2025 | 2024 |
|--|---------------|-------------------------|-------------------------|
| 1. OPERATING INCOME | | | |
| Net interest income | 29 | 310,392,469.16 | 251,802,429.21 |
| Interest income | 29 | 656,169,594.71 | 612,522,419.72 |
| Interest expenses | 29 | (345,777,125.55) | (360,719,990.51) |
| Net fee and commission income | 30 | 10,880,178.78 | 8,964,984.57 |
| Fee and commission income | 30 | 13,584,182.47 | 11,140,522.15 |
| Fee and commission expenses | 30 | (2,704,003.69) | (2,175,537.58) |
| Investment income | 31 | 30,335,277.75 | 38,747,570.20 |
| Net gain from changes in fair value | | 82,249.49 | 185,883.79 |
| Foreign exchange (loss)/gain | 32 | (3,135,560.56) | 17,491,029.07 |
| Gain on disposal of assets | | 131,578.73 | - |
| TOTAL OPERATING INCOME | | 348,686,193.35 | 317,191,896.84 |
| 2. OPERATING EXPENSES | | | |
| Tax and surcharges | | (4,023,010.24) | (3,909,092.52) |
| General and administrative expenses | 33 | (207,998,023.21) | (200,326,761.99) |
| Credit impairment losses | 34 | (48,644,725.89) | (28,012,373.80) |
| TOTAL OPERATING EXPENSES | | (260,665,759.34) | (232,248,228.31) |
| 3. OPERATING PROFIT | | 88,020,434.01 | 84,943,668.53 |
| Add: Non-operating income | 35 | 2,720,068.38 | 541,964.28 |
| Less: Non-operating expenses | | 1,005,555.21 | 122,604.81 |
| 4. PROFIT BEFORE TAX | | 89,734,947.18 | 85,363,028.00 |
| Less: Income tax expense | 36 | 24,443,958.67 | 22,851,380.71 |
| 5. NET PROFIT | | 65,290,988.51 | 62,511,647.29 |
| 6. OTHER COMPREHENSIVE INCOME | | | |
| Item to be reclassified to profit or loss: | | | |
| Fair value changes of other debt investments | | (233,373.35) | 4,378,478.79 |
| Fair value changes of loans and advances to customers at fair value through other comprehensive income | | (740,584.06) | 667,023.62 |
| Impairment of other debt investments | | 3,516,158.66 | 502,730.86 |
| Impairment of loans and advances to customers at fair value through other comprehensive income | | 4,333,561.86 | 15,968,802.91 |
| 7. TOTAL COMPREHENSIVE INCOME | | 72,166,751.62 | 84,028,683.47 |

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

Metropolitan Bank (China) Ltd.
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

Unit: RMB yuan

For the year ended 31 December 2025

| | Paid-up capital | Capital reserves | Other comprehensive income | Surplus reserves | General reserves | Retained earnings | Total |
|---|--------------------|---------------------|----------------------------------|---------------------|---------------------|----------------------|------------------|
| Balance as at 1 January 2025 | 1,700,000,000.00 | 453,890.00 | 36,736,127.62 | 40,458,895.78 | 279,107,642.98 | 100,597,706.62 | 2,157,354,263.00 |
| Movements during the year | - | - | 6,875,763.11 | 6,529,098.85 | 46,115,482.38 | 12,646,407.28 | 72,166,751.62 |
| (i) Total comprehensive income | - | - | 6,875,763.11 | - | - | 65,290,988.51 | 72,166,751.62 |
| (ii) Profit appropriation | | | | | | | |
| 1. Appropriation to surplus reserves | - | - | - | 6,529,098.85 | - | (6,529,098.85) | - |
| 2. Appropriation to general reserves | - | - | - | - | 46,115,482.38 | (46,115,482.38) | - |
| Balance as at 31 December 2025 | 1,700,000,000.00 | 453,890.00 | 43,611,890.73 | 46,987,994.63 | 325,223,125.36 | 113,244,113.90 | 2,229,521,014.62 |

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

Metropolitan Bank (China) Ltd.
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2025

Unit: RMB yuan

For the year ended 31 December 2024

| | Paid-up capital | Capital reserves | Other comprehensive income | Surplus reserves | General reserves | Retained earnings | Total |
|---|--------------------|---------------------|----------------------------------|---------------------|---------------------|----------------------|------------------|
| Balance as at 1 January 2024 | 1,500,000,000.00 | 453,890.00 | 15,219,091.44 | 34,207,731.05 | 233,397,497.80 | 90,047,369.24 | 1,873,325,579.53 |
| Movements during the year | 200,000,000.00 | - | 21,517,036.18 | 6,251,164.73 | 45,710,145.18 | 10,550,337.38 | 284,028,683.47 |
| (i) Total comprehensive income | - | - | 21,517,036.18 | - | - | 62,511,647.29 | 84,028,683.47 |
| (ii) Capital contributions by owners | 200,000,000.00 | - | - | - | - | - | 200,000,000.00 |
| (iii) Profit appropriation | | | | | | | |
| 1. Appropriation to surplus reserves | - | - | - | 6,251,164.73 | - | (6,251,164.73) | - |
| 2. Appropriation to general reserves | - | - | - | - | 45,710,145.18 | (45,710,145.18) | - |
| Balance as at 31 December 2024 | 1,700,000,000.00 | 453,890.00 | 36,736,127.62 | 40,458,895.78 | 279,107,642.98 | 100,597,706.62 | 2,157,354,263.00 |

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

Metropolitan Bank (China) Ltd.
STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

Unit: RMB yuan

| | Note 5 | 2025 | 2024 |
|---|--------|---------------------------|---------------------------|
| 1. Cash Flows from Operating Activities: | | | |
| Net increase in placements from banks | | 871,765,548.31 | - |
| Net increase in customer deposits and due to banks | | 1,192,692,759.85 | 1,844,331,081.88 |
| Net increase in financial assets sold under repurchase agreements | | 395,000,000.00 | - |
| Cash received from interest, service fee and commission income | | 579,250,556.80 | 525,747,344.57 |
| Cash received from other operating activities | | 4,655,310.90 | 25,584,762.20 |
| Subtotal of cash inflows from operating activities | | <u>3,043,364,175.86</u> | <u>2,395,663,188.65</u> |
| Net increase in balances with the central bank and due from banks | | (11,734,434.19) | (6,960,372.11) |
| Net increase in loans and advances to customers | | (621,738,500.53) | (1,460,694,133.26) |
| Net increase in placements with banks | | (435,711,200.00) | (278,593,000.00) |
| Net decrease in placements from banks | | - | (371,818,605.12) |
| Net decrease in financial assets sold under repurchase agreements | | - | (294,000,000.00) |
| Cash paid for interest, service fee and commission expense | | (334,331,480.00) | (381,261,065.05) |
| Cash paid to and on behalf of employees | | (146,151,957.00) | (138,488,428.07) |
| Cash paid for taxes and surcharges | | (58,055,074.18) | (62,071,795.12) |
| Cash paid for other operating activities | | (66,658,493.96) | (60,350,584.72) |
| Subtotal of cash outflows from operating activities | | <u>(1,674,381,139.86)</u> | <u>(3,054,237,983.45)</u> |
| Net cash flows generated from/(used in) operating activities | 37 | <u>1,368,983,036.00</u> | <u>(658,574,794.80)</u> |

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

Metropolitan Bank (China) Ltd.
STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2025

Unit: RMB yuan

| | Note 5 | 2025 | 2024 |
|---|--------|----------------------------|---------------------------|
| 2. Cash Flows from Investing Activities: | | | |
| Proceeds from disposal/maturity of investments | | 10,607,675,567.06 | 10,078,854,975.25 |
| Cash received from investment income | | 119,493,939.90 | 172,095,887.80 |
| Net cash received from disposal of fixed assets and intangible assets | | 59,721.88 | 156,189.65 |
| Subtotal of cash inflows from investing activities | | <u>10,727,229,228.84</u> | <u>10,251,107,052.70</u> |
| Cash paid for investments | | (11,559,843,115.00) | (9,199,564,561.56) |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | | (5,498,661.90) | (8,337,411.36) |
| Subtotal of cash outflows from investing activities | | <u>(11,565,341,776.90)</u> | <u>(9,207,901,972.92)</u> |
| Net cash flows (used in)/generated from investing activities | | <u>(838,112,548.06)</u> | <u>1,043,205,079.78</u> |
| 3. Cash Flows from Financing Activities: | | | |
| Cash proceeds from investments | | - | 200,000,000.00 |
| Cash received from bond issuance | | 148,452,400.00 | 743,948,750.00 |
| Subtotal of cash inflows from financing activities | | <u>148,452,400.00</u> | <u>943,948,750.00</u> |
| Cash paid from bond repayment | | (400,000,000.00) | (250,000,000.00) |
| Cash paid for interest expense | | (7,800,000.00) | - |
| Cash paid to other financing activities | | (13,929,651.35) | (14,212,998.04) |
| Subtotal of cash outflows from financing activities | | <u>(421,729,651.35)</u> | <u>(264,212,998.04)</u> |
| Net cash flows (used in)/generated from financing activities | | <u>(273,277,251.35)</u> | <u>679,735,751.96</u> |
| 4. Effect of Exchange Rate Changes on Cash and Cash Equivalents | | <u>(27,127,349.43)</u> | <u>11,782,840.95</u> |
| 5. Net Increase in Cash and Cash Equivalents | | 230,465,887.16 | 1,076,148,877.89 |
| Add: Opening Balances of Cash and Cash Equivalents | | <u>3,976,815,896.40</u> | <u>2,900,667,018.51</u> |
| 6. Closing Balances of Cash and Cash Equivalents | 38 | <u>4,207,281,783.56</u> | <u>3,976,815,896.40</u> |

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

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2025

Unit: RMB yuan

1. Corporate Information

Metropolitan Bank (China) Ltd. (the "Bank") was established by Metropolitan Bank & Trust Company ("Metrobank") as a wholly foreign invested bank in Nanjing, China.

On 4 May 2009, Metrobank was approved by China Banking and Insurance Regulatory Commission (the "CBIRC") to convert Metropolitan Bank & Trust Company Shanghai Branch (the "Former Shanghai Branch") to Metropolitan Bank (China) Ltd., a wholly owned foreign bank invested by Metrobank, in accordance with the "Administrative Regulations of the People's Republic of China on Foreign-invested Banks", the "Implementing Rules of the Administrative Regulations of the People's Republic of China on Foreign-invested Banks" and other relevant regulations.

The Bank obtained its Financial License (No. 00386154) on 7 January 2010 upon approval from the CBIRC. On 14 January 2010, the Bank obtained Business License (No.0098690) issued by State Administration for Industry and Commerce. The registered capital is RMB 1.3 billion, which has been verified by capital verification report De Shi Bao Yan Zi (10) No. 0039 issued by Deloitte Touche Tohmatsu Hua Yong CPA Ltd. Upon approval by the CBIRC, Metrobank further injected RMB 0.2 billion of capital to the Bank in 2014, which has been verified by capital verification report De Shi Bao Yan Zi (14) No. 0822 issued by Deloitte Touche Tohmatsu Hua Yong CPA Ltd. In 2024, approved by the Jiangsu Supervision Bureau of the National Financial Regulatory Administration, Metrobank injected an additional capital contribution of RMB 0.2 billion into the Bank, which has been verified by capital verification report Ernst & Young Hua Ming (2024) Yan Zi No. 70071684_B01 issued by Ernst & Young Hua Ming LLP Shanghai Office. The registered capital of the Bank was thus increased to 1.7 billion and a new Business License was obtained with the unified social credit code as 91320000717826301G.

The date of business conversion between the Bank and the Former Shanghai Branch was 27 February 2010 ("Conversion date"). Total assets, rights and obligations of the Former Shanghai Branch were transferred to the Bank on the Conversion date. The Bank commenced its business on 2 March 2010.

The business scope of the Bank is all of the following foreign exchange services and Renminbi services to customers as follows: (1) taking public deposits; (2) issuing short-term, medium-term and long-term loans; (3) handling the acceptance and discount of bills; (4) Agency services for issuance and redemption, and underwriting of government bonds; (5) purchasing and selling government bonds, financial bonds, and securities denominated in foreign currency other than stocks; (6) providing L/C service and guarantee; (7) handling domestic and foreign settlements; (8) purchasing and selling foreign exchanges by itself or as agent; (9) Agency services for collection and payment of funds, and insurance; (10) inter-bank placement; (11) Engaging in bank card business; (12) providing safe-deposit box service; (13) providing credit investigation and consulting service; and (14) other business approved by the CBIRC and the State Council.

As of 31 December 2025, besides Head Office incorporated in Nanjing, the Bank has set up 7 branches respectively in Shanghai, Nanjing, Changzhou, Quanzhou, Xiamen, Suzhou and Ningbo.

2. Basis of preparation

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

The financial statements are presented on a going concern basis.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

2. Basis of preparation (continued)

Statement of Compliance

The financial statements of the Bank have been prepared in accordance with the Accounting Standards for Business Enterprises, and present fairly and fully, the financial position of the Bank as at 31 December 2025 and the results of the operations and the cash flows for the year then ended.

3. Significant accounting policies and estimates

The financial information in the financial statements is prepared in accordance with the following significant accounting policies and estimates.

(1) Accounting year

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

(2) Functional currency

Both the reporting currency and the presentation currency for financial statements are the Renminbi ("RMB"). All amounts are stated in RMB, unless otherwise stated.

(3) Cash and cash equivalents

Cash refers to the cash on hand of the Bank. Cash equivalents refer to short term highly liquid assets, which are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value. Cash equivalents comprise unrestricted balances with the central bank, due from and placements with banks and other financial institutions and reverse repurchase agreements with original maturity of less than three months.

(4) Foreign currency transactions and translations

Transactions in foreign currencies are translated into the reporting currency accordingly.

Foreign currency transactions are recorded in the respective functional currency at the exchange rates ruling at the transaction date. Monetary items denominated in foreign currencies are translated into the functional currency at the applicable 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 measured at historical cost in a foreign currency are translated using exchange rates on initial recognition, so their amounts in reporting currency are stable. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates when the fair value is determined, the exchange difference thus resulted should be recognized in the income statement or other comprehensive income of the current period.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(4) Foreign currency transactions and translations (continued)

Cash flows arising from transactions in foreign currencies are translated using the weighted average exchange rates for the year (unless the exchange rate fluctuation makes it inappropriate to adopt these exchange rate, and the exchange rates on the transaction date shall be adopted). The effect of exchange rate movements on cash is presented separately in statement of cash flows as a reconciling item.

(5) 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

The Bank recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a 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 derecognised (i.e., removed from the Group's consolidated balance sheet) when:

- (i) the rights to receive cash flows from the financial assets have expired; or
- (ii) the Bank transferred the rights to receive cash flows from the 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 has transferred substantially all the risks and rewards of the financial asset, or has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

The financial liabilities are derecognized when the obligation over them has been discharged, or cancelled, or has expired. If the original financial liabilities are replaced with substantively different terms in essence by the same creditor, or the provisions of the contract are substantively modified in its nature, such replacement or modifications are treated as derecognition of original liabilities and recognition of new liabilities, with the difference recorded in profit or loss.

All financial assets and liabilities in "regular way trades" are initially recognized and derecognized on the trade date. Regular way purchases or sales are purchases or sales of financial assets under contracts whose terms require delivery within the time frame generally established by regulation or convention in the marketplace concerned. Trade date is the date when the Bank is obliged to purchase or sell financial assets.

Classification and measurement of financial assets

Financial assets of the Bank are initially classified into three categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss based on the Bank's business model for managing the financial assets and their contractual cash flow characteristics.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(5) Financial instruments (continued)

Classification and measurement of financial assets (continued)

Underlying fees of financial liabilities at fair value through profit or loss are directly recognised in profit or loss, while those of other financial liabilities are attributed to the acquisition of financial liabilities.

Subsequent measurements of financial assets are based on their classification:

Debt investments at amortised cost

The Bank measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held with the business model with the objective to hold financial assets in order to collect the contractual cash flows; The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Debt investments at fair value through other comprehensive income

The Bank measures financial assets at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held with the business model with the objective to hold financial assets in order to collect both the contractual cash flows and cash flows arising from the sale of assets; The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method. A gain or loss arising from a change in the fair value is recognised as other comprehensive income, except for interest come, credit impairment losses and foreign exchange gains or losses, which are recognised in profit or loss. The gain or loss recognised in other comprehensive income will be reversed and recognised in profit or loss when the financial assets are derecognised.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

The financial liabilities of the Bank are, on initial recognition, classified into financial liabilities at fair value through profit or loss, 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.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(5) Financial instruments (continued)

Classification and measurement of financial liabilities (continued)

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 instruments attributable to financial liabilities) and those designated as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments attributable to financial liabilities) are subsequently measured at fair value and the gain or loss arising from a change in the fair value will be recognised in profit or loss.

