



澳門華人銀行
Macau Chinese Bank

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

Macau Chinese Bank Limited

Disclosure of Financial Information For the Year Ended 31 December 2025

Index of Financial Information Disclosure	Page
1. Summarised Balance Sheet	4-5
2. Summarised Income and Other Comprehensive Income Statement	6-7
3. Summarised Statement of Changes in Equity	8-10
4. Summarised Cashflow Statement	11-12
5. Business Development and Management Report	13
6. Report from the Supervisory Board	14
7. Summary of the External Auditors' Report	15
8. List of the institutions in which the credit institution has holdings in excess of 5% in the share capital, or over 5% of the credit institution's own funds, with an indication of the respective percentage	16
9. List of the Shareholders with Qualifying Holdings	17
10. Names of the Members of the Credit Institution's Board	17
11. Corporate Governance	18-19
12. Off-Balance-Sheet Exposures Other than Derivatives Transactions	20
13. Derivatives Transactions	21
14. Significant Accounting Policies	22-38
15. Related Party Transactions	39-42
16. Capital	43-45
17. Credit Risk	46-55
18. Market Risk	56
19. Interest Rate Risk in the Banking Book	57-58
20. Operational Risk	59

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

21. Foreign Exchange Risk	60-61
22. Equity Risk	62
23. Commodity Risk	63
24. Liquidity Risk	64-66
25. Other Information	67

Summarised Balance Sheet

31 December 2025

	2025 MOP	2024 MOP
Assets		
Cash and balances with banks	3,628,496,133	1,753,681,041
Deposits with Monetary Authority	148,410,485	182,736,414
Placements with banks	757,956,277	1,452,801,817
Monetary bills with Monetary Authority	688,974,708	1,075,824,132
Loans and advances to customers	948,722,598	3,679,323,023
Receivables and other assets	2,124,461,308	2,022,937,027
Investments in securities	1,491,377,816	1,553,057,457
Property and equipment	246,482,571	262,570,357
Investment in a subsidiary	317,421	1,598,961
Total assets	<u>10,035,199,317</u>	<u>11,984,530,229</u>
Liabilities		
Deposits from customers	7,730,554,673	9,814,224,741
Payables and other liabilities	742,499,291	32,517,761
Deferred tax liabilities	22,376,445	24,299,935
Total liabilities	<u>8,495,430,409</u>	<u>9,871,042,437</u>

1. Summarised Balance Sheet (Continued)

31 December 2025

	2025 MOP	2024 MOP
Shareholders' equity		
Share capital	2,000,000,000	2,000,000,000
Additional paid-in capital	-	600,000,000
Capital reserves	713,776,640	-
Legal Reserve	71,871,089	71,871,089
General regulatory reserve	-	-
Specific regulatory reserve	-	-
Investment revaluation reserve	16,093,622	7,492,960
Asset revaluation reserve	37,189,518	37,189,518
Committed capital	-	2,000,000,000
Accumulated losses	<u>(1,299,161,961)</u>	<u>(2,603,065,775)</u>
Total shareholders' equity	<u>1,539,768,908</u>	<u>2,113,487,792</u>
Total liabilities and shareholders' equity	<u>10,035,199,317</u>	<u>11,984,530,229</u>

2. Summarised Income and Other Comprehensive Income Statement

Year ended 31 December 2025

	2025 MOP	2024 MOP
Interest income	245,622,400	373,601,519
Interest expense	<u>(236,435,713)</u>	<u>(347,776,820)</u>
Net interest income	<u>9,186,687</u>	<u>25,824,699</u>
Fee and commission income	5,833,227	6,103,776
Fee and commission expenses	<u>(932,423)</u>	<u>(1,030,053)</u>
Net fee and commission income	<u>4,900,804</u>	<u>5,073,723</u>
Other operating income and expenses, net	(10,974,551)	3,893,058
Net trading loss on investments in securities at fair value through profit or loss	3,413,349	(2,433,138)
Operating expenses	<u>(111,076,591)</u>	<u>(117,730,053)</u>
	(104,550,302)	(85,371,711)
Net charge of impairment allowances	(478,409,394)	(480,529,822)
Impairment loss on investment in subsidiaries	<u>(1,283,340)</u>	<u>(4,221,574)</u>
Loss before tax	(584,243,036)	(570,123,107)
Income tax expense	<u>1,923,490</u>	<u>(29,099)</u>
Loss for the year	<u><u>(582,319,546)</u></u>	<u><u>(570,152,206)</u></u>

2. Summserised Income and Other Comprehensive Income Statement (Continued)

Year ended 31 December 2025

	2025 MOP	2024 MOP
Loss of the current year	(582,319,546)	(570,152,206)
Other comprehensive income		
Other comprehensive income that can be reclassified into the income statement subsequently:		
Investments in debt securities at fair value through other comprehensive income:		
Changes in fair value	4,469,738	2,975,539
Release upon redemption/disposal reclassified to profit or loss	6,323,238	146,876
Changes in impairment allowances	(6,387,734)	(14,054)
Income tax effect	-	-
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax	<u>4,405,242</u>	<u>3,108,361</u>
Other comprehensive income that cannot be reclassified into the income statement subsequently:		
Investments in equity securities at fair value through other comprehensive income:		
Change in fair value	4,195,420	681,591
Impact of income tax	-	-
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	<u>4,195,420</u>	<u>681,591</u>
Other comprehensive income for the year, net of tax	<u>8,600,662</u>	<u>3,789,952</u>
Total comprehensive loss for the year	<u>(573,718,884)</u>	<u>(566,362,254)</u>

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

3. Summarised Statement of Changes in Equity

Year Ended 31 December 2025

	Share capital	Additional paid-in capital	Capital reserves	Legal reserve	General regulatory reserve	Specific regulatory reserve	Investment revaluation reserve	Asset revaluation reserve	Committed capital investment	Accumulated losses	Total equity
	MOP	MOP	MOP	MOP	MOP	MOP	(a) MOP	(b) MOP	(c) MOP	(c) MOP	MOP
Balance on January 1, 2025	2,000,000,000	600,000,000	-	71,871,089	-	-	7,492,960	37,189,518	2,000,000,000	(2,603,065,775)	2,113,487,792
Loss for the year	-	-	-	-	-	-	-	-	-	(582,319,546)	(582,319,546)
Other comprehensive income/(loss) for the year:											
Investments in debt securities:											
Changes in fair value	-	-	-	-	-	-	4,469,738	-	-	-	4,469,738
Reclassification to income statement	-	-	-	-	-	-	6,323,238	-	-	-	6,323,238
Changes in impairment allowances	-	-	-	-	-	-	(6,387,734)	-	-	-	(6,387,734)
Impact of income tax	-	-	-	-	-	-	-	-	-	-	-
Investments in equity securities:											
Change in fair value	-	-	-	-	-	-	4,195,420	-	-	-	4,195,420
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Impact of income tax	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	-	-	-	8,600,662	-	-	-	8,600,662
Committed capital from shareholders	-	-	-	-	-	-	-	-	600,000,000	-	600,000,000
Contribution from shareholders	-	2,000,000,000	-	-	-	-	-	-	(2,000,000,000)	-	-
Refund of capital contribution	-	(600,000,000)	-	-	-	-	-	-	-	-	(600,000,000)
Transfer to capital reserves and accumulated losses	-	(2,000,000,000)	713,776,640	-	-	-	-	-	(600,000,000)	1,886,223,360	-
Balance on December 31, 2025	2,000,000,000	-	713,776,640	71,871,089	-	-	16,093,622	37,189,518	-	(1,299,161,961)	1,539,768,908

3. Summarised Statement of Changes in Equity (Continued)

- (a) Investment revaluation refers to the cumulative surplus/(deficit) arising from the revaluation of debt securities measured at fair value with changes recognized in other comprehensive income and equity securities measured at fair value with changes recognized in other comprehensive income. Regulatory reserves are established in accordance with the requirements stipulated in Circular No. 012/2021-AMCM issued by the Monetary Authority of Macao.
- (b) Asset revaluation represents the valuation gain arising from the transfer of owner-occupied properties to investment properties.
- (c) On December 22, 2025, the Bank's shareholders' meeting resolved to approve a capital contribution of MOP 2.6 billion from the Bank's controlling shareholder, Guangdong Hengjian Investment Holding Co.,Ltd. "(i) MOP 1,886,223,360 will be used for capital replenishment and offsetting accumulated losses; (ii) the remaining MOP 713,776,640 will be irrevocably contributed into the Bank's capital reserve, which shall not be distributed to the shareholders. Payment of the capital contribution is contingent upon the release of MOP 2 billion held by Guangdong Hengjian Investment Holding Co.,Ltd. in a bank account opened at the Bank of China Macau Branch, which is currently under the supervision and freeze of the Monetary Authority of Macau, and shall be made first through that fund. Simultaneously, the resolution to release the MOP 600 million capital contribution commitment made by Hengjian International pursuant to its commitment letter dated November 28, 2024 was approved. Guangdong Hengjian Investment Holding Co.,Ltd transferred the MOP 600 million capital to the Bank's account on February 11, 2026.

澳門華人銀行股份有限公司
The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定
Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

3. Summarised Statement of Changes in Equity (Continued)

Year ended 31 December 2024

	Share capital	Additional paid-in capital (a)	Legal reserve	General regulatory reserve (b)	Specific regulatory reserve (b)	Investment revaluation reserve (c)	Asset revaluation reserve (d)	Committed capital investment (e)	Accumulated losses	Total equity
	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP	MOP
Balance on January 1, 2024	1,000,000,000	1,000,000,000	71,871,089	-	58,000,000	531,539	37,189,518	-	(2,087,742,100)	79,850,046
Loss for the year	-	-	-	-	-	-	-	-	(570,152,206)	(570,152,206)
Other comprehensive income/(loss) for the year:										
Investments in debt securities:										
Changes in fair value	-	-	-	-	-	2,975,539	-	-	-	2,975,539
Reclassification to income statement	-	-	-	-	-	146,876	-	-	-	146,876
Changes in impairment allowances	-	-	-	-	-	(14,054)	-	-	-	(14,054)
Impact of income tax	-	-	-	-	-	-	-	-	-	-
Investments in equity securities:										
Change in fair value	-	-	-	-	-	681,591	-	-	-	681,591
Transfer to retained earnings	-	-	-	-	-	3,171,469	-	-	(3,171,469)	-
Impact of income tax	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the year	-	-	-	-	-	6,961,421	-	-	(3,171,469)	3,789,952
Additional paid in capital converted to share capital	1,000,000,000	(1,000,000,000)	-	-	-	-	-	-	-	-
Contribution from shareholders	-	600,000,000	-	-	-	-	-	-	-	600,000,000
Committed capital from shareholders	-	-	-	-	-	-	-	2,000,000,000	-	2,000,000,000
Transfer out to accumulated losses	-	-	-	-	(58,000,000)	-	-	-	58,000,000	-
Balance on December 31, 2024	2,000,000,000	600,000,000	71,871,089	-	-	7,492,960	37,189,518	2,000,000,000	(2,603,065,775)	2,113,487,792

(a) Additional paid-in capital represents funds deposited by the Bank's shareholders during 2024, which will be used for capital injection.

