CHINA BOHAI BANK CO., LTD.
渤海銀行股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 9668)

2025 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "**Board**") of CHINA BOHAI BANK CO., LTD. (the "**Bank**") hereby announces the unaudited consolidated interim results of the Bank and its subsidiary for the six months ended June 30, 2025. This announcement, containing the full text of the 2025 interim report of the Bank, complies with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited relating to information to accompany preliminary announcements of interim results.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Chinese and English versions of this results announcement will be available on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.cbhb.com.cn). If there are any discrepancies in interpretations between the Chinese and English versions, the Chinese version shall prevail. The printed version of the Bank's 2025 interim report will be despatched to the holders of H shares of the Bank requiring printed copy subsequently and will be available for viewing on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.cbhb.com.cn) in due course.

By order of the Board
CHINA BOHAI BANK CO., LTD.
WANG Jinhong
Chairman

Tianjin, China
August 28, 2025

As at the date of this announcement, the Board comprises Mr. WANG Jinhong and Mr. QU Hongzhi as executive Directors; Mr. AU Siu Luen, Ms. YUAN Wei, Mr. DUAN Wenwu, Mr. HU Aimin and Mr. ZHANG Yunji as non-executive Directors; and Mr. TSE Yat Hong, Mr. SHUM Siu Hung Patrick, Ms. WANG Aijian, Mr. LIU Junmin, Mr. LIU Lanbiao and Mr. OUYANG Yong as independent non-executive Directors.

Contents

Definitions

Articles of Association	the Articles of Association of CHINA BOHAI BANK CO., LTD.
Bank, our Bank, Company, our Company	CHINA BOHAI BANK CO., LTD. (渤海銀行股份有限公司), a joint stock company established on December 30, 2005 in the PRC with limited liability pursuant to the relevant PRC laws and regulations, and its H Shares were listed on the Hong Kong Stock Exchange (Stock Code: 9668)
CBHB Wealth Management	CBHB Wealth Management Co., Ltd.
Central Bank or PBoC	the People's Bank of China
China Accounting Standards for Business Enterprises	Accounting Standards for Business Enterprises: Basic Standards, specific accounting standards, application guidance and interpretations to the Accounting Standards for Business Enterprises and other regulations issued by the Ministry of Finance of the PRC on and after February 15, 2006
Company Law	the Company Law of the PRC (中華人民共和國公司法)
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
date of this report	the date on which this interim report was considered and approved by the Board of Directors of the Bank
Domestic Shares	ordinary shares issued by the Bank with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
Fourth "Five-Year Plan"	the Plan for Development Strategy of CHINA BOHAI BANK CO., LTD. (2021-2025) (渤海銀行股份有限公司 2021-2025 年發展戰略規劃)
Group, our Group	the Bank and its subsidiary
H Shares	the overseas listed foreign shares issued by the Bank with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed and traded on the Hong Kong Stock Exchange
HKEX	Hong Kong Exchanges and Clearing Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited

IFRS	International Financial Reporting Standards and International Accounting Standards ("IAS"), the related standards, amendments and interpretations issued by the International Accounting Standards Board ("IASB")
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
Reporting Period	the six months ended June 30, 2025
SASAC	the State-owned Assets Supervision and Administration Commission of the State Council (中華人民共和國國務院國有資產監督管理委員會)
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Tianjin SASAC	the State-owned Assets Supervision and Administration Commission of Tianjin People's Government

Important Notice

The Board of Directors, the Board of Supervisors, Directors, Supervisors and members of the senior management of the Bank undertake that the information contained in this report does not include any false records, misleading statements or material omissions, and assume several and joint liabilities for the truthfulness, accuracy and completeness of the content of this report.

The Interim Report 2025 of the Bank was considered and approved at the eighth meeting of the sixth session of the Board of Directors on August 28, 2025. 13 Directors should attend the meeting, among which 13 Directors actually attended, and Mr. LIU Junmin, an independent non-executive Director, authorized Mr. LIU Lanbiao, another independent non-executive Director, to exercise his voting right. The Supervisors of the Bank attended the meeting as non-voting delegates.

Mr. WANG Jinhong, the legal representative and chairman of the Board of Directors of the Bank, Mr. QU Hongzhi, the president of the Bank, Ms. DENG Bei, the person in charge of accounting affairs of the Bank, and Ms. ZHANG Hui, the person in charge of accounting department, hereby warrant the truthfulness, accuracy and completeness of the financial report in this report.

The Bank does not propose to distribute dividend or capitalize the capital reserve for the interim period in 2025.

The Bank's 2025 interim financial report is unaudited.

Forward-looking statements such as future plans contained in this report do not constitute substantive commitments made by the Bank to its investors. Investors are cautioned against the investment risks and should understand the difference among plans, forecasts and commitments.

This report describes in detail the major risks that the Bank faces in its operational management, as well as the corresponding measures taken by the Bank. For details, please refer to the section "Management Discussion and Analysis: Comprehensive Risk Management" in this report.

Unless otherwise stated, the financial data and indicators contained in this report are prepared in accordance with IFRS, and are consolidated data of the Group and denominated in Renminbi (RMB). Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Any discrepancy between the sum and total amounts in the tables is due to rounding.

This report is prepared in both Chinese and English. Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Corporate Profile

I. **Legal Chinese Name:** 渤海銀行股份有限公司 (Abbreviation: 渤海銀行)

II. **Legal English Name:** CHINA BOHAI BANK CO., LTD. (Abbreviation: CBHB)

III. **Legal Representative:** WANG Jinhong

IV. **Authorized Representatives:** WANG Jinhong and ZHANG Xiao

V. **Company Secretary:** ZHANG Xiao

VI. **Registered Address and Office Address:** 218 Haihe East Road, Hedong District, Tianjin
Postcode: 300012
International Website: www.cbhb.com.cn
Customer Service and Complaints Hotline: (86) 95541, (86) 400 889 5541 (credit card business)
E-mail: IR@cbhb.com.cn
Fax: (86) 22-5831 6529

VII. **Principal Place of Business in Hong Kong:** Suites 1201-1209 and 1215-1216, 12/F, Two International Finance Centre, Central, Hong Kong

VIII. **Websites for Information Disclosure:** website of the HKEX (www.hkexnews.hk) and website of the Bank (www.cbhb.com.cn)
Place where the interim report is kept: Office of the Board of Directors of the Bank

IX. **Listing Stock Exchange of H Shares:** Hong Kong Stock Exchange
Stock Short Name: CBHB
Stock Code: 9668

X. **Share Registrar**
Domestic Shares: China Securities Depository and Clearing Corporation Limited
No.17 Tai Ping Qiao Street, Xicheng District, Beijing
H Shares: Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

XI. **Legal Advisors**
As to PRC Laws: Commerce & Finance Law Offices
12-14th Floor, China World Office 2, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing
As to Hong Kong Laws: Paul Hastings (Hong Kong) LLP
22/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong

XII. **Auditors**
Domestic Accounting Firm: Deloitte Touche Tohmatsu Certified Public Accountants LLP
30/F, 222 Yan An Road East, Huangpu District, Shanghai
International Accounting Firm: Deloitte Touche Tohmatsu
35/F, One Pacific Place, 88 Queensway, Hong Kong

XIII. **Other Relevant Information**
Initial Registration Date: December 30, 2005
Registered Capital: RMB17,762 million
Unified Social Credit Code: 911200007109339563
Financial License Institution Serial Number: B0017H112000001

Summary of Accounting Data and Financial Indicators

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

(Unit: RMB'000)

	January to June 2025	January to June 2024	Increase (decrease) (%)
Operating results data:			
Operating income	14,215,018	13,144,941	8.14
Profit before taxation	4,578,499	4,114,362	11.28
Net profit	3,830,435	3,697,109	3.61
Indicators per share (RMB):			
Basic earnings per share attributable to ordinary Shareholders of the Bank	0.22	0.21	4.76
Diluted earnings per share attributable to ordinary Shareholders of the Bank	0.22	0.21	4.76
Financial ratios[(1)] (%):			
Average return on total assets[(2)]	0.42	0.42	Flat
Weighted average return on net assets[(3)]	7.65	7.67	A decrease of 0.02 percentage point
	June 30, 2025	**December 31, 2024**	**Increase (decrease) (%)**
Scale indicators:			
Total assets	1,823,802,110	1,843,842,128	(1.09)
Gross loans and advances to customers[(4)]	954,421,978	936,490,691	1.91
Total liabilities	1,710,486,435	1,733,717,300	(1.34)
Gross deposits from customers[(4)]	1,004,184,858	1,046,088,795	(4.01)
Total equity	113,315,675	110,124,828	2.90
Net assets per share attributable to ordinary Shareholders of the Bank[(5)] (RMB)	5.76	5.58	3.23

Notes: (1) Interim financial ratios are annualized.

(2) Average return on total assets equals net profit divided by average value of total assets at the beginning and end of the period.

(3) Weighted average return on net assets is calculated pursuant to the Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 9): Calculation and Disclosure of Rate of Return on Equity and Earnings per Share (2010 Revision) (《公開發行證券的公司信息披露編報規則第 9 號－淨資產收益率和每股收益的計算及披露(2010 年修訂)》) issued by the CSRC.

(4) Gross loans and advances to customers and gross deposits from customers exclude interests accrued.

(5) Net assets per share attributable to ordinary Shareholders of the Bank equals equity attributable to holders of ordinary shares of the Bank at the end of the period, which has excluded other equity instruments, divided by total share capital at the end of the period.

II. SUPPLEMENTARY FINANCIAL INDICATORS

(Unit: %)

	January to June 2025	January to June 2024	Changes	January to June 2023
Profitability indicators[1]:				
Net interest spread[2]	1.20	1.16	An increase of 0.04 percentage point	1.24
Net interest margin[3]	1.32	1.36	A decrease of 0.04 percentage point	1.46
Cost-to-income ratio[4]	32.17	36.27	A decrease of 4.10 percentage points	38.69
	June 30, 2025	**December 31, 2024**	**Changes**	**June 30, 2024**
Asset quality indicators:				
NPL ratio[5]	1.81	1.76	An increase of 0.05 percentage point	1.81
Allowance coverage ratio[6]	159.70	155.19	An increase of 4.51 percentage points	158.41
Allowance to gross loan ratio[7]	2.89	2.73	An increase of 0.16 percentage point	2.86
Capital adequacy indicators[8]:				
Capital adequacy ratio	11.24	11.63	A decrease of 0.39 percentage point	12.46
Tier 1 capital adequacy ratio	9.31	9.30	An increase of 0.01 percentage point	10.03
Core Tier 1 capital adequacy ratio	8.39	8.35	An increase of 0.04 percentage point	8.27

Notes: (1) Interim profitability indicators are all annualized.

(2) Net interest spread is calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.

(3) Net interest margin is calculated by dividing net interest income by the average balance of total interest-earning assets; gains from trading financial assets are not classified as interest income for accounting purposes, the corresponding interest expense on interest-bearing liabilities of which is adjusted accordingly, restating information in the comparable year on a comparable basis.

(4) Cost-to-income ratio is calculated by dividing total operating expenses (excluding tax and surcharges, etc.) by total operating income.

(5) NPL ratio equals the balance of non-performing loans divided by gross loans and advances to customers (excluding interests accrued).

(6) Allowance coverage ratio equals the sum of allowance for impairment losses on the loans measured at amortized cost and allowance for impairment losses on the loans measured at fair value through other comprehensive income divided by the NPL balances.

(7) Allowance to gross loan ratio equals the sum of allowance for impairment losses on the loans measured at amortized cost and allowance for impairment losses on the loans measured at fair value through other comprehensive income divided by gross loans and advances to customers (excluding interests accrued).

(8) The Group calculates the capital adequacy ratios for each tier according to the Rules on Capital Management of Commercial Banks (《商業銀行資本管理辦法》), China Accounting Standards for Business Enterprises (中國企業會計準則) and other relevant regulations.

Management Discussion and Analysis

I. ECONOMIC, FINANCIAL AND REGULATORY ENVIRONMENT OF THE FIRST HALF OF 2025

In the first half of 2025, the international environment became more complex and severe. World economic growth momentum weakened and the US tariff policy increased the risk of a global recession. There were ups and downs in the trade order and rhythm, and financial markets became more volatile. Major economies showed diversified economic performance, and inflation trends and monetary policy adjustments remained uncertain.

China's economy operated steadily with progress made during the first half of the year, making new breakthroughs in high-quality development. Key economic indicators performed well, and new quality productive forces developed actively. China's economy was still facing many risks and challenges but it had stable foundation, many advantages, strong resilience, and great potential. The positive supporting conditions and basic trend in the long run remained unchanged. In the first half of 2025, China's GDP grew by 5.3% year-on-year at constant prices. The CPI remained stable and decreased by 0.1% year-on-year. The PPI remained in a low level and decreased by 2.8% year-on-year. Foreign trade showed resilience with stable growth in size and improvement in quality. Exports increased by 7.2% year-on-year in RMB terms.

In the first half of the year, the issue size of interest-rate bonds grew significantly due to the forward-looking and effective fiscal policies. The PBoC strengthened countercyclical adjustments and implemented a package of financial support measures, achieving reasonable growth in total financial assets. As of the end of June 2025, M2 grew by 8.3% year-on-year, while M1 grew by 4.6% year-on-year. In the first half of the year, the regulatory authority strengthened the implementation and oversight of interest rate policies, promoted a decline in overall financing costs, worked to strike a balance between supporting the real economy and maintaining the soundness of the banking system, promoted the improvement of the "five priorities" assessment and evaluation mechanism, further allocated credit resources to areas such as technological innovation, and supported the resolution of structural contradictions in key industries with quality upgrading.

II. DEVELOPMENT STRATEGIES

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank thoroughly implemented the spirit of the 20th CPC National Congress and the second and third plenary sessions of the 20th CPC Central Committee, and thoroughly adhered to the spirit of the Central Financial Work Conference and the Central Economic Work Conference, and the spirit of the important speech made by General Secretary Xi Jinping during his visit to Tianjin, adhered to the Party's overall leadership over financial work, and deeply grasped keeping political consciousness in mind and putting people first in the financial work. The Bank found its position and direction in the overall development of China, upheld its main responsibilities, and deepened its core business. The Bank took quality enhancement as the premise and basis, making the best use of existing resources as the urgent need and key, optimizing allocation of new resources as the path and pillar, so as to firmly promote the implementation of the "Nine-Five-Three-One" system. The Bank focused on the transformation of the "Nine Major Banks", thereby facilitating differentiated operation through specialized transformation. The Bank deeply implemented the "Five Factories" approach in a more practical manner, focused on the construction of customer factory, product factory, collection factory, talent factory and branch factory, and promoted stable and long-lasting operational development. Moreover, the Bank deepened the "Three Systems" reform, reshaped the organizational structure, strengthened the appraisal-orientated operation, and optimized the remuneration allocation. With the "One Core" in serving Tianjin as a demonstration, a role model was set for the Bank in serving the real economy. In terms of business strategy, the Bank focused on serving the national strategic objectives and the real economy, as well as Tianjin's "Ten Actions", "Three Points on Quantity and Quality" and "Three Upgrades", carefully planned out and implemented the "five priorities", so as to realize the development of both supporting the real economy and its own high-quality development.

III. SCOPE OF BUSINESSES

The business scope of the Bank includes: absorbing public deposits; offering short-term, medium-term and long-term loans; arranging settlement of domestic and international accounts; handling acceptance and discount of bill; issuing financial securities; acting as agent to issue, settle and underwrite government bonds and proprietary trading bonds issued by government and financial institutions; inter-bank borrowing and lending; trading of foreign currencies by itself and on behalf of its customers; settlement and sale of foreign exchange; bank card business; letters of credit and financial guarantees; acting as agent on inward and outward payments; acting as insurance agent; offering safe-deposit facilities; derivative trading; securities investment custody; insurance fund custody; selling securities investment fund; and other business approved by the banking regulatory institutions of the State Council. (For projects subject to approval in accordance with the law, business activities shall be carried out upon approval of relevant authorities)

IV. OVERALL OPERATING PERFORMANCE

During the Reporting Period, in the face of a complex and volatile financial environment, the Group strived to follow the decisions and arrangements of the Party Central Committee and the State Council, fully implemented the new development concept, coordinated efforts to stabilize size, adjust structure, increase operating income, and reduce costs. It focused on the transformation of the "Nine Major Banks", implemented the "five priorities" with solid steps, improved the quality and efficiency of financial services, optimized the business structure and layout, enhanced the prevention and control of financial risks, deepened the digital transformation, and deepened and solidified high-quality development across the Bank, with steady progress and improved quality in various operating indicators.

Enhanced quality and efficiency of serving the real economy with optimized asset allocation

As of the end of the Reporting Period, the total assets of the Group amounted to RMB1,823,802 million, representing a decrease of RMB20,040 million or 1.09% as compared to the end of the previous year. In particular, the balance of net loans and advances to customers amounted to RMB942,428 million, representing an increase of RMB17,066 million or 1.84% as compared to the end of the previous year. The Group strengthened its commitment to social responsibility, adhered to serving the real economy, pooled its limited resources to support granting credit, focused on serving the national strategic objectives and the real economy, and enhanced the alignment between business layout and serving the real economy. During the Reporting Period, the growth of loans in key sectors such as technological innovation, advanced manufacturing, green development, and agriculture-related industries outpaced the growth of general loans.

Optimized liability structure to improve cost management

As of the end of the Reporting Period, the total liabilities of the Group amounted to RMB1,710,486 million, representing a decrease of RMB23,231 million or 1.34% as compared to the end of the previous year. In particular, deposits from customers amounted to RMB1,027,139 million, representing a decrease of RMB40,423 million or 3.79% as compared to the end of the previous year, remaining above RMB1 trillion in size. During the Reporting Period, the Group improved its liability quality management, expanded stable liability sources through multiple channels, continued to consolidate customer development, actively optimized the structure of deposit products, and guided the development of low-cost and desirable deposits, thus resulting in continuous reduction in deposit interest rates during the Reporting Period.

Asset quality risks under control

As of the end of the Reporting Period, the balance of the non-performing loans of the Bank amounted to RMB17,269 million, representing an increase of RMB789 million as compared to the end of the previous year. The NPL ratio was 1.81%, representing an increase of 0.05 percentage point as compared to the end of the previous year. Allowance for loans loss was adequate, and the allowance for loan impairment of the Bank was RMB27,579 million, representing an increase of RMB2,005 million as compared to the end of the previous year, whereas financial investment impairment provisions was RMB9,919 million and other financial asset impairment provisions was RMB1,669 million. The allowance to gross loan ratio was 2.89%, and the allowance coverage ratio was 159.70%. Asset quality remained stable and allowance indicators met the regulatory requirements.