Financial liabilities measured at amortised cost

Such financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial instruments

Based on the expected credit losses (ECL), the Bank recognises an allowance for ECL for the financial assets measured at amortised cost, debt investments at fair value through other comprehensive income, credit commitment and financial guarantee contracts.

The Bank assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. If the credit risk has not increased significantly since initial recognition, classified as stage 1, the loss allowance is measured at an amount equal to 12-month ECL by the Bank and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets, classified as stage 2, the loss allowance is measured at an amount equal to lifetime ECL by the Bank and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition, classified as stage 3, the loss allowance is measured at an amount equal to lifetime ECL by the Bank and the interest income is calculated according to the amortised costs and the effective interest rate.

At each balance sheet date, the Bank assesses whether the credit risk on the relevant financial instruments has increased significantly since initial recognition. The Bank determines changes in the probability of default of financial instruments within the expected lifetime by comparing the probability of default of financial instruments as at the balance sheet date with that as at the date of initial recognition. If the credit risk of financial instruments is low on the balance sheet date, the Bank assumes that the credit risk has not increased significantly since the initial recognition.

The Bank's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised 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 date.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(5) Financial instruments (continued)

Impairment of financial instruments (continued)

When there are one or more events that have adverse effects on the expected future cash flows of financial assets, the financial assets are credit-impaired.

When the Bank no longer reasonably expects to collect part or all of the contractual cash flows, the Bank writes down the carrying amount of the financial assets.

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.

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss, they are, after initial recognition, subsequently measured at the higher of: (i) the amount of provisions for ECL at the balance sheet date, and (ii) the amount initially recognised less the cumulative amortisation recognised in accordance with the guidance for revenue recognition.

Derivatives financial instruments

The Bank uses derivative financial instruments and derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any profit or loss arising from changes in fair value of derivatives are taken directly in profit or loss, except for those related to the hedge accounting.

Transfer of financial assets

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

When the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the following treatment shall be used: (i) if the Bank has not retained control, it derecognises the financial asset and recognises assets or liabilities incurred separately; (ii) if the Bank has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(5) Financial instruments (continued)

Transfer of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the carrying amount of the asset and the amount of financial guarantee. The amount of financial guarantee is the maximum amount of consideration that an entity could be required to repay.

(6) Fixed assets

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 in the cost of fixed assets when the recognition criteria set above is met, and the replaced carrying amount should be derecognized. Otherwise, such expenditure is normally charged to the income statement 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 other directly attributable expenditure for bringing the asset to working condition for its intended use.

Depreciation is calculated using the straight-line method. The useful lives, percentages of estimated residual value and annual depreciation rates are as follows:

| | Estimated Useful Life | Estimated Residual Value | Annual Depreciation Rate |
|------------------|--------------------------|-----------------------------|-----------------------------|
| Motor vehicles | 5 years | 10% | 18% |
| Computers | 5 years | 10% | 18% |
| Office equipment | 5 years | 10% | 18% |

Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each year end.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(7) Construction in progress

The cost of construction in progress is determined according to the actual expenditure for the construction, including all necessary expenditure incurred during the construction period.

The costs are transferred out when the asset is ready for its intended use.

(8) Intangible assets

An intangible asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Bank and the cost of the asset can be measured reliably.

The useful life is determined according to the economic useful lives. The useful life of the intangible assets as shown below:

| | Useful life |
|----------|-------------|
| Software | 10 years |

An intangible asset with a finite useful life is amortised over its useful life with the straight-line method. The useful life and amortization method of intangible assets with finite useful lives are reviewed at each balance sheet date.

(9) Long-term deferred assets

Long-term deferred assets are amortised using the straight-line method. Amortization period is as follow:

| | Amortization period |
|------------------------|---------------------|
| Leasehold improvements | 3 – 10 years |

(10) Repurchase and reverse repurchase agreements

Assets sold under agreements to repurchase at a specified future date (“repos”) are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized on the statement of financial position as a “repurchase agreement”. The difference between the sale and repurchase prices is treated as an interest expense and is accrued over the life of the agreement using the effective interest rate method.

Conversely, assets purchased under agreements to resell at a specified future date (“reverse repos”) are not recognized on the statement of financial position. The corresponding cash paid, including accrued interest, is recognized on the statement of financial position as a “reverse repurchase agreement”. The difference between the purchase and resale prices is treated as an interest income and is accrued over the life of the agreement using the effective interest rate method.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(11) Impairment of asset

Impairment losses on assets except for deferred tax assets and financial assets are determined in the following way:

The Bank assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Bank estimates the recoverable amount of the asset and performs impairment testing; goodwill arising from a business combination, 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.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flow expected to be derived from the asset. The Bank estimates the recoverable amount on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Bank determines the recoverable amount of the asset group to which the asset belongs. Identification of an asset group is based on whether major cash flows generated by the asset group are largely independent of the cash flows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The impairment of asset is provided for and the impairment loss is recognized in the income statement for the current period.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

(12) Employee Benefits

Employee benefits are all forms of consideration given by the Bank in exchange for service rendered by employees or for the termination of employment, including short-term employee benefits, post-employment benefits, and other long-term benefits.

Short-term employee benefits

Short-term employee benefits are accrued in the period in which services have been rendered by the employees of the Bank, and recognized in the income statement or cost of an asset.

Post-employment benefits (defined contribution plan)

Employees of the Bank participate in the retirement insurance and unemployment insurance plans administered by the local government and enterprise annuity, and the contribution is recognized to income statement of that period.

Other long-term benefits

For other long-term employee benefits provided to employees, the relevant requirements on post-employment benefits are applied in recognising and measuring the net liabilities or net assets of other long-term employee benefits, with the changes included in profit or loss, or the cost of related assets.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(13) Provisions

An obligation related to a contingency is recognised by the Bank as provisions when the obligation is a present obligation of the Bank and it is probable that an outflow of economic benefits from the Bank will be required to settle the obligation, together with a reliable estimate can be made of the amount of the obligation, except for contingent considerations and contingent liabilities assumed in a business combination not under common control.

The provision is 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. Provisions are reviewed and adjusted appropriately at each balance sheet date to reflect the current best estimate.

Financial guarantee contracts subsequently measured at an amount equal to expected credit losses are presented in provisions.

(14) Revenue and expense recognition

Interest income and interest expense

"Interest income" and "interest expense" item in the income statement of the Bank are the interest income and expense calculated by using the effective interest method on financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial liabilities at amortised cost.

The effective interest method is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is that exactly discounts estimated future cash flows through the expected life of a financial asset or financial liability to the gross carrying amount of a financial asset or the amortised cost of a financial liability. When calculating the effective interest rate, the Bank estimates the expected cash flows by considering all contractual terms of the financial instrument but does not consider expected credit losses. The calculation includes all amounts paid or received by the Bank that are an integral part of the effective interest rate, transaction costs and all premiums or discounts.

For those purchased or originated credit-impaired financial assets, the Bank calculates the interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition the credit-adjusted effective interest rate is that exactly discounts the estimated future cash flows through the expected life of the financial asset to the amortised cost of a financial asset that is a purchased or originated credit-impaired financial asset.

For those financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, the Bank calculates the interest income by applying the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Metropolitan Bank (China) Ltd.
 NOTES TO FINANCIAL STATEMENTS (continued)
 For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(14) Revenue and expense recognition (continued)

Fee and commission income

The Bank earns fee and commission income from a diverse range of services it provides to its customers. For those services that are provided over a period of time, fee and commission income is accrued in accordance with the terms and conditions of the service agreement. For other services, fee and commission income is recognised when the transactions are completed.

(15) Government subsidies

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount. A government grant related to income is accounted for as follows: (1) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and released in profit or loss or offset against related expenses over the periods in which the related costs are recognised; (2) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss or offset against relevant expenses. A government grant related to assets shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). When the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

Metropolitan Bank (China) Ltd.
 NOTES TO FINANCIAL STATEMENTS (continued)
 For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(16) Deferred tax

For temporary differences at the balance sheet date between the tax bases of assets and liabilities and their book values, and temporary differences between the book values and the tax bases of items which have not been recognized as assets and liabilities but the tax bases of which can be determined for tax purposes, deferred taxes are provided using the liability method.

A deferred tax liability is recognized for all taxable temporary differences, except that the transaction which the deferred tax liability arises from neither is an initial recognition of goodwill nor is a business combination and at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss and the initially recognized assets and liabilities did not result in equal taxable and deductible temporary differences.

A deferred tax asset is recognized for deductible temporary differences carry-forward of unused tax credits and unused tax losses, 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 that the deferred tax asset relating to the deductible temporary differences arises from a transaction which neither a business combination nor affects the accounting profit or taxable profit or loss and the initially recognized assets and liabilities did not result in equal taxable and deductible temporary differences.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Bank expects at the balance sheet date, to recover the assets or settle the liabilities.

At the balance sheet date, the Bank reviews the book value of deferred tax assets. If it is probable that sufficient taxable income cannot be generated to use the tax benefits of deferred tax assets, the book value of deferred tax assets should be reduced. Conversely, at the balance sheet date, the Bank reviews previously unrecognized deferred tax assets. Deferred tax assets are recognized to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and deferred tax liabilities are offset and the net amount is reported in the statement of financial position if, and only if, the Bank has a legally enforceable right to offset current tax assets and current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority, or although the deferred taxes are related to different taxable entities, related entities intend to counteract those deferred taxes and report them in net value while acquire the asset and pay off the liabilities at the same time in every significant period to switch back.

Metropolitan Bank (China) Ltd.
 NOTES TO FINANCIAL STATEMENTS (continued)
 For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(17) Leases

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

As lessee

The Bank recognises lease liabilities and right-of-use assets, except for short-term leases and leases of low-value assets.

At the commencement date of the lease, the Bank recognises a right-of-use asset. Right-of-use assets are initially measured at cost. The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made at or before the commencement date of the lease less any lease incentives received; (iii) any initial direct cost incurred; and (iv) an estimate of costs incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The Bank remeasures the lease liability 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 asset will be transferred to the Bank at the end of the lease term, the Bank depreciates the asset from the commencement date to the end of the useful life of the asset. Otherwise, the Bank depreciates the assets from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term.

At the commencement date of the lease the Bank measures the 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 (including 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 asset as required.

Metropolitan Bank (China) Ltd.
 NOTES TO FINANCIAL STATEMENTS (continued)
 For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(17) Leases (continued)

As lessee (continued)

The Bank remeasures the lease liability at the present value of 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 considers a lease that at the commencement date of the lease, has a lease term of 12 months or less and does not contain any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset with low value when it is new as a lease of low-value assets. The Bank chooses not to recognise the right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the rental expenses are amortised on a straight-line basis over each period of the lease term.

(18) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank. It can also be a present obligation arising from past events that is not recognized because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably. Contingent liabilities are disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable and can be reliably estimated, it will then be recognized as a provision.

(19) Dividends

Dividends are recognized as a liability and deducted from equity when they are approved by the Bank's shareholder and declared. Interim dividends are deducted from equity when they are approved and declared, and no longer at the discretion of the Bank. Dividend for the year that is approved after the balance sheet date is disclosed as an event after the balance sheet date.

(20) Fiduciary activities

Where the Bank acts in a fiduciary capacity such as custodian or agent, assets arising thereon together with related undertakings to return such assets to customers are excluded from the balance sheet statement.

The Bank grants entrusted loans on behalf of trustors, which are recorded off-balance sheet. The Bank, as a trustee, grants such entrusted loans to borrowers under the direction of those trustors who fund these loans. The Bank has been contracted by those trustors to manage the administration and collection of these loans on their behalf. Those trustors determine both of the underwriting criteria for and the terms of all entrusted loans including their purposes, amounts, interest rates, and repayment schedules. The Bank charges a commission related to its activities in connection with entrusted loans which are recognized on a straight-line basis over the period in which the service is provided. The risk of loss is borne by those trustors.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(21) Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly; Level 3 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at each balance sheet date.

(22) Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities at the balance sheet date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

During the process of applying the Bank's accounting policies, management has made the following judgements which have significant effects on the amounts recognized in financial statements:

Business model

The classification of financial assets at initial recognition is dependent on the Bank's business model for managing financial assets. When determining the business model, the Bank considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Bank needs to analyse and assess the reasons, timing, frequency and value of the sale before the maturity date of the financial assets.

Characteristics of the contractual cash flows

Financial assets are initially classified based on their contractual cash flow characteristics. When judging whether the contractual cash flow are solely payments of principal and interest on the principal amount outstanding, the considerations contain: (i) judging whether there exists significant difference compared with the benchmark cashflow, when evaluating the modification of the time value of the money, (ii) judging whether fair value of the early repayment characteristics is immaterial for financial assets with early repayment characteristics.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

3. Significant accounting policies and estimates (continued)

(22) Significant accounting judgements and estimates (continued)

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 listed below.

Impairment of financial instruments

The Bank uses the expected credit losses model to evaluate the impairment of financial instruments. The Bank is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgments and estimates, the Bank estimates the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the impairment provision and the provision for credit impairment may not be equal to actual credit losses in the future.

Fair value of financial instruments

If the market for a financial instrument is not active, the Bank establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable and willing parties, if available, reference to the current fair value of another instrument that is substantially the same, or discounted cash flow analysis. To the extent practicable, valuation technique makes maximum use of market inputs. However, where market inputs are not available, management needs to make estimates on such unobservable market inputs.

Lessee's incremental borrowing rate

The Bank measures the lease liability at the present value of the lease payments discounted using its incremental borrowing rate. According to the economic environment, the Bank takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

Deferred tax assets

Deferred tax assets are recognised 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 recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

4. Taxes

The major categories of taxes applicable to the Bank and the related tax rates for the current accounting year are listed as follows:

| | | |
|---------------------------------------|---|--|
| Value Added Tax | - | Taxable income is subjected to a 6% output VAT tax less deductible input tax |
| City Maintenance and Construction Tax | - | 7% of amount of paid-up turnover tax |
| Education Surcharge | - | 3% of amount of paid-up turnover tax |
| Local Education Surcharge | - | 2% of amount of paid-up turnover tax |
| Corporate Income Tax | - | Corporate taxable income is subjected to a tax rate of 25%. |

5. Notes to financial statements

(1) Cash and balances with the central bank

| | 2025 | 2024 |
|--------------------------------|------------------|------------------|
| Cash on hand | 560,689.72 | 471,178.86 |
| Balances with the central bank | | |
| Statutory reserve fund | | |
| - RMB | 671,740,561.09 | 678,418,096.54 |
| - foreign currency | 125,218,915.46 | 106,806,945.82 |
| Excess reserves | 772,720,864.12 | 983,117,392.49 |
| Subtotal | 1,569,680,340.67 | 1,768,342,434.85 |
| Interest receivables | 364,307.29 | 363,720.23 |
| Total | 1,570,605,337.68 | 1,769,177,333.94 |

In accordance with relevant regulations issued by the People's Bank of China ("PBOC"), the Bank should place with the PBOC a reserve fund, which could not be used for daily operations.

For customer deposits denominated in foreign currencies, the statutory reserve fund is calculated at 4% (31 December 2024: 4%) of the balance of foreign customer deposits at the end of the last month. For customer deposits denominated in RMB, the statutory reserve fund is calculated at 5.5% (31 December 2024: 6%) of the average balance of RMB customer deposits at the last ten-day period. For forward foreign exchange sales, a foreign exchange risk reserve is calculated at 20% (December 31, 2024: 20%) of the contracted amount for forward foreign exchange sales.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(2) Due from banks

| | 2025 | 2024 |
|----------------------|----------------|----------------|
| Domestic banks | 639,741,202.80 | 413,899,937.01 |
| Overseas banks | 68,787,026.92 | 100,472,988.04 |
| Subtotal | 708,528,229.72 | 514,372,925.05 |
| Interest receivables | 222,344.21 | 210,131.33 |
| Less: provisions | 356,474.50 | 593,336.96 |
| Total | 708,394,099.43 | 513,989,719.42 |

(3) Placements with banks

| | 2025 | 2024 |
|---------------------------------------|------------------|------------------|
| Domestic banks | 1,376,584,000.00 | 1,467,550,400.00 |
| Other domestic financial institutions | 2,388,731,200.00 | 1,900,724,000.00 |
| Overseas banks | 495,288,000.00 | 125,000,000.00 |
| Subtotal | 4,260,603,200.00 | 3,493,274,400.00 |
| Interest receivables | 16,331,297.59 | 15,051,674.21 |
| Less: provisions | 2,518,352.42 | 898,496.51 |
| Total | 4,274,416,145.17 | 3,507,427,577.70 |

(4) Derivative financial instruments

Derivative financial instruments refer to a financial product whose value depends on the value of another "basic" financial product index or other variables on which it is attached. Usually these "basic" products include stocks, commodities, bond market prices, index market prices or exchange rates, and interest rates.