(b) Regulatory reserves are established in accordance with the requirements stipulated in Circular No. 012/2021-AMCM issued by the Monetary Authority of Macao.

(c) Investment revaluation refers to the cumulative surplus/(deficit) arising from the revaluation of debt securities measured at fair value with changes recognized in other comprehensive income and equity securities measured at fair value with changes recognized in other comprehensive income.

(d) Asset revaluation represents the valuation gain arising from the transfer of owner-occupied properties to investment properties.

(e) Committed capital contributions refer to funds that pledged by the parent company of the Bank's shareholders for capital increase and loss absorption. With the approval of the Monetary Authority of Macao, these funds were eligible to be recognized as Tier 1 capital and included in own funds as of December 31, 2024.

4. Summarised Cashflow Statement

Year ended 31 December 2025

	2025 MOP	2024 MOP
Business activities		
Loss before tax	(584,243,036)	(570,123,107)
Adjustment items:		
Depreciation of property and equipment	22,024,927	22,045,433
Inventory loss of fixed assets	-	209,348
Loss on disposal of fixed assets	958	-
Net trading loss on investments in securities at fair value through profit or loss	(3,413,349)	2,433,138
Unrealized exchange difference	(5,970,940)	(4,443,417)
Net charge of impairment allowances	478,409,394	480,529,822
Impairment loss on investment in subsidiaries	1,283,340	4,221,574
Interest income from financial investment	(83,929,364)	(91,838,739)
Investment income	(1,343,903)	(7,545,219)
Interest expense of issued bonds	-	6,795,616
Decrease in customer loans and advances	961,567,152	1,257,043,389
Increase in receivables and other assets	(120,390,641)	(3,274,773)
Net increase in other bank deposits	(46,482,165)	(16,698,786)
Decrease in customer deposits	(2,083,670,068)	(472,974,781)
Decrease/ (Increase) in payables and other liabilities	14,554,206	(50,123,918)
Cash flows (used in) / generated from operating activities	<u>(1,274,421,516)</u>	<u>713,971,131</u>
Net cash flows (used in) / generated from operating activities	<u>(1,451,603,489)</u>	<u>556,255,580</u>
Investment activities		
Purchases of investments in securities	(900,307,846)	(914,327,153)
Principal from redemption/disposal of investments in securities	980,451,600	371,024,788
Interest from redemption/disposal of investments in securities	76,084,242	62,610,430
Purchases of items of property and equipment	(5,938,099)	(4,686,388)
Sales / (purchases) of monetary bills with Monetary Authority	390,000,000	(79,000,000)
Interest of monetary bills with Monetary Authority	10,598,664	30,027,649
Investment in a subsidiary	-	(3,335,999)
Net cash flow generated from/ (used in) investment activities	<u>550,888,561</u>	<u>(537,686,673)</u>

4. Summarised Cashflow Statement (Continued)

Year ended 31 December 2025

	2025 MOP	2024 MOP
Financing activities		
Cash paid for redemption of bonds	-	(184,904,384)
Cash paid for repayment of issued bonds and interest	-	(6,795,616)
Contribution from a shareholder	-	600,000,000
Net cash flow generated from financing activities	-	408,300,000
Net cash flow (used in) / generated from financing activities	(900,714,928)	426,868,907
Cash and cash equivalents at the beginning of year	3,256,208,889	2,829,339,982
Cash and cash equivalents at the end of year	2,355,493,961	3,256,208,889
Balance analysis of cash and cash equivalents		
Cash equivalents	1,610,497,672	1,752,247,442
Deposits with Monetary Authority	70,809,304	53,867,947
Placements with banks with original maturity of less than three months	674,186,985	1,450,093,500
Balance of cash and cash equivalents at the end of year	2,355,493,961	3,256,208,889

5. Business Development and Management Report

Business Development and Management Report

In 2025, the Bank has consistently regarded risk prevention and control as the lifeline of its stable development, promoting the establishment of a comprehensive, prudent and effective risk management system to effectively prevent and mitigate various financial risks. The disposal of non-performing assets has achieved solid results, the credit control system has been continuously improved, and the Bank's risk resilience has been further strengthened.

In 2025, the Bank completed the adjustment of its controlling shareholder, which helped further solidify its capital strength, optimize its capital structure, continuously enhance its risk resilience and comprehensive operational capabilities, injecting strong momentum and laying a solid foundation for the Bank's high-quality development.

In 2025, the Bank adhered to the improvement of corporate governance as its core. In accordance with the Bank's development needs and regulatory requirements, the Bank completed the election and supplementation of members of the Board of Directors, further optimizing the composition of Board members and enhancing their professional performance capabilities. The governance structure was continuously optimized, the internal control system was improved, and the scientific, standardized and effective nature of corporate governance was enhanced.

The Bank expresses its gratitude to customers, shareholders and regulatory authorities for their support and trust. Going forward, the Bank will leverage the resource advantages and strategic layout from its state-owned assets shareholders, to more closely align with national strategies and the development needs of the real economy in the Guangdong-Hong Kong-Macao Greater Bay Area, deepen industry-finance collaboration and bank-enterprise cooperation, and continuously improve the quality and efficiency of financial services. Meanwhile, the Bank will remain committed to the fundamental mission of serving the real economy through financial services, fully perform the empowering role of its state-owned assets shareholders, achieve synchronized development and win-win outcomes with the economy and industries of Guangdong, Hong Kong and Macao, and create greater value for its customers, shareholders and society.

President of Board Directors

Lu Ke

31 March 2026

6. Report from the Supervisory Board

Supervisory Board Opinion

The Supervisory Board maintained regular communication with the Board of Directors throughout the year of 2025 in compliance with relevant laws and the Articles of Association, which ensured effective access to information and collaborative cooperation.

Having conducted a comprehensive review and analysis of the 2025 independent Auditor's Report, the Report of the Board of Directors, and other related documents, the Supervisory Board is of the opinion that these reports and documents provide a clear and appropriate reflection of the Bank's assets, operating results, and financial position.

Based on the foregoing, the Supervisory Board hereby confirms that the financial statements submitted by the Board of Directors are recommended for approval at the General Meeting of Shareholders.

Chairperson of the Supervisory Board
Wang Qingping
31 March 2026

7. Summary of the External Auditors' Report

To the shareholders of The Macau Chinese Bank Limited
(Incorporated in Macau with limited liability by shares)

The accompanying summarised financial statements of The Macau Chinese Bank Limited (the "Bank") set out on pages 3 to 10, which comprises the summarised balance sheet as at 31 December 2025, the summarised income and other comprehensive income statement, summarised statement of changes in equity and the summarised cashflow statement for the year then ended. The summarised financial statements are derived from the audited financial statements of the Bank for the year ended 31 December 2025. We expressed an unmodified opinion on those financial statements in our independent auditor's report dated 31 March 2026. Those financial statements, and the summarised financial statements, do not reflect the effects of events that occurred subsequent to the date of our report 31 March 2026 on those financial statements.

The summarised financial statements do not contain all the disclosures required by Financial Reporting Standards set out by the Macau Special Administrative Region. Reading the summarised financial statements, therefore, is not a substitute for reading the audited financial statements of the Bank.

Management's Responsibilities for the Summarized Financial Statements

Management is responsible for the preparation of the summarised financial statements in accordance with article 85(1) of Law No. 13/2023.

Auditor's Responsibility

Our responsibility is to express an opinion on the summarised financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing ("ISA") 810, "Engagements to Report on Summary Financial Statements" included in Macau Auditing Standards.

Opinion

In our opinion, the summarised financial statements as derived from the audited financial statements of the Bank for the year ended 31 December 2025 are consistent, in all material respects, with those audited financial statements, in accordance with the Article 85(1) of the Law No. 13/2023.

Yu Wen Jun, CPA
KPMG
Certified Public Accountants
Unit B&C, 12th Floor
Finance and IT Center of Macau
320 Avenida Doutor Mario Soares
Macau, 31 March 2026

8. List of the institutions in which the credit institution has holdings in excess of 5% in the share capital, or over 5% of the credit institution's own funds, with an indication of the respective percentage

Exceeding 5% of Capital Contributions

Investment in Subsidiaries	2025	2024
	MOP	MOP
Non-listed Shares, Valued at Cost	5,822,335	5,820,535
Impairment Provision	(5,504,914)	(4,221,574)
Total	317,421	1,598,961

As of the end of the reporting period, the specific details of the subsidiaries are as follows:

<u>Company Name</u>	<u>Company Registration Location</u>	<u>Issued Share Capital (RMB)</u>	Equity Percentage Directly Held by Our Bank	Main Business
Guangdong Hengqin Ao Hua Yu Technology Co., Ltd.	People's Republic of China	5,000,000	100%	Provision of Information Technology Services

Investment Exceeding 5% of Own Capital

None

9. List of the Shareholders with Qualifying Holdings

Major Capital Contributors:

- Guangdong Henjian Investment Holding Co., Ltd.

10. Names of the Members of the Credit Institution's Board

Shareholders' Meeting Presidium

Chairperson:	Guangdong Henjian Investment Holding Co., Ltd. (Appointed on March 9, 2026) Nam Yue (Group) Company Limited (Resigned on March 9, 2026)
Members:	Hengjian International Investment Holdings (Hong Kong) Limited Guangdong Holdings Limited Nam Yue (Group) Company Limited (Appointed on March 9, 2026)
Secretary:	Yu Peihuan

Supervisory Board

Chairperson:	Wang Qingping
Supervisors:	CSC & Associates, Certified Public Accountants (Represented by Mok Chi Meng) Chui Calvin Tinlop

Directors

Chairperson:	Lu Ke (Appointed on October 17, 2025) Cai Binglong (Resigned on October 17, 2025)
Executive Director:	Wu Liyang (Appointed on February 16, 2026) Huang Zhenfu (Resigned on November 30, 2025)
Directors:	Bai Jie Gao Tiebing Chen Xiaoshuo (Appointed on December 17, 2025) Li Rongzhou (Resigned on February 16, 2026) Guo Zhihang
Company Secretary:	Yu Peihuan

11. Corporate Governance

Macau Chinese Bank Co., Ltd. (the "Bank") has consistently maintained a high standard of corporate governance in compliance with regulatory requirements. Under the Bank's corporate governance framework, the General Meeting of Shareholders, Board of Directors, Supervisory Board, and Senior Management each have clearly defined responsibilities and accountability mechanisms, ensuring coordinated and effective checks and balances.

Responsibilities of the General Meeting of Shareholders

The General Meeting of Shareholders is responsible for determining the Bank's business policies and major investment plans, reviewing and approving annual financial reports, as well as electing and appointing members of the Board of Directors and Supervisory Board, including independent supervisors.

Responsibilities of the Supervisory Board

The Supervisory Board serves as the oversight body of the Bank, accountable to and reporting to the General Meeting of Shareholders. Its responsibilities include monitoring the performance of duties by both the Board of Directors and senior management, as well as examining and supervising the Bank's financial activities and reporting.