Steady growth in profitability indicators with continuous cost reduction and efficiency enhancement

During the Reporting Period, the Group continued to strengthen its efforts in serving the real economy, actively expanded its core customer base, continuously optimized its business structure, seized market opportunities, and implemented cost reduction and efficiency enhancement measures. Hence, major profitability indicators saw steady growth. In January to June, 2025, the Group achieved an operating income of RMB14,215 million, representing a year-on-year increase of RMB1,070 million or 8.14%; a net profit of RMB3,830 million, representing a year-on-year increase of RMB133 million or 3.61%; and a cost-to-income ratio of 32.17%, representing a year-on-year decrease of 4.10 percentage points.

V. ANALYSIS OF FINANCIAL STATEMENTS

(I) Items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

1. *Changes in items in the consolidated statement of profit or loss and other comprehensive income*

During the Reporting Period, the Group realized a net profit of RMB3,830 million, representing a year-on-year increase of 3.61%, mainly attributable to the growth in operating income and the continuous cost reduction and efficiency enhancement.

The following table sets forth the changes in items in the consolidated statement of profit or loss and other comprehensive income of the Group for the periods indicated:

(Unit: RMB'000)

	January to June 2025	January to June 2024	Change	Increase (decrease) (%)
Net interest income	8,045,646	8,080,158	(34,512)	(0.43)
Net non-interest income	6,169,372	5,064,783	1,104,589	21.81
Operating income	14,215,018	13,144,941	1,070,077	8.14
Operating expenses	(4,839,211)	(5,018,272)	179,061	(3.57)
Impairment losses on assets	(4,797,308)	(4,012,307)	(785,001)	19.56
Profit before taxation	4,578,499	4,114,362	464,137	11.28
Income tax expense	(748,064)	(417,253)	(330,811)	79.28
Net profit	3,830,435	3,697,109	133,326	3.61
Total comprehensive income	3,190,847	4,167,671	(976,824)	(23.44)

2. *Net interest income*

During the Reporting Period, the net interest income of the Group amounted to RMB8,046 million, representing a year-on-year decrease of 0.43%.

(1) Net interest spread and net interest margin

During the Reporting Period, the net interest spread of the Group was 1.20%, representing a year-on-year increase of 0.04 percentage point; and the net interest margin was 1.32%, representing a year-on-year decrease of 0.04 percentage point, and gradual stabilization. On the one hand, asset yield decreased due to the Group's active implementation of national policies, which continuously benefited the real economy. On the other hand, in order to actively respond to operational challenges, the Group continuously optimized its liability structure. Coupled with the downward trend for market interest rates, the interest-bearing liability cost declined, exerting positive effects on stabilizing net interest spread and net interest margin.

The following table sets forth the interest-earning assets and interest-bearing liabilities of the Group for the periods indicated:

(Unit: RMB'000)

	January to June 2025			January to June 2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Assets:						
Loans and advances to customers	899,380,221	17,605,550	3.95	914,109,286	20,346,039	4.48
Financial investments	517,589,792	6,646,602	2.59	455,606,192	6,577,414	2.90
Balances with the central bank	63,658,647	453,489	1.44	72,081,671	490,570	1.37
Deposits with banks and other financial institutions	33,905,450	242,216	1.44	32,352,327	165,957	1.03
Placements with banks and other financial institutions	13,294,018	216,177	3.28	17,249,443	327,363	3.82
Financial assets purchased under resale agreements	15,456,075	137,451	1.79	27,244,329	250,522	1.85
Total interest-earning assets	**1,543,284,203**	**25,301,485**	**3.31**	**1,518,643,248**	**28,157,865**	**3.73**
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
Liabilities:						
Deposits from customers	958,050,859	10,004,667	2.11	903,350,150	11,158,743	2.48
Deposits from banks and other financial institutions	168,311,870	1,691,096	2.03	186,124,645	2,405,577	2.60
Placements from banks and other financial institutions	31,043,866	497,162	3.23	40,563,778	884,907	4.39
Financial assets sold under repurchase agreements	81,214,182	656,415	1.63	41,822,343	379,900	1.83
Debt securities issued	310,908,583	3,308,466	2.15	269,224,827	3,566,472	2.66
Borrowings from the central bank	103,442,331	1,098,033	2.14	131,553,731	1,682,108	2.57
Total interest-bearing liabilities	**1,652,971,691**	**17,255,839**	**2.11**	**1,572,639,474**	**20,077,707**	**2.57**
Net interest income		8,045,646			8,080,158	
Net interest spread			1.20			1.16
Net interest margin			1.32			1.36

Note: Net interest margin is calculated by dividing net interest income by the average balance of total interest-earning assets; gains from trading financial assets are not classified as interest income for accounting purposes, the corresponding interest expense on interest-bearing liabilities of which is adjusted accordingly, retrospectively adjusting information in the comparable period on a comparable basis.

(2) Interest income

During the Reporting Period, the interest income of the Group amounted to RMB25,301 million, representing a year-on-year decrease of 10.14%.

Interest income arising from loans and advances to customers

During the Reporting Period, the Group's interest income arising from loans and advances to customers amounted to RMB17,606 million, representing a year-on-year decrease of 13.47%, mainly due to the Group's diligent implementation of national financial policies, which benefited entities, enterprises and ordinary consumers, resulting in a year-on-year decrease in loan yield.

The following table sets forth the average balance, interest income and average yield for components of loans and advances to customers of the Group for the periods indicated:

(Unit: RMB'000)

	January to June 2025			January to June 2024		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans and advances	628,033,305	13,327,914	4.28	588,814,316	13,630,957	4.66
Personal loans	220,105,367	3,957,822	3.63	246,557,895	6,097,399	4.97
Discounted bills	51,241,549	319,814	1.26	78,737,075	617,683	1.58
Loans and advances to customers	**899,380,221**	**17,605,550**	**3.95**	**914,109,286**	**20,346,039**	**4.48**

Interest income arising from balances with the central bank, deposits with banks and other financial institutions and placements with banks and other financial institutions and interest income arising from financial assets purchased under resale agreements

During the Reporting Period, the Group's interest income arising from balances with the central bank, deposits with banks and other financial institutions and placements with banks and other financial institutions totaled RMB912 million, representing a year-on-year decrease of 7.32%; and the interest income arising from financial assets purchased under resale agreements amounted to RMB137 million, representing a year-on-year decrease of 45.13%, mainly due to the decline in market interest rates.

Interest income arising from financial investments

During the Reporting Period, the Group's interest income arising from financial investments amounted to RMB6,647 million, representing a year-on-year increase of 1.05%.

(3) Interest expense

During the Reporting Period, the Group's interest expense amounted to RMB17,256 million, representing a year-on-year decrease of 14.05%.

Interest expense on deposits from customers

During the Reporting Period, the Group's interest expense on deposits from customers amounted to RMB10,005 million, representing a year-on-year decrease of 10.34%, mainly due to the Group's active optimization of its deposit structure. Coupled with the decline in market interest rates, the average cost ratio of deposits decreased by 0.37 percentage point as compared to the same period of the previous year.

The following table sets forth the average balance, interest expense and average cost on deposits from customers of the Group for the periods indicated:

(Unit: RMB'000)

	January to June 2025			January to June 2024		
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
Corporate deposits	**592,739,730**	**5,946,806**	**2.02**	**564,492,108**	**6,742,352**	**2.40**
Of which: Demand deposits	152,439,965	469,246	0.62	194,718,092	1,203,907	1.24
Time deposits	440,299,765	5,477,560	2.51	369,774,016	5,538,445	3.01
Personal deposits	**212,905,579**	**2,802,161**	**2.65**	**200,658,195**	**2,793,766**	**2.80**
Of which: Demand deposits	26,574,512	16,467	0.12	31,533,175	58,551	0.37
Time deposits	186,331,067	2,785,694	3.01	169,125,020	2,735,215	3.25
Pledged deposits and others	152,405,550	1,255,700	1.66	138,199,847	1,622,625	2.36
Deposits from customers	**958,050,859**	**10,004,667**	**2.11**	**903,350,150**	**11,158,743**	**2.48**

Interest expense on borrowings from the central bank, deposits from banks and other financial institutions and placements from banks and other financial institutions and interest expense on financial assets sold under repurchase agreements

During the Reporting Period, the Group's interest expense on borrowings from the central bank, deposits from banks and other financial institutions and placements from banks and other financial institutions totaled RMB3,286 million, representing a year-on-year decrease of 33.91%, mainly due to the decline in market interest rates; interest expense on financial assets sold under repurchase agreements amounted to RMB656 million, representing a year-on-year increase of 72.79%.

Interest expense on debt securities issued

During the Reporting Period, the Group's interest expense on debt securities issued amounted to RMB3,308 million, representing a year-on-year decrease of 7.23%, mainly due to the decline in market interest rates.

(4) Impact of changes in volume and interest rate on interest income and interest expense

The following table sets forth the allocation of changes in the interest income and interest expense of the Group due to changes in volume and changes in rate for the periods indicated:

(Unit: RMB'000)

	January to June 2025 vs. January to June 2024 due to changes in volume	January to June 2025 vs. January to June 2024 due to changes in rate	Net increase (decrease) (%)
Loans and advances to customers	(338,009)	(2,402,480)	(13.47)
Financial investments	769,573	(700,385)	1.05
Balances with the central bank	(62,102)	25,021	(7.56)
Deposits with banks and other financial institutions	10,482	65,777	45.95
Placements with banks and other financial institutions	(64,995)	(46,191)	(33.96)
Financial assets purchased under resale agreements	(104,965)	(8,106)	(45.13)
Changes in interest income	**209,984**	**(3,066,364)**	**(10.14)**
Deposits from customers	503,386	(1,657,462)	(10.34)
Deposits from banks and other financial institutions	(188,386)	(526,095)	(29.70)
Placements from banks and other financial institutions	(154,409)	(233,336)	(43.82)
Financial assets sold under repurchase agreements	317,994	(41,479)	72.79
Debt securities issued	422,875	(680,881)	(7.23)
Borrowings from the central bank	(303,559)	(280,516)	(34.72)
Changes in interest expense	**597,901**	**(3,419,769)**	**(14.05)**
Changes in net interest income	**(387,917)**	**353,405**	**(0.43)**

Note: Changes in interest income and expense caused by both changes in volume and changes in rate have been allocated to the amount of impact of changes in volume on changes in interest income and expense.

3. *Net non-interest income*

During the Reporting Period, the net non-interest income of the Group amounted to RMB6,169 million, representing a year-on-year increase of 21.81%.

(1) Net fee and commission income

During the Reporting Period, the net fee and commission income of the Group amounted to RMB1,174 million, representing a year-on-year decrease of 30.80%, mainly due to a year-on-year decrease in agency and asset management service fees.

The following table sets forth the principal components of the Group's net fee and commission income for the periods indicated:

(Unit: RMB'000)

	January to June 2025	January to June 2024	Increase (decrease) (%)
Fee and commission income	**1,550,444**	**2,254,523**	**(31.23)**
Of which: Agency and asset management services	575,314	1,106,619	(48.01)
Settlement and clearing business	465,544	487,889	(4.58)
Guarantees and commitments	304,219	354,562	(14.20)
Custodian services	100,317	154,178	(34.93)
Consulting and advisory services	43,997	74,213	(40.72)
Bank card business	33,671	54,339	(38.04)
Others	27,382	22,723	20.50
Fee and commission expense	**376,897**	**558,603**	**(32.53)**
Net fee and commission income	**1,173,547**	**1,695,920**	**(30.80)**

(2) Other net non-interest income

During the Reporting Period, other net non-interest income of the Group amounted to RMB4,996 million, representing a year-on-year increase of 48.29%, primarily due to a year-on-year increase of 63.16% in net gains on financial investments.

The following table sets forth the principal components of other net non-interest income of the Group for the periods indicated:

(Unit: RMB'000)

	January to June 2025	January to June 2024	Increase (decrease) (%)
Net trading income	145,181	388,431	(62.62)
Net gains on financial investments	4,836,050	2,963,902	63.16
Other operating income	14,594	16,530	(11.71)
Total	**4,995,825**	**3,368,863**	**48.29**

4. *Operating expenses*

During the Reporting Period, the operating expenses of the Group amounted to RMB4,839 million, representing a year-on-year decrease of 3.57%. Among them, staff costs amounted to RMB2,828 million, representing a year-on-year decrease of 2.51%; other operating expenses amounted to RMB2,012 million, representing a year-on-year decrease of 5.02%; and cost-to-income ratio was 32.17%, representing a year-on-year decrease of 4.10 percentage points. The decrease was mainly attributable to the Group's in-depth implementation of the cost reduction and efficiency enhancement measures, thus steadily enhancing input and output efficiency.

The following table sets forth the principal components of operating expenses of the Group for the periods indicated:

(Unit: RMB'000)

	January to June 2025	January to June 2024	Increase (decrease) (%)
Staff costs	2,827,605	2,900,374	(2.51)
Depreciation and amortization	814,036	880,850	(7.59)
Taxes and surcharges	188,044	217,555	(13.56)
Interest expense on lease liabilities	59,488	75,704	(21.42)
Other general and administrative expenses	950,038	943,789	0.66
Total	**4,839,211**	**5,018,272**	**(3.57)**

5. *Impairment losses on assets*

The Group strictly followed the regulatory requirements to provide impairment losses on assets based on the principle of prudence. During the Reporting Period, the impairment losses on assets of the Group amounted to RMB4,797 million, representing a year-on-year increase of 19.56%, among which the impairment losses on loans and advances to customers amounted to RMB3,558 million, the impairment losses on investment amounted to RMB1,139 million, and other impairment losses amounted to RMB100 million.

6. *Income tax expense*

During the Reporting Period, the income tax expense of the Group amounted to RMB748 million and the effective tax rate was 16.34%. The income tax increased primarily due to the increase in the profit before taxation.

(II) Items in the Consolidated Statement of Financial Position

1. *Items of assets*

As of the end of the Reporting Period, the total assets of the Group amounted to RMB1,823,802 million, representing a decrease of 1.09% as compared to the end of the previous year.

The following table sets forth the composition of total assets of the Group as of the dates indicated:

(Unit: RMB'000)

	June 30, 2025		December 31, 2024		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Cash and balances with the central bank	72,716,728	3.99	148,162,149	8.04	(50.92)
Deposits with banks and other financial institutions	19,087,416	1.05	11,405,462	0.62	67.35
Placements with banks and other financial institutions	4,896,671	0.27	4,885,299	0.26	0.23
Derivative financial assets	2,600,260	0.14	2,448,184	0.13	6.21
Financial assets purchased under resale agreements	15,124,305	0.83	18,531,145	1.01	(18.38)
Loans and advances to customers	942,427,621	51.67	925,361,742	50.19	1.84
Financial investments	736,779,897	40.40	700,438,320	37.99	5.19
Property and equipment	2,986,923	0.16	3,217,544	0.17	(7.17)
Deferred tax assets	11,905,073	0.65	12,362,922	0.67	(3.70)
Right-of-use assets	3,355,477	0.18	3,606,436	0.20	(6.96)
Other assets	11,921,739	0.66	13,422,925	0.72	(11.18)
Total assets	**1,823,802,110**	**100.00**	**1,843,842,128**	**100.00**	**(1.09)**

(1) Loans and advances to customers

As of the end of the Reporting Period, the Group's gross loans and advances granted to customers (including discounts) amounted to RMB954,422 million, representing an increase of 1.91% as compared to the end of the previous year.

The following table sets forth the distribution of loans and advances to customers of the Group by product type as of the dates indicated:

(Unit: RMB'000)

	June 30, 2025		December 31, 2024		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Corporate loans and advances	693,514,795	72.66	654,736,013	69.91	5.92
Discounted bills	45,683,011	4.79	59,727,587	6.38	(23.51)
Personal loans	215,224,172	22.55	222,027,091	23.71	(3.06)
Gross loans and advances to customers	**954,421,978**	**100.00**	**936,490,691**	**100.00**	**1.91**
Interests accrued	14,292,305		13,115,173		
Total	**968,714,283**		**949,605,864**		

(2) Financial investments

As of the end of the Reporting Period, the financial investments of the Group amounted to RMB736,780 million, representing an increase of 5.19% as compared to the end of the previous year.

The following table sets forth the composition of financial investments of the Group as of the dates indicated:

(Unit: RMB'000)

	June 30, 2025		December 31, 2024		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Financial investments at fair value through profit or loss	214,676,144	29.14	192,864,991	27.54	11.31
Financial investments at fair value through other comprehensive income	253,273,746	34.37	177,376,537	25.32	42.79
Financial investments at amortized cost	268,830,007	36.49	330,196,792	47.14	(18.58)
Total	**736,779,897**	**100.00**	**700,438,320**	**100.00**	**5.19**

Further details of the Group's financial investments are set forth in "Review Report and Interim Financial Report – Notes to the Unaudited Consolidated Financial Statements" in this report.

(3) Financial derivatives transactions

The Group's financial derivatives transactions mainly consist of interest rate swaps, foreign exchange swaps, foreign exchange forwards, etc. The Group flexibly uses various derivative financial instruments to hedge exchange rate and interest rate risks, carries out strategic transactions and reasonably manages the portfolio of derivative financial instrument position, and keeps a sound trading style.

As of the end of the Reporting Period, the notional amounts and fair value of the main types of unexpired derivative financial instruments held by the Group are set out as follows:

(Unit: RMB'000)

	June 30, 2025			December 31, 2024		
	Notional amount	Fair value		Notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Interest rate swaps	326,790,962	24,240	(7,908)	254,969,033	32,172	(11,129)
Exchange rate swaps	301,672,011	1,402,052	(1,170,432)	139,026,375	1,318,613	(922,071)
Exchange rate forwards	19,641,811	211,226	(194,488)	30,687,855	919,113	(847,959)
Precious metal swaps	7,417,289	921,130	(140,526)	4,010,073	168,443	(9,620)
Option contracts	7,231,286	41,612	(34,183)	1,912,240	9,843	(9,104)
Total	**662,753,359**	**2,600,260**	**(1,547,537)**	**430,605,576**	**2,448,184**	**(1,799,883)**

2. *Items of liabilities*

As of the end of the Reporting Period, the total liabilities of the Group amounted to RMB1,710,486 million, representing a decrease of 1.34% as compared to the end of the previous year.

The following table sets forth the composition of total liabilities of the Group as of the dates indicated:

(Unit: RMB'000)

	June 30, 2025		December 31, 2024		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Borrowings from the central bank	100,020,153	5.85	121,378,473	7.00	(17.60)
Deposits from banks and other financial institutions	148,142,488	8.66	150,561,544	8.68	(1.61)
Placements from banks and other financial institutions	30,379,796	1.78	23,144,745	1.34	31.26
Financial liabilities at fair value through profit or loss	171,678	0.01	171,916	0.01	(0.14)
Derivative financial liabilities	1,547,537	0.09	1,799,883	0.10	(14.02)
Financial assets sold under repurchase agreements	67,570,539	3.95	57,818,338	3.34	16.87
Deposits from customers	1,027,138,702	60.05	1,067,561,795	61.58	(3.79)
Income tax payable	(1,084,945)	(0.06)	(621,775)	(0.04)	74.49
Debt securities issued	322,389,351	18.85	290,863,182	16.78	10.84
Lease liabilities	3,440,762	0.20	3,722,824	0.21	(7.58)
Other liabilities	10,770,374	0.62	17,316,375	1.00	(37.80)
Total liabilities	**1,710,486,435**	**100.00**	**1,733,717,300**	**100.00**	**(1.34)**

Note: As at June 30, 2025, borrowings from the central bank of RMB100,020,153,000 included the principal amount at a fixed interest rate of RMB98,805,000,000, and the interest payable on the borrowings from the central bank of RMB1,215,153,000.