The nominal amount of derivative financial instruments refers to the contract value of the "basic" assets on which they are attached, and reflects the unsettled part of the balance sheet date. The contract value reflects the risk exposure of the Bank's derivative financial instruments at the end of the accounting period rather than the fair value.

Fair value refers to the price that market participants can receive for the sale of an asset or pay for the transfer of a liability in an orderly transaction that occurs on the measurement date.

The Bank has no derivative financial instruments designated as hedging instruments for hedging purposes.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(4) Derivative financial instruments (continued)

The derivative financial instruments held on 31 December 2025 and 2024 are as follows:

| | 2025 | | |
|------------------------------|------------------|---------------|---------------|
| | Nominal amount | Fair value | |
| | | Assets | Liabilities |
| Foreign exchange derivatives | | | |
| Swap contract | 4,181,808,065.00 | 4,005,185.47 | 3,888,047.96 |
| Option contract | 2,003,097,901.82 | 1,268,405.90 | 1,268,405.90 |
| Subtotal | 6,184,905,966.82 | 5,273,591.37 | 5,156,453.86 |
| Interest rate derivatives | | | |
| Option contract | 290,550,000.00 | 111,619.58 | 188,426.04 |
| Interest rate swap | 178,483,000.00 | - | 10,374.81 |
| Subtotal | 469,033,000.00 | 111,619.58 | 198,800.85 |
| Total | 6,653,938,966.82 | 5,385,210.95 | 5,355,254.71 |
| | 2024 | | |
| | Nominal amount | Fair value | |
| | | Assets | Liabilities |
| Foreign exchange derivatives | | | |
| Swap contract | 2,897,291,875.00 | 10,899,626.96 | 10,827,415.91 |
| Subtotal | 2,897,291,875.00 | 10,899,626.96 | 10,827,415.91 |
| Interest rate derivatives | | | |
| Option contract | 1,135,000,000.00 | 92,473.64 | 158,003.27 |
| Interest rate swap | 319,650,000.00 | - | 30,436.31 |
| Subtotal | 1,454,650,000.00 | 92,473.64 | 188,439.58 |
| Total | 4,351,941,875.00 | 10,992,100.60 | 11,015,855.49 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(5) Financial assets held under resale agreements

| | 2025 | 2024 |
|-------------------|----------------|----------------|
| Bonds | 100,000,000.00 | 185,000,000.00 |
| Interest payables | 32,219.17 | 33,493.14 |
| Less: provisions | 156.00 | 1,443.00 |
| Total | 100,032,063.17 | 185,032,050.14 |

(6) Loans and advances to customers

(6.1) By types of loans

| | 2025 | 2024 |
|---|-------------------|------------------|
| Measured at amortised cost | | |
| Loans | 8,792,805,380.41 | 8,685,702,034.49 |
| Measured at fair value through other comprehensive income | | |
| Discounted bills | 107,877,791.06 | 158,952,722.78 |
| Trade finance | 1,266,884,273.88 | 700,711,735.83 |
| Subtotal | 10,167,567,445.35 | 9,545,366,493.10 |
| Interest receivables | 12,983,500.63 | 11,360,591.17 |
| Total | 10,180,550,945.98 | 9,556,727,084.27 |
| Less: provisions of loans (Notes5. (6.4)) | 204,902,880.59 | 171,688,636.37 |
| Net value | 9,975,648,065.39 | 9,385,038,447.90 |

(6.2) By types of collateral or guarantee

| | 2025 | 2024 |
|----------------------|-------------------|------------------|
| Unsecured loans | 808,541,773.19 | 619,527,741.50 |
| Guaranteed loans | 6,941,323,551.24 | 6,811,377,698.68 |
| Secured by mortgages | 123,900,000.00 | 84,120,548.94 |
| Secured by pledges | 2,293,802,120.92 | 2,030,340,503.98 |
| Subtotal | 10,167,567,445.35 | 9,545,366,493.10 |
| Interest receivables | 12,983,500.63 | 11,360,591.17 |
| Total | 10,180,550,945.98 | 9,556,727,084.27 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(6) Loans and advances to customers (continued)

(6.3) Overdue Loans by types of collateral or guarantee

Overdue loans are loans of which the principals or related interests are overdue for one day or above.

As of 31 December 2025, the overdue loans of the Bank analyzed by types of collateral or guarantee are as follows:

| | 2025 | | | | Total |
|--------------------|-------------------------------------|--------------------------------------|--------------------------------------|-----------------------|---------------|
| | Overdue 1 day to 90 days (included) | Overdue 90 days to 1 year (included) | Overdue 1 year to 3 years (included) | Overdue 3 years above | |
| Secured by pledges | - | - | 16,329,447.88 | - | 16,329,447.88 |

As of 31 December 2024, the overdue loans of the Bank analyzed by types of collateral or guarantee are as follows:

| | 2024 | | | | Total |
|--------------------|-------------------------------------|--------------------------------------|--------------------------------------|-----------------------|---------------|
| | Overdue 1 day to 90 days (included) | Overdue 90 days to 1 year (included) | Overdue 1 year to 3 years (included) | Overdue 3 years above | |
| Secured by pledges | - | 16,333,333.35 | - | - | 16,333,333.35 |

(6.4) Provisions of loans

The allowance for loans and advances measured at amortised cost are measured according to the 12-month expected credit losses and lifetime expected credit losses respectively.

The movement of impairment provisions during 2025 is as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---------------------|---------------------------------|---------------------------------|--|----------------|
| | 12-month expected credit losses | Lifetime expected credit losses | Credit-impaired financial assets (Lifetime expected credit losses) | |
| At 1 January 2025 | 163,408,426.54 | 1,798,200.37 | 6,482,009.46 | 171,688,636.37 |
| Accrual/(reversal) | 25,135,101.33 | (1,798,200.37) | 10,847,438.42 | 34,184,339.38 |
| Write-off | - | - | (1,000,000.00) | (1,000,000.00) |
| Exchange difference | 29,904.84 | - | - | 29,904.84 |
| Closing balance | 188,573,432.71 | - | 16,329,447.88 | 204,902,880.59 |

The movement of impairment provisions during 2024 is as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---------------------|---------------------------------|---------------------------------|--|----------------|
| | 12-month expected credit losses | Lifetime expected credit losses | Credit-impaired financial assets (Lifetime expected credit losses) | |
| At 1 January 2024 | 150,027,449.55 | - | 8,835,291.03 | 158,862,740.58 |
| Accrual/(reversal) | 13,404,926.70 | 1,798,200.37 | (2,353,281.57) | 12,849,845.50 |
| Exchange difference | (23,949.71) | - | - | (23,949.71) |
| Closing balance | 163,408,426.54 | 1,798,200.37 | 6,482,009.46 | 171,688,636.37 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(7) Debt investments

| | 2025 | 2024 |
|-----------------------------|---------------|---------------|
| Bonds investments issued by | | |
| Policy banks | 20,343,623.89 | 20,482,050.12 |
| Subtotal | 20,343,623.89 | 20,482,050.12 |
| Interest receivables | 598,767.12 | 598,767.12 |
| Less: provision | 247.22 | 391.76 |
| Net value | 20,942,143.79 | 21,080,425.48 |

As at 31 December 2025 and 31 December 2024, the Bank recorded all debt investments in Stage 1, and measured the provision based on expected credit losses for the next 12 months.

(8) Other debt investments

| | 2025 | 2024 |
|--|------------------|------------------|
| Bonds investments issued by | | |
| Government | 908,680,105.40 | 156,286,317.75 |
| Policy banks | 1,200,783,720.00 | 1,131,907,990.00 |
| Commercial banks | 50,107,350.00 | - |
| Business enterprises | 1,055,446,348.89 | 1,779,265,554.09 |
| Interbank negotiable certificates of deposit issued by | | |
| Commercial banks | 1,211,714,347.89 | 399,094,000.00 |
| Subtotal | 4,426,731,872.18 | 3,466,553,861.84 |
| Interest receivables | 58,342,334.48 | 61,975,757.94 |
| Net value | 4,485,074,206.66 | 3,528,529,619.78 |

As at 31 December 2025 and 31 December 2024, the Bank recorded all other debt investments in stage 1, and measured the provision based on expected credit losses for the next 12 months..

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(9) Fixed assets

| 2025 | Motor vehicles | Computers | Office equipment | Total |
|--|----------------|---------------|------------------|----------------|
| Cost | | | | |
| Opening balance | 1,576,785.88 | 32,196,892.14 | 4,594,025.39 | 38,367,703.41 |
| Additions | - | 957,656.36 | 602,500.14 | 1,560,156.50 |
| Transfer from construction in progress | - | - | 144,907.28 | 144,907.28 |
| Disposals | - | (293,121.59) | (290,612.29) | (583,733.88) |
| Closing balance | 1,576,785.88 | 32,861,426.91 | 5,050,820.52 | 39,489,033.31 |
| Accumulated depreciation | | | | |
| Opening balance | 511,174.35 | 27,643,649.57 | 3,553,585.54 | 31,708,409.46 |
| Additions | 204,559.16 | 525,888.38 | 311,612.51 | 1,042,060.05 |
| Disposals | - | (263,809.18) | (260,202.82) | (524,012.00) |
| Closing balance | 715,733.51 | 27,905,728.77 | 3,604,995.23 | 32,226,457.51 |
| Net book value | | | | |
| Opening balance | 1,065,611.53 | 4,553,242.57 | 1,040,439.85 | 6,659,293.95 |
| Closing balance | 861,052.37 | 4,955,698.14 | 1,445,825.29 | 7,262,575.80 |
| 2024 | Motor vehicles | Computers | Office equipment | Total |
| Cost | | | | |
| Opening balance | 1,224,634.49 | 31,455,971.85 | 4,642,208.78 | 37,322,815.12 |
| Additions | 1,136,417.06 | 1,022,132.09 | 414,403.11 | 2,572,952.26 |
| Transfer from construction in progress | - | - | 28,500.00 | 28,500.00 |
| Disposals | (784,265.67) | (281,211.80) | (491,086.50) | (1,556,563.97) |
| Closing balance | 1,576,785.88 | 32,196,892.14 | 4,594,025.39 | 38,367,703.41 |
| Accumulated depreciation | | | | |
| Opening balance | 1,102,171.30 | 26,989,324.06 | 3,673,246.03 | 31,764,741.39 |
| Additions | 114,842.25 | 906,909.43 | 322,290.71 | 1,344,042.39 |
| Disposals | (705,839.20) | (252,583.92) | (441,951.20) | (1,400,374.32) |
| Closing balance | 511,174.35 | 27,643,649.57 | 3,553,585.54 | 31,708,409.46 |
| Net book value | | | | |
| Opening balance | 122,463.19 | 4,466,647.79 | 968,962.75 | 5,558,073.73 |
| Closing balance | 1,065,611.53 | 4,553,242.57 | 1,040,439.85 | 6,659,293.95 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(10) Right-of-use assets

| 2025 | Buildings | Motor vehicles | Total |
|--------------------------|----------------|----------------|----------------|
| Cost | | | |
| Opening balance | 72,354,806.22 | 962,250.06 | 73,317,056.28 |
| Additions | 27,231,262.46 | - | 27,231,262.46 |
| Disposals | (6,385,573.20) | - | (6,385,573.20) |
| Closing balance | 93,200,495.48 | 962,250.06 | 94,162,745.54 |
| Accumulated depreciation | | | |
| Opening balance | 50,823,316.04 | 643,568.13 | 51,466,884.17 |
| Additions | 12,843,459.61 | 182,103.96 | 13,025,563.57 |
| Disposals | (3,440,745.60) | - | (3,440,745.60) |
| Closing balance | 60,226,030.05 | 825,672.09 | 61,051,702.14 |
| Net book value | | | |
| Opening balance | 21,531,490.18 | 318,681.93 | 21,850,172.11 |
| Closing balance | 32,974,465.43 | 136,577.97 | 33,111,043.40 |
| 2024 | Buildings | Motor vehicles | Total |
| Cost | | | |
| Opening balance | 70,403,126.63 | 962,250.06 | 71,365,376.69 |
| Additions | 1,951,679.59 | - | 1,951,679.59 |
| Closing balance | 72,354,806.22 | 962,250.06 | 73,317,056.28 |
| Accumulated depreciation | | | |
| Opening balance | 37,417,431.42 | 450,222.51 | 37,867,653.93 |
| Additions | 13,405,884.62 | 193,345.62 | 13,599,230.24 |
| Closing balance | 50,823,316.04 | 643,568.13 | 51,466,884.17 |
| Net book value | | | |
| Opening balance | 32,985,695.21 | 512,027.55 | 33,497,722.76 |
| Closing balance | 21,531,490.18 | 318,681.93 | 21,850,172.11 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(11) Deferred tax assets/(liabilities)

| 2025 | As at 31 December 2024 | Charged to profit or loss | Charged to equity | As at 31 December 2025 |
|---|---------------------------|------------------------------|----------------------|---------------------------|
| Impairment losses | 15,182,255.03 | 889,020.54 | - | 16,071,275.57 |
| Changes in fair value of other debt investments | (5,068,531.86) | - | 77,791.12 | (4,990,740.74) |
| Changes in fair value of derivative financial instruments | 23,991.49 | (20,562.38) | - | 3,429.11 |
| Changes in fair value of forfaiting and discounted bills | (1,316,288.21) | - | 246,861.35 | (1,069,426.86) |
| Payroll payables | 5,032,332.37 | (502,042.16) | - | 4,530,290.21 |
| Accounting-tax difference of fixed assets | (972,046.40) | (727,047.28) | - | (1,699,093.68) |
| Provisions | 2,384,295.27 | 646,923.75 | - | 3,031,219.02 |
| Right-of-use assets | (5,462,543.03) | (2,815,217.82) | - | (8,277,760.85) |
| Lease liabilities | 5,552,738.23 | 2,707,830.74 | - | 8,260,568.97 |
| Total | 15,356,202.89 | 178,905.39 | 324,652.47 | 15,859,760.75 |
| 2024 | As at 31 December 2023 | Charged to profit or loss | Charged to equity | As at 31 December 2024 |
| Impairment losses | 15,898,228.33 | (715,973.30) | - | 15,182,255.03 |
| Changes in fair value of other debt investments | (3,609,038.93) | - | (1,459,492.93) | (5,068,531.86) |
| Changes in fair value of derivative financial instruments | 70,462.47 | (46,470.98) | - | 23,991.49 |
| Changes in fair value of forfaiting and discounted bills | (1,093,947.00) | - | (222,341.21) | (1,316,288.21) |
| Payroll payables | 3,981,926.65 | 1,050,405.72 | - | 5,032,332.37 |
| Accounting-tax difference of fixed assets | (618,278.42) | (353,767.98) | - | (972,046.40) |
| Provisions | 2,588,035.61 | (203,740.34) | - | 2,384,295.27 |
| Right-of-use assets | (8,374,430.69) | 2,911,887.66 | - | (5,462,543.03) |
| Lease liabilities | 8,251,885.13 | (2,699,146.90) | - | 5,552,738.23 |
| Total | 17,094,843.15 | (56,806.12) | (1,681,834.14) | 15,356,202.89 |

(12) Other assets

| | | 2025 | 2024 |
|--|------|------------------|------------------|
| Receivable upon settlement of spot foreign exchange transactions | 12.1 | 2,105,633,275.00 | 1,448,657,875.00 |
| Other receivables | 12.2 | 6,034,659.72 | 6,446,561.30 |
| Long-term deferred expenses | 12.3 | 6,380,974.83 | 3,598,549.56 |
| Intangible assets | 12.4 | 8,428,786.06 | 8,919,576.75 |
| Construction in progress | 12.5 | 309,087.76 | 3,747,462.52 |
| Subtotal | | 2,126,786,783.37 | 1,471,370,025.13 |
| Less: Provision | | 18,178.75 | 18,178.75 |
| Net value | | 2,126,768,604.62 | 1,471,351,846.38 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(12) Other assets (continued)

(12.1) Receivable upon settlement of spot foreign exchange transactions

| | 2025 | 2024 |
|-------------------------------|------------------|------------------|
| Foreign exchange transactions | 2,105,633,275.00 | 1,448,657,875.00 |

Receivable upon settlement of spot foreign exchange transactions arised from foreign exchange swap transactions, which would be received on the settlement date as agreed.