Responsibilities of the Board of Directors

The Board of Directors functions as the Bank's principal decision-making authority, responsible to and reporting to the General Meeting of Shareholders. Its comprehensive duties encompass determining the Bank's business plans and strategic direction, reviewing and approving annual financial budgets, and submitting financial reports to the General Meeting for final approval. The Board is further tasked with establishing fundamental risk management policies and internal control mechanisms, while overseeing their effective implementation. The Board has established an Executive Committee composed of an odd number of directors. This committee is specifically mandated to formulate and implement appropriate policies and guidelines in alignment with shareholder objectives, thereby ensuring the Bank operates in a sound, compliant and efficient manner.

Responsibilities of Senior Management

Senior management is charged with executing Board decisions and coordinating all functional departments to achieve the operational targets set by the Board. In accordance with the risk policies determined by the Board, senior management develops systematic frameworks, processes and methodologies for risk control, establishes and enhances internal organizational structures to ensure effective functioning of internal control mechanisms, and provides adequate human resources to support departmental operations.

11. Corporate Governance (Continued)

Responsibilities of the Business Development Planning Committee

The Business Development Planning Committee operates as a specialized working body under the Board of Directors. Its mandate includes developing detailed business development plans that translate the Board's strategic directives into short, medium and long-term initiatives, overseeing the implementation of these plans, evaluating the alignment between institutional development and business growth, setting annual institutional development objectives, and regularly assessing the effectiveness of the implementation through benchmarking against quantitative and qualitative indicators as well as peer performance, with results reported to the Board.

12. Off-Balance-Sheet Exposures Other than Derivatives Transactions

	2025 MOP
Custody Accounts	52,600,855
Collateral Accounts	2,492,282,178
Guarantees and Payment Undertakings	246,899,268
Letters of Credit	-
Other Memorandum Accounts	48,640,058
	<hr/> 2,840,422,360 <hr/>



澳門華人銀行
Macau Chinese Bank

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

13. Derivatives Transactions

None

14. Significant Accounting Policies

General Information

Macau Chinese Bank Limited ("the Bank") is a company limited by shares incorporated in the Macao Special Administrative Region of the People's Republic of China ("Macao"), with its headquarters located in Macao, China. The Bank's immediate holding company is Guangdong Henjian Investment Holding Co., Ltd., incorporated under the laws of the People's Republic of China. The ultimate controlling party is the State-owned Assets Supervision and Administration Commission of Guangdong Provincial People's Government.

The Bank holds a full financial license issued by the Monetary Authority of Macao, with business scope encompassing deposit-taking, lending, trade settlement and financing, provision of guarantees, syndicated loans, currency exchange, investment and wealth management, bond underwriting and distribution, securities agency services, insurance agency services, and safe deposit box services, among other financial services.

Basis of Preparation of Financial Statements

The Bank prepares its financial statements on a going concern basis.

(1) Statement of Compliance with Macao Financial Reporting Standards

The Bank's financial statements have been prepared in accordance with the Financial Reporting Standards ("FRS") as promulgated by Dispatch No. 44/2020 of the Secretary for Economy and Finance of the Macao Special Administrative Region Government, the ultimate holding company, and Law No. 13/2023. The FRS incorporates the official documents issued by the International Accounting Standards Board in 2015, including financial reporting standards, accounting standards and interpretations. The principal accounting policies adopted by the Bank are set out below. To gain a comprehensive understanding of the consolidated financial position of Macau Chinese Bank and its subsidiaries (collectively, the "Group") as of December 31, 2025, as well as its consolidated operating results and consolidated cash flows for the year, users of these financial statements should also read the Group's consolidated financial statements for the year.

(2) Financial Year

The Bank's financial year runs from January 1 to December 31 of the Gregorian calendar.

(3) Functional Currency and Presentation Currency

The Bank's functional currency is the Macau Pataca (MOP), which is also the currency used for preparing its financial statements. The determination of the functional currency is based on the denomination and settlement currency of the Bank's principal business revenues and expenditures.

14. Significant Accounting Policies (Continued)

Significant Accounting Policies

(1) Cash and Cash Equivalents

In the statement of cash flows, cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value, with original maturities typically not exceeding three months.

In the balance sheet, cash and cash equivalents include cash on hand and bank deposits that are unrestricted in use.

(2) Foreign Currency Transactions

The Bank initially measures foreign currency transactions using the functional currency (MOP) exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are subsequently translated at the closing exchange rate as of each reporting date. Any exchange differences arising from the settlement of monetary items or from their translation at period-end rates are recognized in profit or loss.

For non-monetary items carried at historical cost in a foreign currency, the Bank applies the exchange rate at the initial transaction date for translation purposes. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined. Exchange differences arising from the translation of fair-valued non-monetary items are classified consistently with the recognition of the underlying fair value gains or losses - that is, such differences are recognized either in other comprehensive income (if the related fair value changes are recorded in OCI) or in profit or loss (if the fair value changes are recorded in profit or loss).

(3) Financial Assets

(a) Initial Recognition and Classification

The Bank classifies financial assets at initial recognition into distinct categories based on the fundamental criteria: the business model for managing the financial assets, and the contractual cash flow characteristics of the financial assets. The primary classification categories are: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVOCI), and financial assets measured at fair value through profit or loss (FVTPL).

For classification under either the amortized cost or FVOCI category, financial assets must satisfy the Solely Payments of Principal and Interest (SPPI) test.

14. Significant Accounting Policies (Continued)

The bank's business model for managing financial assets refers to how the bank manages its financial assets to generate cash flows. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or a combination of both. All financial assets purchased and sold in the ordinary course of business are recognized on the trade date (i.e., the date the bank commits to purchase or sell the asset). The ordinary course of business refers to the purchase or sale of financial assets that require delivery of the asset within a timeframe typically established by regulations or market practices.

(b) Subsequent Measurement

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

Financial Assets Measured at Amortized Cost (Debt Instruments)

Financial assets are classified as subsequently measured at amortized cost if they meet both of the following conditions:

- The financial asset is held under a business model whose objective is to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the outstanding principal balance.

Financial assets measured at amortized cost are subsequently measured using the effective interest method and may be subject to impairment. Any gains or losses are recognized in profit or loss when the asset is derecognized, modified, or impaired. Financial assets measured at amortized cost include cash and bank deposits, margin deposits held at the Monetary Authority of Macao, loans to banks, financial notes from the Monetary Authority of Macao, customer loans and advances, securities investments, and financial assets included in receivables and other assets.

Debt securities investments are classified as subsequently measured at fair value with changes recognized in other comprehensive income if they meet both of the following conditions:

- The financial asset is held under a business model whose objective is to collect contractual cash flows and to sell; and
- The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the outstanding principal balance.

For debt investments measured at fair value through other comprehensive income, interest income, foreign exchange revaluation, and impairment losses or reversals are recognized in profit or loss, calculated in the same manner as for financial assets measured at amortized cost. Other fair value changes are recorded in other comprehensive income. Upon derecognition, the cumulative fair value changes previously recognized in other comprehensive income are reclassified to profit or loss.

14. Significant Accounting Policies (Continued)

Equity Instruments Measured at Fair Value Through Other Comprehensive Income (FVOCI)

At initial recognition, the Bank may elect to irrevocably classify its equity investments as measured at fair value through other comprehensive income, provided they meet the definition of equity under IAS 32 Financial Instruments under the Financial Reporting Standards (FRS): Presentation and are not held for trading. This classification is determined on an instrument-by-instrument basis.

Subsequent to initial recognition, such financial assets are measured at fair value. Dividend income is recognized in profit or loss, while other gains and losses are recorded in other comprehensive income. Upon derecognition, cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to retained earnings.

Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

Financial assets measured at fair value through profit or loss include held-for-trading financial assets, financial assets designated at fair value through profit or loss upon initial recognition and financial assets mandatorily required to be measured at fair value. Financial assets acquired principally for the purpose of selling or repurchasing in the near term are classified as held for trading. Derivative instruments, including separated embedded derivatives, are also categorized as held for trading unless they are designated as effective hedging instruments. Financial assets whose contractual cash flows are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Although debt instruments may meet the criteria for measurement at amortized cost or at fair value through other comprehensive income as specified above, they may be designated at fair value through profit or loss at initial recognition when such designation eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are presented at fair value in the statement of financial position, with net changes in fair value recognized in the income statement.

(c) Reclassification of Financial Assets

If the bank changes its business model for managing financial assets, although such changes occur infrequently and under exceptional circumstances, all affected financial assets must be reclassified in accordance with the requirements of International Accounting Standard 9 (IAS 9) Financial Instruments under the Financial Reporting Standards (FRS). The reclassification shall be applied prospectively from the effective date of the change. Under IAS 9 of the FRS, reclassification is not permitted for equity instruments designated at fair value through other comprehensive income (FVOCI) or for financial liabilities.

14. Significant Accounting Policies (Continued)

(d) Derecognition of Financial Assets

The primary conditions for the derecognition of a financial asset (or part of a financial asset or part of a similar group of financial assets, as applicable) are:

- The rights to receive cash flows from the asset have expired;
- The bank has transferred its rights to receive cash flows from the asset, or has assumed obligations under a "pass-through" arrangement, fully paying cash flows received to a third party without significant delay; and (a) the bank has transferred almost all the risks and rewards of the asset, or (b) the bank has neither transferred nor retained almost all the risks and rewards of the asset but has transferred control of the asset.

If the bank has transferred its rights to receive cash flows from the asset or entered into a pass-through arrangement, it evaluates whether it has retained the risks and rewards of ownership of the asset and to what extent. If the bank has neither transferred nor retained almost all the risks and rewards of the asset and has not transferred control, it continues to recognize the transferred asset, provided that the bank remains involved with the asset. In this case, the bank also recognizes a related liability. The transferred asset and related liability are measured based on the bank's retained rights and obligations.

If the bank's continued involvement with the transferred asset is in the form of a guarantee, it is measured at the lower of the original carrying amount of the asset and the maximum consideration the bank is required to pay.

(4) Financial Liabilities

(a) Initial Recognition and Measurement

At initial recognition, financial liabilities are measured at fair value. For financial liabilities measured at fair value with changes recognized in profit or loss, related transaction costs are directly recognized in profit or loss; for other categories of financial liabilities, related transaction costs are included in the initial recognition amount.

The bank's financial liabilities include bank deposits, customer deposits, issued bonds, and other financial liabilities.

(b) Subsequent Measurement of Financial Liabilities

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest method. If the impact of discounting is not significant, they are reported at cost.

The calculation of amortized cost takes into account any discounts or premiums at acquisition and the necessary expenses or costs that constitute the effective interest rate. The effective interest amortization is recognized in profit or loss.

14. Significant Accounting Policies (Continued)

(c) Derecognition of Financial Liabilities

Financial liabilities are derecognized when the related obligations are fulfilled, canceled, or expire.

If an existing financial liability is replaced by another liability from the same lender but with substantially different terms, or if there is a substantial modification of the terms of the existing liability, such exchanges or modifications are treated as derecognition of the original liability and recognition of the new liability, with the difference between the carrying amounts recognized in profit or loss.