Deposits from customers

As of the end of the Reporting Period, the gross deposits from customers of the Group amounted to RMB1,004,185 million, representing a decrease of 4.01% as compared to the end of the previous year.

The following table sets forth the distribution of deposits from customers of the Group by product type and customer type as of the dates indicated:

(Unit: RMB'000)

	June 30, 2025		December 31, 2024		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Corporate deposits	**630,457,500**	**62.78**	**655,433,599**	**62.66**	**(3.81)**
Of which: Demand deposits	193,538,570	19.27	238,497,466	22.80	(18.85)
Time deposits	436,918,930	43.51	416,936,133	39.86	4.79
Personal deposits	**223,567,201**	**22.26**	**212,275,470**	**20.29**	**5.32**
Of which: Demand deposits	30,148,277	3.00	36,293,255	3.47	(16.93)
Time deposits	193,418,924	19.26	175,982,215	16.82	9.91
Pledged deposits	150,051,369	14.95	176,014,296	16.83	(14.75)
Fiscal deposits	80,356	0.01	159,715	0.02	(49.69)
Inward and outward remittances	28,432	0.00	2,205,715	0.20	(98.71)
Gross deposits from customers	**1,004,184,858**	**100.00**	**1,046,088,795**	**100.00**	**(4.01)**
Interests accrued	22,953,844		21,473,000		
Total	**1,027,138,702**		**1,067,561,795**		

The following table sets forth the distribution of the Group's deposits from customers by currency as of the dates indicated:

(Unit: RMB'000)

	June 30, 2025		December 31, 2024		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
RMB	989,502,309	96.34	1,033,215,256	96.78	(4.23)
Foreign currency against RMB	37,636,393	3.66	34,346,539	3.22	9.58
Total	**1,027,138,702**	**100.00**	**1,067,561,795**	**100.00**	**(3.79)**

3. *Total equity*

As of the end of the Reporting Period, the total equity of the Group amounted to RMB113,316 million, representing an increase of RMB3,191 million as compared to the end of the previous year, primarily due to an increase of retained earnings of the Group during the Reporting Period.

4. *Pledge of assets*

Details for the pledge of assets of the Group are set out in "Review Report and Interim Financial Report – Notes to the Unaudited Consolidated Financial Statements" in this report.

5. *Outstanding debts payable*

The Group had no outstanding debts payable as of the end of the Reporting Period.

VI. ANALYSIS OF CAPITAL ADEQUACY RATIOS

In calculating its capital adequacy ratios, the Bank considers itself and the financial institutions it invests directly or indirectly in compliance with the Rules on Capital Management of Commercial Banks (《商業銀行資本管理辦法》).

The Group and the Bank calculate the capital adequacy ratios for each tier in accordance with the Rules on Capital Management of Commercial Banks (《商業銀行資本管理辦法》) and the relevant requirements. The items involved are as follows:

(Unit: RMB'000)

	June 30, 2025		December 31, 2024	
	The Group	The Bank	The Group	The Bank
Core tier 1 capital	102,315,675	101,772,470	99,124,828	98,686,728
Core tier 1 capital regulatory deductions	(2,465,649)	(4,686,162)	(2,766,797)	(4,983,084)
Net core tier 1 capital	99,850,026	97,086,308	96,358,031	93,703,644
Other tier 1 capital	11,000,000	11,000,000	11,000,000	11,000,000
Net tier 1 capital	110,850,026	108,086,308	107,358,031	104,703,644
Tier 2 capital	22,985,772	22,985,772	26,857,792	26,857,792
Tier 2 capital regulatory deductions	–	–	–	–
Net capital	**133,835,798**	**131,072,080**	**134,215,823**	**131,561,436**
Capital adequacy ratio[Note] (%)	**11.24**	**11.03**	**11.63**	**11.42**
Tier 1 capital adequacy ratio (%)	**9.31**	**9.10**	**9.30**	**9.09**
Core tier 1 capital adequacy ratio (%)	**8.39**	**8.17**	**8.35**	**8.13**

Note: Capital adequacy ratio equals net capital/risk-weighted assets*100%. See table below for details of risk-weighted assets.

The following table sets forth the risk-weighted assets calculated by the Group and the Bank in accordance with the Rules on Capital Management of Commercial Banks (《商業銀行資本管理辦法》), among which, credit risk-weighted assets are calculated using the method of weighting, market risk-weighted assets are calculated using the simplified standardized approach, and operational risk-weighted assets are calculated using the standardized approach.

(Unit: RMB'000)

	June 30, 2025		December 31, 2024	
	The Group	The Bank	The Group	The Bank
Credit risk-weighted assets	**1,127,364,427**	**1,125,085,575**	**1,091,241,849**	**1,089,229,765**
Of which: On-balance sheet credit risk	1,025,802,394	1,023,523,542	998,590,937	996,578,853
Off-balance sheet credit risk	93,045,180	93,045,180	89,201,282	89,201,282
Counterparty credit risk	8,516,853	8,516,853	3,449,630	3,449,630
Market risk-weighted assets	18,297,999	18,297,999	18,214,061	18,214,061
Operational risk-weighted assets	44,987,310	44,660,881	44,987,310	44,660,881
Total risk-weighted assets	**1,190,649,736**	**1,188,044,455**	**1,154,443,220**	**1,152,104,707**

VII. LEVERAGE RATIO

The Group measured the leverage ratio pursuant to the Rules on Capital Management of Commercial Banks (《商業銀行資本管理辦法》) and relevant regulatory rules as follows:

(Unit: RMB'000)

	June 30, 2025	December 31, 2024
Tier 1 capital	113,315,675	110,124,828
Tier 1 capital deductions	(2,465,649)	(2,766,797)
Total adjusted on-balance sheet and off-balance sheet assets	**2,081,481,632**	**2,144,721,151**
Of which: Total adjusted on-balance sheet assets	1,803,609,606	1,820,098,534
Total adjusted off-balance sheet assets	256,541,269	301,168,513
Others	21,330,757	23,454,104
Leverage ratio (%)	**5.33**	**5.01**

VIII. LOAN QUALITY ANALYSIS

(I) Distribution of Loans by Five-category Classification

(Unit: RMB'000)

	June 30, 2025		December 31, 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Normal loans	909,387,842	95.28	893,947,790	95.46
Special mention loans	27,765,042	2.91	26,063,028	2.78
NPLs	**17,269,094**	**1.81**	**16,479,873**	**1.76**
Of which: Substandard loans	5,522,475	0.58	5,601,532	0.60
Doubtful loans	1,322,671	0.14	2,363,425	0.25
Loss loans	10,423,948	1.09	8,514,916	0.91
Gross loans and advances to customers	**954,421,978**	**100.00**	**936,490,691**	**100.00**

(II) Distribution of Loans and NPLs by Product Type

(Unit: RMB'000)

	June 30, 2025				December 31, 2024			
	Amount	Proportion (%)	NPL amount	NPL ratio (%)	Amount	Proportion (%)	NPL amount	NPL ratio (%)
Corporate loans and advances	693,514,795	72.66	7,738,117	1.12	654,736,013	69.91	7,267,965	1.11
Discounted bills	45,683,011	4.79	–	–	59,727,587	6.38	–	–
Personal loans	215,224,172	22.55	9,530,977	4.43	222,027,091	23.71	9,211,908	4.15
Gross loans and advances to customers	**954,421,978**	**100.00**	**17,269,094**	**1.81**	**936,490,691**	**100.00**	**16,479,873**	**1.76**

(III) Distribution of Loans and NPLs by Industry

(Unit: RMB'000)

	June 30, 2025				December 31, 2024			
	Amount	Proportion (%)	NPL amount	NPL ratio (%)	Amount	Proportion (%)	NPL amount	NPL ratio (%)
Corporate loans and advances	**693,514,795**	**72.66**	**7,738,117**	**1.12**	**654,736,013**	**69.91**	**7,267,965**	**1.11**
Leasing and commercial services	252,362,729	26.44	753,697	0.30	239,347,741	25.56	1,508,377	0.63
Real estate	97,844,678	10.25	1,978,620	2.02	93,339,050	9.97	1,480,355	1.59
Manufacturing	79,491,614	8.33	1,377,144	1.73	87,787,078	9.37	1,256,187	1.43
Water conservancy, environment and public facilities management	72,535,840	7.60	20,139	0.03	68,171,356	7.28	602	0.00
Wholesale and retail	72,137,085	7.56	1,874,277	2.60	51,153,524	5.46	1,746,804	3.41
Construction	31,029,371	3.25	1,092,524	3.52	28,175,257	3.01	674,508	2.39
Financial services	23,465,031	2.46	–	–	26,074,303	2.78	–	–
Transportations, storage and post	14,134,130	1.48	49,775	0.35	14,239,861	1.52	53,056	0.37
Production and supply of electricity, heat, gas and water	13,026,786	1.36	4,939	0.04	13,886,782	1.48	4,939	0.04
Information transmission, software and information technology services	9,696,273	1.02	112,695	1.16	7,776,105	0.83	57,483	0.74
Mining	8,053,302	0.84	62,572	0.78	6,463,006	0.69	63,172	0.98
Scientific research and technical services	5,862,551	0.61	25,086	0.43	6,650,275	0.71	23,000	0.35
Agriculture, forestry, animal husbandry and fishery	4,357,978	0.46	14,901	0.34	2,744,227	0.29	15,000	0.55
Others	9,517,427	1.00	371,748	3.91	8,927,448	0.96	384,482	4.31
Discounted bills	**45,683,011**	**4.79**	**–**	**–**	**59,727,587**	**6.38**	**–**	**–**
Personal loans	**215,224,172**	**22.55**	**9,530,977**	**4.43**	**222,027,091**	**23.71**	**9,211,908**	**4.15**
Gross loans and advances to customers	**954,421,978**	**100.00**	**17,269,094**	**1.81**	**936,490,691**	**100.00**	**16,479,873**	**1.76**

(IV) Distribution of Loans and NPLs by Geographical Areas

(Unit: RMB'000)

	June 30, 2025				December 31, 2024			
	Amount	Proportion (%)	NPL amount	NPL ratio (%)	Amount	Proportion (%)	NPL amount	NPL ratio (%)
Northern and Northeastern China	392,680,863	41.14	7,186,829	1.83	394,668,711	42.14	8,082,645	2.05
Eastern China	282,385,221	29.59	2,653,917	0.94	260,038,530	27.77	1,979,841	0.76
Central and Southern China	201,688,466	21.13	6,246,202	3.10	198,630,819	21.21	5,456,009	2.75
Western China	77,667,428	8.14	1,182,146	1.52	83,152,631	8.88	961,378	1.16
Gross loans and advances to customers	**954,421,978**	**100.00**	**17,269,094**	**1.81**	**936,490,691**	**100.00**	**16,479,873**	**1.76**

(V) Distribution of Loans and NPLs by Security Type

(Unit: RMB'000)

	June 30, 2025				December 31, 2024			
	Amount	Proportion (%)	NPL amount	NPL ratio (%)	Amount	Proportion (%)	NPL amount	NPL ratio (%)
Collateralized loans	284,284,428	29.79	9,761,105	3.43	286,551,232	30.60	7,933,202	2.77
Pledged loans	105,999,747	11.11	327,820	0.31	129,303,962	13.81	270,744	0.21
Guaranteed loans	352,869,101	36.97	2,524,602	0.72	329,406,675	35.17	3,150,301	0.96
Unsecured loans	211,268,702	22.13	4,655,567	2.20	191,228,822	20.42	5,125,626	2.68
Gross loans and advances to customers	**954,421,978**	**100.00**	**17,269,094**	**1.81**	**936,490,691**	**100.00**	**16,479,873**	**1.76**

(VI) Distribution of Loans by Overdue Period

As of the end of the Reporting Period, the overdue loans amounted to RMB29,161.04 million, representing an increase of RMB3,006.81 million as compared to the end of the previous year.

(Unit: RMB'000)

	June 30, 2025		December 31, 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Overdue within three months	12,743,240	1.34	10,911,339	1.16
Overdue more than three months to one year	6,347,950	0.67	6,095,515	0.65
Overdue more than one year to three years	6,877,750	0.72	6,374,601	0.68
Overdue more than three years	3,192,097	0.33	2,772,773	0.30
Total overdue loans	**29,161,037**	**3.06**	**26,154,228**	**2.79**
Gross loans and advances to customers	**954,421,978**	**100.00**	**936,490,691**	**100.00**

(VII) Loans to Ten Largest Customers Who Are Single Borrowers

(Unit: RMB'000)

		June 30, 2025			
Borrowers	Industry	Amount	NPL amount	% of net capital base	% of gross loans
Customer A	Leasing and commercial services	7,779,900	–	5.81	0.82
Customer B	Manufacturing	6,645,933	–	4.97	0.70
Customer C	Leasing and commercial services	6,458,890	–	4.83	0.67
Customer D	Construction	5,565,000	–	4.16	0.58
Customer E	Wholesale and retail	5,411,498	–	4.04	0.57
Customer F	Leasing and commercial services	5,000,000	–	3.74	0.52
Customer G	Leasing and commercial services	4,080,600	–	3.05	0.43
Customer H	Leasing and commercial services	3,950,000	–	2.95	0.41
Customer I	Leasing and commercial services	3,814,499	–	2.85	0.40
Customer J	Leasing and commercial services	3,510,170	–	2.62	0.37
Total	**–**	**52,216,490**	**–**	**39.02**	**5.47**

(VIII) Restructured Loans

Restructured loans refer to loans for which the Bank has made adjustments to the repayment terms of the loan contract due to the borrower's financial difficulties in accordance with the requirements of the Rules on Risk Classification of Financial Assets of Commercial Banks. As of the end of the Reporting Period, the balance of restructured loans amounted to RMB1,713.9756 million, representing an increase of 5.77% as compared to the end of the previous year.

(IX) Repossessed Assets

As of the end of the Reporting Period, the Bank had no repossessed assets.

(X) Disposal of Non-Performing Assets

As of the end of the Reporting Period, the Bank had disposed of RMB3,742 million of non-performing assets through means such as cash collection, write-off of bad debts, bankruptcy reorganization and transfer.

(XI) Allowance for Loan Impairment

1. Loans and advances to customers measured at amortized cost

(Unit: RMB'000)

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Opening balance	24,244,122	24,599,802
Charge	3,595,438	3,138,966
Transfer out	–	(965,776)
Write-off	(1,847,725)	(1,890,494)
Recoveries	292,895	874,912
Exchange rate changes and others	1,932	(496)
Closing balance	**26,286,662**	**25,756,914**

2. Loans and advances to customers measured at fair value through other comprehensive income

(Unit: RMB'000)

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Opening balance	1,330,218	1,386,837
Charge	(37,436)	(36,897)
Transfer out	–	–
Write-off	–	–
Recoveries	–	–
Exchange rate changes and others	–	–
Closing balance	**1,292,782**	**1,349,940**

(XII) Large Exposure

The Bank has strictly implemented the regulatory requirements of the Rules on Large Exposure of Commercial Banks (《商業銀行大額風險暴露管理辦法》) and optimized the large exposure management system in terms of mechanisms, systems, and procedures. According to its own risk appetite, risk profile, management level and capital strength, the Bank sets internal management limits that are more stringent than the regulatory limits, and conducts continuous monitoring, early warning and control. During the Reporting Period, all concentration indicators of large exposures of the Bank met regulatory requirements and internal management limits.

IX. MAIN BUSINESS OPERATION AND MANAGEMENT

(I) Corporate Banking Business

During the Reporting Period, taking serving the national strategic objectives and the real economy as its fundamental purpose, with its deep integration into the overall national development as guidance, the corporate banking focused on the "five priorities" of finance and injected more precise and stronger financial momentum into the development of the real economy. The Bank firmly promoted the implementation of the "Nine-Five-Three-One" strategy across the Bank, resolutely practiced the strategic positioning of an industry bank, a transaction bank and a light-model bank. By relying on the "customer factory + product factory" model, the Bank continuously optimized its business layout and structural system and strengthened its refined operation capabilities and core competitiveness, striving to promote the high-quality transformation of the corporate banking business.

Customer development

During the Reporting Period, the corporate banking strived to build a "customer factory", which comprehensively upgraded the corporate customers classification service system and further consolidated its customer base. In terms of the industry strategic customer group, by iterating the strategic customer service model, clarifying the stratification criteria, and enhancing the application capabilities of its product portfolio, the corporate banking further improved the service quality and value contribution. In terms of the basic customer groups, the corporate banking strengthened the refined management of corporate customers by accelerating the establishment of the digital system for corporate customer operation and management, resulting in a continuous improvement in customer service efficiency. In terms of the regional key customer group, the corporate banking proactively responded to the national regional development strategy, significantly empowering the construction of the Beijing-Tianjin-Hebei region, the Yangtze Economic Belt, the Chengdu-Chongqing economic zone and the Guangdong-Hong Kong-Macao Greater Bay Area, thereby injecting momentum into the regional economic development. In terms of the government and institution customer groups, the corporate banking deepened its presence in the finance, education, healthcare, housing and construction, government affairs, and livelihood sectors by matching demands precisely and providing high-quality services. As of the end of the Reporting Period, the corporate banking business had a total of 125,400 corporate customers, representing an increase of 5.43% as compared to the end of the previous year.

Liability business

The corporate banking continued to promote steady, healthy and sustainable development in deposit size to enhance the overall quality of the liability business. The Bank made continuous efforts in strengthening its customer base expansion, seizing market opportunities, building customer management systems, and enriching deposit sources. The Bank focused on product optimization and upgrading, strengthening portfolio management, deepening customer needs, building a business ecosystem, and broadening channels for deposit growth. The Bank dynamically adjusted its business strategy, closely monitored macro policies, industry developments and changes in the regulatory environment, improved the management of deposit interest costs, leading to a steady decrease of interest costs. As of the end of the Reporting Period, the balance of corporate deposits amounted to RMB630,458 million; the interest rate on domestic and foreign currency deposits was 2.02%, representing a decrease of 32 BPs as compared to the previous year.

Asset business

The corporate banking duly implemented national financial policies, effectively enhanced its ability to serve the real economy, optimized its credit structure, focused on key areas and sectors, strengthened financial support, and provided customers with professional and comprehensive financial services. As of the end of the Reporting Period, the gross corporate loans amounted to RMB693,515 million, representing an increase of RMB38,779 million or 5.92% as compared to the end of the previous year.