(12.2) Other receivables

(i) By Aging

| | 2025 | | | |
|---------------|--------------|------|-------------|--------------|
| | Book value | % | Provision | Net value |
| Within 1 year | 3,552,978.42 | 59% | - | 3,552,978.42 |
| 1-2 years | 388,035.92 | 6% | - | 388,035.92 |
| 2-3 years | 349,704.40 | 6% | - | 349,704.40 |
| Over 3 years | 1,743,940.98 | 29% | (18,178.75) | 1,725,762.23 |
| Total | 6,034,659.72 | 100% | (18,178.75) | 6,016,480.97 |

| | 2024 | | | |
|---------------|--------------|------|-------------|--------------|
| | Book value | % | Provision | Net value |
| Within 1 year | 2,089,714.08 | 32% | - | 2,089,714.08 |
| 1-2 years | 1,045,139.93 | 16% | - | 1,045,139.93 |
| 2-3 years | 448,325.49 | 7% | - | 448,325.49 |
| Over 3 years | 2,863,381.80 | 45% | (18,178.75) | 2,845,203.05 |
| Total | 6,446,561.30 | 100% | (18,178.75) | 6,428,382.55 |

(ii) By nature

| | 2025 | 2024 |
|-----------------|--------------|--------------|
| Rental deposits | 3,253,205.65 | 3,760,716.77 |
| Prepayments | 2,750,051.96 | 2,455,270.49 |
| Others | 31,402.11 | 230,574.04 |
| Total | 6,034,659.72 | 6,446,561.30 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(12) Other assets (continued)

(12.3) Long-term deferred expenses

| 2025 | Opening balance | Additions | Disposal | Amortizations | Closing balance |
|------------------------|-----------------|--------------|----------|----------------|-----------------|
| Leasehold improvements | 3,598,549.56 | 5,622,883.16 | - | (2,840,457.89) | 6,380,974.83 |
| 2024 | Opening balance | Additions | Disposal | Amortizations | Closing balance |
| Leasehold improvements | 4,297,192.09 | 2,169,841.44 | - | (2,868,483.97) | 3,598,549.56 |

(12.4) Intangible assets

| | 2025 | 2024 |
|--|---------------|---------------|
| Cost | | |
| Opening balance | 26,272,763.61 | 25,938,178.06 |
| Additions | 765,664.55 | 281,991.21 |
| Transfer from construction in progress | 429,150.95 | 52,594.34 |
| Closing balance | 27,467,579.11 | 26,272,763.61 |
| Amortizing | | |
| Opening balance | 17,353,186.86 | 15,492,899.70 |
| Additions | 1,685,606.19 | 1,860,287.16 |
| Closing balance | 19,038,793.05 | 17,353,186.86 |
| Net carrying amount | | |
| Opening balance | 8,919,576.75 | 10,445,278.36 |
| Closing balance | 8,428,786.06 | 8,919,576.75 |

(12.5) Construction in progress

| | 2025 | 2024 |
|-----------------|----------------|----------------|
| Opening balance | 3,747,462.52 | 1,157,771.29 |
| Additions | 1,623,450.88 | 4,480,499.69 |
| Transfers | (5,061,825.64) | (1,890,808.46) |
| Closing balance | 309,087.76 | 3,747,462.52 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(13) Due to banks and other financial institutions

| | 2025 | 2024 |
|----------------|---------------|---------------|
| Overseas banks | 41,036,755.91 | 38,038,563.52 |

(14) Placements from banks

| | 2025 | 2024 |
|-------------------|------------------|------------------|
| Domestic banks | 1,480,016,000.00 | 1,372,724,400.00 |
| Overseas banks | 1,318,240,200.00 | 563,577,100.00 |
| Interest payables | 9,820,578.49 | 9,781,046.67 |
| Total | 2,808,076,778.49 | 1,946,082,546.67 |

(15) Financial assets sold under repurchase agreements

| | 2025 | 2024 |
|-------------------|----------------|------|
| Bonds | 395,000,000.00 | - |
| Interest payables | 14,465.76 | - |
| Total | 395,014,465.76 | - |

(16) Customer deposits

| | 2025 | 2024 |
|---------------------|-------------------|-------------------|
| Demand deposits | | |
| Corporate customers | 4,083,594,260.44 | 3,681,811,788.33 |
| Personal customers | 15,780,027.43 | 15,565,348.89 |
| Time deposits | | |
| Corporate customers | 9,076,404,929.08 | 8,989,203,939.51 |
| Personal customers | 1,912,529,113.64 | 1,272,652,013.18 |
| Interest payables | 77,289,672.56 | 76,878,109.57 |
| Total | 15,165,598,003.15 | 14,036,111,199.48 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(17) Payroll payables

| | 2025 | 2024 |
|--------------------------------------|----------------|----------------|
| Amount unpaid | | |
| Salary, bonus, subsidy and allowance | 48,361,160.84 | 46,386,162.48 |
| Amount payable | | |
| Salary, bonus, subsidy and allowance | 114,632,302.91 | 111,684,937.20 |
| Employee benefits | 1,099,186.49 | 1,056,474.65 |
| Social insurance | 6,402,010.56 | 6,106,927.23 |
| Including: Medical insurance | 5,874,632.17 | 5,605,781.49 |
| Injury insurance | 199,519.60 | 185,816.77 |
| Maternity insurance | 327,858.79 | 315,328.97 |
| Housing fund | 9,641,191.36 | 9,128,589.34 |
| Defined contribution plan | 16,580,959.51 | 14,931,323.15 |
| Including: Retirement insurance | 11,974,288.68 | 11,333,017.94 |
| Enterprise annuity | 4,077,851.00 | 3,241,704.00 |
| Unemployment insurance | 528,819.83 | 356,601.21 |
| Total | 148,355,650.83 | 142,908,251.57 |

(18) Tax payables

| | 2025 | 2024 |
|----------------------|---------------|--------------|
| Value-added tax | 5,284,705.81 | 6,655,148.72 |
| Corporate Income tax | 6,041,414.48 | 2,306,384.82 |
| Others | 1,019,206.40 | 803,685.74 |
| Total | 12,345,326.69 | 9,765,219.28 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(19) Provisions

| | Opening balance | Increase | Decrease | Closing balance |
|---|-----------------|--------------|--------------|-----------------|
| 2025 | | | | |
| Provision for credit commitment and financial guarantee | 9,537,181.07 | 2,587,694.99 | - | 12,124,876.06 |
| 2024 | | | | |
| Provision for credit commitment and financial guarantee | 10,352,142.50 | - | (814,961.43) | 9,537,181.07 |

The provisions for credit commitment and financial guarantee are measured according to the 12-month expected credit losses and lifetime expected credit losses. The movement of credit impairment provisions is as follows:

| | 2025 | | | Total |
|----------------------|---------------|---------|--|---------------|
| | Stage 1 | Stage 2 | Stage 3 Credit-impaired financial assets (Lifetime expected credit losses) | |
| Opening balance | 9,537,181.07 | - | - | 9,537,181.07 |
| Reversals | 2,588,724.55 | - | - | 2,588,724.55 |
| Exchange differences | (1,029.56) | - | - | (1,029.56) |
| Closing balance | 12,124,876.06 | - | - | 12,124,876.06 |
| | 2024 | | | Total |
| | Stage 1 | Stage 2 | Stage 3 Credit-impaired financial assets (Lifetime expected credit losses) | |
| Opening balance | 10,352,142.50 | - | - | 10,352,142.50 |
| Reversals | (814,454.09) | - | - | (814,454.09) |
| Exchange differences | (507.34) | - | - | (507.34) |
| Closing balance | 9,537,181.07 | - | - | 9,537,181.07 |

(20) Bonds payables

| | 2025 | 2024 |
|--|----------------|----------------|
| Interbank negotiable certificates of deposit | 149,478,352.35 | 395,275,041.87 |
| Financial bonds | 303,996,164.38 | 304,006,557.38 |
| Total | 453,474,516.73 | 699,281,599.25 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(20) Bonds payables (continued)

As at 31 December 2025 and 31 December 2024, the balances of interbank negotiable certificates of deposit are as follows:

| Date of issuance | Duration | Amount | Currency | 2024 | | | | 2025 | | | | | |
|------------------|----------|----------------|----------|-----------------|---------------|----------------------------------|---------------|-----------------|---------------|----------------------------------|----------------|-----------------|---------------|
| | | | | Opening balance | Issuance | Amortization of discount/premium | Reimbursement | Closing balance | Issuance | Amortization of discount/premium | Reimbursement | Closing balance | |
| 2025/3/12 | 1 year | 50,000,000.00 | RMB | - | - | - | - | - | 48,952,400.00 | 846,690.42 | - | - | 49,799,090.42 |
| 2025/10/20 | 6 months | 50,000,000.00 | RMB | - | - | - | - | - | 49,569,950.00 | 172,492.58 | - | - | 49,742,442.58 |
| 2025/12/29 | 1 month | 50,000,000.00 | RMB | - | - | - | - | - | 49,930,050.00 | 6,769.35 | - | - | 49,936,819.35 |
| 2024/9/9 | 1 year | 100,000,000.00 | RMB | - | 97,828,200.00 | 686,225.89 | - | 98,514,425.89 | - | 1,485,574.11 | 100,000,000.00 | - | - |
| 2024/10/24 | 1 year | 50,000,000.00 | RMB | - | 48,923,700.00 | 204,927.43 | - | 49,128,627.43 | - | 871,372.57 | 50,000,000.00 | - | - |
| 2024/11/20 | 3 months | 50,000,000.00 | RMB | - | 49,742,950.00 | 115,136.99 | - | 49,858,086.99 | - | 141,913.01 | 50,000,000.00 | - | - |
| 2024/12/4 | 1 year | 50,000,000.00 | RMB | - | 48,923,700.00 | 81,368.25 | - | 49,005,068.25 | - | 994,931.75 | 50,000,000.00 | - | - |
| 2024/12/4 | 1 year | 50,000,000.00 | RMB | - | 48,923,700.00 | 81,368.25 | - | 49,005,068.25 | - | 994,931.75 | 50,000,000.00 | - | - |
| 2024/12/5 | 2 months | 50,000,000.00 | RMB | - | 49,760,750.00 | 69,452.05 | - | 49,830,202.05 | - | 169,797.95 | 50,000,000.00 | - | - |
| 2024/12/27 | 1 month | 50,000,000.00 | RMB | - | 49,923,700.00 | 9,863.01 | - | 49,933,563.01 | - | 66,436.99 | 50,000,000.00 | - | - |

As at 31 December 2025, the balance of financial bond is as follows:

| Date of issuance | Duration | Amount | Currency | 2025 | | | | |
|------------------|----------|----------------|----------|-----------------|----------|----------------------------------|---------------|-----------------|
| | | | | Opening balance | Issuance | Amortization of discount/premium | Reimbursement | Closing balance |
| 2024/6/27 | 3 years | 300,000,000.00 | RMB | 304,006,557.38 | - | (10,393.00) | - | 303,996,164.38 |

In 2025 and 2024, the Bank issued RMB interbank negotiable certificates of deposit in the national interbank market, with a face value of RMB100 and discount interest. In 2025, the Bank issued RMB financial bond at par, with a face value of RMB100.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(21) Lease liabilities

| | 2025 | 2024 |
|--------------------------------------|----------------------|----------------------|
| Within 1 year | 11,847,292.91 | 12,841,759.40 |
| 1-5 years | 22,341,724.11 | 10,061,393.52 |
| Total undiscounted lease liabilities | <u>34,189,017.02</u> | <u>22,903,152.92</u> |
| Total | <u>33,042,275.86</u> | <u>22,210,952.91</u> |

(22) Other liabilities

| | 2025 | 2024 |
|---|-------------------------|-------------------------|
| Payable upon settlement of spot foreign exchange transactions | 22.1 2,105,737,110.00 | 1,448,730,750.00 |
| Accounts payable | 1,461,700.79 | 237,162.70 |
| Payables from unsettled | 590,830.35 | 687,637.41 |
| Accrued expenses | 5,755,834.24 | 4,725,171.95 |
| Deferred income | 5,679,530.26 | 6,302,514.14 |
| Others | 323,822.35 | 18,010.94 |
| Total | <u>2,119,548,827.99</u> | <u>1,460,701,247.14</u> |

(22.1) Payable upon settlement of spot foreign exchange transactions

| | 2025 | 2024 |
|-------------------------------|-------------------------|-------------------------|
| Foreign exchange transactions | <u>2,105,737,110.00</u> | <u>1,448,730,750.00</u> |

Payable upon settlement of spot foreign exchange transactions arised from foreign exchange swap transactions, which would be paid on the settlement date as agreed.

(23) Paid-up capital

| | 2025 | | 2024 | |
|-----------|-------------------------|-------------|-------------------------|-------------|
| | RMB equivalent | % | RMB equivalent | % |
| Metrobank | <u>1,700,000,000.00</u> | <u>100%</u> | <u>1,700,000,000.00</u> | <u>100%</u> |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(24) Capital reserves

| 2025 | Opening balance | Additions | Closing balance |
|-------------------------------|-----------------|-----------|-----------------|
| Excess of contributed capital | 453,890.00 | - | 453,890.00 |
| 2024 | Opening balance | Additions | Closing balance |
| Excess of contributed capital | 453,890.00 | - | 453,890.00 |

(25) Other comprehensive income

Accumulated balance of other comprehensive income in the balance sheet:

| 2025 | Opening balance | Changes during the year | Closing balance |
|--|----------------------|-------------------------|----------------------|
| Fair value changes of other debt investments | 15,205,595.58 | (233,373.35) | 14,972,222.23 |
| Fair value changes of loans and advances to customers at fair value through other comprehensive income | 3,948,864.60 | (740,584.06) | 3,208,280.54 |
| Provisions for other debt investments | 1,611,434.44 | 3,516,158.66 | 5,127,593.10 |
| Provisions for loans and advances to customers at fair value through other comprehensive income | 15,970,233.00 | 4,333,561.86 | 20,303,794.86 |
| Total | <u>36,736,127.62</u> | <u>6,875,763.11</u> | <u>43,611,890.73</u> |
| 2024 | Opening balance | Changes during the year | Closing balance |
| Fair value changes of other debt investments | 10,827,116.79 | 4,378,478.79 | 15,205,595.58 |
| Fair value changes of loans and advances to customers at fair value through other comprehensive income | 3,281,840.98 | 667,023.62 | 3,948,864.60 |
| Provisions for other debt investments | 1,108,703.58 | 502,730.86 | 1,611,434.44 |
| Provisions for loans and advances to customers at fair value through other comprehensive income | 1,430.09 | 15,968,802.91 | 15,970,233.00 |
| Total | <u>15,219,091.44</u> | <u>21,517,036.18</u> | <u>36,736,127.62</u> |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(25) Other comprehensive income (continued)

Other comprehensive income in the income statement:

| 2025 | Before tax | Less: Previously accrued OCI transfer to the income statement | Less: tax | After tax |
|--|----------------------|---|---------------------|---------------------|
| Items that will be reclassified to the income statement: | | | | |
| Fair value changes of other debt investments | 9,499,429.85 | 9,810,594.32 | (77,791.12) | (233,373.35) |
| Fair value changes of loans and advances to customers at fair value through other comprehensive income | 4,277,707.40 | 5,265,152.81 | (246,861.35) | (740,584.06) |
| Impairment provision for other debt investments | 4,688,211.55 | - | 1,172,052.89 | 3,516,158.66 |
| Impairment provision for loans and advances to customers at fair value through other comprehensive income | 5,778,082.48 | - | 1,444,520.62 | 4,333,561.86 |
| Total | 24,243,431.28 | 15,075,747.13 | 2,291,921.04 | 6,875,763.11 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(25) Other comprehensive income (continued)

Other comprehensive income in the income statement (continued):

| 2024 | Before tax | Less: Previously accrued OCI transfer to the income statement | Less: tax | After tax |
|--|----------------------|---|---------------------|----------------------|
| Items that will be reclassified to the income statement: | | | | |
| Fair value changes of other debt investments | 23,515,315.11 | 17,677,343.39 | 1,459,492.93 | 4,378,478.79 |
| Fair value changes of loans and advances to customers at fair value through other comprehensive income | 5,265,152.82 | 4,375,787.99 | 222,341.21 | 667,023.62 |
| Impairment provision for other debt investments | 670,307.81 | - | 167,576.95 | 502,730.86 |
| Impairment provision for loans and advances to customers at fair value through other comprehensive income | 15,968,802.91 | - | - | 15,968,802.91 |
| Total | 45,419,578.65 | 22,053,131.38 | 1,849,411.09 | 21,517,036.18 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(26) Surplus reserves

| 2025 | Opening balance | Additions | Closing balance |
|----------------------------|-----------------|--------------|-----------------|
| Statutory surplus reserves | 40,458,895.78 | 6,529,098.85 | 46,987,994.63 |
| 2024 | Opening balance | Additions | Closing balance |
| Statutory surplus reserves | 34,207,731.05 | 6,251,164.73 | 40,458,895.78 |

In accordance with the Company Law and Articles of Association of the Bank, the Bank has appropriated 10% of its net profit to the statutory surplus reserves. Statutory surplus reserves should be appropriated until its balance reaches 50% of the Bank's registered capital.