(d) Offsetting of Financial Instruments

Financial assets and financial liabilities may be offset and reported on a net basis in the balance sheet if there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(5) Impairment of Financial Assets

The bank recognizes a provision for expected credit losses for all debt instruments that are not measured at fair value with changes recognized in profit or loss. Expected credit losses are the difference between the contractual cash flows due and all cash flows that the bank expects to receive, discounted at the original effective interest rate. Expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General Approach

For credit risk exposures where there has not been a significant increase in credit risk since initial recognition, expected credit losses are recognized based on the probability of default events occurring within the next 12 months (12-month expected credit losses). For credit risk exposures where there has been a significant increase in credit risk since initial recognition, expected credit losses are recognized for the entire lifetime of the risk exposure, regardless of when the default occurs (lifetime expected credit losses).

The bank assesses the credit risk of financial instruments on each reporting date to determine whether it has significantly increased since initial recognition. In making this assessment, the bank compares the risk of default on the financial instrument on the reporting date with the risk of default at the time of initial recognition, considering reasonable and supportive quantitative and qualitative information, including historical experience and forward-looking information that is obtainable without incurring unreasonable costs or efforts.

For debt investments measured at fair value with changes recognized in other comprehensive income, the bank recognizes a loss allowance in other comprehensive income, with impairment losses or gains recognized in profit or loss for the current period, without reducing the carrying amount of the

14. Significant Accounting Policies (Continued)

financial asset in the balance sheet. On each reporting date, the bank reassesses the external credit ratings of its debt investments.

When a contractual payment is more than 90 days overdue, the bank considers the financial asset to be in default. However, in specific circumstances, prior to any credit enhancements on the financial assets held, if there is internal or external information indicating that the bank is unlikely to receive the full amount of the outstanding contractual amounts, it may also consider the financial asset to be in default. When expected contractual cash flows cannot be reasonably recovered, the financial asset is written off.

Debt investments measured at fair value with changes recognized in other comprehensive income and financial assets measured at amortized cost are subject to impairment under the general approach, categorized into the following stages for measuring expected credit losses, while accounts receivable and contract assets utilize a simplified approach, as detailed below:

Stage 1: If the financial instrument is not considered a credit-impaired asset at initial recognition and there has been no significant increase in credit risk since initial recognition, the loss allowance is for the expected credit losses over the next 12 months.

Stage 2: If the financial instrument is not considered a credit-impaired asset at initial recognition but there has been a significant increase in credit risk since initial recognition, the loss allowance is for the expected credit losses over the entire lifetime of the asset.

Stage 3: If the financial instrument is a credit-impaired asset and future cash flows have been adversely affected by one or more events, the loss allowance is for the expected credit losses over the entire lifetime of the asset.

For financial assets where the bank cannot reasonably expect to fully or partially recover, the bank will perform a full or partial write-off. These financial assets are considered to be derecognized (in full or in part).

The following events are examples that may lead to full or partial write-offs:

- When a borrower declares bankruptcy or is unable to repay, particularly in the case of unsecured exposures, and the liquidator or administrator indicates that there are insufficient resources to satisfy the claims of unsecured creditors.
- There is external evidence (e.g., third-party valuations) indicating that expected cash flows have become irreversible, making it unreasonable for the bank to expect recovery of its assets.
- Mortgages that have been independently assessed as secured are typically written off after the proceeds from the collateral are received, with no further expectation of recovering any amounts through other means.

Financial assets may be written off within a certain timeframe following default. Generally, for portfolios assessed collectively, such as retail mortgages, corporate loans, syndicated loans, other unsecured loans, and overdrafts, the bank will write off financial assets when it determines that they are irrecoverable.

14. Significant Accounting Policies (Continued)

(6) Long-term Equity Investments

(a) Determination of Investment Cost for Long-term Equity Investments

(i) Long-term Equity Investments Formed through Business Combinations

For long-term equity investments in subsidiaries formed through business combinations not under common control, the bank recognizes the fair value of the assets paid, liabilities incurred or assumed, and equity securities issued as the initial investment cost at the date of acquisition.

(ii) Long-term Equity Investments Acquired through Other Means

For long-term equity investments acquired through means other than business combinations, at initial recognition, for long-term equity investments obtained by cash payment, the bank recognizes the actual purchase price paid as the initial investment cost; for long-term equity investments obtained through the issuance of equity securities, the bank recognizes the fair value of the equity securities issued as the initial investment cost.

(b) Subsequent Measurement and Profit or Loss Recognition Method for Long-term Equity Investments

(i) Investments in Subsidiaries

In the bank's individual financial statements, long-term equity investments in subsidiaries are subsequently measured using the cost method. Cash dividends or profits declared by the investee that are attributable to the bank are recognized as current investment income, except for any declared but unpaid cash dividends or profits included in the actual consideration paid at the time of investment.

Investments in subsidiaries are presented at cost less any impairment provisions.

(c) Criteria for Determining Joint Control and Significant Influence Over Investee

Joint control refers to shared control over an arrangement according to relevant agreements, and the relevant activities of that arrangement (i.e., activities that significantly affect the returns of the arrangement) must be decided by consensus among the participating parties sharing control.

In determining whether there is joint control over an investee, the bank typically considers the following factors:

- Whether any participating party can unilaterally control the relevant activities of the investee;
- Whether decisions involving the relevant activities of the investee require unanimous consent from the parties sharing control.

14. Significant Accounting Policies (Continued)

Significant influence refers to the bank's power to participate in the financial and operating policy decisions of the investee but not to control or jointly control those policies with others.

(7) Property, Plant, and Equipment and Depreciation

Property and equipment are reported at cost less accumulated depreciation and any impairment losses. The cost of property and equipment includes their purchase price and any directly attributable costs necessary to bring the asset to the working condition and location for its intended use.

Expenditures incurred after the property and equipment are put into operation, such as repairs and maintenance costs, are generally recognized in profit or loss in the period incurred. Major repair expenditures are capitalized when they meet recognition criteria and are included in the carrying amount of the asset as part replacements. When significant components of property and equipment require periodic replacement, the bank recognizes those components as separate assets with specific useful lives and depreciation.

Depreciation is calculated using the straight-line method, reducing the cost of property and equipment to their residual value over their estimated useful lives, as follows:

Land and Buildings	100 years or remaining useful life (whichever is shorter)
Furniture, Fixtures, and Equipment	3 to 10 years
Computer Equipment	3 to 8 years
Motor Vehicles	10 years

If different parts of property and equipment have varying useful lives, the cost of the asset is reasonably allocated among those parts, and each part is depreciated separately. At least at the end of each financial year, the residual values, useful lives, and depreciation methods are reviewed and adjusted as appropriate.

For property and equipment that have been initially recognized, and any significant components, derecognition occurs when they are disposed of or when it is expected that no future economic benefits will be obtained through their use or disposal. Any gains or losses arising from the disposal or abandonment of assets are recognized in profit or loss in the year of derecognition, with the amount being the difference between the net sale proceeds of the relevant asset and its carrying amount.

(8) Impairment of Non-Financial Assets

When there are indications of impairment, or when it is necessary to perform an annual impairment test on assets (excluding financial assets), an estimate of the recoverable amount of the asset is made. The recoverable amount is the higher of the asset's value in use and its fair value less costs of disposal, determined on an individual asset basis, unless the cash inflows generated by the asset are largely dependent on the cash inflows of other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

14. Significant Accounting Policies (Continued)

Impairment losses are recognized only when the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset. Impairment losses are recognized in profit or loss for the period in which they occur and are allocated to the relevant expense categories based on the function of the impaired asset.

At the end of each reporting period, assess whether there are any indications that a previously recognized impairment loss may no longer exist or may have decreased. If such indications exist, estimate the recoverable amount. A previously recognized impairment loss shall be reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. The reversal amount shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years. The impairment reversal shall be credited to profit or loss in the period in which it occurs (unless the asset is carried at revalued amount in the financial statements). For assets measured at revalued amounts, the impairment reversal shall be accounted for in accordance with the relevant accounting policy applicable to that revalued asset.

(9) Provisions

Provisions are recognized when the following conditions are met: the bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

When the effect of discounting is significant, the amount recognized for the provision is the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period. The increase in the discounted amount over time is recognized in profit or loss.

(10) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the bank to reimburse the holder of the contract for a specific amount when a specified debtor fails to make payment in accordance with the original or modified terms of the debt instrument.

Financial guarantee contracts are initially recognized at fair value on the date the guarantee is provided. After initial recognition, the amount of the provision is presented at the higher of the amortized cost after deducting the amortization of the guarantee fees or the expected credit loss provision required for the bank to fulfill its guarantee obligations. Any increase in the liability related to the contract is recognized in profit or loss for the current period.

(11) Measurement of Fair Value

The bank measures certain securities investments at fair value at the end of each reporting period. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The basis for fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place

14. Significant Accounting Policies (Continued)

in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability, and the bank must have access to that principal or most advantageous market. The fair value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, and it assumes that market participants act to maximize their economic benefits.

In measuring the fair value of non-financial assets, consideration is given to the ability of market participants to generate economic benefits through the highest and best use of the asset or by selling it to another market participant that would maximize its value.

The valuation techniques adopted by the bank are appropriate and utilize sufficient data for measuring fair value, maximizing the use of relevant observable inputs while minimizing the use of unobservable inputs. All assets and liabilities measured or disclosed at fair value in the financial statements are classified within the fair value hierarchy based on the lowest level input that is significant to the overall fair value measurement, as follows:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets

Level 2: Valuation techniques for which the significant lowest level inputs are observable, either directly or indirectly

Level 3: Valuation techniques for which the significant lowest level inputs are unobservable

For assets and liabilities continuously recognized in the financial statements, the bank reassesses the classification at the end of each reporting period (based on the lowest level inputs significant to the overall fair value measurement) to determine whether a transfer between fair value levels has occurred.

(12) Revenue Recognition

(a) Interest Income

Effective Interest Method

In accordance with IFRS 9, interest income is recorded using the effective interest rate ("EIR") method for all financial assets measured at amortized cost, interest rate derivatives applying hedge accounting, and the related amortization/cycle effects of hedge accounting. Interest income for interest-bearing financial assets measured at fair value through other comprehensive income is also recorded using the EIR method. For all financial liabilities held at amortized cost, interest expense is calculated using the EIR method. The EIR is the rate that exactly discounts the estimated future cash inflows over the expected life of the financial asset or, in appropriate cases, a shorter period, to the net carrying amount of the financial asset.

The EIR (and the amortized cost of financial assets) is calculated by considering transaction costs and any discounts or premiums on the acquisition of financial assets, as well as fees and costs that are components of the EIR. The bank recognizes interest income using a rate that represents the best estimate of the fixed return rate over the expected term of the loan. Therefore, the EIR calculation also considers the potential impact of varying interest rates that may be charged at

14. Significant Accounting Policies (Continued)

different stages of the expected life of the financial asset, as well as other characteristics of the product lifecycle (including prepayments, penalty interest, and fees).