The Bank thoroughly implemented the strategy of building a strong technology nation, fulfilled the goal of achieving greater self-reliance and strength in high-level technology. Leveraging key support from the development of technology finance, the Bank promoted the growth of new quality productive forces, continuously improved the technology finance service system and enhanced the specialized and refined levels of financial services and technological innovation. As of the end of the Reporting Period, the balance of loans to technology enterprises of the Bank[1] amounted to RMB71.252 billion, representing an increase of RMB24.153 billion or 51.28% as compared to the end of the previous year. In May 2025, the Bank successfully issued the "CHINA BOHAI BANK CO., LTD. 2025 Sci-tech Innovation Bonds (Tranche 1)", with an issue size of RMB5 billion and a coupon rate of 1.75%, designated for supporting sci-tech innovation businesses.

The Bank thoroughly implemented the strategy of building a strong manufacturing nation, adhered to providing financial services to the manufacturing industry as a key support of the real economy. The Bank continuously improved its financial service system in terms of top-level design, policy resource protection, as well as product and service model innovation. As of the end of the Reporting Period, the balance of loans to the manufacturing industry[2] of the Bank amounted to RMB110,790 million, representing an increase of RMB12,184 million or 12.36% as compared to the end of the previous year.

The Bank actively implemented the national concepts of green and high-quality development, advanced the construction of the Beautiful China Initiative, and comprehensively served the strategic goals of carbon peaking and carbon neutrality to excel in the field of green finance. As of the end of the Reporting Period, the balance of green loans of the Bank[3] amounted to RMB49,902 million, representing an increase of RMB6,518 million or 15.02% as compared to the end of the previous year. In February 2025, the Bank successfully issued the "CHINA BOHAI BANK CO., LTD. 2025 Green Financial Bonds (Tranche 1)", with an issue size of RMB5 billion and a coupon rate of 1.89%, designated for supporting green and low-carbon development.

The Bank actively promoted the implementation of the rural revitalization policy. As of the end of the Reporting Period, the balance of agriculture-related loans of the Bank amounted to RMB47,317 million, representing an increase of RMB1,577 million or 3.45% as compared to the end of the previous year.

Transaction banking business

During the Reporting Period, the transformation of transaction banking focused on three major tasks of "deepening supply chain ecosystem, establishing intelligent treasury system and upgrading cross-border financial service capabilities". By deeply developing within the industry, innovating product portfolios and accelerating digital transformation, the business scale of transaction banking business grew efficiently, with significant improvement in quality and efficiency of serving customers, thus providing strong support for the high-quality development of the real economy.

1 From April 2025, statistics have been compiled in accordance with the requirements of loans to technology enterprises set out in the Overall Statistical System for the "Five Priorities" of Finance (Trial) (《金融「五篇大文章」總體統計制度（試行）》) jointly issued by the People's Bank of China, the National Financial Regulatory Administration, the China Securities Regulatory Commission and the State Administration of Foreign Exchange.

2 Statistics have been compiled in accordance with S72 Statement on Financing of the Manufacturing Industry issued by the National Financial Regulatory Administration.

3 The statistical standards for green loans have been revised in accordance with the Notice on Adjusting the Content of Special Statistics on Green Loans issued by the Statistics Department of the People's Bank of China (Yin Diao Fa [2025] No. 7) (《中國人民銀行調查統計司關於調整綠色貸款專項統計內容的通知》(銀調發[2025]7 號)), in order to adapt to changes in green and low-carbon standards and timely and accurately reflect financial support for the green sector.

During the Reporting Period, the transaction banking business achieved income from intermediary business of RMB752 million, representing a year-on-year increase of 5.36%. The balance of its on-balance sheet and off-balance sheet business reached RMB560.769 billion, representing a year-on-year increase of 19.81%. The cumulative business volume amounted to RMB522.375 billion, representing a year-on-year increase of 20.89%.

The transaction banking promoted the dual-driving model of "customer factory + product factory", and established the three-tier supply chain team comprised of the headquarters, branches and sub-branches through workshops. It completed the provision of 14 customized portfolio plans for strategic customers from mainstream industries.

The transaction banking optimized the "Boyin E-Chain (渤銀E鏈)" product series and introduced three major product series of "Yi Bao Tong (易寶通)", providing integrated service of "settlement + financing + wealth and asset management" for core enterprises in upstream and downstream industries. The transaction banking served over 400 core customers, with affiliated enterprises increased to over 1,300. The business size reached RMB96.77 billion. The transaction banking established product matrix for the "CBHB Haina Pool (渤銀海納池)" series, with accumulated investments made of RMB42.169 billion. It conducted pool financing business for 284 customers, with a total of RMB25.752 billion granted from corporate account overdraft.

The transaction banking integrated resources in the whole industrial chain of vehicle ecosystem, and launched the innovative "Easy Vehicle Sales (車銷易)" specialized vehicle financing service brand, thus creating "integrated" services covering parallel imported vehicles, dealers and used car export. The size of vehicle ecosystem supply chain business amounted to RMB19.73 billion, resolving the pain points for one-stop financial demands. It won the "Tenth China Supply Chain Financing Award for 2025 – Best Product Innovation (2025年第十屆中國供應鏈金融最佳產品創新獎)".

The transaction banking iterated the new-generation bill system, explored various scenarios such as "bills + vehicle/electricity/medical", and launched the "Easy Billing (承貼易)" product. It targeted on serving enterprises in various industries such as manufacturing industry, technology finance, green finance and small and micro enterprises. The bill business served over 10,000 enterprises, representing an increase of 1,500 from the beginning of the year, boosting the high-quality development of the real economy.

The transaction banking innovated the CBHB treasury service system, introduced three major models of "Smart Version (智享版)", "Premium Version (尊享版)" and "Direct Link Version (直通車)", and created full-scenario industry and financing treasury layout, becoming the first institution to launch treasury products among municipal legal entity banks in Tianjin. The coverage rate connecting to state-owned enterprises in Tianjin reached 34.48%. At the same time, it launched various scenario settlement products such as "CBHB E-Commerce Link (渤銀E商通)" and "CBHB E-Enterprise Link (渤銀E企通)", and continued to further develop the capital pool business of the group customers. The balance of deposits under cash management amounted to RMB36.497 billion, serving 969 customers.

The transaction banking put greater efforts on production innovation for international business. It launched the "CBHB Cross-Border Link (渤銀跨境通)" brand to establish ten major product system covering cross-border supply chain, cross-border investment and financing etc., providing strong support for the globalization and industrial upgrades of Chinese enterprises. In particular, with the implementation of integrated domestic and overseas service mode, the business size of cross-border supply chain business was boosted to RMB58 billion, driving a growth of over 30% in volume of international business and achieving leapfrog development. During the same period, the Bank successfully obtained the CIPS direct participant qualification, and became the first corporate bank in Tianjin to obtain such qualification. It established effective, secure RMB cross-border settlement channels, reflecting the significant improvement in cross-border financial service capability. Meanwhile, the transaction banking fully exploited the synergy effects between banking and insurance, launched the innovative comprehensive service plan of "overseas financing and leasing insurance + rental receivable financing", and focused on developing demonstrative projects for China-Africa cooperation, thus providing all-rounded financial support for enterprises in "going global".

Investment banking business

During the Reporting Period, the investment banking implemented the development strategy of light-model bank transformation, and focused on revitalizing the existing assets, utilizing new assets, and facilitating asset flows. Using hook products with comparative advantages as a business breakthrough point, it strengthened the ability to expand customer base, retain deposits, and improve efficiency through efficient use of capital such as bond underwriting, transaction facilitation, asset transfer, and engaging with the wealth management subsidiary.

During the Reporting Period, the bond lead underwriting business underwrote a total of 322 bonds of various types, with a total underwriting amount of RMB96.848 billion, representing a year-on-year increase of 6.01%. Among these bonds, there were 63 innovative bonds and special bonds of various types, with an underwriting amount of RMB16.742 billion, representing a year-on-year increase of 39.32%. The facilitation business strengthened the organization of advantageous funds in the non-bank market, and integrated various advantageous funds to provide customers with omnichannel financing services, which effectively addressed the pain points of customer financing and reduced the costs of customer financing. The size of the facilitation business reached RMB58.009 billion from January to June, representing a year-on-year increase of 34%. Closely following policy directions, the M&A business supported financing for M&A and restructuring transactions, with M&A loan granting and size continuing to grow. It successfully executed projects under several key scenarios, including industrial integration M&A and listed company M&A. The syndicated loan business continued to adhere to the concept of serving real economy development, and implemented projects such as syndicates for project construction and syndicates for urban redevelopment. Responding to national policy calls, it put greater efforts in expanding special loan business for stock repurchase and increase, and implemented several key projects, providing special loans for listed companies and their substantial shareholders and boosting capital market confidence, all while ensuring system precedence and compliant business operations.

Asset custody business

During the Reporting Period, the Bank continued to strengthen its custody operational service capacity by enhancing the specialized, digitalized and refined levels of the custody business. As guided by efforts in custody, and leveraging on scenarios and innovation, the Bank promoted the steady development of custody business. It expanded fund supervision business scenarios, and focused on fundraising supervision services. The Bank actively responded to government's call on investment fund development and leveraged its advantages of possessing dual licenses of "custody + asset management outsourcing", thereby supporting quality development of industrial investment funds. It also optimized the system and procedure establishment, and enhanced the digitalized level of operational services. As of the end of the Reporting Period, the size of the Bank's asset custody and outsourcing business reached RMB3,227.575 billion, realizing custody handling fee income of RMB100.3167 million. According to the statistics of the China Banking Association for the second quarter of 2025, the Bank ranked 20th in terms of custody size.

Inclusive finance business

During the Reporting Period, the Bank actively implemented the decisions and deployment of the Party Central Committee and the State Council regarding inclusive finance, deeply grasped keeping political consciousness in mind and putting people first in the financial work, and insisted on taking serving the real economy as both its starting point and ultimate goal. With "visiting thousands of enterprises and thousands of households" as the important starting point of serving private economy, the Bank facilitated the in-depth implementation of coordination mechanism for small and micro enterprise financing. Focusing on developing inclusive financial product series, the Bank continuously enhanced technology empowerment, promoted digital inclusive finance development, expanded coverage of inclusive finance, enhanced efficiency of inclusive finance services, and continued to contribute to inclusive finance. As of the end of the Reporting Period, the balance of inclusive loans of the Bank was RMB56.430 billion, representing an increase of RMB1.159 billion or 2.1% as compared to the end of the previous year. The number of inclusive loan customers was 141,957, representing an increase of 12,492 or 9.65% as compared to the end of the previous year.

(II) Retail Banking Business

During the Reporting Period, focusing on the people's ever-growing needs for a better life, the retail banking insisted on the three major development strategies of transforming itself into "account-oriented bank", "wealth management bank" and "ecosystem-based bank", further developed account operation, enriched product portfolios, and optimized business structure. It improved the convenience, availability and inclusiveness of financial services, enhanced customer experience for quality services, promoted steady development of retail business, and implemented the philosophy of serving the people through finance.

Retail customers

With in-depth implementation of strategic deployment of "account-oriented bank" and "ecosystem-based bank", and focusing on its core objectives of "easy account opening", "user-friendly account management" and "account value enhancement", the Bank continued to optimize and improve product functions and service experience. Firstly, the Bank continued to expand the "Boyin E-payment" ecosystem, enriched product portfolio, improved the "collection, management and payment" production functions, and innovated business models, so as to continuously empowering customer growth. Secondly, the Bank strengthened segment collaboration and coordination between the corporate and personal businesses, focused on the demands of agency customers, and continued to enrich customized products and services. Thirdly, leveraging on the development opportunities of the new economy and new retail, the Bank embedded and linked the "account + payment + financial products" comprehensive solution to the ecological platform, expanded service radiation, and improved its relationship with strategic partners. Fourthly, the Bank promoted digital empowerment, accelerated the capacity building of the digital middle office, and provided strong support for the transformation and upgrade of retail business.

As of the end of the Reporting Period, the total number of retail customers was 8,468,100, representing a net increase of 265,500 from the beginning of the year.

Wealth management

Centering on its strategic positioning of "wealth management bank", the Bank focused on customers of special projects, improved and diversified product layout to fulfill customer investment needs, continuously improved brand value, and enhanced product competitiveness and market recognition. As of the end of the Reporting Period, the scale of wealth assets increased by 5.91% year on year. In particular, the scale of retail deposits, retail wealth management and agency insurance increased by 6.30%, 5.02% and 40.82% year on year respectively, providing a solid foundation for the high-quality development of retail business.

The Bank focused on improving its comprehensive service capabilities for private banking, enriched the "Enjoy Bohai" wealth inheritance service system, and established a professional service team, so as to actively fulfill the diversified, all-rounded wealth management and inheritance needs of private banking customers. As of the end of the Reporting Period, the coverage of private banking customers holding high-profit products increased by 1.05 percentage points as compared to the beginning of the year.

Pension finance

The Bank put great efforts in pension finance and promoted the welfare of elderly. Strengthening the design of top level, the Bank established a comprehensive organizational structure for pension finance. It actively developed pension finance, diligently served the national three-pillar pension system, and continued to improve product offerings for personal pension accounts. The Bank innovatively expanded models for pension services and finance, and optimized and upgraded the "Boyin E-Finance" Botai pension product series. Focusing on building a pension ecosystem featured with characteristics of the Bank, the Bank fully promoted the dimensional development of pension finance, which fulfilled the new demand for differentiated, multi-level and high-quality Chinese modernized elderly care.

Retail loans

In actively responding to national policies and firmly centering on customer needs, the retail asset business of the Bank provided comprehensive financial services, supported consumption boost, and promoted high-quality development. Firstly, it achieved outstanding results in improving retail asset structure. The online procedures for personal housing mortgage loans have been comprehensively improved, which fully protected residents' demand for rigid and improvement housing loans. Secondly, personal business loans focused on blockchain scenario bulk marketing, put greater efforts in supporting real economy and finance, and improved both quality and efficiency of inclusive finance services. Thirdly, it accelerated the upgrade of product functions of personal consumption loans, and increased the level of automated services, thus promoting livelihood spending.

As of the end of the Reporting Period, the balance of personal loans amounted to RMB215,224 million.

Credit card business

The Bank continued to facilitate the transformation of credit card business, strengthened the functional positioning of credit cards, optimized and integrated application procedures, and fully enhanced customer experience. Focusing on high-quality customers of the Bank and targeting on the positioning of city card, the Bank introduced business credit cards to create city card experience and enhance its brand influence.

As of the end of the Reporting Period, the Bank had issued a total of 1,265,300 credit cards and achieved the loan scale of RMB3,449 million.

(III) Financial Market Business

During the Reporting Period, closely aligned with the requirements of the Central Financial Work Conference to "promote the high-quality development of the bond market" and "serve as the main force in supporting the real economy and the anchor for maintaining financial stability", the Bank's financial market business implemented the work requirements of the Bank's transformation and revitalization of high-quality development. Focusing on investment and research capabilities, taking trend management as the starting point, and following the guidance of customer service, the Bank strengthened the bond business model and product innovation, and maintained flexibility and adaptability of investment transaction strategies. Keeping abreast of latest market development, with technology sector in bond market as core breakthrough point and business growth driver, the Bank comprehensively improved the quality and efficiency of financial supply for serving technology innovation. The Bank dynamically implemented refined operation, and optimized investment portfolios, product structure and service standards. It made steady progress in the scale of various businesses, and greatly improved the transaction ranking. The Bank deepened its customer operation, adhered to the coordinated growth in customer management, provided one-stop comprehensive financial services including currency, bonds, foreign exchange, precious metals, interest rates, exchange rates and credit derivatives, and effectively served the real economy development.

Bond business

Facing the complicated and changeable bond market, the Bank strengthened the bond business development, flexibly utilized multi-strategy portfolio in asset allocation, actively explored bond trading value, earnestly fulfilled its obligation as a comprehensive market maker in the inter-bank bond market, enriched the variety of market-making transactions, and steadily improved comprehensive income from bonds.

During the Reporting Period, the Bank's "Bond Center" coordinated the whole Bank's bond business development, met customers' direct financing and indirect financing needs through comprehensive financial service schemes, actively participated in projects such as technology finance, green finance, inclusive finance, pension finance and digital finance, and strengthened financial support for key economic areas so that the Bank could elevate the customer level and comprehensive income. During the Reporting Period, the Bank successfully issued the first tranche of RMB5 billion sci-tech innovation bonds, becoming one of the first ten corporate banks issuing sci-tech innovation bonds in the market, and bringing financial vitality to technological innovation. The Bank launched the "Bohai Bank – CITIC Securities – Joint Quotation Basket for Sci-Tech Bonds of Beijing-Tianjin-Hebei Enterprises (渤海銀行－中信証券－京津冀企業科創債聯合報價籃子)", becoming the first institution in the Beijing-Tianjin-Hebei region as well as among the first in China to establish and quote the sci-tech bond basket.

During the Reporting Period, the trading volume of the Bank's bond business exceeded RMB2.16 trillion. The Bank won the "X-lending Active Institution in February", the "Star of Curve Strategy in March", the "Indicative Board Active Institution from January to June" and other awards from China Foreign Exchange Trade System (CFETS). The "China Bohai Bank Tianjin Port-Industry-City Integrated Development Bond Basket" was recognized as "Active Basket" by CFETS in March. Tianjin Local Government Bond Basket won the "Quotation Star of Bond Basket" in March.

In terms of bond underwriting, the Bank underwrote treasury bonds, policy financial bonds and local government bonds that worth RMB49.71 billion, RMB59.79 billion and RMB38.539 billion respectively, representing an increase of 5.61%, 8.67% and 26.12% year on year respectively. Notably, the Bank ranked 16th in the size of underwriting the financial bonds issued by China Development Bank, moving up by 1 place as compared to the beginning of the year. The Bank maintained its ranking of 12th in the size of underwriting the financial bonds issued by Export-Import Bank of China.

Treasury business

The Bank paid close attention to market trends, strengthened market research and judgment, and actively engaged in various fund trading businesses. During the Reporting Period, the Bank's trading volume in interbank lending, bond repo and open market operations reached RMB5.14 trillion. The issuance of interbank certificates of deposit reached RMB256.09 billion, representing an increase of 30.27% year on year. The Bank actively developed transaction counterparties, and earnestly performed its duty as a primary dealer. It also actively participated in various trading and innovative businesses at the China Foreign Exchange Trade System, and was recognized as an active repo trader and an active X-Repo institution by the CFETS for multiple times, which greatly enhanced its influence in the interbank market.

While facing economic inflation changes at home and abroad, the Bank flexibly utilized various foreign exchange trading strategies to effectively avoid market risks and improve pricing and trading capability. During the Reporting Period, the Bank maintained steady growth in foreign exchange market business, and continued to increase its market influence. The Bank's interbank market ranking in the trading volumes of RMB foreign exchange swaps and RMB foreign exchange options moved up 3 and 6 places respectively compared with the previous year.

As announced by CFETS on March 28, 2025, the Bank obtained the qualification of Trial Forward Swap Market Maker of Interbank RMB Foreign Exchange Market for 2025-2026. In the first half of 2025, the Bank was named as Outstanding RMB Foreign Exchange Forward Swap Member in Interbank RMB Foreign Exchange Market for 2024.