(27) General reserves

| 2025 | Opening balance | Additions | Closing balance |
|------------------|-----------------|---------------|-----------------|
| General reserves | 279,107,642.98 | 46,115,482.38 | 325,223,125.36 |
| 2024 | Opening balance | Additions | Closing balance |
| General reserves | 233,397,497.80 | 45,710,145.18 | 279,107,642.98 |

In accordance with Cai Jin [2012] No. 20 "Impairment Loss on Loans for Financial Institutions", the Bank is required to set aside general reserves from net profit as profit appropriation. The balance of general reserves should be no less than 1.5% of the balance of risk-bearing assets as at year-end.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

5. Notes to financial statements (continued)

(28) Retained earnings

| | 2025 | 2024 |
|------------------------------|----------------|----------------|
| Opening balance | 100,597,706.62 | 90,047,369.24 |
| Net profit | 65,290,988.51 | 62,511,647.29 |
| Less: Appropriations to | | |
| - statutory surplus reserves | 6,529,098.85 | 6,251,164.73 |
| - general reserves | 46,115,482.38 | 45,710,145.18 |
| Closing balance | 113,244,113.90 | 100,597,706.62 |

(29) Net interest income

| | 2025 | 2024 |
|---|------------------|------------------|
| Interest income | | |
| Balances with the central bank | 12,235,980.37 | 12,432,453.47 |
| Due from banks and placements with banks | 134,849,306.79 | 97,196,156.10 |
| Financial assets held under resale agreements | 1,601,585.97 | 1,453,757.24 |
| Debt investments | 884,160.06 | 800,338.29 |
| Other debt investments | 108,988,780.90 | 127,864,341.09 |
| Loans and advances | 397,609,780.62 | 372,775,373.53 |
| Including: | | |
| Corporate loans | 367,395,888.89 | 357,674,005.81 |
| Discounted bills | 6,876,618.92 | 2,229,538.20 |
| Trade finance | 23,337,272.81 | 12,871,829.52 |
| Subtotal | 656,169,594.71 | 612,522,419.72 |
| Interest expenses | | |
| Due to banks and placements from banks | (32,927,526.38) | (45,575,456.06) |
| Customer deposits | (295,770,987.28) | (305,290,030.92) |
| Financial assets sold under repurchase agreements | (3,538,094.41) | (2,944,200.66) |
| Interbank certificates of deposit | (5,750,910.48) | (2,118,976.14) |
| Lease liabilities | - | (784,769.35) |
| Financial bond | (7,789,607.00) | (4,006,557.38) |
| Subtotal | (345,777,125.55) | (360,719,990.51) |
| Net interest income | 310,392,469.16 | 251,802,429.21 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025 Unit: RMB yuan

5. Notes to financial statements (continued)

(30) Net fee and commission income

| | 2025 | 2024 |
|-------------------------------|----------------|----------------|
| Fee and commission income | | |
| Settlement and clearing fees | 5,882,787.23 | 4,315,752.85 |
| Commitment and agency fees | 4,811,532.25 | 4,258,599.91 |
| Others | 2,889,862.99 | 2,566,169.39 |
| Subtotal | 13,584,182.47 | 11,140,522.15 |
| Fee and commission expenses | | |
| Service charge expenses | (2,704,003.69) | (2,175,537.58) |
| Net fee and commission income | 10,880,178.78 | 8,964,984.57 |

(31) Investment income

| | 2025 | 2024 |
|--|---------------|---------------|
| Net gain on disposal of other debt investments | 11,273,394.23 | 19,813,739.72 |
| Net (loss)/gain on disposal of financial assets held-for-trading | (18,739.88) | 1,952.83 |
| Net gain on disposal of trade finance | 16,049,801.51 | 15,732,336.75 |
| Net gain on disposal of discount and rediscount business | 1,987,877.33 | 3,391,079.80 |
| Others | 1,042,944.56 | (191,538.90) |
| Total | 30,335,277.75 | 38,747,570.20 |

(32) Foreign exchange (loss)/gain

Foreign exchange gain or loss includes exchange gain from spot foreign exchanges dealing with customers and for proprietary trading, exchange gain or loss from foreign exchange forward, foreign exchange swap transactions, and exchange gain or loss from translation of monetary assets and liabilities denominated in foreign currencies.

(33) General and administrative expenses

| | 2025 | 2024 |
|--------------------------|----------------|----------------|
| Staff costs | 148,355,650.83 | 142,908,251.57 |
| Depreciation | 14,067,623.62 | 14,943,272.63 |
| Amortization | 4,526,064.08 | 4,728,771.13 |
| Other operating expenses | 41,048,684.68 | 37,746,466.66 |
| Total | 207,998,023.21 | 200,326,761.99 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025 Unit: RMB yuan

5. Notes to financial statements (continued)

(34) Credit Impairment losses

| | 2025 | 2024 |
|---|---------------|----------------|
| Credit impairment reversals for due from banks | (214,198.37) | (1,169,229.31) |
| Credit impairment losses for placements with banks | 1,620,997.90 | 505,468.45 |
| Credit impairment losses for loans and advances | 39,962,421.86 | 28,818,648.39 |
| Credit impairment losses for other debt investments | 4,688,211.55 | 670,307.81 |
| Credit impairment (reversals)/losses for debt investments | (144.60) | 189.55 |
| Credit impairment (reversals)/losses on financial assets held under resale agreements | (1,287.00) | 1,443.00 |
| Credit impairment losses/(reversals) for loan commitments and financial guarantee contracts | 2,588,724.55 | (814,454.09) |
| Total | 48,644,725.89 | 28,012,373.80 |

(35) Non-operating income

| | 2025 | 2024 |
|--------------------------------|--------------|------------|
| Subsidy for opening new branch | 2,430,000.00 | - |
| Others | 290,068.38 | 541,964.28 |
| Total | 2,720,068.38 | 541,964.28 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025 Unit: RMB yuan

5. Notes to financial statements (continued)

(36) Income tax expense

| | 2025 | 2024 |
|------------------------------|----------------------|----------------------|
| Current income tax expenses | 27,239,437.57 | 22,962,151.54 |
| Deferred income tax expenses | (2,795,478.90) | (110,770.83) |
| Total | <u>24,443,958.67</u> | <u>22,851,380.71</u> |

The reconciliation of income tax expense to profit before tax is as follows:

| | 2025 | 2024 |
|---|----------------------|----------------------|
| Profit before tax | <u>89,734,947.18</u> | <u>85,363,028.00</u> |
| Tax charge at the statutory tax rate of 25% | 22,433,736.80 | 21,340,757.00 |
| Tax exempted income | - | (32,632.00) |
| Non-deductible items | 2,037,743.36 | 1,577,478.12 |
| Additional deduction of wages payment for placements of disabled person | (27,521.49) | (34,222.41) |
| Income tax expense | <u>24,443,958.67</u> | <u>22,851,380.71</u> |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025 Unit: RMB yuan

5. Notes to financial statements (continued)

(37) Cash flows from operating activities

Reconciliation of net profit to cash flows from operating activities:

| | 2025 | 2024 |
|--|-------------------------|-------------------------|
| Net Profit | 65,290,988.51 | 62,511,647.29 |
| Add: Impairment losses | 46,028,152.38 | 27,844,796.85 |
| Depreciation for fixed assets | 1,042,060.05 | 1,344,042.39 |
| Depreciation for right-of-use assets | 13,025,563.57 | 13,599,230.24 |
| Amortization for intangible assets | 1,685,606.19 | 1,860,287.16 |
| Amortization for long-term deferred expenses | 2,840,457.89 | 2,868,483.97 |
| Gain on disposal of assets | (131,578.73) | - |
| Foreign exchange gain | (22,928,304.64) | (13,622,828.59) |
| Net gain from changes in fair value | (82,249.49) | (185,883.79) |
| Interest on NCD | 5,750,910.48 | 2,118,976.14 |
| Interest on financial bond | 7,789,607.00 | 4,006,557.38 |
| Interest on lease liabilities | 579,749.25 | 784,769.35 |
| Investment income and interest income | (139,165,274.15) | (167,412,249.58) |
| (Increase)/decrease in deferred tax assets | (178,905.39) | 56,806.12 |
| Increase in operating receivables | (1,728,695,172.63) | (2,478,883,285.58) |
| Increase in operating payables | <u>3,116,131,425.71</u> | <u>1,884,533,855.85</u> |
| Net cash flows generated from/(used in) operating activities | <u>1,368,983,036.00</u> | <u>(658,574,794.80)</u> |

(38) Cash and Cash Equivalents

| | 2025 | 2024 |
|---|-------------------------|-------------------------|
| Cash | <u>560,689.72</u> | <u>471,178.86</u> |
| Cash equivalents | | |
| Non-restricted deposits with the central bank | 772,720,864.12 | 983,117,392.49 |
| With original maturity less than three months | | |
| - Due from banks | 708,528,229.72 | 514,372,925.05 |
| - Placements with banks | 2,625,472,000.00 | 2,293,854,400.00 |
| - Financial assets held under resale agreements | <u>100,000,000.00</u> | <u>185,000,000.00</u> |
| Subtotal | <u>4,206,721,093.84</u> | <u>3,976,344,717.54</u> |
| Total | <u>4,207,281,783.56</u> | <u>3,976,815,896.40</u> |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

6. Segment report

Based on the internal structure, management requirement and internal reporting system, the Bank divides its business lines into two reporting segments. The management of the Bank assesses the financial performance of these reporting segments periodically to decide the allocation of resources and make performance appraisal. The services provided by the Bank's two reporting segments are mainly credit and deposit business and financial markets business.

The segment of credit and deposit business covers services of corporate and personal deposits and loans, remittances, and trade finance, etc.

The segment of financial markets business covers placements with and from banks in inter-bank market, fixed income investment, and service of purchasing and selling foreign exchanges, etc.

The disclosure of the segments is based on the accounting policy and basis of preparation which individual segment adopts to report to the management. The basis of preparation is consistent with that adopted by the Bank when preparing the financial statements.

Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The basis for allocation is mainly based on occupation of or contribution to resources. Income taxes are managed on a group basis and are not allocated to operating segments.

| 2025 | Credit and deposit | Financial Markets | Total |
|--|--------------------|-------------------|------------------|
| Net interest income | 101,838,793.34 | 208,553,675.82 | 310,392,469.16 |
| Net fee and commission income | 10,880,178.78 | - | 10,880,178.78 |
| Other income, net (i) | 64,727,272.04 | (34,593,658.25) | 30,133,613.79 |
| General and administrative expenses and non-operating expenses | (126,646,933.41) | (82,356,645.01) | (209,003,578.42) |
| Including: Depreciation and amortization | (11,266,953.16) | (7,326,734.54) | (18,593,687.70) |
| Tax and surcharges | (3,015,354.49) | (1,007,655.75) | (4,023,010.24) |
| Credit impairment losses | (42,551,146.41) | (6,093,579.48) | (48,644,725.89) |
| Profit before tax of segment | 5,232,809.85 | 84,502,137.33 | 89,734,947.18 |
| Less: Income tax expense | | | 24,443,958.67 |
| Net Profit | | | 65,290,988.51 |

| 2025 | Credit and deposit | Financial Markets | Total |
|---------------------|--------------------|-------------------|-------------------|
| Segment assets | 11,307,224,181.35 | 12,016,275,075.46 | 23,323,499,256.81 |
| Segment liabilities | 16,519,642,153.00 | 4,574,336,089.19 | 21,093,978,242.19 |
| Credit commitments | 4,462,776,921.38 | - | 4,462,776,921.38 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

6. Segment report(continued)

| 2024 | Credit and deposit | Financial Markets | Total |
|--|--------------------|-------------------|------------------|
| Net interest income | 67,485,342.61 | 184,317,086.60 | 251,802,429.21 |
| Net fee and commission income | 8,964,984.57 | - | 8,964,984.57 |
| Other income, net (i) | (9,991,427.51) | 66,957,874.85 | 56,966,447.34 |
| General and administrative expenses and non-operating expenses | (121,991,596.02) | (78,457,770.78) | (200,449,366.80) |
| Including: Depreciation and amortization | (11,972,220.48) | (7,699,823.28) | (19,672,043.76) |
| Tax and surcharges | (2,733,263.53) | (1,175,828.99) | (3,909,092.52) |
| Credit impairment losses | (28,020,068.07) | 7,694.27 | (28,012,373.80) |
| Profit before tax of segment | (86,286,027.95) | 171,649,055.95 | 85,363,028.00 |
| Less: Income tax expense | | | 22,851,380.71 |
| Net Profit | | | 62,511,647.29 |

| 2024 | Credit and deposit | Financial Markets | Total |
|---------------------|--------------------|-------------------|-------------------|
| Segment assets | 11,307,224,181.35 | 12,016,275,075.46 | 20,436,484,790.29 |
| Segment liabilities | 14,982,911,039.08 | 3,296,219,488.21 | 18,279,130,527.29 |
| Credit commitments | 3,801,913,440.59 | - | 3,801,913,440.59 |

(i) Included investment income, gain or loss from changes in fair value, foreign exchange gain or loss, other operating expenses and non-operating income.

Geographical information

The Bank's external operating income is mainly attributable to China for the year 2025 and year 2024. Non-current assets are all located in China.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management

(1) Overview of risk management

(1.1) Overview of risks

The Bank is exposed to various types of risks in business operations. The key risks currently faced by the Bank include credit risk, liquidity risk, market risk and operational risk. Market risk includes currency risk and interest rate risk.

The Bank's risk management objective is to minimize the negative risk impact while maximizing the benefits or return to the Bank. To control risk, the fundamental risk management strategy of the Bank is to identify and analyze the Bank's exposure to various risks, to establish appropriate risk tolerance limits, and to monitor these risks in a timely and effective manner.

(1.2) Risk management structure

The Board of Directors of the Bank is responsible for establishing Bank's overall risk management strategies given business objectives. The Board of Directors supervise and control the overall business activities and business risks through the functions of its subcommittees. These include the Executive Committee, Risk Management Committee, Audit Committee, Related Party Transactions Control Committee and Nomination and Remuneration Committee. Management committees include Credit Committee, Assets and Liabilities Committee, Information Technology Committee, Anti Money Laundry Committee, Reward and Discipline Committee and Emergency Management Committee.

(2) Credit Risk

(2.1) Credit Risk Management

Credit risk refers to the potential loss born by the Bank when its borrowers or counterparties fail to meet their contractual obligations on due date. The Bank's on-balance sheet credit risk mainly arises from loan and other credit businesses. The Bank's off-balance sheet credit risk mainly arise from bank accepted draft and letters of credit issued. The management of the Bank closely monitors and manages the credit risk from these types of exposures.