If the cash flows of fixed-rate financial assets or liabilities are expected to be modified for reasons other than credit risk, the changes in future contractual cash flows are discounted using the original EIR, and the carrying amount is adjusted accordingly. The difference between the previous carrying amount and the adjusted amount is recognized on the balance sheet as a positive or negative adjustment to the carrying amount of that financial asset or liability, which increases or decreases interest income or expense calculated using the effective interest method. The bank recognizes interest income on perpetual bonds with fixed dividends according to the effective interest method.

For floating-rate financial instruments, periodically re-estimating cash flows to reflect changes in market interest rates will also change the effective interest rate; however, when the financial instrument is initially recognized at an amount equal to the principal, re-estimating future interest payments does not significantly affect the carrying amount of the asset or liability.

Reporting of Net Interest Income

According to paragraph 82(a) of the "International Accounting Standard 1: Presentation of Financial Statements," under the Financial Reporting Standards (FRS), interest income calculated using the EIR method must be reported separately in the income statement.

Interest and Similar Income or Expense

Net interest income includes interest income and interest expense calculated using the effective interest method. These are disclosed separately under interest income and interest expense in order to provide symmetric and comparable data.

The interest income/expense calculated using the effective interest method by the bank includes interest from the financial instruments listed in Notes 5 and 6 only. Interest income/expense from all financial assets/liabilities measured at fair value with changes recognized in profit or loss is recognized as part of the changes in net trading income from fair value.

Except for financial assets considered to have incurred credit impairment, the bank calculates interest income by applying the EIR to the total carrying amount of the financial assets. When a financial asset incurs credit impairment (and is therefore regarded as "Stage 3"), the bank calculates interest income by applying the EIR to the net amortized cost of the financial asset. If a financial asset recovers and is no longer deemed to be credit impaired, the bank resumes calculating interest income based on the total amount.

For purchased or originated credit-impaired (POCI) financial assets, the bank calculates interest income by determining the credit-adjusted EIR and applying that rate to the amortized cost of the financial asset. The credit-adjusted EIR is the rate that discounts the estimated future cash flows (including credit losses) to the amortized cost of the POCI financial asset at initial recognition.

14. Significant Accounting Policies (Continued)

(b) Fee and Commission Income

The bank generates fee and commission income from a variety of financial services provided to customers. Fee and commission income is recognized at the amount reflecting the consideration to which the bank expects to be entitled in exchange for providing the services.

Performance obligations and their fulfillment timelines are identified and determined at the contract's inception. The bank's revenue contracts typically do not encompass multiple performance obligations, as further explained below.

When the bank provides services to its customers, consideration is invoiced, typically due immediately upon satisfactory provision of services at a specific point in time or upon the completion of the contract period for services rendered over a period of time (unless otherwise stipulated).

The bank generally regards itself as the primary responsible party in its revenue arrangements, as it typically controls the services before they are transferred to customers.

Fee and Commission Income from Services Fulfilled Over Time

Performance obligations fulfilled over time include services such as asset management and custodianship, where the customer receives and consumes the benefits provided by the bank as the bank fulfills its obligations.

The fee and commission income arising from the timely fulfillment of obligations includes:

Fee and Commission Income from Services Fulfilled at a Specific Point in Time

Services provided that meet the bank's performance obligations at a specific point in time are recognized after control of the services has transferred to the customer. This typically occurs upon the completion of the underlying transaction or service, or for costs or components of fees related to specific performance, after the corresponding performance standards have been met. These include costs and commissions incurred due to negotiations with third parties or participation in transaction negotiations, such as arranging/participating in or negotiating the acquisition of shares or other securities, brokerage, and underwriting fees.

The bank typically has a single performance obligation for these services, which is the successful completion of the transactions specified in the contract.

(c) Net Trading Income

Net trading income from financial assets and financial liabilities measured at fair value with changes recognized in profit or loss includes all gains and losses arising from changes in fair value, as well as related interest income or expenses and dividends. This also includes any ineffectiveness recorded in hedging transactions.

14. Significant Accounting Policies (Continued)

(d) Net Gain or Loss on Derecognition of Financial Assets Measured at Amortized Cost or Fair Value through Other Comprehensive Income

The net gain or loss on derecognition of financial assets measured at amortized cost or fair value through other comprehensive income should include the loss or gain recognized as the difference between the carrying amount of the financial asset (including impairment) and the consideration actually received.

(13) Retirement Benefit Plans

The bank operates a defined contribution retirement benefit plan for its employees. Contributions are made according to a certain percentage of the employees' basic salaries, and these contributions are recognized in profit or loss when they are payable.

(14) Income Tax

Income tax comprises current income tax and deferred income tax. Income tax related to items not recognized in profit or loss is also not included in profit or loss and may be recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to tax authorities, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period, considering the current interpretations and application guidelines in the country (or region) where the bank operates.

Deferred income tax assets and deferred income tax liabilities are determined based on deductible temporary differences and taxable temporary differences, respectively. Temporary differences refer to the differences between the carrying amount of an asset or liability and its tax base, including deductible losses and tax credits that can be carried forward to future years. The recognition of deferred income tax assets is limited to the amount of taxable income that is likely to be available to offset the deductible temporary differences.

If a single transaction is not a business combination and does not affect accounting profit or taxable income (or deductible losses) at the time of the transaction, and the initially recognized assets and liabilities do not result in equal taxable temporary differences and deductible temporary differences, then the temporary differences arising from that transaction will not result in deferred income tax.

At the end of each reporting period, the bank reviews the carrying amount of deferred income tax assets and will reduce them to the extent that it is no longer probable that sufficient taxable profits will be available to utilize all or part of the deferred income tax assets. At the end of each reporting period, unrecognized deferred income tax assets are reassessed, and the deferred income tax asset is recognized when it is probable that sufficient taxable profits will allow for the recovery of all or part of the deferred income tax asset.

Deferred income tax assets and liabilities are measured at the tax rates expected to be applied during the period in which the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

14. Significant Accounting Policies (Continued)

If there is a legally enforceable right to offset current income tax assets against current income tax liabilities, and the deferred taxes relate to the same taxable entity and the same tax authority, then deferred income tax assets and deferred tax liabilities may be offset against each other.

(15) Leases

Leases in which the lessor retains substantially all the rewards and risks associated with asset ownership are classified as operating leases. When the bank is the lessor, assets leased under operating leases are included in non-current assets, and the rental income from operating leases is recognized on a straight-line basis over the lease term in profit or loss. When the bank is the lessee, rental expenses payable under operating leases are also recognized on a straight-line basis over the lease term in profit or loss.

Prepaid land rents under operating leases are initially recognized at cost and subsequently accounted for on a straight-line basis over the lease term. When it is not possible to reliably allocate rent between land and buildings, the entire rent is included in the cost of financing leases for property and equipment.

(16) Related Parties

A party is considered to be related to the bank in the following circumstances:

- (a) The party is an individual or a close family member of that individual who meets any of the following conditions:
 - (i) Has control or joint control over the Bank;
 - (ii) Has significant influence over the Bank; or
 - (iii) Is a member of key management personnel of the Bank or its parent company;or
- (b) The party is an entity that meets any of the following conditions:
 - (i) The entity and the Bank are members of the same group;
 - (ii) The entity is an associate or joint venture of another entity (or the parent, subsidiary, or fellow subsidiary of another entity);
 - (iii) Both the entity and the Bank are joint ventures of the same third party;
 - (iv) The entity is a joint venture of a third entity and another entity is an associate of the same third entity;
 - (v) The entity provides post-employment benefit plans for employees of the Bank or its related entities;
 - (vi) The entity is under the control or joint control of an individual identified in (a);
 - (vii) An individual identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or its parent); and
 - (viii) The entity or any member of its group provides key management personnel services to the Bank or its parent company.

14. Significant Accounting Policies (Continued)

(17) Segment Reporting

The Bank determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system.

An operating segment is a component within the Bank that simultaneously meets the following conditions: (1) the component generates revenue and incurs expenses in its ordinary course of business; (2) the Bank's management can periodically evaluate the operating results of the component to determine resource allocation and performance evaluation; and (3) the Bank can obtain relevant accounting information regarding the component's financial position, operating results, and cash flows. If two or more operating segments have similar economic characteristics and meet certain conditions, they are merged into one operating segment.

Significant Accounting Judgments and Estimates

The preparation of the Bank's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. The uncertainty surrounding these assumptions and estimates could result in material adjustments to the carrying amounts of affected assets or liabilities in the future.

Estimation Uncertainty

The following represents key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, which may result in material adjustments to the carrying amounts of assets and liabilities in subsequent accounting periods.

(1) Financial Asset Impairment Provision

The measurement of impairment losses for all categories of financial assets within the scope of IFRS 9 requires judgment, particularly in estimating the amount and timing of future cash flows and the value of collateral when determining impairment losses and assessing whether there has been a significant increase in credit risk.

These estimates are based on multiple factors, and changes in these factors may result in different levels of loss provisions. The Bank's expected credit loss calculations are outputs of complex models that incorporate numerous underlying assumptions regarding the selection of variables and their interdependencies. The accounting judgments and estimates considered in the expected credit loss model include the following elements:

- The Bank's internal credit rating models, which determine the probability of default corresponding to individual ratings;
- The Bank's assessment of whether credit risk has increased significantly, thereby requiring financial asset provisions to be measured based on lifetime expected credit losses and qualitative evaluations;



- The segmentation of financial assets when assessing expected credit loss on a portfolio basis;
- The development of expected credit loss models, including the selection of various formulas and inputs;
- Forecasts of macroeconomic scenarios, such as the correlation between unemployment levels and collateral values, and their impact on the probability of default, loss given default, and exposure at default; and
- The selection of forward-looking macroeconomic scenarios and their weighted probabilities, which are incorporated into the expected credit loss models as economic inputs. The Bank's policy requires periodic review of these models based on actual loss experience, with adjustments made to the models as necessary.

15. Related Party Transactions

Qualitative Disclosures

(1) Lending Policies to Related Parties

Transactions with related parties conducted by the Bank in the ordinary course of banking business are carried out in compliance with relevant laws and regulations, including notifying the relevant regulatory authorities when required. These transactions, which involve acceptable risk exposures, are conducted on commercial terms and conditions and at market prices.

(2) In accordance with the latest Guideline on Disclosure of Financial Information issued by the Monetary Authority of Macao, Article 12 of Appendix 1 defines related parties as follows:

(c) Any individual or their close relatives [Note 1], if they:

- (iv) Control or jointly control the Bank;
- (v) Have significant influence over the Bank;
- (vi) Hold qualifying shares in the Bank;
- (vii) Are members of the Bank's Board of Directors, Supervisory Board, or the parent company's board;
- (viii) Are key management personnel [Note 2] of the Bank or its parent company, excluding directors or supervisors listed under (iv) above.