Agency business

During the Reporting Period, focusing on the "CBHB Hedging Solution" brand building, the Bank strengthened product innovation, improved the business system, and launched over 10 agency business products. The Bank strengthened customer promotion and marketing, provided customized business solutions, and kept on product training, compliance training and qualification examination to improve the skills of product managers. The Bank promoted the construction of the agency fund trading system, enriched product functions and improved business efficiency. Meanwhile, the Bank actively implemented the foreign exchange self-discipline mechanism, strengthened the advocacy of exchange rate risk concept, and promoted the entity corporate customers to continuously establish the exchange rate risk neutral concept. During the Reporting Period, the Bank maintained steady development in agency fund trading business.

Interbank customer management

During the Reporting Period, the Bank solidly promoted the integrated interbank customer management. By strengthening the application of customer territorial management and classification and stratification, the Bank kept building customer KYP profiles to continuously improve the average contribution of interbank customers. At the same time, the Bank promoted the construction of interbank customer manager team, improved the effectiveness of the financial interbank customer marketing platform, and implemented iterative upgrades to the interbank online banking system, so as to continuously enhance the digital management ability and improve the professional management level.

Wealth management business

During the Reporting Period, the Group continuously enriched wealth management product types, optimized product functions and provided customers with quality wealth management services. The wealth management subsidiary of the Bank actively expanded the agency sales channels outside the bank and broadened the asset management customer base. It had reached agency sales cooperation with 109 institutions.

During the Reporting Period, 219 wealth management products with a total sales amount of RMB321.189 billion were issued. As of the end of the Reporting Period, there were 369 wealth management products, with a balance of RMB216.879 billion, representing an increase of 24.97% as compared to the end of last year, of which net-worth wealth management products accounted for 99.37%. Among the wealth management products, closed-end products accounted for 38.80%, and open-end products accounted for 61.20%. The assets of wealth management products were mainly allocated in the fixed income category, of which bonds, bank deposits, public funds, non-standardized debts, bonds purchased under resale agreements and interbank deposits accounted for 39.85%, 16.37%, 13.70%, 10.21%, 9.16% and 7.67% respectively, while the remaining assets, including equity assets, accounted for 3.04%.

(IV) Online Financial Business

Continuously enhancing major product sales channels, with steady growth in active mobile users

During the Reporting Period, the Bank accelerated the intelligent upgrade of mobile banking, and continued to strengthen the foundation for retail customer service through swift version iteration. The Bank improved pension finance ecosystem, and optimized the functions of "Botai Elderly Version (渤泰長輩版)". It initially released the "HarmonyOS (鴻蒙版)" service, which enhanced the universal compatibility of mobile banking. Centering on intelligent upgrade for account service, diversified expansion of wealth ecosystem, and in-depth balancing between safety and experience, the Bank continued to strengthen its core competitiveness on digital finance. It established the joint defense mechanism for anti-fraud and threat alert platform, which effectively stopped the fund chains of telecommunication and online scams, thus creating a strong moat for steady business development.

Actively connecting omnichannel traffic ecosystem, systematically advancing quality and efficiency of digital operations

During the Reporting Period, the Bank deepened the dual-ecosystem integration of "WeChat + APP". Focusing on exploring the path for transition of public traffic towards private operation fields, the Bank actively established multi-channel interaction mechanism between WeChat ecosystem and mobile banking and other mechanisms, so as to comprehensively fulfill the diversified needs of customers. The Bank enhanced the unified identification system of WeChat ecosystem, and fully expanded its customer base of corporate WeChat clients. Through in-depth integration with WeChat ecosystem, the Bank realized scenario extension for financial services. Users can easily access one-stop financial service through WeChat, thus improving the convenience of business handling.

Strategically deepening cooperation with new economy platforms, unleashing value at different dimensions

During the Reporting Period, by embedding and linking "account + payment + financial product" into ecosystem platform, with a focus on property, vehicle and livelihood spending scenarios, the Bank deepened its cooperation with new economy platforms. In respect of individual customers, with "Earnest E-Deposit (誠E存)" product as starting point featuring full online business handling, secure fund protection and convenient customer operation, the Bank expanded the applicable multi-ecosystem scenarios for products. In respect of corporate customers, with e-commerce platforms in new economic fields, chain brands and customers under corporate digital transformation as target customers, the Bank offered general comprehensive service plans for corporate customers with its account payment products such as "CBHB Commercial Favorite (渤商贏)", and diligently provided addition services for individual customers, thus maximizing values of ecosystem projects.

Putting efforts in building remote smart hub, thus greatly enhancing comprehensive financial services

During the Reporting Period, the Bank focused on the construction of smart remote banking, and actively facilitated the strategic transformation centering on intensified, smart and digitalized operations. It further promoted the dual-driving smart operational mode of "intelligent + artificial", and enhanced the synergy of fundamental capabilities of remote bank and other channels. The Bank actively explored the in-depth integration of sci-tech innovation and remote bank ecosystem, accelerated the implementation of scenario application of new generation AI technologies such as large model, continued to create new quality productive forces by improving quality through intelligent technologies, and put its greatest efforts in building integrated remote financial service center featuring comprehensive functions, thus effectively improving customer satisfaction.

(V) Information Technology Construction

During the Reporting Period, adhering to the basic principles of serving the real economy with financial services, the Bank intensified and solidified the "five priorities". The Bank fully promoted and implemented digital finance. Through artificial intelligence, big data and cloud computing technologies, the Bank continued to enhance its independent control over key core technologies, and fully leveraged digital technology and data elements to empower its businesses, thereby helping the Bank achieve new results in supporting the real economy and contributing to its own high-quality development.

The Bank fully recognizes the strategic significance of financial standardization. During the Reporting Period, the Bank actively implemented relevant requirements for standardization in the financial sector, continued to improve benchmarking and compliance of its financial products and services, conducted self-evaluation of standardization in online banking and smart devices, and effectively implemented standard self-declaration and disclosure.

During the Reporting Period, the Bank deeply advanced its strategic layout for its technology talent system, and strengthened the construction of its team of interdisciplinary talents in technology. As of the end of the Reporting Period, the Bank had 1,497 technology personnel, accounting for 10.91% of its contract employees. Aiming at enhancing the practical effectiveness of technology empowerment, the Bank accelerated the advancement of its digital professional talent cultivation program. The Bank promoted the high-quality development of digital finance through talent innovation, thereby ensuring a stable talent supply for the Bank's digital transformation.

During the Reporting Period, the Bank made every effort to promote high-quality development in terms of information technology construction, with an investment in technology of RMB518 million. The Bank continued to strengthen its digital financial infrastructure support, and accelerated the construction of the new-generation distributed core system, the new-generation Integrated Funds Business Management System and the Data Lake-Warehouse Integrated System. The Bank focused on promoting the construction of "AI Application Engineering", having preliminarily completed the design and evaluation of the plan for the Bank's intelligent agent engineering platform construction, and built a multi-layered, multi-modal, and multi-model collaborative algorithm system for large models to actively promote the construction of key application scenarios in areas such as intelligent customer service, risk control, investment advisory, operational automation, and precision marketing to efficiently drive the digital and intelligent transformation and upgrade of businesses. The Bank focused on products and services for industrial digital finance, retail digital finance, and financial market digital finance. The product foundation and risk control foundation of Boyin Digital E-Loan (渤銀數E貸) were continuously optimized, the CBHB Treasury (渤銀司庫) service system was launched for the first time, the construction of elderly-friendly features and WeChat contract signing function for "four accounts under one account holder" on the mobile banking application was completed, and the asset penetration system was put into operation, thus being committed to providing customers with convenient, intelligent, safe, and efficient financial services while continuously enhancing our digital and intelligent operation management standards, and helping the Bank enhance the quality and efficiency of its financial services to the real economy in all aspects.

During the Reporting Period, the Bank continued to establish a comprehensive and proactive safety production operation system, ensuring the stable operation of all systems. The Bank continued to deepen its business continuity management, and promote the transformation of IT infrastructure. It completed the relocation of the "Tianjin Airport Economic Area" data center, and further optimized the disaster recovery deployment architecture of the three centers in the same city. It improved the level of refined operation and maintenance management, reinforced the safety foundation of production operations, and ensured the safe and stable information system operation.

(VI) Business Profile of Overseas Branch

Opened in 2020, the Hong Kong Branch of the Bank is the first overseas branch of the Bank. The Hong Kong Branch, as a licensed bank, operates a full range of corporate commercial banking services. At present, its scope of operations mainly involves wholesale banking and financial market business. Starting with syndicated loans and cross-border banking business, the Hong Kong Branch provides efficient and convenient offshore and onshore financial services to the customers from domestic branches with a product portfolio consisting of syndicated and bilateral loans, cross-border banking, trade financing, and agency fund trading. During the Reporting Period, in accordance with the tasks for the high-quality development of the head office throughout the year, centering on the head office's strategies and key clients, the Hong Kong Branch proactively optimized its structure while expanding asset scale, further focused on the needs of local enterprises, and deepened its interaction with entities in local market. It actively explored new modes for cross-border financial services, and engaged in money market business, bond investments, certificate of deposit issuance, notes issuance and foreign exchange transactions, etc. As of the end of the Reporting Period, the total assets of the Hong Kong Branch of the Bank were the equivalent of HK$18.3 billion.

(VII) Business Profile of Subsidiary

Established on September 6, 2022 with its registered office in Tianjin and a registered capital of RMB2 billion, CBHB Wealth Management is a wholly-owned subsidiary of the Bank, principally engaged in the issuance of wealth management products, investment and management of the entrusted investor assets, and consultancy and advisory services on wealth management.

As of the end of the Reporting Period, CBHB Wealth Management had total assets of RMB2,673 million and net assets of RMB2,543 million, and achieved operating revenue of RMB203 million and net profit of RMB105 million during the Reporting Period. It served over 900,000 investors, generating revenue of RMB2,477 million for investors in aggregate. During the Reporting Period, CBHB Wealth Management had 136 closed-end products expired, and all of them were settled in excess of the lower cap of performance benchmark.

During the Reporting Period, CBHB Wealth Management actively implemented the decisions and deployments of the Party Central Committee, took the initiative to promote the "five priorities", and continued to put greater efforts on wealth management services for major strategies, key areas of focus and weak links. Investment in sci-tech bonds amounted to RMB5.783 billion, representing an increase of 170.49% year on year. Investment in green bonds amounted to RMB3.090 billion, representing an increase of 223.56% year on year. During the Reporting Period, CBHB Wealth Management issued wealth management products under the green and sci-tech themes, and expanded the financing channels for enterprises in relevant sectors. It issued charity wealth management products to implement the concept of making good use of wealth. It issued specialized wealth management product share for elderly investors to fulfill the investment needs of elderly. It issued wealth management products that linked with bond index of the integrated development of port, industry and city in Tianjin and the free trade zone financing and leasing index, thus supporting the characterized industrial development in Tianjin.

X. COMPREHENSIVE RISK MANAGEMENT

(I) Comprehensive Risk Management Summary

During the Reporting Period, the Bank continued to establish the centralized, vertical and independent risk management featured with checks and balances, improved its capability in risk control over digitalization, and enhanced the visionary and effectiveness of risk management. It promoted the implementation of various requirements of the Board and regulatory authorities, strengthened various risk management, strictly complied with the baseline of compliance operation, safeguarded the baseline of avoiding systematic risk, fully facilitated risk management capability enhancement, and continued to improve effectiveness of risk management.

The Bank's Board of Directors and the Risk Management and Green Finance Committee (and the Related Party Transactions Control Committee subordinated to it) under the Board of Directors, the Audit and Consumer Rights Protection Committee under the Board of Directors, the Board of Supervisors, senior management and its Risk Control Committee, Assets and Liabilities Management Committee and Information Technology Committee, together with Risk Management Department, Credit Review and Approval Department, Asset Monitoring Department, Asset Resolution Department, Assets and Liabilities Management Department, Internal Control and Compliance Department, Legal Affairs Department and other functional departments for various operational risks, General Office (Public Relations Department), Office of the Board of Directors and Audit Department of the Head Office, as well as the risk management functional departments of subsidiaries and branches, jointly form the major organizational structure of the Bank's risk management.

The Board of Directors of the Bank assumes the ultimate responsibility for comprehensive risk management. The Risk Management and Green Finance Committee is set up under the Board of Directors, which is responsible to the Board of Directors. The Board of Supervisors of the Bank is responsible for the supervision of comprehensive risk management and is responsible for supervising the performance of the Board of Directors and the senior management in risk management and the rectification. The senior management shall assume the responsibilities for implementing comprehensive risk management and executing the resolutions of the Board of Directors.

The Bank has senior management personnel (the chief risk management officer) in charge of risk management line, who shall be responsible for leading the relevant departments of the risk management line to carry out work under the risk management framework of the Bank. The chief risk management officer maintains independence and can directly report the overall risk management to the Board of Directors.

The Bank has established a risk prevention system consisting of three lines of defense against each main risk to which it is exposed. The first line of defense of risk management is formed by various business departments, branches and sub-branches, which are directly responsible for carrying out their risk management functions. The second line of defense is departments of risk management line, Assets and Liabilities Management Department, Internal Control and Compliance Department, the General Office (Public Relations Department) and Office of the Board of Directors, which assume responsibilities for formulating policies and procedures, supervising and managing risk. The third line of defense of risk management is the Audit Department, which assumes audit responsibilities for the performance of the first and second lines of defense.

(II) Credit Risk

The Bank adhered to the comprehensive, vertical and independent management modes for credit risk. At head office level, the Bank established the Risk Management Department, Credit Review and Approval Department, Asset Monitoring Department and Asset Resolution Department. At branch level, the Bank established the risk director, who was accountable to the chief risk management officer.

During the Reporting Period, the Bank insisted on following the guidance of strategic goals, focused on two major themes of "serving the real economy and preventing financial risk", and strengthened its capability in active risk management and value creation. Credit risk management system was further improved, with credit risk management technologies and methods further optimized. The management procedures gradually shifted to online and digital modes. Quality and efficiency of credit review and approval further improved, and asset quality remained steady. The overall credit risk was under control.

The first is to consolidate asset quality. The Bank continued to facilitate the collection and resolution of non-performing assets, expanded disposal channels, and comprehensively enhanced the effectiveness of risk mitigation. As of the end of the Reporting Period, the non-performing loan ratio of the Bank was 1.81%. It fully implemented the new financial instrument standards, followed the principles of prudence, timeliness, effectiveness and objectivity to make provision for impairment of financial assets included in the scope of impairment provision, and further increased the provision for impairment, to ensure that the Bank can strengthen its risk resistance ability under unfavorable environment of continuous slowdown in economic growth. As of the end of the Reporting Period, the balance of provision for financial asset impairment of the Bank amounted to RMB39,168 million in aggregate, representing an increase of RMB3,236 million from the end of last year. The Bank put greater efforts in supervision and inspection on post-lending management, realizing systematic management of post-grant supervision. It tracked and analyzed the completion progress of key customer monitor report, post-lending inspection report and financial statement record, thus further improving the standard of post-lending management. The Bank enhanced risk spillover monitor, conducted risk assessment and comprehensive judgment on each customer with risk alert, and simultaneously established tracking and supervision mechanism and issued risk warning, so as to enhance the quality and efficiency of asset quality management. The Bank strengthened risk monitor on non-credit business, especially the market-to-market operations for bond investment business, and facilitated asset structure optimization and adjustment.

The second is to strengthen basic management. The Bank successfully launched and applied the collateral management system, which included collateral access management, value management, charge management, appraisal institution management and various functions, thus realizing the three-dimensional management over collateral on full lifecycle (from access to release), type (four major types of collateral under regulatory standard) and subject (object, right and certificate), and regulating the unified and standardized procedure management of collaterals. It focused on improving the efficiency of review and approval processing, and optimized supportive tools. It effectively strengthened review and approval supporting service capability, and pushed forward risk management in advance. It continued to optimize review and approval management systems and mechanisms, and enhanced supervision on branches. It comprehensively optimized procedures of review and approval management system, and strengthened awareness on rules. It continuously improved efficiency of review and approval resources allocation, and enhanced its professionalism. The Bank continued to conduct credit risk stress test and various special stress test, and comprehensively assessed the impacts of various potential risks in credit risk aspect.

The third is to optimize the credit structure. The Bank published the "China Bohai Bank 2025-2026 Credit Policy", which formulated the overall credit policies for the whole bank in terms of key industry, region, product and customer, covering 19 sectors and 67 industries and fields, and forming 102 regional differentiated credit policies. The Bank comprehensively reviewed 1,382 national standard industry credit structure adjustment strategies, thereby effectively delivering risk appetite and guiding the credit structure optimization and business transformation development of branches. The Bank published the "China Bohai Bank 2025 Credit Risk Limit Plan", which set limits from five aspects of industry, region, product, customer and special project, thereby enhancing credit risk limit management of the Bank.

The fourth is to improve the system model. The Bank further optimized and upgraded the credit risk management system to improve the efficiency of unified comprehensive credit granting, and improved functional module of customer concentration limit to strengthen the effect of customer concentration limit on credit risk management. It continued to iterate and optimize retail credit risk models and strategies, improved risk identification capability, and supported review and approval decision-making, thus realizing the dual goals of labour-effective review and approval and risk management. The Bank iterated and upgraded retail risk management cockpit, and enhanced the contribution of real-time market-to-market monitor to credit review and approval and business marketing.

(III) Liquidity Risk

The Bank adopts a centralized approach with respect to its liquidity risk management under the policies and guidance of the Board of Directors. Liquidity risk is managed on three levels from the Board of Directors to senior management and down to individual departments, so that all the Bank is involved in the liquidity risk management. The Assets and Liabilities Management Department is the leading department in managing the liquidity risk, and is responsible for formulating liquidity risk management strategies, policies and procedures, and identifying, measuring, monitoring and controlling liquidity risk, and ensuring the Bank's overall liquidity risk is controlled within its risk tolerance based on cash flow gap analysis, with the help of intraday position management, early-warning indicators and limit control, among other means and methods, and by conducting stress testing and crisis response exercises, strengthening market prejudgement and implementing dynamic liquidity risk management. The current liquidity risk management policies and systems are in line with regulatory requirements and the Bank's own management needs. At the same time, the Bank has established and continuously improved a comprehensive and systematic liability business management and risk control system to continuously improve the efficiency and level of financial services to the real economy. The corporate business line, retail business line and financial market line, among others at the head office, and subsidiary, overseas branch and domestic outlets engage in their business activities in compliance with the liquidity risk management policies, appetite, processes, limits and other requirements as set down by the Board of Directors and senior management.

Adhering to the concept of prudent liquidity risk management, the Bank implements the integrated management of local and foreign currency under principle of ensuring safety payment. For medium- and long-term liquidity risk management, the Bank strengthens management measures on dynamic arrangement concerning maturity structure of assets and liabilities, price guidance, investment and financing strategy update and internal limit, realizing steady capital source expansion and optimization of maturity structure of assets and liabilities. For short-term liquidity risk management, the Bank implements the integrated intraday position management of local and foreign currency, estimates the position needs of various business funds by currency type, reasonably deploys short-term investment and financing strategies, and maintains balance between liquidity and profitability, so as to ensure safety payment across the Bank.