The Bank manages credit risk by establishing credit risk management system, which includes:

- (i) Credit policy covers mortgage and pledge requirements, credit and financial analysis, risk rating and reporting, and regulatory requirements;
- (ii) The limit of credit authorization and review;
- (iii) The exposure limit for loan applicants, certain industries and countries, and bond issuers (bond investments);
- (iv) Supervise and control the compliance status of those approved exposure limit.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.1) Credit Risk Management (continued)

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Bank measures the impairment loss for different assets with ECL of 12 months or the entire lifetime respectively. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Bank takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

Relative definitions are listed as below:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Bank's PD is adjusted based on the results of the ECL model, taking into account the forward-looking information to reflect the debtor's point-in-time (PIT) PD under the current macroeconomic environment;
- LGD refers to the Bank's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies. The LGD is the percentage of loss of risk exposure at the time of default, calculated over the next 12 months or over the entire remaining lifetime;
- EAD is the amount that the Bank should be reimbursed in the next 12 months or throughout the remaining lifetime when the default occurs.

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Bank identifies the key economic indicators that affect the credit risk and ECL of various business sectors.

The impact of these economic indicators on the PD and the LGD varies according to different business sectors. The Bank applies experts' judgement in this process. According to the result of the judgement, the Bank predicts these economic indicators annually and determines the impact of these economic indicators on the PD and the LGD.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.2) Maximum credit risk exposure without consideration of any collateral and other credit enhancements

Concentration of credit risk arises when a number of the Bank's customers perform similar operating activities or locate in the same geographical region, or have similar economic characteristics, and their ability to fulfill contractual obligation will be affected by similar economic events. Concentration of credit risk reflects the sensitivity of the Bank's business performance towards certain industries or regions.

As of balance sheet date, the maximum credit risk exposure of the Bank without taking into consideration of collaterals and other credit enhancements is as follows:

| | 2025 | 2024 |
|---|--------------------------|--------------------------|
| Balances with the central bank | 1,570,044,647.96 | 1,768,706,155.08 |
| Due from banks | 708,394,099.43 | 513,989,719.42 |
| Placements with banks | 4,274,416,145.17 | 3,507,427,577.70 |
| Derivative financial assets | 5,385,210.95 | 10,992,100.60 |
| Financial assets held under resale agreements | 100,032,063.17 | 185,032,050.14 |
| Loans and advances to customers | 9,975,648,065.39 | 9,385,038,447.90 |
| Financial investments | | |
| -debt investments | 20,942,143.79 | 21,080,425.48 |
| -other debt investments | 4,485,074,206.66 | 3,528,529,619.78 |
| Other financial assets | 2,108,891,963.11 | 1,452,418,591.77 |
| Total | 23,248,828,545.63 | 20,373,214,687.87 |
| Credit commitments | 4,462,776,921.38 | 3,801,913,440.59 |
| Maximum credit risk exposure | 27,711,605,467.01 | 24,175,128,128.46 |

(2.3) Risk concentration

The concentration of counterparties in the same industry sector, geographical location or having similar economic characteristics would expose the Bank to higher credit risk. Credit risk may vary from different industries or geographical regions due to their unique economic development characteristics.

The Bank mainly provides loans and other credit facilities to domestic customers.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.3) Risk concentration (continued)

Loans and advances distributed by industries are listed below:

| | 2025 | | 2024 | |
|---|--------------------------|-------------|-------------------------|-------------|
| | Book Value | % | Book Value | % |
| Manufacturing | 460,187,248.35 | 5% | 502,214,409.16 | 5% |
| Wholesale and retail | 1,764,524,043.89 | 17% | 1,209,999,922.92 | 14% |
| Construction | 2,179,846,635.37 | 21% | 2,192,473,339.67 | 23% |
| Transportation | 100,000,000.00 | 1% | 138,000,000.00 | 1% |
| Leasing and business services | 3,224,649,517.74 | 32% | 2,883,926,815.70 | 30% |
| Water conservancy, environment and public facilities management | 2,438,360,000.00 | 24% | 2,618,752,005.65 | 27% |
| Subtotal | 10,167,567,445.35 | 100% | 9,545,366,493.10 | 100% |
| Interest receivables | 12,983,500.63 | | 11,360,591.17 | |
| Total | 10,180,550,945.98 | | 9,556,727,084.27 | |
| Less: provision | 204,902,880.59 | | 171,688,636.37 | |
| Net value | 9,975,648,065.39 | | 9,385,038,447.90 | |

Loans and advances distributed by regions are shown below:

| | 2025 | 2024 |
|----------------------|--------------------------|-------------------------|
| Shanghai | 2,175,872,979.71 | 1,872,946,191.84 |
| Jiangsu | 7,026,633,644.84 | 6,610,921,269.26 |
| Zhejiang | 160,876,680.80 | 366,200,000.00 |
| Fujian | 804,184,140.00 | 695,299,032.00 |
| Subtotal | 10,167,567,445.35 | 9,545,366,493.10 |
| Interest receivables | 12,983,500.63 | 11,360,591.17 |
| Total | 10,180,550,945.98 | 9,556,727,084.27 |
| Less: provision | 204,902,880.59 | 171,688,636.37 |
| Net amount | 9,975,648,065.39 | 9,385,038,447.90 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.4) Collateral

The amount and types of collateral that the Bank needs to acquire depends on its credit risk evaluation of its counterparties. The Bank establishes related guidelines on the types of collateral and evaluation criteria.

The management will monitor the market value of collateral periodically and may require borrowers to increase collateral based on the related contracts. When reviewing the adequacy of loss provision, the change in the collateral's market value will be monitored and carefully considered.

For commercial loans, collateral mainly includes certificates of deposits, receivables etc.

(2.5) Credit quality

The credit quality of financial assets of the Bank (excluding impairment provision) is analyzed as follows:

| | Neither overdue nor impaired | Overdue but not impaired | Impaired | Total |
|---|---------------------------------|-----------------------------|----------------------|--------------------------|
| 2025 | | | | |
| Balances with the central bank | 1,570,044,647.96 | - | - | 1,570,044,647.96 |
| Due from banks | 708,750,573.93 | - | - | 708,750,573.93 |
| Placements with banks | 4,276,934,497.59 | - | - | 4,276,934,497.59 |
| Derivative financial assets | 5,385,210.95 | - | - | 5,385,210.95 |
| Financial assets held under resale agreements | 100,032,219.17 | - | - | 100,032,219.17 |
| Loans and advances to customers | 10,164,221,498.10 | - | 16,329,447.88 | 10,180,550,945.98 |
| Debt investments | 20,942,391.01 | - | - | 20,942,391.01 |
| Other debt investments | 4,485,074,206.66 | - | - | 4,485,074,206.66 |
| Other financial assets | 2,108,891,963.11 | - | 18,178.75 | 2,108,910,141.86 |
| Total | 23,440,277,208.48 | - | 16,347,626.63 | 23,456,624,835.11 |
| | Neither overdue nor impaired | Overdue but not impaired | Impaired | Total |
| 2024 | | | | |
| Balances with the central bank | 1,768,706,155.08 | - | - | 1,768,706,155.08 |
| Due from banks | 514,583,056.38 | - | - | 514,583,056.38 |
| Placements with banks | 3,508,326,074.21 | - | - | 3,508,326,074.21 |
| Derivative financial assets | 10,992,100.60 | - | - | 10,992,100.60 |
| Financial assets held under resale agreements | 185,033,493.14 | - | - | 185,033,493.14 |
| Loans and advances to customers | 9,540,393,750.92 | - | 16,333,333.35 | 9,556,727,084.27 |
| Debt investments | 21,080,817.24 | - | - | 21,080,817.24 |
| Other debt investments | 3,528,529,619.78 | - | - | 3,528,529,619.78 |
| Other financial assets | 1,452,418,591.77 | - | 18,178.75 | 1,452,436,770.52 |
| Total | 20,530,063,659.12 | - | 16,351,512.10 | 20,546,415,171.22 |

As at 31 December 2025, the Bank has no overdue but not impaired financial assets (31 December 2024: nil).

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(2) Credit Risk (continued)

(2.5) Credit quality (continued)

Loans and advances that are neither overdue nor impaired

Loans and advances that are neither overdue nor impaired are classified as pass or special mention on the balance sheet date.

The composition of loans that are neither overdue nor impaired by type of collaterals as at the balance sheet date is as follows:

| | 2025 | Pass | Special Mention | Total |
|----------------------------|--------------------------|---------------------|-----------------|--------------------------|
| Unsecured loans | 809,492,193.14 | - | - | 809,492,193.14 |
| Guaranteed loans | 6,950,308,873.15 | - | - | 6,950,308,873.15 |
| Loans secured by mortgages | 123,994,540.83 | - | - | 123,994,540.83 |
| Loans secured by pledges | 2,280,425,890.98 | - | - | 2,280,425,890.98 |
| Total | 10,164,221,498.10 | - | - | 10,164,221,498.10 |
| | 2024 | Pass | Special Mention | Total |
| Unsecured loans | 620,760,861.54 | - | - | 620,760,861.54 |
| Guaranteed loans | 6,819,843,167.09 | - | - | 6,819,843,167.09 |
| Loans secured by mortgages | 74,977,126.19 | 9,220,548.94 | - | 84,197,675.13 |
| Loans secured by pledges | 2,015,592,047.18 | - | - | 2,015,592,047.18 |
| Total | 9,531,173,202.00 | 9,220,548.94 | - | 9,540,393,750.94 |

Loans and advances that are overdue but not impaired

As at 31 December 2025, the Bank has no overdue but not impaired loans and advances.

Impaired loans and advances

If there is objective evidence that a single or multiple negative events occurred after the initial recognition of loans and advances and the impact on the expected future cash flows from the events can be estimated reliably, the relevant loans and advances should be recognized as impaired. These loans are classified as "Substandard", "Doubtful" or "Loss". As of balance sheet date, the balance of impaired loans and advances is RMB16,329,447.88 (2024: the balance of impaired loans and advances is RMB16,333,333.35).

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(3) Liquidity risk

Liquidity risk is defined as the risk that the Bank is unable to meet its financial obligations on the due date. Liquidity risk of the Bank mainly arises from early or concentrative withdrawal by customers, delayed loan repayment by borrowers, and amount or maturity mismatch of its assets and liabilities.

In accordance with the "Administrative Regulations of the People's Republic of China on Foreign-invested Banks" and the relevant regulations, the Bank must continuously meet the minimum regulatory standards for high-quality liquid assets adequacy ratio, liquidity ratio and liquidity matching ratio. The Bank manages liquidity risk according to the maturity of assets and liabilities.

The liquidity risk management policies established by the Bank are mainly as follows:

- (i) Financial Markets Division closely monitors the structure, term, limit, and funding cost of RMB and foreign currency positions to maintain liquidity;
- (ii) The Assets and Liabilities Committee holds meetings at least once per month to discuss management policies of market risk and liquidity risk, portfolio management policies, structure optimization of assets and liabilities, and exchange rate and interest rate pricing;
- (iii) The duties of Financial Markets Division of the Bank ensure that internal limits and liquidity regulatory requirements are complied with at any time.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(3) Liquidity risk (continued)

The undiscounted cash flows of the Bank's financial assets, financial liabilities and lease liabilities by contractual maturities as at 31 December 2025 are as follows:

| | Overdue/ on demand | Within 1 month | 1 month to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Undated | Total |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| Cash and balances with the central bank | 773,281,553.84 | - | 364,307.29 | - | - | - | 796,959,476.55 | 1,570,605,337.68 |
| Due from banks | 708,402,798.18 | - | - | - | - | - | - | 708,402,798.18 |
| Placements with banks | - | 1,613,969,607.70 | 1,473,669,403.10 | 1,193,060,882.03 | - | - | - | 4,280,699,892.83 |
| Derivative financial assets | - | 4,123,864.21 | 5,971.51 | 1,255,375.23 | - | - | - | 5,385,210.95 |
| Financial assets held under resale agreements | - | 100,064,438.37 | - | - | - | - | - | 100,064,438.37 |
| Loans and advances to customers | 16,329,447.88 | 1,048,625,795.98 | 1,749,250,190.00 | 6,636,124,440.73 | 736,779,872.29 | - | - | 10,187,109,746.88 |
| Debt investments | - | - | - | 930,000.00 | 23,136,140.10 | - | - | 24,066,140.10 |
| Other debt investments | - | 1,451,059,825.08 | 692,016,726.34 | 734,685,629.24 | 1,527,273,992.42 | 340,885,475.82 | - | 4,745,921,648.90 |
| Other financial assets | - | 2,105,633,275.00 | 5,482.46 | 2,000.00 | 3,251,205.65 | - | - | 2,108,891,963.11 |
| Total financial assets | 1,498,013,799.90 | 6,323,476,806.34 | 3,915,312,080.70 | 8,566,058,327.23 | 2,290,441,210.46 | 340,885,475.82 | 796,959,476.55 | 23,731,147,177.00 |
| Due to banks and other financial institutions | 41,036,755.91 | - | - | - | - | - | - | 41,036,755.91 |
| Placements from banks | - | 2,065,787,596.77 | 481,948,711.11 | 264,972,000.00 | - | - | - | 2,812,708,307.88 |
| Customer deposits | 4,100,201,571.00 | 3,796,463,859.31 | 1,929,580,081.95 | 4,982,159,485.64 | 430,780,231.68 | - | - | 15,239,185,229.58 |
| Bonds payables | - | 50,063,180.64 | 50,200,909.59 | 58,057,557.42 | 307,800,000.00 | - | - | 466,121,647.65 |
| Derivative financial liabilities | - | 4,040,293.43 | 26,212.61 | 1,288,748.67 | - | - | - | 5,355,254.71 |
| Financial assets sold under repurchase agreements | - | 395,057,863.01 | - | - | - | - | - | 395,057,863.01 |
| Lease liabilities | - | 1,693,245.33 | 1,744,834.86 | 8,382,382.00 | 22,368,554.83 | - | - | 34,189,017.02 |
| Other financial liabilities | 910,680.70 | 2,105,737,110.00 | - | 1,438,672.79 | 27,000.00 | - | - | 2,108,113,463.49 |
| Total financial liabilities | 4,142,149,007.61 | 8,418,843,148.49 | 2,463,500,750.12 | 5,316,298,846.52 | 760,975,786.51 | - | - | 21,101,767,539.25 |
| Credit commitments | 25,063,295.03 | 915,434,837.47 | 392,291,482.17 | 2,979,987,306.71 | 150,000,000.00 | - | - | 4,462,776,921.38 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(3) Liquidity risk (continued)

The undiscounted cash flows of the Bank's financial assets, financial liabilities and lease liabilities by contractual maturities as at 31 December 2024 are as follows:

| | Overdue/ on demand | Within 1 month | 1 month to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Undated | Total |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------|-----------------------|--------------------------|
| Cash and balances with the central bank | 983,588,571.35 | - | 363,720.23 | - | - | - | 785,225,042.36 | 1,769,177,333.94 |
| Due from banks | 513,994,093.72 | - | - | - | - | - | - | 513,994,093.72 |
| Placements with banks | - | 1,779,628,852.96 | 913,535,997.10 | 824,353,346.18 | - | - | - | 3,517,518,196.24 |
| Derivative financial assets | - | 10,899,626.80 | 2,962.80 | 89,511.00 | - | - | - | 10,992,100.60 |
| Financial assets held under resale agreements | - | 185,050,075.35 | - | - | - | - | - | 185,050,075.35 |
| Loans and advances to customers | 16,333,333.35 | 1,186,969,168.07 | 2,115,106,875.28 | 5,532,981,253.29 | 729,762,792.77 | 8,715,914.75 | - | 9,589,869,337.51 |
| Debt investments | - | - | - | 930,000.00 | 24,204,598.07 | - | - | 25,134,598.07 |
| Other debt investments | - | 830,774,200.00 | 675,809,969.20 | 985,263,965.58 | 1,187,223,679.95 | - | - | 3,679,071,814.73 |
| Other financial assets | - | 1,448,657,875.00 | - | 2,000.00 | 3,758,716.77 | - | - | 1,452,418,591.77 |
| Total financial assets | 1,513,915,998.42 | 5,441,979,798.18 | 3,704,819,524.61 | 7,343,620,076.05 | 1,944,949,787.56 | 8,715,914.75 | 785,225,042.36 | 20,743,226,141.93 |
| Due to banks and other financial institutions | 38,038,563.52 | - | - | - | - | - | - | 38,038,563.52 |
| Placements from banks | - | 1,388,279,384.66 | 81,968,000.00 | 481,223,357.23 | - | - | - | 1,951,470,741.89 |
| Customer deposits | 3,703,702,165.72 | 3,336,752,637.34 | 2,260,287,981.06 | 4,326,115,526.80 | 498,342,854.24 | - | - | 14,125,201,165.16 |
| Bonds payables | - | 50,066,436.99 | 100,311,710.96 | 262,146,810.19 | 315,600,000.00 | - | - | 728,124,958.14 |
| Derivative financial liabilities | - | 10,859,578.26 | 17,536.78 | 138,740.45 | - | - | - | 11,015,855.49 |
| Lease liabilities | - | 2,450,216.32 | 1,959,837.42 | 8,431,705.66 | 10,061,393.52 | - | - | 22,903,152.92 |
| Other financial liabilities | 572,088.80 | 1,448,730,750.00 | - | 343,722.25 | 27,000.00 | - | - | 1,449,673,561.05 |
| Total financial liabilities | 3,742,312,818.04 | 6,237,139,003.57 | 2,444,545,066.22 | 5,078,399,862.58 | 824,031,247.76 | - | - | 18,326,427,998.17 |
| Credit commitments | 7,279,576.59 | 501,242,822.30 | 504,895,138.56 | 2,788,495,903.14 | - | - | - | 3,801,913,440.59 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk

Market risk refers to the risk of losses occurred in the Bank's on and off balance sheet business due to adverse changes of market prices. The Bank's market risk mainly includes currency risk and interest rate risk.