(d) Any entity that meets one of the following conditions:

- (i) The entity and the Bank are members of the same group (e.g., parent, subsidiary, or affiliated companies);
- (ii) The entity holds a controlling interest in the Bank;
- (iii) The entity is an associate or joint venture of the Bank (or an associate or joint venture of a group member of the Bank);
- (iv) The Bank is an associate or joint venture of the entity (or an associate or joint venture of group members of that entity);
- (v) Both the entity and the Bank are joint ventures of the same third party;
- (vi) The entity is a joint venture of a third-party entity, and the Bank is an associate of that third-party entity;
- (vii) The Bank is a joint venture of a third-party entity, and the entity is an associate of that third-party entity;

15. Related Party Transactions (Continued)

- (viii) The entity is controlled or jointly controlled by a person identified in (a) above;
- (ix) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or its parent company);
- (x) A person identified in (a)(iv) is a member of the key management personnel of the entity (or its parent company).

[Note 1] A person's close relatives include their spouse, children, parents, stepchildren, stepparents, sons-in-law, daughters-in-law, and parents-in-law.

[Note 2] Key management personnel of an institution are those with the authority and responsibility for planning, directing, and controlling the institution's activities. This includes any directors (whether executive or non-executive) of the institution.

15. Related Party Transactions (Continued)

Quantitative Disclosures – Transactions and Outstanding Balances

During the year ended December 31, 2025, and at the reporting date, significant transactions and balances between the Bank and related parties were as follows:

		2025	2024
		MOP	MOP
Amounts received/receivable or (paid)/(payable) with related companies:	Notes		
Lease expenses	(1)	2,150,947	5,774,932
Service fees	(2)	4,876,773	2,484,890
Interest expenses	(3)	15,939,480	2,844,253
Non-Performing Loan Transfer	(4)	<u>4,129,197,320</u>	<u>5,774,932</u>
Outstanding balances of significant transactions at year-end:			
Financial Investment	(5)	122,804,597	-
Payables and other liabilities	(6)	619,275,487	101,299
Receivables and other assets	(7)	<u>1,982,203,840</u>	<u>303,644</u>
Customer deposits:			
Directors of the Bank		19,374	493,939
Related companies*		<u>7,563,845</u>	<u>111,005,467</u>

*Related companies include the Bank's immediate holding company and fellow subsidiaries.

Notes:

- (1) Lease expenses represent payments made to related companies for leasing office properties at market rates.
- (2) Service fees are charged by related companies for security services and human outsourcing provided to the Bank based on actual costs.
- (3) Interest expenses represent interest paid to related companies based on actual deposit rates.

15. Related Party Transactions (Continued)

- (4) On December 23, 2025, the Bank entered into an agreement with Nam Yue Ao Hua Management Co., Ltd. to transfer non-performing loans to it, with a total transfer amount of MOP 4,129,197,320.
- (5) The financial investment was the purchase of bonds issued by the Bank's controlling shareholder.
- (6) As of December 31, 2025, the balance represented the Bank's repayment of capital contribution to Hengjian International Investment Holding (Hong Kong) Co., Ltd., outsourcing fees payable to the Bank's shareholder Nam Yue (Group) Company Limited and its subsidiaries, and collections of transferred loans. This balance was unsecured and interest-free. As of December 31, 2024, the balance represented office renovation fees payable to Nam Yue (Group) Company Limited and its subsidiaries. This balance was unsecured and interest-free.
- (7) As at 31 December 2025, the balance consisted of capital contributions receivable from the Bank's controlling shareholder, loan transfer payments receivable from subsidiaries of Nam Yue (Group) Company Limited, a shareholder of the Bank, and lease deposits paid. The balance was unsecured and interest-free. As at 31 December 2024, the balance consisted of lease deposits paid to Nam Yue (Group) Company Limited and its subsidiaries. The balance was unsecured and interest-free.

Quantitative Disclosures - Compensation of Key Management Personnel of the Bank

	2025	2024
	MOP	MOP
Short-term employee benefits	<u>2,583,240</u>	<u>1,660,008</u>

The Bank considers that the terms and conditions of these balances and transactions are comparable to those offered to non-related customers in the ordinary course of business.

16. Capital

Qualitative Disclosures

The primary objective of the Bank's capital management is to maintain a strong capital base to support its business development and meet regulatory capital requirements.

The Bank manages its capital structure and makes adjustments in response to changes in economic conditions. In accordance with Macau's banking regulations, the Bank is required to transfer a minimum of 20% of its annual net profit after tax to the legal reserve until the reserve reaches 50% of its issued and paid-up share capital. Thereafter, at least 10% of the annual net profit after tax must continue to be transferred annually until the reserve equals the Bank's issued and paid-up share capital. This reserve may only be distributed under certain limited circumstances as stipulated by law. There were no changes to these objectives, policies, or processes during the years ended December 31, 2025, and December 31, 2024.

Quantitative Disclosures – Own Funds Composition and Capital Adequacy Ratios

(1) Share Capital

	2025	2024
	MOP	MOP
Authorized, issued, and fully paid-up share capital:		
20,000,000 shares (2024: 20,000,000 shares)		
Ordinary shares at MOP100 per share	2,000,000,000	2,000,000,000

On January 20, 2023, the Bank issued 2,000,000 ordinary shares to its existing shareholders in proportion to their respective existing shareholdings, at MOP100 per share, for a total cash consideration of MOP200, 000,000 before expenses.

On May 27, 2024, the Bank's total share capital was increased by MOP1,000,000,000, fully contributed by Nam Yue (Group) Company Limited, bringing the Bank's total share capital to MOP2,000,000,000.

16 · Capital (Continued)

(2) Own Funds Composition

	2025 MOP (In thousands of MOP)
Tier 1 Capital Components:	
Eligible ordinary share capital	2,000,000.00
Capital Reserve	713,776.64
Accumulated profits/(losses)	(1,299,161.97)
Revaluation reserves of financial assets at fair value through other comprehensive income/(loss)	53,283.14
Other reserves, of which:	
Legal reserve	71,871.09
Deductions, of which:	
Unrealized property revaluation reserves	(37,189.52)
Common Equity Tier 1 Capital	1,502,579.39
Total Tier 1 Capital	1,502,579.39
Tier 2 Capital Components:	
Accounting reserves	57,423.60
Total Tier 2 Capital	57,423.60
Total Capital	1,560,002.98

Note: According to the resolution passed by the Bank's shareholders' meeting on December 22, 2025, the Bank's controlling shareholder, Guangdong Hengjian Investment Holding Co., Ltd., was approved to contribute a total of MOP 2,600,000,000 into the Bank. Of this, MOP 2,000,000,000 was transferred to the Bank's account on July 14, 2025, and the remaining MOP 600,000,000 was transferred to the Bank's account on February 11, 2026. Of this MOP 2,600,000,000, MOP 1,886,223,360 was used for capital replenishment and offsetting accumulated losses, and the remaining MOP 713,776,640 was irrevocably contributed to the Bank's capital reserve. As of December 31, 2025, the Bank's capital reserve balance was MOP 713,776,640 (previous year: none).

16. Capital (Continued)

(3) Calculation of Capital Adequacy Ratios

	2025 MOP (In thousands of MOP)
Total credit risk-weighted assets (a)	4,593,887.80
Total market risk-weighted assets (b)	585,647.81
Total operational risk-weighted assets (c)	85,005.93
Common Equity Tier 1 Capital(d)	1,502,579.39
Total Tier 1 capital (e)	1,502,579.39
Total Tier 2 Capital	57,423.60
Total capital (f)	1,560,002.98
Core tier 1 capital adequacy ratio (g) (g)= (d) / [(a)+ (b)+ (c)]	28.54%
Tier 1 capital adequacy ratio (h) (h)= (e) / [(a)+ (b)+ (c)]	28.54%
Total capital adequacy ratio (i) (i)= (f) / [(a)+ (b)+ (c)]	29.63%

Quantitative Disclosures - Capital Adequacy Ratios of Consolidated Group and Principal Branches

Not applicable.

17. Credit Risk

Qualitative Disclosures

Impairment of Financial Assets

The Bank recognizes expected credit loss provisions ("ECLs") for all debt instruments not measured at fair value through profit or loss. Expected credit losses represent the present value difference between contractual cash flows due under the contract and all cash flows the Bank expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows include those expected to be generated from the sale of held collateral or other credit enhancements integral to the contractual terms.

For credit and other financial investment assets (excluding trading financial assets), the Bank calculates regulatory provisions and establishes regulatory reserves in accordance with the Monetary Authority of Macao Notice No. 012/2021-AMCM. When accounting provisions for these assets are insufficient to meet regulatory requirements, the difference shall be allocated from retained earnings to establish regulatory reserves that are non-distributable.

General Approach for Measuring Expected Credit Losses

Key parameters for ECL measurement:

- (1) Probability of Default ("PD"): The likelihood of a debtor defaulting within a specified future period.
- (2) Loss Given Default ("LGD"): The proportion of asset loss relative to exposure at default when a debtor defaults.
- (3) Exposure at Default ("EAD"): The expected risk exposure at a future default point of a debtor.

In addition to historical loss patterns of its credit portfolio, the Bank considers multiple forward-looking macroeconomic scenarios (such as local unemployment rates, retail loan default rates, and property price indices in Macau) when assessing credit losses. Based on the macroeconomic scenarios and assumptions of current operations, credit portfolio, and local economic environment, the Bank categorizes into three specific economic conditions with the following weightings:

	Weighting %
Favorable scenario	20%
Baseline scenario	50%
Adverse scenario	30%

17. Credit Risk (Continued)

The Bank allocates weightings according to the probability of each selected scenario occurring and forecasts macroeconomic indicators for each specific scenario. Based on these forecasts, the Bank builds models correlating with key parameters, calculates key parameters for each scenario, and ultimately computes the weighted average of ECLs across multiple macroeconomic scenarios.

Based on whether credit risk has increased significantly, the Bank classifies financial assets subject to impairment calculation into the following three expected credit loss stages:

Stage 1: No significant increase in credit risk since initial recognition;

Generally, includes contracts with payment arrears not exceeding 30 days.

Stage 2: Significant increase in credit risk since initial recognition but no default occurred;

Generally, includes contracts with payment arrears exceeding 30 days but less than 90 days.

Stage 3: Default has occurred;

Generally, financial assets are considered in default when payment is 90 days overdue. However, the Bank may also classify financial assets as default in specific circumstances when internal or external information indicates the Bank is unlikely to recover the full outstanding contractual amount, prior to considering any credit enhancements held.

Based on the expected credit loss stages of each debtor and the parameters obtained, including default probability, loss given default, exposure at default, and forward-looking factor adjustments, the expected credit losses for financial assets are measured and recognized as follows:

- (1) Stage 1: For credit risk exposures where there has been no significant increase in credit risk since initial recognition, expected credit losses are recognized based on the credit losses that may occur from default events within the next 12 months (12-month expected credit losses).
- (2) Stage 2 and 3: For credit risk exposures where there has been a significant increase in credit risk since initial recognition, expected credit losses must be recognized for the remaining term of the risk exposure, regardless of when the default occurs (lifetime expected credit losses).

The Bank continuously evaluates the ongoing appropriateness of judgments and assumptions used in ECLs measurement. When reviews identify scenario deficiencies in model design or new risks (e.g., unanticipated economic changes) not originally incorporated, management overlays are applied to reflect their impact on ECLs measurement, macroeconomic scenarios, and weightings.