The Bank's core indicators of liquidity risk mainly include liquidity ratio, liquidity coverage ratio, net stable funding ratio and liquidity matching ratio. To ensure that the core indicators are in line with the Bank's risk appetite, the Bank has formulated a planning scheme with reference to the above indicator preferences and broken it down accordingly into the liquidity management scheme of each business. The Bank set internal limits for liquidity risk on debt securities pledged and maturity mismatch, guiding various operating departments to manage liquidity risks in daily operation. Enforcing the establishment and analysis of customer behaviour models, leveraging liquidity management models that use prudent assumptions on the Bank's cash inflows and outflows from its assets and liabilities, and by monitoring, analysing and managing its compliance with regulatory indicators and internal limits, the Bank has been able to maintain a sound liquidity position.

The Bank focuses on the adjustment and optimization of asset structure, and establishes a 3-level liquidity reserve system focusing on high liquidity assets such as cash and excess reserve, interest rate debt, local debt, commercial bank financial bond, short-term deposit and placement and open-end fund, thus effectively fulfilling the liquidity risk management requirements under normal and emergency situation and meeting different payment requirements. In addition, the Bank continues to expand its various debt channels, actively strengthens the degree of participation in the issuance of financial bonds, inter-bank customer relationship management and open market operations of the PBoC, expands interbank credit, builds up emergency fund reserves, attempts to expand the Bank's medium- and long-term stable sources of liabilities, so as to improve the Bank's financing ability under high liquidity pressure.

In order to cope with the potential impact arising from fluctuation of capital market and changes of macroeconomic environment, the Bank conducts liquidity risk alert monitor on a daily basis, performs liquidity risk stress tests on a quarterly basis, assesses stress test models and updates and adjusts the parameters and conditions of stress tests on an annual basis, and conducts liquidity emergency drills on an annual basis, ensuring early discovery and prevention of risk alerts. The Bank conducts test of cash flow gaps in the future 7 days, 30 days and 90 days and liquidity ratio in 30 days, and implements shortest lifetime management of the Bank by introducing the internal and external factors to test the Bank's tolerance of liquidity risks under different stress scenarios through simulation of decline in the price of marketable securities and outflow of deposits. The Bank's shortest lifetime consistently exceeds the regulatory requirement of 30 days.

The Bank has formulated the Liability Quality Management Measures of CHINA BOHAI BANK CO., LTD., which establishes a liability quality management system compatible with the Bank's business strategy, risk appetite and overall business characteristics, on three levels from the Board of Directors to senior management and down to individual departments. The Bank adopts a centralized approach featuring joint monitoring and standardized statistics with respect to its internal management model. During the Reporting Period, the Bank formulated liability quality management strategies focusing on the stability of liability sources, the diversity of liability structures, the rationality of matching liabilities with assets, the initiative in acquiring liabilities, the appropriateness of liability costs, and the authenticity of liability items, constantly optimized the liability structure, reasonably promoted the growth of liability scale, and ensured the steady development of the Bank's liability business. During the Reporting Period, the overall quality of the liabilities improved, and the monitoring indicators remained generally stable while showing some improvement.

During the Reporting Period, liquidity remained reasonably adequate with a stable and controllable liquidity risk level, all liquidity regulatory indicators met regulatory requirements, and major monitoring indicators operated smoothly, with no significant and material liquidity risk incidents occurred. As of the end of the Reporting Period, the Group's liquidity ratio reached 88.06%; the liquidity coverage ratio was 128.93%; the net stable funding ratio was 108.25%; the liquidity matching ratio (on a legal person basis) was 124.52%.

According to the requirements of the Measures for the Disclosure of Information on Net Stable Funding Ratio by Commercial Banks (《商業銀行淨穩定資金比例信息披露辦法》), the following table sets out the Group's net stable funding ratio indicator, available stable funding for the numerator item, and required stable funding for the denominator item at the end of June and March 2025:

(Unit: RMB'000)

	June 30, 2025	March 31, 2025
Net stable funding ratio (%)	108.25	107.89
Available stable funding (in RMB)	1,008,488,158	1,002,062,665
Required stable funding (in RMB)	931,632,419	928,741,163

The following table shows the Group's liquidity coverage ratio indicator:

(Unit: RMB'000)

	June 30, 2025	March 31, 2025
Liquidity coverage ratio (%)	128.93	147.17
Qualified high-quality liquid assets (in RMB)	213,321,479	174,089,368
Net cash outflow in the next 30 days (in RMB)	165,452,426	118,293,721

The following table shows the analysis of the Group's non-derivative assets and liabilities based on the relevant remaining maturity dates:

(Unit: RMB'000)

	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	Indefinite	Total
Assets	122,579,292	179,681,108	113,259,003	425,186,414	492,915,105	358,360,927	129,220,001	1,821,201,850
Liabilities	280,560,605	200,819,143	298,310,669	611,965,360	313,570,657	664,976	3,047,488	1,708,938,898
Net liquidity	**(157,981,313)**	**(21,138,035)**	**(185,051,666)**	**(186,778,946)**	**179,344,448**	**357,695,951**	**126,172,513**	**112,262,952**

(IV) Market Risk

The Bank has implemented new requirements under the Administrative Measures on Market Risk of Commercial Banks. It incorporates market risk into the comprehensive risk management framework, and establishes the 3-level top-down market risk management structure comprised of the Board of Directors, senior management and administrative departments. The Board of Directors assumes the ultimate responsibility for market risk management, reviews and approves the basic market risk management system to ensure that it is aligned with strategic objectives, and reviews and approves the risk appetite to ensure the establishment of a market risk limit management mechanism keeping market risks within acceptable limits. The senior management assumes the responsibility for the implementation of market risk management. The Assets and Liabilities Management Committee under the senior management is responsible for developing, regularly reviewing and overseeing the policies, procedures and workflows relating to market risk, and delineates market risk limits based on the risk appetite outlined by the Board of Directors. The business operation departments, the Assets and Liabilities Management Department at the head office and the internal audit departments form the three lines of defense for market risk management of the Bank. In particular, the Assets and Liabilities Management Department at the head office is responsible for leading the establishment of the market risk identification, measurement, monitoring, control and reporting mechanisms to ensure that the risk appetite set by the Board of Directors is met.

The Bank's market risk management is governed by a comprehensive, sound and prudent principle, and its overall goal is to control the market risk level within its tolerance, by organically combining the identification, measurement, monitoring and control of market risks with the Bank's major operational and management activities including strategic planning, business decision-making and financial budgeting.

The Bank has established a comprehensive market risk management system covering all aspects, including identification, measurement, monitoring and control. In respect of trading books, the Bank mainly measures, manages and controls market risk through basis point value, value at risk (VAR), position limit, duration and stop-loss limits to ensure that the anticipated income of the trading books matches the trading exposure. In response to exchange rate risk, the Bank applies exposure analysis and limit management, and effectively manages on-balance sheet foreign exchange risk exposure through derivative financial instruments, such as exchange rate swaps and exchange rate forwards, so as to keep the Bank's total foreign currency exposures to a low level. During the Reporting Period, the cumulative foreign exchange exposure ratio within the scope of consolidation of the Bank was 0.87%. In addition, the Bank conducts stress tests on a regular basis to identify and measure the potential impacts under unfavourable market condition.

The Bank's market risk-weighted assets measurement uses the simplified standardized approach, and the market risk capital provision covers interest rate risk and specific risks in the trading books, as well as all exchange rate risks and commodity risks. As the trading position is relatively small, the market risk capital occupation is low. During the Reporting Period, the Bank had no significant and material market risk incidents.

(V) Interest Rate Risk in the Banking Book

The Bank, in strict compliance with relevant requirements under the Guidelines for the Management of Interest Rate Risk in the Banking Book of Commercial Banks (Revised) (《商業銀行銀行賬簿利率風險管理指引(修訂)》), establishes comprehensive governance structure and management procedures for interest rate risk in the banking book, covering interest rate-sensitive banking book assets, liabilities and relevant off-balance sheet items. The Bank primarily applies measurement tools such as gap management, sensitivity analysis and duration analysis to manage interest rate risk in the banking book, covering major sources of risk such as exposure risk, benchmark risk and option risk. The Bank constantly optimizes a net interest margin analysis system that combines dynamic and static conditions. On the basis of quantitative models and qualitative analysis, the Bank continuously reinforces the research and judgment of interest rate trends, so as to provide decision-making basis for tasks such as allocation of asset-liability structure. During the Reporting Period, the Bank's interest rate risk in the banking book was stable and under control.

(VI) Operational Risk

In the first half of 2025, in accordance with the relevant requirements of the Operational Risk Management Measures for Banking and Insurance Institutions issued by the National Financial Regulatory Administration, the Bank, based on its actual circumstances, basically completed the optimization of its operational risk management system in accordance with the principles of consistency, cross-functionality, and effectiveness. It revised its operational risk preferences and management policies, established three sets of management measures for operational risk assessment, risk monitoring, and loss data collection, and completed the staffing of dedicated operational risk management positions in the head office's front-line departments. The Bank formulated and implemented the 2025 Operational Risk Key Assessment Plan, preliminarily completed the collection of 10 years of historical operational risk loss data, compiled the annual operational risk management report and submitted it to regulatory authorities, and put the new operational risk management system into operation. These measures provided safeguards to prevent major operational risk incidents or cases and ensure that operational risk preferences are not exceeded. During the Reporting Period, the Bank had no material operational risk incidents.

(VII) Capital Management

The Bank implements comprehensive capital management, including capital planning, internal capital adequacy assessment, capital replenishment and emergency measures, capital budgeting and allocation, economic capital assessment, capital monitoring and early warning, capital measurement and reporting, information disclosure, etc. The capital management objectives of the Bank are to stabilize the capital base, enhance capital strength, promote bank value creation with economic capital as the core, achieve a beneficial balance among capital constraints, risk management, and shareholders' returns, and maintain a satisfactory level of capital adequacy, so as to effectively deal with major risks and unexpected losses and ensure steady operation and sustainable and healthy development of the Bank. The Bank calculated, managed and disclosed capital adequacy ratio based on the Rules on Capital Management of Commercial Banks (《商業銀行資本管理辦法》) and other relevant regulations. As of the end of the Reporting Period, the Group's capital adequacy ratio at all levels met the minimum capital requirements, reserve capital requirement and countercyclical capital requirement of the National Financial Regulatory Administration.

In order to achieve the capital management objectives, the Bank adopted the following management measures during the Reporting Period: formulating capital budgeting and capital planning based on development strategic objectives, risk appetite, financial budget and other factors, arranging the asset structure rationally under capital constraints; proactively optimizing the asset allocation strategy and appraisal management system, enhancing the coordination and interaction between asset allocation and business development, and increasing flexibility of asset allocation; supporting the healthy and stable growth of its business on the basis of strengthening capital regulatory standards. In line with new capital regulations and policies, and taking into account the Bank's internal management framework, it established a comprehensive and scientific capital management system to improve the professional efficiency of its refined capital management work. It thoroughly researched the latest regulatory trends and, using economic capital return levels as a benchmark, formulated differentiated assessment and incentive policies to guide business lines in identifying core high-quality customers, actively expanding capital-saving businesses, and improving capital utilization efficiency, realizing "light capital" transformation. It perfected the internal capital adequacy assessment system, improved the comprehensive risk management framework, regularly carried out internal capital adequacy assessment process, and formulated emergency plans in response to stressful situations. The Bank improved its rolling mechanism for medium- and long-term capital planning on an annual basis, laying a forward-looking foundation for its medium- and long-term capital management. It actively promoted various internal and external capital replenishment initiatives and issued various capital replenishment instruments as and when appropriate to optimize its capital structure and promote balanced growth in all levels of capital. During the Reporting Period, there were no material significant risk events in the Bank's capital management.

(VIII) Information Technology Risk

During the Reporting Period, as the Bank fully carried out information technology development and management and continued to promote information technology risk management, there was no material significant technology risk incidents and information technology risks were generally under control.

(IX) Compliance Risk

Compliance risk status

Compliance risk refers to the possibility of the Bank or its employees bearing criminal, administrative or civil liabilities, or incurring property damage, reputation loss and other negative impacts due to violations of compliance regulations in the operation and management practices of the Bank or the duty performance of such employees.

The Bank's compliance risk management structure is composed of Board of Directors, Board of Supervisors, senior management, Risk Control Committee, Internal Control and Compliance Department, Audit Department, and various business and functional departments and branches and sub-branches. The Board of Directors is responsible for reviewing and approving the basic compliance management system and assumes ultimate responsibility for the effectiveness of compliance management. The senior management is responsible for implementing compliance management objectives and promoting the implementation of compliance management policies and systems, whereas the Internal Control and Compliance Department promotes the daily compliance management across the bank. Each of business and functional departments and branches and sub-branches bears the primary responsibility for compliance management.

During the Reporting Period, the Bank deepened the compliance review with system review as the main body, proactively identified, assessed and controlled the compliance risks of new products, new businesses and major projects, strictly controlled the advance pass of compliance risks, and kept the bottom line of compliance; the Bank continuously paid attention to and tracked the introduction and changes of regulations, and implemented regulatory requirements into business management in a timely manner by making express and summary of regulations and internalizing the external regulations; the Bank planned systems and sorted the evaluation, to promote system establishment, revision and repeal.

During the Reporting Period, the Bank had no material compliance risk incidents.

Anti-money laundering risk status

The Bank earnestly implements the requirements of regulatory policies, comprehensively consolidates the foundation of anti-money laundering management, and diligently performs the basic obligations of anti-money laundering. It continues to strengthen the effectiveness of its anti-money laundering management through key measures such as optimizing management mechanisms, improving business systems, and focusing on capability enhancement.

During the Reporting Period, the Bank strictly implemented the new regulations on management of beneficial owners, established a new beneficial owner system, set up an internal processing link for the verification of beneficial owners, actively carried out the internal publicity work on the information management system of beneficial owners, and guided branches to take appropriate measures to steadily implement the publicity and notification work for the registration of beneficial ownership information for all existing corporate and interbank customers of the Bank. The Bank solidly promoted anti-money laundering publicity and education, with the new Anti-Money Laundering Law as the core, through branch-based publicity, lectures on anti-money laundering knowledge at schools and companies, community and commercial district outreach, and internal employee training to broaden the influence of anti-money laundering publicity, enhance public awareness, understanding, and cooperation with anti-money laundering efforts, and effectively fulfill the social responsibilities as a financial institution. It further improved the anti-money laundering internal control system, and published the Management Measures of China Bohai Bank on Prevention of Illegal Fund Raising. By optimizing the anti-money laundering system, strengthening the money laundering risk management of business products, and organizing internal "learning from an example and apply it to others" training, it was committed to implementing the rectification measures against the issues identified during the inspection of the PBoC.

During the Reporting Period, the Bank had no material money laundering risk incidents.

(X) Strategic Risk

During the Reporting Period, the Bank further clarified its development direction and accelerated the implementation of its strategies. The strategic risks were stable and manageable in general. No major strategic risk incidents occurred. The Bank made concerted efforts to overcome difficulties and complete the Fourth "Five-Year Plan". Focusing on strategic implementation, streamlining mechanisms, removing bottlenecks, and stimulating vitality, the Bank adhered to quality improvement as a prerequisite and fundamental principle, consolidating the foundation for development, and revitalizing existing assets as an urgent and key task to achieve a streamlined structure, and optimizing new assets as a path and support to accumulate momentum for development. The Bank made good plans and promoted the formulation of the Fifth "Five-Year Plan" with high quality. The Party Committee of the Bank led a dedicated task force to promote the planning process at a high level. The Bank adhered to aligning its development direction with national strategies and its business priorities with industrial transformation trends, emphasizing political consciousness, leadership, continuity, and implementation, thus achieving "drawing a blueprint to the end".

(XI) Reputational Risk

Reputational risk refers to the risk of forming negative evaluation of the Bank by stakeholders, public or media due to the Bank's operations, management and other activities, employees' behavior or external events, etc., which in turn damages the brand value of the Bank, has an adverse effect on its normal operation, and even affects market stability and social stability.

The Bank has incorporated reputational risk into its corporate governance and comprehensive risk management system, and always adheres to the guiding ideology of "enhancing awareness and focusing on prevention, close monitoring and proper handling, positive guidance and expanding publicity". Assuming its primary responsibilities, the Bank manages in a proactive and forward-looking manner and actively prevents material reputational risks. The Bank has further improved its reputational risk management system, enhanced the risk prejudgement of potential public opinions, continuously improved the risk warning mechanism, and enhanced the investigation and drills of public opinion risks, so as to continuously move the "gate" of risk prevention forward. While preventing risks, the Bank has taken the initiative to act, and plan in advance, to actively carry out external news and publicity work. Closely aligning itself with the "five priorities" put forward by the Central Financial Work Conference and the "Ten Actions" for Tianjin's high-quality development, and in line with the Bank's business positioning of the "Nine Major Banks", the Bank has conducted in-depth study of publicity highlights and continuously maintained positive publicity and results to continuously improve the Bank's reputation. During the Reporting Period, the Bank's reputation was effectively managed and its reputation capital continued to strengthen.

(XII) Country Risk

The Bank has incorporated country risk management into its comprehensive risk management system. The Board of Directors undertakes the ultimate responsibility for the effectiveness of monitoring country risks. The senior management is responsible for implementing the country risk management policies approved by the Board of Directors.

The Bank continued to strengthen its management on country risks. In accordance with the Country Risk Management Measures of CHINA BOHAI BANK CO., LTD. (2024 Revised Version), the Bank formulated the Country Risk Rating and Limits Management Scheme of CHINA BOHAI BANK CO., LTD. for 2025, which re-examined the list of countries and regions participating in the Bank's country risk rating, determined the classification of country risk levels mainly based on long-term sovereign credit ratings, and determined the country risk limits program for 2025 by taking into account the development of the Bank's business and the implementation of the country risk limits for 2024. During the Reporting Period, the Bank had a low or a relatively low country risk level in terms of the final overseas claim involving the country or region where the debtor is located. There were no overseas claims involving countries with higher and high-level country risk, and the balance of final overseas claims met the Bank's country risk limits requirements. The overall country risks were controllable.

(XIII) ESG Risk

The Bank has incorporated ESG risk management into the comprehensive risk management system, specified its ESG development strategies, improved its ESG governance structure, strengthened ESG risk management, reinforced social responsibility management, conducted ESG information disclosure, and built a sustainable development bank.

In terms of ESG strategy, the Board of Directors of the Bank pays close attention to ESG related issues and the development of green finance business, supports the "five priorities" on technology finance, green finance, inclusive finance, pension finance and digital finance, empowers green development with green finance, and increases support for green, low-carbon and circular economy to prevent ESG risks and improve its own ESG governance capabilities.