The Bank's risk management organizational structure consists of its Boards of Directors, Risk Management Committee under the Boards of Directors, The Assets and Liabilities Committee under the President, different business units such as Branches and Financial Markets Division, risk control units such as Risk Management, Operation, Accounting and Finance and Internal Audit. The Bank has an established market risk limit management system and has refined and standardized management procedures and reporting process of market risk.

The Bank performs sensitivity analysis that considers effects of relevant market risk on assumption that only one single variable changes. As few variables of risks change alone, and correlations among risk variables have significant impact on final changes by one single risk variable, the results of sensitivity analysis may provide limited information on the amount of market risk.

(4.1) Currency risk

The Bank's currency risk arises mainly from currency mismatches of assets and liabilities and foreign currency trading business. The Bank makes appropriate adjustments of foreign currency net position to prevent currency risk caused by market exchange rate fluctuation.

As at 31 December 2025, the Bank's financial assets, financial liabilities and lease liabilities by currency are as follows:

| | RMB | USD (RMB equivalent) | EUR (RMB equivalent) | Other (RMB equivalent) | Total |
|---|--------------------------|-------------------------|----------------------|------------------------|--------------------------|
| Cash and balances with the central bank | 1,445,230,361.78 | 125,374,975.90 | - | - | 1,570,605,337.68 |
| Due from banks | 623,142,981.44 | 60,595,142.89 | 20,516,943.60 | 4,139,031.50 | 708,394,099.43 |
| Placements with banks | 2,410,369,118.75 | 1,864,047,026.42 | - | - | 4,274,416,145.17 |
| Derivative financial assets | 5,385,210.95 | - | - | - | 5,385,210.95 |
| Financial assets held under resale agreements | 100,032,063.17 | - | - | - | 100,032,063.17 |
| Loans and advances to customers | 9,975,648,065.39 | - | - | - | 9,975,648,065.39 |
| Debt investments | 20,942,143.79 | - | - | - | 20,942,143.79 |
| Other debt investments | 2,659,659,780.54 | 1,825,414,426.12 | - | - | 4,485,074,206.66 |
| Other financial assets | 1,052,809,280.65 | 1,056,082,682.46 | - | - | 2,108,891,963.11 |
| Total financial assets | 18,293,219,006.46 | 4,931,514,253.79 | 20,516,943.60 | 4,139,031.50 | 23,249,389,235.35 |
| | RMB | USD (RMB equivalent) | EUR (RMB equivalent) | Other (RMB equivalent) | Total |
| Due from banks and other financial institutions | 23,044,206.64 | 17,992,549.27 | - | - | 41,036,755.91 |
| Placements from banks | 1,851,739,676.69 | 946,441,901.48 | 9,895,200.32 | - | 2,808,076,778.49 |
| Financial assets sold under repurchase agreements | 395,014,465.76 | - | - | - | 395,014,465.76 |
| Customer deposits | 12,306,868,740.36 | 2,858,309,392.59 | 47,269.71 | 372,600.49 | 15,165,598,003.15 |
| Derivative financial liabilities | 5,355,254.71 | - | - | - | 5,355,254.71 |
| Bonds payables | 453,474,516.73 | - | - | - | 453,474,516.73 |
| Lease liabilities | 33,042,275.86 | - | - | - | 33,042,275.86 |
| Other financial liabilities | 1,054,615,384.79 | 1,053,498,078.70 | - | - | 2,108,113,463.49 |
| Total financial liabilities | 16,123,154,521.54 | 4,876,241,922.04 | 9,942,470.03 | 372,600.49 | 21,009,711,514.10 |
| Net position | 2,170,064,484.92 | 55,272,331.75 | 10,574,473.57 | 3,766,431.01 | 2,239,677,721.25 |
| Credit commitments | 4,365,816,295.63 | 96,960,625.75 | - | - | 4,462,776,921.38 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.1) Currency risk (continued)

As at 31 December 2024, the Bank's financial assets, financial liabilities and lease liabilities by currency are as follows: (continued)

| | RMB | USD (RMB equivalent) | EUR (RMB equivalent) | Other (RMB equivalent) | Total |
|---|--------------------------|-------------------------|----------------------|------------------------|--------------------------|
| Cash and balances with the central bank | 1,662,039,132.27 | 107,138,201.67 | - | - | 1,769,177,333.94 |
| Due from banks | 413,023,370.31 | 89,029,908.83 | 7,865,317.46 | 4,071,122.82 | 513,989,719.42 |
| Placements with banks | 2,310,559,195.22 | 1,196,868,382.48 | - | - | 3,507,427,577.70 |
| Derivative financial assets | 10,992,100.60 | - | - | - | 10,992,100.60 |
| Financial assets held under resale agreements | 185,032,050.14 | - | - | - | 185,032,050.14 |
| Loans and advances to customers | 9,351,093,778.05 | - | 33,944,669.85 | - | 9,385,038,447.90 |
| Debt investments | 21,080,425.48 | - | - | - | 21,080,425.48 |
| Other debt investments | 2,322,405,708.72 | 1,206,123,911.06 | - | - | 3,528,529,619.78 |
| Other financial assets | 733,578,591.77 | 718,840,000.00 | - | - | 1,452,418,591.77 |
| Total financial assets | 17,009,804,352.56 | 3,318,000,404.04 | 41,809,987.31 | 4,071,122.82 | 20,373,685,866.73 |
| | RMB | USD (RMB equivalent) | EUR (RMB equivalent) | Other (RMB equivalent) | Total |
| Due from banks and other financial institutions | 21,186,731.12 | 16,851,832.40 | - | - | 38,038,563.52 |
| Placements from banks | 1,628,545,243.46 | 294,945,151.81 | 22,592,151.40 | - | 1,946,082,546.67 |
| Customer deposits | 11,721,225,075.28 | 2,314,688,139.73 | 135,325.41 | 62,659.06 | 14,036,111,199.48 |
| Derivative financial liabilities | 11,015,855.49 | - | - | - | 11,015,855.49 |
| Bonds payables | 699,281,599.25 | - | - | - | 699,281,599.25 |
| Lease liabilities | 22,210,952.91 | - | - | - | 22,210,952.91 |
| Other financial liabilities | 730,635,911.49 | 719,037,649.56 | - | - | 1,449,673,561.05 |
| Total financial liabilities | 14,834,101,369.00 | 3,345,522,773.50 | 22,727,476.81 | 62,659.06 | 18,202,414,278.37 |
| Net position | 2,175,702,983.56 | (27,522,369.46) | 19,082,510.50 | 4,008,463.76 | 2,171,271,588.36 |
| Credit commitments | 3,794,633,864.00 | 7,279,576.59 | - | - | 3,801,913,440.59 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.1) Currency risk (continued)

As at 31 December 2025, based on the assumption that all other variables remain constant, if the foreign currency depreciates/appreciates by 1% against RMB, the Bank's net profit or loss will decrease/increase by RMB522,099.27 (31 December 2024: increase/decrease by RMB33,235.47).

The sensitivity analysis above is performed on the basis that assets and liabilities have static currency risk structure. It shows the impact of a change in foreign exchange rates against RMB on the Bank's profit after tax and equity, given other variables remain constant.

The analysis is based on the following assumptions:

- (1) Exchange rate sensitivity refers to the gains and losses caused by the 1% change of the closing rate (mid-rate) of foreign currencies against RMB as at the balance sheet date;
- (2) Exchange rate fluctuation refers to the fluctuation of all foreign currencies against RMB in the same direction simultaneously;
- (3) Off-balance sheet items are excluded in net position.

Due to the assumptions mentioned above, the actual impact of exchange rate fluctuation on the Bank's foreign exchange gain or loss may differ from the above sensitivity analysis.

(4.2) Interest rate risk

The Bank's interest rate risk mainly arises from the mismatch of contractual maturity date and re-pricing date of interest-generating assets and interest-bearing liabilities.

Floating interest rate instruments expose the Bank to cash flow interest risk, whereas fixed interest rate instruments expose the Bank to fair value interest risk. Floating interest rate instruments are re-priced at intervals of less than one year. Fixed interest rate instruments are priced at the inception of financial instruments and are fixed until maturity. The Bank measures the re-pricing risk of interest-generating assets and interest-bearing liabilities by re-pricing date of floating interest rate instruments and maturity date of fixed interest rate instruments.

The Bank conducts timely assessment and monitoring on the macro-economic status during operation to reduce the risk caused by the interest rate fluctuation. It adjusts the structure and terms of relative assets and liabilities based on this assessment.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.2) Interest rate risk (continued)

As at 31 December 2025, the Bank's analysis of financial assets, financial liabilities and lease liabilities by the earlier of maturity date and re-pricing date is as follows:

| | Within 1 month | 1 month to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Overdue/Non-interest bearing | Total |
|---|---------------------------|-------------------------|-------------------------|-------------------------|-----------------------|------------------------------|--------------------------|
| Cash and balances with the central bank | 1,444,461,425.21 | 364,307.29 | - | - | - | 125,779,605.18 | 1,570,605,337.68 |
| Due from banks | 708,171,755.22 | - | - | - | - | 222,344.21 | 708,394,099.43 |
| Placements with banks | 1,611,892,760.38 | 1,468,531,923.94 | 1,177,660,253.14 | - | - | 16,331,207.71 | 4,274,416,145.17 |
| Derivative financial assets | - | - | - | - | - | 5,385,210.95 | 5,385,210.95 |
| Financial assets held under resale agreements | 100,000,000.00 | - | - | - | - | 32,063.17 | 100,032,063.17 |
| Loans and advances to customers | 1,017,806,101.43 | 1,698,258,741.18 | 6,536,367,133.44 | 710,521,643.02 | - | 12,694,446.32 | 9,975,648,065.39 |
| Debt investments | - | - | 598,767.12 | 19,744,825.03 | - | 598,551.64 | 20,942,143.79 |
| Other debt investments | 1,432,008,638.60 | 695,578,021.32 | 680,306,356.23 | 1,333,590,932.75 | 285,247,923.34 | 58,342,334.42 | 4,485,074,206.66 |
| Other financial assets | - | - | - | - | - | 2,108,891,963.11 | 2,108,891,963.11 |
| Total financial assets | 6,314,340,680.84 | 3,862,732,993.73 | 8,394,932,509.93 | 2,063,857,400.80 | 285,247,923.34 | 2,328,277,726.71 | 23,249,389,235.35 |
| Due to banks and other financial institutions | 23,044,206.64 | - | - | - | - | 17,992,549.27 | 41,036,755.91 |
| Placements from banks | 2,063,373,600.00 | 474,882,600.00 | 260,000,000.00 | - | - | 9,820,578.49 | 2,808,076,778.49 |
| Customer deposits | 7,819,788,016.18 | 1,909,443,185.01 | 4,904,411,865.34 | 403,968,630.75 | - | 127,986,305.87 | 15,165,598,003.15 |
| Bonds payables | 49,936,819.35 | 49,799,090.41 | 49,742,442.58 | 303,996,164.39 | - | - | 453,474,516.73 |
| Financial assets sold under repurchase agreements | 395,000,000.00 | - | - | - | - | 14,465.76 | 395,014,465.76 |
| Derivative financial liabilities | - | - | - | - | - | 5,355,254.71 | 5,355,254.71 |
| Lease liabilities | 1,667,752.38 | 1,646,119.76 | 8,013,073.78 | 21,715,329.94 | - | - | 33,042,275.86 |
| Other financial liabilities | - | - | - | - | - | 2,108,113,463.49 | 2,108,113,463.49 |
| Total financial liabilities | 10,352,810,394.55 | 2,435,770,995.18 | 5,222,167,381.70 | 729,680,125.08 | - | 2,269,282,617.59 | 21,009,711,514.10 |
| Net position | (4,038,469,713.71) | 1,426,961,998.55 | 3,172,765,128.23 | 1,334,177,275.72 | 285,247,923.34 | 58,995,109.12 | 2,239,677,721.25 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)**(4) Market risk (continued)****(4.2) Interest rate risk (continued)**

As at 31 December 2024, the Bank's analysis of financial assets, financial liabilities and lease liabilities by the earlier of maturity date and re-pricing date is as follows:

| | Within 1 month | 1 month to 3 months | 3 months to 1 year | 1 year to 5 years | More than 5 years | Overdue/Non-interest bearing | Total |
|---|---------------------------|-------------------------|-------------------------|-------------------------|---------------------|------------------------------|--------------------------|
| Cash and balances with the central bank | 1,661,676,286.71 | 363,720.23 | - | - | - | 107,137,327.00 | 1,769,177,333.94 |
| Due from banks | 513,779,606.16 | - | - | - | - | 210,113.26 | 513,989,719.42 |
| Placements with banks | 1,776,760,915.61 | 906,287,531.83 | 809,328,054.52 | - | - | 15,051,075.74 | 3,507,427,577.70 |
| Derivative financial assets | - | - | - | - | - | 10,992,100.60 | 10,992,100.60 |
| Financial assets held under resale agreements | 185,000,000.00 | - | - | - | - | 32,050.14 | 185,032,050.14 |
| Loans and advances to customers | 1,109,943,002.40 | 2,108,969,481.78 | 5,441,893,179.83 | 695,821,600.91 | 7,422,348.57 | 20,988,834.41 | 9,385,038,447.90 |
| Debt investments | - | - | 598,767.12 | 19,883,094.01 | - | 598,564.35 | 21,080,425.48 |
| Other debt investments | 812,632,566.14 | 711,438,910.63 | 860,758,981.11 | 1,081,723,247.97 | - | 61,975,913.93 | 3,528,529,619.78 |
| Other financial assets | - | - | - | - | - | 1,452,418,591.77 | 1,452,418,591.77 |
| Total financial assets | 6,059,792,377.02 | 3,727,059,644.47 | 7,112,578,982.58 | 1,797,427,942.89 | 7,422,348.57 | 1,669,404,571.20 | 20,373,685,866.73 |
| Due to banks and other financial institutions | 21,186,731.12 | - | - | - | - | 16,851,832.40 | 38,038,563.52 |
| Placements from banks | 1,383,301,500.00 | 80,000,000.00 | 473,000,000.00 | - | - | 9,781,046.67 | 1,946,082,546.67 |
| Customer deposits | 6,864,546,421.32 | 2,236,168,888.55 | 4,260,832,096.48 | 460,016,628.03 | - | 214,547,165.10 | 14,036,111,199.48 |
| Bonds payables | 49,933,563.02 | 99,688,289.04 | 245,653,189.81 | 304,006,557.38 | - | - | 699,281,599.25 |
| Derivative financial liabilities | - | - | - | - | - | 11,015,855.49 | 11,015,855.49 |
| Lease liabilities | 2,412,460.98 | 1,874,536.67 | 8,146,661.60 | 9,777,293.66 | - | - | 22,210,952.91 |
| Other financial liabilities | - | - | - | - | - | 1,449,673,561.05 | 1,449,673,561.05 |
| Total financial liabilities | 8,321,380,676.44 | 2,417,731,714.26 | 4,987,631,947.89 | 773,800,479.07 | - | 1,701,869,460.71 | 18,202,414,278.37 |
| Net position | (2,261,588,299.42) | 1,309,327,930.21 | 2,124,947,034.69 | 1,023,627,463.82 | 7,422,348.57 | (32,464,889.51) | 2,171,271,588.36 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

7. Financial Risk Management (continued)

(4) Market risk (continued)

(4.2) Interest rate risk (continued)

As at 31 December 2025, based on the assumption that all other variables remain constant, if the interest rate on interest-earning assets and interest-bearing liabilities increases/decreases by 100 basis points, the Bank's net profit or loss will decrease/increase by RMB11,184,586.65 (2024: RMB2,095,452.80); the Bank's other comprehensive income after tax will decrease/increase by RMB57,514,485.14 (31 December 2024: RMB36,129,352.50).