17. Credit Risk (Continued)

Credit Risk Management

According to the Monetary Authority of Macao Notices No. 012/2021-AMCM and No. 008/2024-AMCM, the Bank classifies credit assets into five categories—Normal, Special Mention, Substandard, Doubtful, and Loss—based on their credit risk status:

- (a) Normal Category---The debtor is able to fulfill the contract, with no objective evidence indicating that principal and interest cannot be repaid on time and in full. There are no signs of credit impairment for the asset.
- (b) Special Mention Category---The debtor currently has the ability to repay principal and interest, and the asset has not experienced credit impairment; however, there are factors that may adversely affect the performance of the contract.
- (c) Substandard Category---The debtor shows significant repayment problems, and reliance on normal income is no longer sufficient to repay principal and interest in full. The asset has experienced credit impairment.

In any case, credit assets that are overdue by more than 90 days must be classified as substandard, doubtful, or loss categories.

- (d) Doubtful Category---The debtor is unable to repay principal and interest in full, and the asset has significantly experienced credit impairment. In any case, credit assets that are overdue by more than 270 days must be classified as doubtful or loss categories.
- (e) Loss Category---After taking all possible measures or necessary legal proceedings, only a minimal portion of the asset can be recovered, or the entire asset is lost.

In any case, credit assets that are overdue by more than 360 days must be classified as loss category.

All non-performing accounts (i.e., classified as substandard, doubtful, or loss) should have their minimum specific provision calculated at the end of each quarter based on the remaining balance after deducting the realizable amount from tangible collateral or security. This provision should be adjusted quarterly according to the classification changes.

Classification	Specific Provision Rate
Substandard	40%
Doubtful	80%
Loss	100%

17. Credit Risk (Continued)

The Bank's credit risk management principles are primarily focused on maintaining the high quality of loans. In accordance with regulatory requirements and credit risk management guidelines, we ensure that potential risks of varying levels and forms across all types of loans are thoroughly identified and assessed.

The Bank has also established credit risk policies to guide lending officers in evaluating loan applications. These policies require staff to maintain a sharp risk awareness, understand the nature of risks, pursue reasonable risk-adjusted returns, strictly adhere to banking guidelines, know their customers well, assess their repayment capacity, and avoid over-reliance on customer collateral as the primary source of debt repayment.

The Bank's credit risk management guidelines include restrictions on excessive concentration of loans in specific industries or clients, as well as loans related to shareholders, directors, and senior management. Additionally, the guidelines prohibit lending to customers with poor track records, including those who have previously had loans written off, undergone debt restructuring, been subject to debt recovery actions, or faced legal proceedings. Loans intended for illegal purposes or in violation of regulatory rules are also strictly prohibited.

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於28/3/2024發出的指引(傳閱文件第004/B/2024-DSB/AMCM號)而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024(Circular no. 004/B/2024-DSB/AMCM)

17. Credit Risk (Continued)

Quantitative Disclosures

(1) Geographical Distribution Risk

- (a) Risk analysis by region with customer loans and advances and securities investment balances exceeding 10%

On December 31, 2025
(In thousands of MOP)

Geographical Distribution	Debt Securities	Customer Loans & Loan Commitments	Derivative Instruments	Expected Credit Loss("ECL")			General Regulatory Reserves	Impaired Customer Loans and Advances
				Stage 1 ECL	Stage 2 ECL	Stage 3 ECL		
Macao SAR								
- Banks	332,902	-	-	12	-	-	-	-
- Government/ Public Sector	-	-	-	-	-	-	-	-
- Others	-	882,401	-	13,159	79,408	96,398	-	152,625
Hong Kong SAR								
- Banks	499,462	-	-	173	-	-	-	-
- Government/ Public Sector	-	-	-	-	-	-	-	-
- Others	112,050	163,767	-	1,788	13,181	-	-	-
Mainland China								
- Banks	-	-	-	-	-	-	-	-
- Government/ Public Sector	52,212	-	-	-	-	-	-	-
- Others	138,601	137,517	-	3,196	88	40,065	-	27,810
Cayman Islands								
- Banks	-	-	-	-	-	-	-	-
- Government/ Public Sector	-	-	-	-	-	-	-	-
- Others	23,842	19,185	-	-	-	30,652	-	19,185
Other Regions								
- Banks	345,668	-	-	103	-	-	-	-
- Government/ Public Sector	-	-	-	-	-	-	-	-
- Others	-	4	-	-	-	-	-	-
Total	1,504,737	1,202,875	-	18,432	92,677	167,116	-	199,621

17. Credit Risk (Continued)

(b) Customer Loans and Advances by Geographical Distribution

On December 31, 2025 (In thousands of MOP)						
	Customer Loans and Advances	Expected Credit Loss("ECL")			General Regulatory Reserves	Impaired Customer Loans and Advances
		Stage 1 ECL	Stage 2 ECL	Stage 3 ECL		
Macao SAR	882,401	13,159	79,408	96,398	-	152,625
Hong Kong SAR	163,767	1,768	13,181	-	-	-
Mainland China	137,517	3,155	89	27,810	-	27,810
Cayman Islands	19,185	-	-	19,185	-	19,185
Others	4	-	-	-	-	-
Total	1,202,875	18,082	92,677	143,394	-	199,621

(2) Customer Loans and Advances by Industry Sector

On December 31, 2025

(In thousands of MOP)

	Customer Loans and Advances	Expected Credit Loss("ECL")			General Regulatory Reserves	Impaired Customer Loans and Advances
		Stage 1 ECL	Stage 2 ECL	Stage 3 ECL		
Agriculture & Fisheries	0	-	-	-	-	-
Mining Industry	0	-	-	-	-	-
Manufacturing Industry	27,933	2	-	27,810	-	27,810
Electricity, Gas & Water Supply	0	-	-	-	-	-
Construction & Public Works	76,181	-	15,796	16,875	-	26,509
Wholesale & Retail Trade	138,205	1,502	20,231	715	-	715
Restaurants, Hotels & Related Services	10,268	-	1,109	-	-	-
Transport, Storage & Communications	0	-	-	-	-	-
Non-monetary Financial Institutions	0	-	-	-	-	-
Gaming	0	-	-	-	-	-
MICE (Meetings, Incentives, Conventions & Exhibitions)	0	-	-	-	-	-
Education	26,552	1,011	-	-	-	-
Information Technology	42,900	-	4,120	-	-	-
Other Industries	502,662	3,813	39,794	76,373	-	106,818
Personal Loans	378,175	11,754	11,627	21,621	-	37,769
Total	1,202,875	18,082	92,677	143,394	-	199,621

17. Credit Risk (Continued)

(3) Aging Analysis of Past-Due Assets

The Bank writes off exposures, either in full or in part, when it determines that recovery is no longer reasonably expected. Write-offs are triggered by circumstances including bankruptcy, irreversible deterioration in expected cash flows, and there is no further expectation of recovering the collateralized loan. The Bank typically writes off such portfolios - including retail mortgages, corporate loans, syndicated loans, other unsecured loans and overdrafts - when they are deemed irrecoverable. These measures help maintain accurate financial reporting and reflect the true value of the Bank's assets on the balance sheet.

The Bank has established partial or full impairment provisions for specific non-performing loans. In accordance with the Bank's credit risk policy and upon approval by the Board of Directors, these loans may qualify for partial or full write-off, or completely divested in the upcoming fiscal year, in order to reduce the Bank's on-balance-sheet non-performing loan balances.

The bank has made provisions for impairment on certain overdue assets, both partially and fully. According to the bank's credit risk policy, with approval from the shareholders' meeting and the board of directors, these overdue assets are eligible to be partially or fully written off,

The aging analysis of past-due assets for customer loans, advances and securities investments is as follows (In thousands of MOP):

	Past-Due Loans			Expected Credit Loss ("ECL")		
	Gross Amount	% of Total Loans	Collateral Value	Stage 1 ECL	Stage 2 ECL	Stage 1 ECL
Past Due:						
- 3 to 6 months	14,811	1.23%	2,987	-	-	12,755
- 6 months to 1 year	90,922	7.56%	98,592	-	-	56,851
- over 1 year	630	0.05%	927	-	-	19,829
Total	106,363	8.84%	102,506	-	-	89,435



澳門華人銀行股份有限公司
The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定
Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

17. Credit Risk (Continued)

	Securities Investment			Expected Credit Loss ("ECL")		
	Gross Amount	% of Total Investment	Collateral Value	Stage 1 ECL	Stage 2 ECL	Stage 1 ECL
Past Due:						
- 3 to 6 months	-	-	-	-	-	-
- 6 months to 1 year	-	-	-	-	-	-
- over 1 year	13,979	0.93%	-	-	-	19,483
Total	13,979	0.93%	-	-	-	19,483

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

17. Credit Risk (Continued)

(4) Credit Quality Analysis of Regulated Credit and Other Financial Assets

	Credit Balance	Collateral Value	Expected Credit Loss (ECL)			(In thousands of MOP)
			Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Regulatory Reserve
Credit Assets:						
Pass	396,942	570,795	15,529	-	-	-
Special Mention	606,312	677,445	2,553	92,677	-	-
Substandard	13,946	25,342	-	-	4,227	-
Doubtful	185,045	113,355	-	-	138,820	-
Loss	630	773	-	-	347	-
Total Credit Assets	1,202,875	1,387,710	18,082	92,677	143,394	-
Bond Investments:						
Pass	1,470,517		350	-	-	-
Special Mention	-		-	-	-	-
Substandard	-		-	-	-	-
Doubtful	-		-	-	-	-
Loss	34,220		-	-	23,772	-
Subtotal	1,504,737		350	-	23,772	-
Deposits and Interbank Borrowings:						
Pass	758,110		154	-	-	-
Special Mention	-		-	-	-	-
Substandard	-		-	-	-	-
Doubtful	-		-	-	-	-
Loss	-		-	-	-	-
Subtotal	758,110		154	-	-	-
AMCM Financial Notes:						
Pass	689,049		75	-	-	-
Special Mention	-		-	-	-	-
Substandard	-		-	-	-	-
Doubtful	-		-	-	-	-
Loss	-		-	-	-	-
Subtotal	689,049		75	-	-	-

*Classification is based on the definitions of credit and other financial investments under the Monetary Authority of Macao Notice No. 012/2021-AMCM.

18. Market Risk

Qualitative Disclosure

Market risk refers to the risk of losses in the Bank's on- and off-balance sheet positions due to adverse movements in market prices (such as interest rates, exchange rates, commodity prices, and equity prices). Market risk exists in both the Bank's trading and non-trading activities.

The Bank's interest rate risk primarily includes structural interest rate risk arising from commercial banking activities and risks associated with its funding and trading positions. The risks and management of interest rate and foreign exchange exposures are detailed in other sections of this report. On the other hand, the Bank considers the market risk arising from equity price fluctuations to be immaterial, as the Bank does not invest in equities.

The Bank utilizes interest rate gap reports and foreign exchange net long or short position reports as the primary tools for monitoring and managing market risk.