In terms of ESG governance structure, the Board of Directors of the Bank is ultimately responsible for ESG governance, the Board of Supervisors supervises and evaluates the fulfillment of ESG-related duties by the Board of Directors and the management, and the management supervises and guides ESG risk management in business operations and promotes the implementation of specific ESG management tasks. The Risk Management and Green Finance Committee, the Development Strategy and Inclusive Finance Committee, and the Audit and Consumer Rights Protection Committee under the Board of Directors of the Bank hold regular meetings to review ESG management-related issues, pay attention to the progress of ESG management-related tasks, and address important ESG management-related matters.

In terms of ESG risk management, the Bank has formulated the ESG Risk Management Policy of CHINA BOHAI BANK CO., LTD., and the Management Measures of ESG Risk of Credit Business of China Bohai Bank to strengthen customer classification management and continuously identify, assess and monitor the ESG risks of credit customers.

In terms of environmental and social responsibilities, the Bank fulfils corporate social responsibility, creating value for shareholders, customers, employees, society, the environment and other stakeholders, and realizing sustainable development while promoting social harmony and progress.

In terms of ESG information disclosure, the Bank has constructed an ESG information disclosure system, including annual ESG (social responsibility) report and environmental information disclosure report, to improve the transparency of ESG management, and to accept the supervision of the public and regulatory authorities.

XI. OUTLOOK OF THE SECOND HALF OF 2025

(I) Economic, Financial and Banking Industry Outlook

In the second half of 2025, international trade disputes and geopolitical conflicts will continue to hinder world economic growth, the delayed impact of tariffs may become more apparent, and the risk of global stagflation will increase. Major economies will rely more on debt expansion and the US dollar index may weaken.

In the second half of the year, the domestic economic operation is expected to remain stable. China's efforts to boost consumption and support technology innovation will still be the main development themes. Infrastructure investment will still provide important support for stable growth, manufacturing investment may maintain a certain degree of resilience, urban development will shift to focusing on improving the quality and efficiency of existing assets, and the drag on the economy from real estate investment may be weakening marginally. Affected by the US tariff policies, the external demand will still face downward pressure. Meanwhile, as the central government further promotes the building of a unified national market and steps up efforts to address rat race competition, the supply and demand pattern is expected to improve marginally.

In the second half of the year, it is expected that the fiscal policy will remain proactive and effective, the credit demand of the real economy will continue to recover, and the return on assets of commercial banks is expected to stabilize. It is expected that the trend of interest rate cut will remain unchanged, and the liquidity will remain relatively abundant. The improved economic activities will drive the proportion of demand deposits to rebound, potentially alleviating pressure on the liability side of banks. In addition, as regulators pay attention to the health of interest margins in the banking industry, it is expected that the decline in interest margins in the banking industry may further slow down. In the second half of the year, banks' intermediary income may see some improvement due to a rebound in the capital market, while the growth of other non-interest income is more uncertain. Overall, with the mitigation of risk exposures and the continued improvement of asset quality, the banking industry will operate more prudently.

(II) Guiding Ideology and Major Measures for the Bank's Business Development in the second half of 2025

In the second half of 2025, the Bank will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implement the guiding principles from the 20th CPC National Congress and the second and third plenary sessions of the 20th CPC Central Committee, deeply implement the important statements from General Secretary Xi Jinping on finance works, and the decisions and arrangements of the Party Central Committee and the State Council, and fully implement the regulatory policies and work requirements of the Tianjin Committee of the CPC and Tianjin Municipal People's Government. The Bank will stay committed to pursuing progress while ensuring stability, promoting stability through progress, upholding fundamental principles and breaking new ground, and establishing the new before abolishing the old. It will promote systematic integration and efficient coordination. The Bank will insist on taking a target-oriented and problem-oriented approach, promote structural adjustment, achieve functional improvement, advance model switch, and realize business transformation. The Bank will earnestly fulfill its political mission of "five priorities", serve the development of Tianjin's unique finance (industrial finance and shipping finance), and firmly promote the implementation of the "Nine-Five-Three-One" system. The Bank is determined to transform its strategy into tactics and take actions to achieve results.

Major work measures: Firstly, promoting full and rigorous Party self-governance to lay a solid foundation for high-quality development. Adhere to comprehensive Party leadership, firmly establish political loyalty, maintain a clear direction for development, uphold the concept of accountability, and consistently maintain strict tone, strict measures and strict atmosphere. Secondly, fulfilling financial objectives and enhancing capabilities in serving the real economy. Putting utmost efforts in implementing the "five priorities", focusing on key areas, strengthening systematic policy implementation, optimizing organizational safeguards, and continuously innovating industry financial service models. Thirdly, focusing on operational fundamentals and improving asset and liability management. Enhancing comprehensive planning of liabilities, improving the logical layout of operating assets, and optimizing and upgrading the business model. Fourthly, promoting business transformation, facilitating the transformation of the "Nine Major Banks", and implementing the construction of the "Five Factories". Fifthly, promoting ten projects, including risk appetite, process re-engineering, and AI application, and establishing six teams, including industry, region, and product teams, to ensure the implementation of the strategy and improve operational efficiency and quality. Sixthly, deepening the reform of the "Three Systems" and enhancing organizational safeguards. Serving the high-quality development of China Bohai Bank in a better way by promoting organizational structure optimization and reshape, giving full play to the guiding role of performance appraisal, and improving remuneration allocation mechanism. Seventhly, enhancing risk control and compliance and adhering to the basic laws of business development. Strengthening comprehensive risk management, adhering to risk control logics, keeping risk and business advance with times, continuously facilitating the construction of internal control, fraud prevention and operational risk systems, and comprehensively improving the risk control and compliance standards. Eighthly, accelerating digital transformation and continuously enhancing digital empowerment. Facilitating the construction of four major enterprise-level projects, expanding the large model layout, and focusing on the comprehensive planning for precise risk management, personalized customer marketing, intelligent product operation and automated internal management, thus actively empowering the high-quality development across the Bank. Ninthly, implementing lean management and improving the quality and efficiency of service. Putting greater efforts in management works on financial support, operating services, system construction, network security, consumer protection as well as safety and stability, continuously addressing shortcomings in development and planning for the long term, and vigorously improving lean management standards.

Changes in Share Capital and Information on Shareholders

I. CHANGES IN ORDINARY SHARES

There was no change in the Bank's ordinary shares during the Reporting Period. The Bank's ordinary shares are as follows:

	December 31, 2024		Changes during the Reporting Period (shares)	June 30, 2025	
	Number (shares)	Percentage (%)		Number (shares)	Percentage (%)
Domestic Shares	11,561,445,000	65.09	–	11,561,445,000	65.09
H Shares	6,200,555,000	34.91	–	6,200,555,000	34.91
Total ordinary shares	**17,762,000,000**	**100.00**	**–**	**17,762,000,000**	**100.00**

Note: As of the end of the Reporting Period, the Bank had 76 Shareholders, including 11 holders of Domestic Shares and 65 holders of H Shares.

II. SHAREHOLDING OF TOP 10 SHAREHOLDERS OF ORDINARY SHARES

As of the end of the Reporting Period, shareholding of top 10 Shareholders of ordinary shares of the Bank was as follows:

Name of Shareholder	Nature of Shareholder	Changes during the Reporting Period (shares)	Number of shares held at the end of the Reporting Period (shares)	Shareholding percentage (%)	Class of shares
TEDA Investment Holding Co., Ltd.[2]	State-owned legal person	–	3,612,500,000	20.34	Domestic Shares
HKSCC Nominees Limited[3]	Overseas legal person	(100)	3,311,646,300	18.64	H Shares
Standard Chartered Bank (Hong Kong) Limited	Overseas legal person	–	2,888,555,000	16.26	H Shares
China Shipping Investment Co., Ltd.	State-owned legal person	–	1,975,315,000	11.12	Domestic Shares
State Development & Investment Corp., Ltd.	State-owned legal person	–	1,686,315,000	9.49	Domestic Shares
China Baowu Steel Group Corporation Limited	State-owned legal person	–	1,686,315,000	9.49	Domestic Shares
Oceanwide Industry Co., Ltd.	Domestic non-state-owned legal person	–	1,370,706,739	7.72	Domestic Shares
Tianjin Shanghui Investment Holding Company Limited	Domestic non-state-owned legal person	–	1,156,000,000	6.51	Domestic Shares
Shine Enterprise (Tianjin) Co., Ltd.	Domestic non-state-owned legal person	–	29,424,331	0.17	Domestic Shares
Tianjin Xianghe Enterprise Management Consulting Co., Ltd.	Domestic non-state-owned legal person	–	14,712,166	0.08	Domestic Shares
Tianjin Firstwood Co., Ltd.	Domestic non-state-owned legal person	–	14,712,166	0.08	Domestic Shares

Notes: (1) The above information is prepared based on the share registration as of June 30, 2025 of the Bank's Share Registrar.

(2) TEDA Investment Holding Co., Ltd. confirmed that, as of the end of the Reporting Period, in addition to the 3,612,500,000 Domestic Shares of the Bank directly held, Jinlian (Tianjin) Finance Lease Co., Ltd., one of its affiliates, also held 48,438,000 H Shares of the Bank through HKSCC Nominees Limited. As such, TEDA Investment Holding Co., Ltd. and its affiliate held a total of 3,660,938,000 shares of the Bank, representing shareholding of 20.61%.

(3) The shares held by HKSCC Nominees Limited as agent are the total amount of shares in the Bank's H-share investors' accounts traded on the trading platform of HKSCC Nominees Limited.

III. INFORMATION OF SUBSTANTIAL SHAREHOLDERS UNDER THE INTERIM MEASURES FOR THE EQUITY MANAGEMENT OF COMMERCIAL BANKS

According to relevant requirements of the Interim Measures for the Equity Management of Commercial Banks, as of the end of the Reporting Period, the relevant information of substantial Shareholders of the Bank was as follows:

Name of Shareholder	Controlling shareholder	Actual controller	Pledged or frozen shares held in the Bank		Nominated Directors/ Supervisors
			Status	Number (shares)	
TEDA Investment Holding Co., Ltd.	Tianjin SASAC	Tianjin SASAC	Pledged	593,900,000	Nominated Director
Standard Chartered Bank (Hong Kong) Limited	Standard Chartered PLC	Standard Chartered PLC	–	–	Nominated Director
China Shipping Investment Co., Ltd.	COSCO SHIPPING Development Co., Ltd.	SASAC	–	–	Nominated Director
State Development & Investment Corp., Ltd.	SASAC	SASAC	–	–	Nominated Director
China Baowu Steel Group Corporation Limited	SASAC	SASAC	–	–	Nominated Director
Oceanwide Industry Co., Ltd.	China Oceanwide Holdings Group Co., Ltd.	LU Zhiqiang	Frozen	1,370,706,739	–
Tianjin Shanghui Investment Holding Company Limited	–	–	–	–	Nominated Director

Note: During the Reporting Period, each substantial Shareholder of the Bank did not authorize any other person to or accept any other person's authorization to hold shares of the Bank, and there were no other ultimate beneficiaries. As of the end of the Reporting Period, except that TEDA Investment Holding Co., Ltd. and its affiliate, Jinlian (Tianjin) Finance Lease Co., Ltd., held in total 3,660,938,000 shares of the Bank, there is no person acting in concert among other substantial Shareholders.

The Bank has treated its substantial Shareholders and their controlling shareholders, actual controllers, persons acting in concert, ultimate beneficiaries etc., totaling 4,278 enterprises as related parties of the Bank in management in light of their relationship with the Shareholders. For details on related party transactions, please refer to "Review Report and Interim Financial Report – Notes to the Unaudited Consolidated Financial Statements: 'Related party transactions'" in this report.

IV. CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

During the Reporting Period, the Bank had no controlling shareholder or actual controller.

V. INTERESTS AND SHORT POSITIONS OWNED BY SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE BANK'S SHARES UNDER HONG KONG LAWS AND REGULATIONS

As of the end of the Reporting Period, to the knowledge of the Directors or chief executives of the Bank, as recorded in the register required to be kept under section 336 of the SFO, the following persons (other than the Directors, Supervisors and chief executives of the Bank) had or were deemed to have interests and short positions in the shares or underlying shares of the Bank which would be required to be disclosed to our Bank and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Nature of interest	Class of shares	Long positions/ short positions	Number of shares directly or indirectly held (shares)	% of interest in the Bank	% of the relevant class of shares
TEDA Investment Holding Co., Ltd.	Beneficial owner	Domestic Shares	Long positions	3,612,500,000	20.34	31.25
	Interest in controlled corporation[1]	H Shares	Long positions	48,438,000	0.27	0.78
Standard Chartered PLC[2]	Interest in controlled corporation	H Shares	Long positions	2,888,555,000	16.26	46.59
Standard Chartered Bank (Hong Kong) Limited	Beneficial owner	H Shares	Long positions	2,888,555,000	16.26	46.59
China COSCO Shipping Corporation Limited[3]	Interest in controlled corporation	Domestic Shares	Long positions	1,975,315,000	11.12	17.09
China Shipping Group Company Limited[3]	Interest in controlled corporation	Domestic Shares	Long positions	1,975,315,000	11.12	17.09
COSCO SHIPPING Development Co., Ltd.[3]	Interest in controlled corporation	Domestic Shares	Long positions	1,975,315,000	11.12	17.09
China Shipping Investment Co., Ltd.	Beneficial owner	Domestic Shares	Long positions	1,975,315,000	11.12	17.09
State Development & Investment Corp., Ltd.	Beneficial owner	Domestic Shares	Long positions	1,686,315,000	9.49	14.59
China Baowu Steel Group Corporation Limited	Beneficial owner	Domestic Shares	Long positions	1,686,315,000	9.49	14.59
LU Zhiqiang[4]	Interest in controlled corporation	Domestic Shares	Long positions	1,370,706,739	7.72	11.86
HUANG Qiongzi[4]	Interest of spouse	Domestic Shares	Long positions	1,370,706,739	7.72	11.86
Tohigh Holdings Co., Ltd.[4]	Interest in controlled corporation	Domestic Shares	Long positions	1,370,706,739	7.72	11.86
Oceanwide Group Co., Ltd.[4]	Interest in controlled corporation	Domestic Shares	Long positions	1,370,706,739	7.72	11.86
China Oceanwide Holdings Group Co., Ltd.[4]	Interest in controlled corporation	Domestic Shares	Long positions	1,370,706,739	7.72	11.86
Oceanwide Industry Co., Ltd.	Beneficial owner	Domestic Shares	Long positions	1,370,706,739	7.72	11.86
Tianjin Shanghui Investment Holding Company Limited	Beneficial owner	Domestic Shares	Long positions	1,156,000,000	6.51	10.00
Shandong Gold Financial Holdings Group (HongKong) Co., Limited	Beneficial owner	H Shares	Long positions	327,294,500	1.84	5.28
Yichang HEC Health Pharmaceutical Co., Ltd.	Beneficial owner	H Shares	Long positions	322,920,500	1.82	5.21

Notes: (1) The interests are held by TEDA Investment Holding Co., Ltd. through its subsidiary Jinlian (Tianjin) Finance Lease Co., Ltd.

(2) Standard Chartered Bank (Hong Kong) Limited is wholly owned by Standard Chartered PLC, and therefore Standard Chartered PLC is deemed to be interested in all the shares held by Standard Chartered Bank (Hong Kong) Limited for the purpose of the SFO.

(3) China Shipping Investment Co., Ltd. is wholly owned by COSCO SHIPPING Development Co., Ltd., and in turn owned by China Shipping Group Company Limited as to approximately 39.28%. China Shipping Group Company Limited is wholly owned by China COSCO Shipping Corporation Limited. As such, each of China COSCO Shipping Corporation Limited, China Shipping Group Company Limited and COSCO SHIPPING Development Co., Ltd. is deemed to be interested in all the shares held by China Shipping Investment Co., Ltd. for the purpose of the SFO.

(4) Oceanwide Industry Co., Ltd. is owned by China Oceanwide Holdings Group Co., Ltd. and Oceanwide Group Co., Ltd. as to 60% and 40%, respectively. China Oceanwide Holdings Group Co., Ltd. is owned by Oceanwide Group Co., Ltd. and Tohigh Holdings Co., Ltd. as to 98% and 2%, respectively. Oceanwide Group Co., Ltd. is wholly owned by Tohigh Holdings Co., Ltd. Tohigh Holdings Co., Ltd. is owned by Mr. LU Zhiqiang as to 77.14%. As such, each of Mr. LU Zhiqiang, Ms. HUANG Qiongzi (spouse of Mr. LU Zhiqiang), Tohigh Holdings Co., Ltd., Oceanwide Group Co., Ltd. and China Oceanwide Holdings Group Co., Ltd. is deemed to be interested in all the shares held by Oceanwide Industry Co., Ltd. for the purpose of the SFO.

Save as disclosed above, the Bank is not aware of any other person (other than Directors, Supervisors and chief executives of the Bank) who has any interest or short position in its shares at the end of the Reporting Period which will be required to be recorded in the register kept under section 336 of the SFO.

VI. ISSUANCE AND LISTING OF EQUITY SECURITIES

During the Reporting Period, the Bank had not issued any new shares.

VII. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE BANK

During the Reporting Period, the Bank and its subsidiary had no purchase, sale or redemption of any listed securities (including the sale of treasury shares) of the Bank. As at the end of the Reporting Period, the Bank did not hold any treasury shares of the Bank.

Directors, Supervisors, Members of Senior Management, Employees and Branches

I. DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

As of the date of this report, the Directors, Supervisors and members of senior management of the Bank are as follows:

The Board of Directors of the Bank had 13 Directors in total, including 2 executive Directors: Mr. WANG Jinhong (chairman) and Mr. QU Hongzhi, 5 non-executive Directors: Mr. AU Siu Luen (vice chairman), Ms. YUAN Wei, Mr. DUAN Wenwu, Mr. HU Aimin and Mr. ZHANG Yunji, and 6 independent non-executive Directors: Mr. TSE Yat Hong, Mr. SHUM Siu Hung Patrick, Ms. WANG Aijian, Mr. LIU Junmin, Mr. LIU Lanbiao and Mr. OUYANG Yong.

The Board of Supervisors of the Bank had 4 Supervisors in total, including 2 employees' representative Supervisors: Mr. LI Chengbang and Ms. ZHANG Hui, and 2 external Supervisors: Mr. HUI Yung Chris and Ms. DU Huibin.

The senior management of the Bank had 5 members, including: Mr. QU Hongzhi, the president, and the vice presidents: Mr. XIE Kai, Mr. LI Jianguo, Mr. QI Jun (chief risk management officer) and Ms. DENG Bei.

II. CHANGES IN DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

Changes in Directors

On June 28, 2024, Ms. WANG Aijian was elected as an independent non-executive Director of the Bank at the 2023 annual general meeting of the Bank. On January 3, 2025, her qualification as an independent director was approved by the National Financial Regulatory Administration. Ms. WANG Aijian has served as an independent non-executive Director of the fifth session of the Board of Directors of the Bank, a member of the Nomination and Remuneration Committee under the Board of Directors, and a member of the Audit and Consumer Rights Protection Committee under the Board of Directors since January 3, 2025.