The sensitivity analysis above is performed on the basis that assets and liabilities have static interest rate risk structure. It reflects the impact of interest rate movement on the Bank's annualized interest income for over a one year period. The key assumptions are as follows:

- (1) All assets and liabilities with re-pricing date or maturity date less than 1 month, 1 month to 3 months, and 3 months to 1 year are assumed to be re-priced or matured in the middle of the respective period;
- (2) There is a parallel yield curve move relative to current interest rates;
- (3) There are no other changes for the portfolio of assets and liabilities;
- (4) Off-balance sheet items are excluded.

Due to the assumptions mentioned above, the actual net interest income from interest rate movement may differ from the sensitivity analysis results.

The impact on equity is estimated from the change in market value of the other debt investments caused by a parallel shift of yield curve arising from the interest rate change.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

8. Capital Management

The Bank has adopted a strong capital management method to prevent and mitigate the inherent risk in business operation and complied with the requirements of regulatory authorities. The Bank also targets to maintain sufficient capital adequacy ratio for operations and maximizing shareholder's value. The Bank adjusts its capital structure actively to adapt to the change of economic environment and related risk characteristics.

The Bank calculates and discloses capital adequacy ratio according to "Regulations Governing Capital of Commercial Banks". National Financial Regulatory Administration requires that a commercial bank's core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio should not be lower than 7.5%, 8.5%, and 10.5% respectively.

Core tier-one capital includes paid-up capital, capital reserve, other comprehensive income, surplus reserves, general reserves and retained earnings. The Bank has no other tier-one capital. Tier-two capital mainly includes surplus provision for loan impairment.

| | 2025 | 2024 |
|---------------------------------------|-------------------|-------------------|
| Core tier-one capital | 2,229,521,014.62 | 2,157,354,263.00 |
| Paid-up capital | 1,700,000,000.00 | 1,700,000,000.00 |
| Capital reserves | 453,890.00 | 453,890.00 |
| Other comprehensive income | 43,611,890.73 | 36,736,127.62 |
| Surplus reserves | 46,987,994.63 | 40,458,895.78 |
| General reserves | 325,223,125.36 | 279,107,642.98 |
| Retained earnings | 113,244,113.90 | 100,597,706.62 |
| Core tier-one capital deductions | 8,428,786.06 | 8,919,576.75 |
| Other intangible assets | 8,428,786.06 | 8,919,576.75 |
| Provision for loan impairment | - | - |
| Net core tier-one capital | 2,221,092,228.56 | 2,148,434,686.25 |
| Net tier-one capital | 2,221,092,228.56 | 2,148,434,686.25 |
| Tier-two capital | 182,062,500.00 | 168,722,800.00 |
| Surplus provision for loan impairment | 182,062,500.00 | 168,722,800.00 |
| Net capital base | 2,403,154,728.56 | 2,317,157,486.25 |
| Weighted risk assets | 15,397,120,838.47 | 14,271,157,523.32 |
| Core tier-one capital adequacy ratio | 14.43% | 15.05% |
| Tier-one capital adequacy ratio | 14.43% | 15.05% |
| Capital adequacy ratio | 15.61% | 16.24% |

The capital adequacy ratios and related components of the Bank are calculated based on the statutory financial statements prepared under the Chinese Accounting Standards for Business Enterprises. During the year, the Bank has complied with the capital requirements imposed by the regulator.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

9. Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable and willing parties at an arm's length transaction.

If an active market exists, such as an authorized securities exchange, the market value is the best reflection of the fair value of financial instruments. Since there is no available market value for part of the financial assets and liabilities held by the Bank, the discounted cash flow method or other valuation methods described below are used to determine the fair value for those assets and liabilities. However, the value determined by such methods is subject to the impact of future cash flows, time assumption and discount rates used.

The following methods and assumptions have been used by the Bank in estimating fair values of each financial assets and liabilities:

- (1) The fair value of financial assets and financial liabilities at fair value through profit or loss (including derivative financial assets and liabilities) is measured at their market price. Where market price is not available, fair value is estimated using the discounted cash flows method or with reference to the quoted price of counterparties.
- (2) The fair value of fixed rate loans is estimated by comparing the market interest rates offered when the loans are granted, with the current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into consideration in determining the gross fair values. To measure the impact of deterioration in credit quality, the potential loss may be recognized separately by deducting the amount of loan impairment loss from the carrying amount and fair value of the loan facility.
- (3) Customer deposits are priced based on fixed rate or floating rate depending on the product type. The fair value of demand deposits is determined based on the amount payable on demand. The fair value of fixed deposits is estimated using the discounted cash flows method with the prevailing deposit rate for the remaining tenor of the fixed deposit as the discount rate.

Those financial instruments for which their carrying amounts are the reasonable approximations of their fair values because, for example, they are short term in nature or re-priced at current market rates periodically, are as follows:

| <u>Assets</u> | <u>Liabilities</u> |
|---|---|
| Cash and balances with the central bank | Due to banks and other financial institutions |
| Due from banks | Placements from banks |
| Placements with banks | Financial assets sold under repurchase agreements |
| Financial assets held under resale agreements | Customer deposits |
| Loans and advances to customers | Bonds payables |
| Debt investments | Lease liabilities |
| Other assets | Other liabilities |

All the assumptions and methods mentioned above provide a consistent basis for determining of fair value of the Bank's assets and liabilities. However, other institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be comparable.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

9. Fair Value (continued)

The valuation technique or method for financial instrument (measured at fair value) determined by the Bank can be classified into 3 hierarchies:

Level 1: Quoted active market price

If the quotation for the same assets or liabilities in the active market on the measurement day can be obtained, the fair value is determined on the basis of such quotation.

Level 2: Valuation technique using observable inputs

This valuation technique is used for financial instruments where the prices are derived from standard valuation models, and significant inputs to these models are directly observable.

Level 3: Valuation technique with significant non-observable inputs

This valuation technique is used where at least one significant input is not observable and reliance is placed on reasonable assumptions made on market conditions.

The analysis of financial instruments recorded at fair value by level of fair value hierarchies is as follows:

| | Inputs in fair value measurement | | | Total |
|------------------------------------|---------------------------------------|--|--|-------------------------|
| | Quoted active market price Level 1 | Significant observable inputs Level 2 | Significant non-observable inputs Level 3 | |
| 2025 | | | | |
| Derivative financial assets | - | 5,385,210.95 | - | 5,385,210.95 |
| Other debt investments | - | 4,485,074,206.66 | - | 4,485,074,206.66 |
| Loans and advances to customers | - | 1,374,762,064.94 | - | 1,374,762,064.94 |
| Total financial assets | - | 5,865,221,482.55 | - | 5,865,221,482.55 |
| Derivative financial liabilities | - | 5,355,254.71 | - | 5,355,254.71 |
| Total financial liabilities | - | 5,355,254.71 | - | 5,355,254.71 |
| 2024 | | | | |
| Derivative financial assets | - | 10,992,100.60 | - | 10,992,100.60 |
| Other debt investments | - | 3,528,529,619.78 | - | 3,528,529,619.78 |
| Loans and advances to customers | - | 859,664,458.61 | - | 859,664,458.61 |
| Total financial assets | - | 4,399,186,178.99 | - | 4,399,186,178.99 |
| Derivative financial liabilities | - | 11,015,855.49 | - | 11,015,855.49 |
| Total financial liabilities | - | 11,015,855.49 | - | 11,015,855.49 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

9. Fair Value (continued)

In 2025 and 2024, there was neither transfer from level 1 and level 2 to level 3, nor transfer between level 1 and level 2 in the fair value hierarchy.

The Bank has established a market risk management regime governed ultimately by the Board of Directors, where the internal control framework for fair value measurement was established to meet the requirements of both internal management and information disclosure. Over time, the Bank has constructed the systematical management of market risk covering all procedures in identifying, measuring, monitoring, and verifying the fair value of its assets and liabilities with the combined effort of all related divisions from front desk to back office.

10. Related party relationship and transactions**(1) Criteria of identifying related parties**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party, or, both parties are subject to common control or common significant influence.

Details of the Bank's related parties are as follows:

- (i) Parent of the Company;
- (ii) Subsidiaries of the Company;
- (iii) Other entities controlled by the parent of the Company;
- (iv) Investors that have joint control over the Company;
- (v) Investors that have significant influence over the Company;
- (vi) Associates of the Group;
- (vii) Joint ventures of the Group;
- (viii) Principal individual investors of the Company and close family members of such individuals;
- (ix) Key management personnel of the Company or of the parent and close family members of such individuals;
- (x) Other entities controlled or jointly controlled by the Company's principal individual investors, key management personnel or close family members of such individuals;
- (xi) Joint ventures or associates of other members (including a parent and subsidiary) of a group of which the Company is a member;
- (xii) Joint ventures or associates of an entity that has joint control over the Company;
- (xiii) Joint ventures of an entity that has significant influence over the Company.

(2) Parent company

| | |
|-----------------------------|--------------------------------|
| Name | Metrobank |
| Registered country | The Philippines |
| Business nature | bank |
| Percentage of shareholding | 100% |
| Percentage of voting rights | 100% |
| Common stock | Philippine Peso 89.948 billion |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

10. Related party relationship and transactions (continued)**(3) Other related parties**

| Name | Relationship |
|---|--|
| Metropolitan Bank & Trust Company, Tokyo Branch ("Tokyo Branch") | Under the common control of the parent company |
| Metropolitan Bank & Trust Company, Seoul Branch ("Seoul Branch") | Under the common control of the parent company |
| Metropolitan Bank & Trust Company, New York Branch ("New York Branch") | Under the common control of the parent company |
| Metropolitan Bank & Trust Company, Taipei Branch ("Taipei Branch") | Under the common control of the parent company |
| ASPAC Real Estate Development (Shanghai) Co., Ltd. | The company whose legal representative and chairman was the board member of the parent company |
| Shanghai Yongde Real Estate Development Co., Ltd. | The company whose legal representative and chairman was the board member of the parent company |
| South Pacific Land (Nanjing) Co., Ltd. | The company whose legal representative and chairman was the board member of the parent company |
| Shanghai Yee Hong Investment Co., Ltd. | The company that is the subsidiary of the entity whose director was the board member of the parent company |
| Related individuals | The key management personnel of the Bank or the parent, and close family members of such individuals |

(4) Main transactions between the Bank and related parties**(4.1) Major balances between the Bank and related parties**

| | | |
|-----------------------|----------------------|----------------------|
| Due from banks | 2025 | 2024 |
| Metrobank | 9,395,437.51 | 4,550,073.73 |
| New York Branch | 6,347,556.54 | 35,158,498.26 |
| Total | <u>15,742,994.05</u> | <u>39,708,571.99</u> |
| Due to banks | 2025 | 2024 |
| Metrobank | 41,036,755.91 | 38,038,563.52 |
| Placements from banks | 2025 | 2024 |
| Metrobank | - | 272,708,818.07 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

10. Related party transactions (continued)

(4) Main transactions between the Bank and related parties (continued)

(4.1) Major balances between the Bank and related parties (continued)

| Customer deposits | 2025 | 2024 |
|--|------------------|----------------|
| Related individuals | 12,394,161.81 | 2,889,818.10 |
| ASPAC Real Estate Development (Shanghai) Co., Ltd. | 363,729,630.36 | 372,312,087.97 |
| Shanghai Yongde Real Estate Development Co., Ltd. | 21,678,190.38 | 21,494,821.17 |
| South Pacific Land (Nanjing) Co., Ltd | 501,065,692.78 | 495,722,095.25 |
| Shanghai Yee Hong Investment Co., Ltd. | 407,597,087.52 | 40,254,647.22 |
| Total | 1,306,464,762.85 | 932,673,469.71 |

(4.2) Major transactions between the Bank and related parties

| Interest income | 2025 | 2024 |
|-----------------|----------|----------|
| Metrobank | 6,719.28 | 3,411.01 |

| Interest expenses | 2025 | 2024 |
|--|---------------|---------------|
| Metrobank | 57,393.64 | 784,515.78 |
| Related individuals | 122,130.21 | 31,287.53 |
| ASPAC Real Estate Development (Shanghai) Co., Ltd. | 4,997,463.99 | 7,120,818.96 |
| Shanghai Yongde Real Estate Development Co., Ltd. | 178,206.76 | 262,419.58 |
| South Pacific Land (Nanjing) Co., Ltd | 6,037,081.84 | 8,213,766.39 |
| Shanghai Yee Hong Investment Co., Ltd. | 461,113.58 | 566,731.32 |
| Total | 11,853,390.02 | 16,979,539.56 |

| Lease expenses | 2025 | 2024 |
|--|--------------|--------------|
| ASPAC Real Estate Development (Shanghai) Co., Ltd. | 3,906,580.00 | 3,526,500.00 |

(4.3) Key management personnel

Key management personnel include directors, supervisors and senior executives. Key management personnel's salaries and benefits are as follows:

| | 2025 | 2024 |
|-----------------------|---------------|---------------|
| Salaries and benefits | 25,153,802.57 | 25,448,619.92 |

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

11. Contingency

As at 31 December 2025, there was no contingency to be disclosed.

12. Leases

(1) As lessee

| | 2025 | 2024 |
|--|---------------|---------------|
| Interest expense on lease liabilities | 579,749.25 | 784,769.35 |
| Expenses relating to short-term leases accounted for applying practical expedients | 3,466,517.15 | 3,337,357.44 |
| Total cash outflow for leases | 17,501,378.31 | 17,717,223.35 |

The Bank has lease contracts for various items of houses and buildings and vehicles used in its operations. Leases of houses and buildings generally have lease terms of 3 to 10 years, while those of vehicles generally have lease terms of 3 years. Generally, the Bank is restricted from assigning and subleasing the underlying assets. There are several lease contracts that include extension and termination options.

13. Commitments

(1) Financial commitments

Capital commitments

The Bank has no material capital commitments as at 31 December 2025.

(2) Credit commitments

| | 2025 | 2024 |
|-----------------------------------|------------------|------------------|
| Financial guarantee contracts | | |
| Letters of credit issued-usance | 2,350,151,309.60 | 1,777,500,000.00 |
| Letters of credit issued-at sight | 8,609,316.14 | 7,279,576.59 |
| Bank acceptance draft | 1,899,016,295.64 | 1,948,845,864.00 |
| Issuance of financial guarantee | 150,000,000.00 | - |
| Loan Commitment: | | |
| Original maturity within | | |
| One year | 55,000,000.00 | 68,288,000.00 |
| Total | 4,462,776,921.38 | 3,801,913,440.59 |

Financial guarantee contracts have the nature of guarantee. If customers fail to repay the contracted amount or fail to fulfill their obligations, the Bank needs to fulfill its responsibility as guarantor.

Metropolitan Bank (China) Ltd.
NOTES TO FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

Unit: RMB yuan

13. Commitments (continued)

(3) Fiduciary activities

The Bank acts as an agent to disburse entrusted loans to borrowers in accordance with the instructions of the principals who provide the funds. The Bank enters into contracts with these third-party lenders to manage and collect the loans on their behalf. The credit risk associated with the loans is borne by the funding principals and therefore is not recognized in the balance sheet. As at 31 December 2025 and 2024, the sizes of entrusted loans and deposits were as follows:

| | <u>2025</u> | <u>2024</u> |
|--------------------|----------------|----------------|
| Entrusted loans | 861,800,000.00 | 654,000,000.00 |
| Entrusted deposits | 861,800,000.00 | 654,000,000.00 |

14. Post-balance-sheet events

2025 Annual Profit distribution plan is approved by board of directors of the Bank at 2026 First Interim Board Meeting on 27 April 2026:

- (1) The Bank will appropriate 10% of its net profit to the statutory surplus reserves, which is amount to RMB6,529,098.85.
- (2) In accordance with Cai Jin [2012] No. 20 "Impairment Loss on Loans for Financial Institutions", the Bank set aside general reserves from net profit as profit appropriation, which is amount to RMB46,115,482.38.

Except for the above, there is no other significant post-balance-sheet events to be disclosed.

15. Approval of the financial statements

The financial statements were approved and authorized for issue by the Board of Directors on 27 April 2026.