Quantitative Disclosure - Capital Requirements

The following data reflects the capital requirements for market risk, calculated in accordance with the Monetary Authority of Macao Notice No. 011/2015-AMCM:

On December 31, 2025
(In thousands of MOP)

Capital Requirements for Market Risk:	
Specific risk of bonds and bond-related derivatives	10,398.43
General market risk of bonds, bond-related derivatives, and interest rate risk	11,422.05
Equity risk	-
Foreign exchange risk	25,031.34
Commodity risk	-
Total capital requirements for all categories of market risk	46,851.82

See also:

- Interest Rate Risk
- Foreign Exchange Risk
- Equity Risk
- Commodity Risk

19. Interest Rate Risk in the Banking Book

Qualitative Disclosure

The Bank's interest rate risk primarily arises from incompatibility between the interest rates and maturities of interest-earning assets and interest-bearing liabilities at the repricing date. The Bank's interest-earning assets and interest-bearing liabilities are mainly denominated in Hong Kong Dollar (HKD), US Dollar (USD), Chinese Yuan (CNY) and Macau Pataca (MOP), and The Asset and Liability Management Committee evaluates deposit and loan pricing policies, proposes optimization recommendations, and reports to senior management. Since HKD and MOP loans constitute the majority of the Bank's portfolio, loan interest rates are benchmarked against the best lending rates in Hong Kong and Macao, while deposit rates are set based on market conditions and the Bank's liquidity position.

For measurement purposes, prepayment scenarios are not considered, and the repricing dates for various assets and liabilities are assumed as follows:

- (1) Fixed-rate items: The maturity date of the respective assets and liabilities.
- (2) Floating-rate items: The interest rate adjustment dates specified by counterparties.

The Bank employs the following methods to manage interest rate risk:

- (1) Regularly monitoring macroeconomic factors that may affect Hong Kong and Macao's best lending rates;
- (2) Optimizing the timing differences in the repricing dates (or contractual maturities) of interest-earning assets and interest-bearing liabilities;
- (3) Maintaining the interest rate spread between interest-earning assets and interest-bearing liabilities within an acceptable range; and
- (4) Calculating interest rate risk on a monthly basis.

Quantitative Disclosure – Economic Value of Interest Rate Fluctuations

The following data, based on the Guideline on Management of Interest Rate Risk issued by the Monetary Authority of Macao, reflects the net impact of interest rate fluctuations on the Bank's economic value across major currencies, assuming a parallel shift of 200 basis points multiplied by specific weighting factors.

19. Interest Rate Risk in the Banking Book (Continued)

On December 31, 2025
(In thousands of MOP)

Currency	
MOP	(5,062.81)
HKD	(38,079.02)
USD	26,676.91
CNY	(1,903.89)

20. Operational Risk

The objective of operational risk management is to minimize losses arising from inadequate or failed internal processes, human resource allocation, IT systems, or external events, including power outages, floods, earthquakes, and terrorist attacks.

The Bank's daily business operations are primarily supported by various IT systems and established procedures. All employees must undergo internal system training and on-the-job instruction before assuming their designated roles to mitigate operational risks stemming from insufficient experience. To reduce human errors and prevent internal fraud or external fraudulent activities, the Bank consistently enforces a policy of segregation of duties and dual control, requiring every transaction to be verified and approved by two employees with different authority levels.

21. Foreign Exchange Risk

Qualitative Disclosure - Risk Management Objectives and Policies

The daily management of the Bank's foreign exchange risk falls under the responsibility of the Asset and Liability Management Committee. The Bank's foreign exchange risk arises from foreign exchange transactions and commercial banking activities. All foreign currency positions are monitored in accordance with limits approved by the Board of Directors. Fluctuations in foreign exchange rates may expose the bank to potential losses. To mitigate risks associated with long and short foreign currency positions, the Treasury Department regularly submits reports on net long or short positions to the Asset and Liability Management Committee and senior management for review, enabling timely hedging decisions if necessary.

Since the majority of the Bank's assets and liabilities are denominated in Macau Pataca (MOP), Hong Kong Dollar (HKD), and US Dollar (USD)—all of which are pegged to each other—the bank does not face significant currency risk.

The Bank's foreign currency long or short positions for the year are detailed in this report.

Quantitative Disclosure

(1) Net Long and Short Foreign Currency Positions

(a) Net long/(short) positions in currencies other than MOP are as follows:

	On December 31, 2025
	(In thousands of MOP)
HKD	(3,689,673.35)
CNY	(312,729.61)
USD	1,399,910.92
Other Currencies	(162.15)

(b) Foreign exchange positions exceeding 10% of the Bank's total exposure:

	Spot Assets (In thousands of MOP)	Spot Liabilities (In thousands of MOP)	Net Position (In thousands of MOP)
HKD		(3,689,673.35)	(3,689,673.35)
USD	1,399,910.92		1,399,910.92



澳門華人銀行
Macau Chinese Bank

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

21. Foreign Exchange Risk (Continued)

(2) Forward Purchases and Sales

No such investments.



澳門華人銀行
Macau Chinese Bank

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

22. Equity Risk

No such investments.



澳門華人銀行
Macau Chinese Bank

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

23. Commodity Risk

No such transactions.

24. Liquidity Risk

Qualitative Disclosures – Risk Management Objectives and Policies

Liquidity risk refers to the risk that the Bank may not be able to obtain sufficient funds at a reasonable cost in a timely manner to meet its obligations as they come due, fulfill other payment obligations, and satisfy other funding needs required for normal business operations.

Liquidity risk management refers to the entire process of identifying, measuring, monitoring, and controlling liquidity risk. The Bank shall adhere to the principle of prudence, fully identifying, effectively measuring, continuously monitoring, and appropriately controlling liquidity risk across the whole Bank, as well as in various business lines and operational processes. This ensures that the Bank maintains sufficient funds to support asset growth and meet payment obligations for maturing debts, whether under normal operating conditions or in stressed situations.

The Bank establishes and improves its liquidity risk management system by formulating liquidity risk management policies, enabling effective identification, measurement, monitoring, and control of liquidity risk. This ensures that the Bank's liquidity needs can be met in a timely manner at a reasonable cost.

Liquidity risk management policies and procedures may include but not limited to the following:

- (a) Identification, measurement, and monitoring of liquidity risk;
- (b) Liquidity risk limit management;
- (c) Risk appetite for liquidity risk management;
- (d) Intraday liquidity risk management;
- (e) Funding management;
- (f) Management of high-quality liquid assets;
- (g) Stress testing;
- (h) Contingency funding plans;
- (i) Liquidity risk management for cross-border and cross-institutional activities, as well as for major currencies;
- (j) Ongoing monitoring and analysis of potential factors affecting liquidity risk, as well as the impact of other risk categories on liquidity risk.

24. Liquidity Risk (Continued)

Quantitative Disclosures

(1) Maturity Analysis of Financial Assets and Liabilities (In thousands of MOP)

	2025							Total
	On Demand	Within 1 Month	1 - 3 Months	3 Months - 1 Year	1 Year - 3 Years	Over 3 Years	No Maturity	
Financial Assets								
Cash and bank deposits	984,740,764	2,015,243,979	-	628,511,390	-	-	-	3,628,496,133
Deposits with the Monetary Authority of Macao as reserves	70,809,304	-	-	-	-	-	77,601,181	148,410,485
Placements with banks	-	516,221,245	161,233,017	80,502,015	-	-	-	757,956,277
Financial Notes Deposited with the Monetary Authority of Macao	-	688,974,708	-	-	-	-	-	688,974,708
Customers loans and advances	12,622,289	51,845,673	14,102,032	207,463,855	207,903,597	398,557,887	56,227,265	948,722,598
Investment securities	-	1,499,526	42,655,897	173,519,440	942,347,792	8,548,384	22,753,266	1,191,324,305
Certificates of deposit	-	79,283,177	119,805,537	100,964,797	-	-	-	300,053,511
Other financial assets	605,334,536	-	-	362,950,888	1,018,182,752	-	-	1,986,468,176
	<u>1,673,506,893</u>	<u>3,353,068,308</u>	<u>337,796,483</u>	<u>1,553,912,385</u>	<u>2,168,434,141</u>	<u>407,106,271</u>	<u>156,581,712</u>	<u>9,650,406,193</u>
Financial Liabilities								
Deposits from customers	819,456,055	447,408,493	1,098,598,501	5,350,383,667	7,108,784	-	-	7,730,554,673
Deposits from public sector entities	35,328	-	-	-	-	-	-	35,328
Deposits from holding and associated companies	7,563,845	-	-	-	-	-	-	7,563,845
Other financial liabilities	13,181,801	1,011,781	617,203,409	2,742,876	-	-	-	634,139,867
	<u>840,237,029</u>	<u>448,420,274</u>	<u>1,715,801,910</u>	<u>5,353,126,543</u>	<u>7,108,784</u>	<u>-</u>	<u>-</u>	<u>8,364,694,540</u>
Net Position	<u>833,269,864</u>	<u>2,904,648,034</u>	<u>(1,378,005,427)</u>	<u>(3,799,214,158)</u>	<u>2,161,325,356</u>	<u>407,106,271</u>	<u>156,581,712</u>	<u>1,285,711,653</u>
Letters of guarantee issued	-	-	-	-	-	-	246,899,268	246,899,268

Note: For customers loans and advances, the "No Maturity" amount refers to the portion that is credit-impaired or overdue by more than one month.

24. Liquidity Risk (Continued)

(2) Other Quantitative Disclosures

(a) Weekly Average Liquidity

	2025 (In thousands of MOP)
Weekly average minimum required liquid assets	148,156.54
Weekly average liquid assets	470,119.11

The weekly average liquidity is calculated in accordance with the requirements of the Monetary Authority of Macao using specified ratios (e.g., 3% for demand deposits, 2% for deposits with maturities less than 3 months, and 1% for deposits with maturities over 3 months).

(b) Liquid Assets for Solvency Purposes

	2025 (In thousands of MOP)
Specific liquid assets	5,347,583.78
Basic liabilities	8,500,470.82
Ratio of designated liquid assets to basic liabilities	62.91%

(c) Average Liquidity Ratios

	2025
1-month average liquidity ratio	135.66%
3-month average liquidity ratio	82.95%

澳門華人銀行股份有限公司

The Macau Chinese Bank Ltd.

財務信息披露是根據金融管理局於 28/3/2024 發出的指引 (傳閱文件第 004/B/2024-DSB/AMCM 號) 而制定

Financial information disclosure is prepared as per AMCM's guidelines dated 28/3/2024 (Circular no. 004/B/2024-DSB/AMCM)

25. Other Information

Operating Lease Commitments

As Lessee

The Bank leases certain office premises under operating lease arrangements with remaining lease terms ranging from one to six years (2024: one to seven years). As at the end of the reporting period, the Bank's future minimum lease payments under irrevocable operating leases and their maturity are as follows:

	2025 MOP	2024 MOP
Within 1 year	13,602,515	9,342,618
1 to 5 years (inclusive)	30,469,147	23,032,380
Over 5 years	1,883,132	8,274,128
	<u>45,954,794</u>	<u>40,649,126</u>