On June 28, 2024, Mr. LIU Junmin was elected as an independent non-executive Director of the Bank at the 2023 annual general meeting of the Bank. On January 6, 2025, his qualification as an independent director was approved by the National Financial Regulatory Administration. Mr. LIU Junmin has served as an independent non-executive Director of the fifth session of the Board of Directors of the Bank and the chairman of the Nomination and Remuneration Committee under the Board of Directors since January 6, 2025.

On June 28, 2024, Mr. LIU Lanbiao was elected as an independent non-executive Director of the Bank at the 2023 annual general meeting of the Bank. On January 6, 2025, his qualification as an independent director was approved by the National Financial Regulatory Administration. Mr. LIU Lanbiao has served as an independent non-executive Director of the fifth session of the Board of Directors of the Bank, a member of each of the Nomination and Remuneration Committee under the Board of Directors, the Risk Management and Green Finance Committee under the Board of Directors and the Related Party Transactions Control Committee under the Board of Directors since January 6, 2025.

In order to devote more time to his other business commitments, Mr. ZHU Ning resigned as an independent non-executive Director of the Bank, a member of the Nomination and Remuneration Committee of the Board of Directors and the Audit and Consumer Rights Protection Committee of the Board of Directors with effect from January 3, 2025.

In accordance with the requirement of "independent directors shall not hold office for over six years in total in a banking or insurance institution" under the Code of Corporate Governance of Banking and Insurance Institutions, Mr. MAO Zhenhua resigned as an independent non-executive Director of the Bank and the chairman of the Nomination and Remuneration Committee of the Board of Directors with effect from January 6, 2025.

On January 20, 2025, the sixth session of the Board of Directors was elected at the 2025 first extraordinary general meeting of the Bank, comprising of Mr. WANG Jinhong and Mr. QU Hongzhi as executive Directors, Mr. AU Siu Luen, Mr. QU Defu, Mr. LIU Zhenyu, Ms. YUAN Wei, Mr. DUAN Wenwu, Mr. HU Aimin and Mr. ZHANG Yunji as non-executive Directors, and Mr. TSE Yat Hong, Mr. SHUM Siu Hung Patrick, Ms. WANG Aijian, Mr. LIU Junmin, Mr. LIU Lanbiao and Mr. OUYANG Yong as independent non-executive Directors. Mr. DU Gang ceased to be an executive Director and a member of the Development Strategy and Inclusive Finance Committee of the Board of Directors of the Bank with effect from the same date due to expiry of his term of office. Mr. MU Binrui ceased to be an independent non-executive Director, the chairman of the Risk Management and Green Finance Committee, and the Related Party Transactions Control Committee, and a member of the Audit and Consumer Rights Protection Committee of the Board of Directors of the Bank with effect from the same date due to expiry of his term of office. On May 22, 2025, the National Financial Regulatory Administration approved the qualification of Mr. OUYANG Yong as an independent director. Since May 22, 2025, Mr. OUYANG Yong has been an independent non-executive director of the sixth session of the Board of the Bank, the chairperson of the Risk Management and Green Finance Committee of the Board, the chairperson of the Related Party Transactions Control Committee of the Board and a member of the Audit and Consumer Rights Protection Committee of the Board. The qualifications of Mr. QU Defu and Mr. LIU Zhenyu are subject to the approval by the regulatory authority.

On January 20, 2025, Mr. WANG Jinhong was elected as the chairman of the sixth session of the Board of Directors of the Bank, and Mr. AU Siu Luen was elected as the vice chairman of the sixth session of the Board of Directors of the Bank at the first meeting of the sixth session of the Board of Directors of the Bank.

Changes in Supervisors

On May 23, 2025, Mr. Bai Xinyu resigned as the chairman of the Board of Supervisors, an employees' representative supervisor and a member of the Nomination Committee under the Board of Supervisors of the Bank due to his work adjustment.

Changes in Members of Senior Management

On October 31, 2024, the appointment of Mr. LI Jianguo, Mr. QI Jun and Ms. DENG Bei as professional managers to serve as vice presidents of the Bank was approved at the 65th meeting of the fifth session of the Board of the Bank. On February 7, 2025, the National Financial Regulatory Administration approved their qualifications as the vice president.

On January 20, 2025, the appointment of Mr. QI Jun as the chief risk management officer of the Bank was approved at the 1st meeting of the sixth session of the Board of the Bank. On July 21, 2025, the National Financial Regulatory Administration approved his qualification as the chief risk management officer.

Mr. DU Gang resigned as a vice president (a professional manager) of the Bank for personal reasons with effect from July 25, 2025 upon the consideration and approval of the Board. Mr. DU Gang resigned as secretary to the Board of Directors of the Bank for personal reasons with effect from August 28, 2025 upon the consideration and approval of the Board.

III. CHANGES IN THE INFORMATION OF DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

Mr. DUAN Wenwu served as the chief accountant of China Minmetals Corporation, and ceased to serve as secretary of the party committee and chairman of SDIC Capital Co., Ltd. (國投資本股份有限公司), and secretary of the party committee and chairman of SDIC Securities Co., Ltd. (國投證券股份有限公司).

Mr. HU Aimin served as the general manager of industry and finance integrated development center of China Baowu Steel Group Corporation Limited.

Mr. LIU Junmin was reappointed from an independent non-executive director to a non-executive director of Chinese People Holdings Company Limited.

The current positions of Mr. LI Chengbang have been changed to an employees' representative Supervisor, the director of the Office of the Board of Supervisors, the director of the Party and the Masses Work Department (concurrent position), and the director of the Training Center (concurrent position) of the Bank, the chief of the Propaganda Department of the Party Committee of CHINA BOHAI BANK CO., LTD., a member and a vice secretary (concurrent position) of the Party Committee of Head Office of CHINA BOHAI BANK CO., LTD., and a director of Nanyang Country Bank Co., Ltd.

The positions of Ms. DU Huibin as a standing member of the Low Carbon Development Management Professional Committee of Chinese Society of Optimization, Overall Planning and Economic Mathematics, and a standing member of the Chinese Society of Energy Economics and Management changed to a vice president of the Low Carbon Development Management Professional Committee of Chinese Society of Optimization and Overall Planning, and a vice president and a standing member of the Chinese Society of Energy Economics and Management of Chinese Society of Optimization and Overall Planning.

IV. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE BANK

As of the end of the Reporting Period, none of our Directors, Supervisors and chief executive had any interests or short positions in the shares, underlying shares and debentures of our Bank or any associated corporations (as defined in Part XV of the SFO) which were required to be entered in the register kept by the Bank pursuant to section 352 of the SFO, or which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code.

V. EMPLOYEES

(I) The Number and Structure of Employees

As of the end of the Reporting Period, the Group had 13,851 employees, including 6,438 male employees and 7,413 female employees. The age structure, educational background and professional post structure of the employees are as follows:

1. Age structure of employees

Age	Number of employees	Structure (%)
Aged 30 or below	2,926	21.12
Aged 31-35	3,105	22.42
Aged 36-40	3,642	26.29
Aged 41-45	2,191	15.82
Aged 46-50	1,022	7.38
Aged over 50	965	6.97
Total	**13,851**	**100.00**

2. Educational background of employees

Educational background/degree	Number of employees	Structure (%)
Postgraduate/Master's degree and above	4,112	29.69
Undergraduate/Bachelor's degree	9,556	68.99
College and lower	183	1.32
Total	**13,851**	**100.00**

3. Professional post structure of employees

Professional post	Number of employees	Structure (%)
Corporate banking	3,313	23.92
Retail banking	3,067	22.14
Financial markets	259	1.87
Finance and assets & liabilities	328	2.37
Risk management	1,153	8.32
Audit, legal, internal control & compliance	428	3.09
Business operation	2,385	17.22
Information technology	1,497	10.81
Others	1,296	9.36
Subsidiary	125	0.90
Total	**13,851**	**100.00**

In addition to the employees with whom the Group has entered into labor contracts, as of the end of the Reporting Period, the Group also engaged 195 dispatched workers through third-party human resources agencies and they generally held non-essential positions at the Group.

(II) Remuneration Policy for Employees

Under the guidance of the Bank's development strategy and business objectives, the Bank establishes a remuneration system based on the principles of strategy, value and performance, and also establishes and improves a sound incentive and restraint mechanism to enhance the efficiency of remuneration resource allocation. The Bank implements risk responsibilities, and strictly executes the deferred payment and recourse deduction system of performance remuneration.

The Bank's post-employment benefit plans are defined contribution plans. Defined contribution plans are post-employment benefit plans under which the Bank pays fixed contributions into a separate fund and will have no obligation to pay further contributions. During the Reporting Period, the Bank's post-employment benefits mainly included the social pension schemes, unemployment insurance and annuity plan. In particular, the pension schemes and unemployment insurance were calculated at the applicable rates based on the amounts stipulated by the government, while the annuity was contributed to the annuity plan in proportion to the employees' gross salaries in the prior year. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with corresponding amounts charged to the profit or loss.

(III) Staff Training

During the Reporting Period, the Bank focused on the operational and development goals, optimized training mechanisms, fully leveraged the value of training, improved classification training, enhanced the professionalism and effectiveness of training, and continuously improved its relevance and practical impact. For the "Bond Bank" initiative, the training programs covered macroeconomic strategy outlooks, bond allocation strategies, as well as working priorities and policy interpretations for wealth management consignment business. For the "Industrial Bank" initiative, the training programs covered green finance, sector-specific research and light capital operations. For the "Product Factory" initiative, the training programs covered supply chain product implementation and treasury marketing strategies. For the "AI Trend" initiative, the training programs covered large-scale AI models that drive high-quality development.

VI. BRANCHES

As of the end of the Reporting Period, the Bank has established outlets in 25 provinces, municipalities and autonomous regions, 5 sub-provincial cities and the Hong Kong Special Administrative Region, covering 65 key cities nationwide, and has established 34 tier-one branches (including 3 branches in Suzhou, Qingdao and Ningbo under direct management of the head office and 1 overseas branch), 35 tier-two branches, 291 sub-branches, and 16 small and micro community sub-branches. The total number of officially opened outlets reached 376.

Name	Address	Number of employees	Tier-two branches and sub-branches under jurisdiction	Number of employees in the institutions under jurisdiction
Head Office	218 Haihe East Road, Hedong District, Tianjin	2,804	–	–
Capital Operation Center	5F, Building 1, No. 28, Jianguomennei Avenue, Dongcheng District, Beijing	79	–	–
Tianjin Branch	8-15/F, Part 1/F, Part 2/F, China Bohai Bank Tower, 218 Haihe East Road, Hedong District, Tianjin	414	1/52	1,073
Tianjin Pilot Free Trade Zone Branch	104 and 204, No. 3 Building, Financial Center, No. 158 West 3rd Road, Tianjin Pilot Free Trade Zone (Airport Economic Area)	27	–	–
Beijing Branch	1F-3F, East Tower C, Chemsunny World Trade Center, 28 Fuxingmennei Street, Xicheng District, Beijing	305	1/28	422
Hangzhou Branch	No. 117 Tiyuchang Road, Changqing Subdistrict, Gongshu District, Hangzhou City, Zhejiang Province	200	3/15	328
Taiyuan Branch	No. 308, Changzhi Road, Xiaodian District, Taiyuan City, Shanxi Province	195	2/11	243
Chengdu Branch	No. 87, Jinrongcheng South Road, High-Tech Zone, Chengdu City, Sichuan Province	187	1/16	212
Jinan Branch	Building 3, Lushang Olympic City, 9777 Jingshi East Road, Lixia District, Jinan City, Shandong Province	199	4/13	339
Shanghai Branch	Rooms 102, 103 and 105, 2/F, 3/F, 4/F, 5/F and 6/F, No. 155, Yincheng Road, China (Shanghai) Pilot Free Trade Zone	186	0/16	207
Shanghai Pilot Free Trade Zone Branch	2/F of No. 1229 Century Avenue, Units 1-2 on 1/F, 2/F and 15/F of No. 1239 Century Avenue, China (Shanghai) Pilot Free Trade Zone	111	0/01	11
Shenzhen Branch	1B01, 1B02, 1B03, 2B01, 14/F, 23/F, 24/F, 25/F and 26/F, Block B, Aerospace Science and Technology Square, No. 1288 Hyde 3rd Road, Yuehai Street, Nanshan District, Shenzhen City, Guangdong Province	232	1/13	263
Nanjing Branch	No. 213 Jiangdong Middle Road, Jianye District, Nanjing City, Jiangsu Province	235	6/10	365
Suzhou Branch	Jianwu Financial Center Building, No. 710 Zhongyuan Road, Suzhou Industrial Park, Jiangsu Province	165	0/04	84
Dalian Branch	Yifang Building, No. 9 Yan'an Road, Zhongshan District, Dalian City, Liaoning Province	170	1/08	155
Guangzhou Branch	19/F, 20/F, southeast corner shop, 1/F and Part B3, Nanya Zhonghe Plaza, 57 Linjiang Avenue, Tianhe District, Guangzhou City, Guangdong Province	207	4/14	355
Changsha Branch	1/F-4/F, North-facing commercial podium, Jiasheng Business Plaza, No. 289 Laodong West Road, Tianxin District, Changsha City, Hunan Province	176	3/13	218
Shijiazhuang Branch	1/F-3/F, 18 Zhonghua South Street, Shijiazhuang City, Hebei Province	204	3/14	308

Name	Address	Number of employees	Tier-two branches and sub-branches under jurisdiction	Number of employees in the institutions under jurisdiction
Wuhan Branch	(Shop No. 5, 1/F, Shops No. 1-3, 2/F, No. 1, 33-34/F, 44-45/F, Office A unit) Pan Ocean International Centre, No. 185 Yunxia Road, No. 187 Yunxia Road, No. 249 Huaihai Road, Jianghan District, Wuhan City, Hubei Province	165	2/23	271
Hohhot Branch	23-27/F, Block B, and 1-2/F, Block E, BCE blocks, Taiwei Fangheng Plaza, No. 85 Xinhua East Street, Xincheng District, Hohhot City, Inner Mongolia Autonomous Region	124	1/04	102
Fuzhou Branch	1/F, 2/F, 4/F, 16/F, Huaban Building, No. 363 Jiangbin Middle Avenue, Taijiang District, Fuzhou City, Fujian Province	138	1/03	84
Hefei Branch	No. 269 Suixi Road, North First Ring, Luyang District, Hefei City, Anhui Province	151	0/05	67
Zhengzhou Branch	Building 2, No. 88 Jinshui East Road, Zhengdong New District, Zhengzhou City, Henan Province	149	0/07	94
Xi'an Branch	1F-6F, Building 4, No. 31, Tangyan Road, High-Tech Zone, Xi'an City, Shaanxi Province	156	0/06	92
Changchun Branch	No. 2699 Xi'an Road, Lvyuan District, Changchun City, Jilin Province	110	0/02	24
Chongqing Branch	9/F, 10/F, 32/F, 33/F, Building 2, Lifan Center, No. 6, Juxianyan Square, Jiangbei District, Chongqing	105	0/06	63
Shenyang Branch	No. 32 Yingbin Street, Shenhe District, Shenyang City, Liaoning Province	89	1/03	56
Xiamen Pilot Free Trade Zone Branch	Units 104-111, 1/F, Units 1101-1116, 11/F, Units 1208B-1216, 12/F, Building A, Cross-strait Trade Center, No. 1-9 Yunan 4th Road, Xiamen Area of China (Fujian) Pilot Free Trade Zone (Bonded Area)	102	–	–
Haikou Branch	1/F to 5/F, S5 Podium Building, Guorui City, No. 11 Guoxing Avenue, Meilan District, Haikou City, Hainan Province	78	0/01	15
Qingdao Branch	1/F, 2/F, 9/F, 10/F, Office Building T8, Shangshi Center, 195 East Hong Kong Road, Laoshan District, Qingdao City, Shandong Province	96	0/04	59
Ningbo Branch	Western section, 1/F to 3/F, and 10/F and 11/F of the main building, Emeke Building, No. 188 Dazha Road, Jiangbei District, Ningbo City, Zhejiang Province	81	0/02	21
Nanning Branch	1F-5F, Podium Building, King's International Merchant Center, 59 Jinhu Road, Qingxiu District, Nanning City, Guangxi Zhuang Autonomous Region	87	0/03	39
Nanchang Branch	Cuilin Building, 1266 Fenghe Middle Avenue, Honggutan New District, Nanchang City, Jiangxi Province	96	0/06	55
Guiyang Branch	No. 1, 1F and No. 1, half B1, Building 9, Business District, One Guiyang International Finance Center, Lincheng Road, Guanshanhu District, Guiyang City, Guizhou Province	82	0/02	23
Kunming Branch	No. 391, Rixin Middle Road, Xishan District, Kunming City, Yunnan Province	83	0/02	25
Hong Kong Branch	Suites 1201-1209 and 1215-1216, 12/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	65	–	–

Note: The information in the above table does not include the subsidiary.

Corporate Governance

I. OVERVIEW OF CORPORATE GOVERNANCE

The Bank strictly complies with the laws and regulations, regulatory requirements, the Articles of Association and other corporate governance regulations, actively implements good corporate governance standards, and continuously improves the corporate governance level. All corporate governance entities perform their respective duties and responsibilities, coordinate operation and exercise effective checks and balances, which effectively safeguards the legitimate rights and interests of the Bank, the Shareholders and other stakeholders. For the corporate governance structure of the Bank, please refer to "Organizational Structure Chart" described in this report. For information on the responsibilities of each corporate governance entity, please refer to the Articles of Association published on the websites of the HKEX and the Bank.

During the Reporting Period, the Bank convened 2 general meetings, at which 9 proposals were considered and 6 reports were heard; 5 meetings of the Board of Directors, at which 49 proposals were considered and 18 reports were heard; 19 meetings of special committees under the Board of Directors (including: 4 meetings of the Risk Management and Green Finance Committee, 3 meetings of the Related Party Transactions Control Committee, 4 meetings of the Audit and Consumer Rights Protection Committee, 4 meetings of the Nomination and Remuneration Committee, and 4 meetings of the Development Strategy and Inclusive Finance Committee), at which 48 proposals were considered and 14 reports were heard; 2 meetings of the Board of Supervisors, at which 9 proposals were considered and 32 reports were heard; and 2 meetings of special committees under the Board of Supervisors (including: 1 meeting of the Nomination Committee and 1 meeting of the Supervision Committee), at which 2 proposals were considered and 8 reports were heard. At the above meetings, the corporate governance entities made careful decisions on major issues of the Bank, and considered and approved important matters involving the report of the Board of Directors, the report of the Board of Supervisors, the work report of the senior management, the report on comprehensive risk management, the work report on consumer rights protection, the report on anti-money laundering management, the appointment of the chief risk management officer, and the group performance evaluation indicators; revised the administrative measures for related party transaction management, market risk management policy, internal audit charter, and other regulations.

II. Introduction to the General Meeting

During the Reporting Period, the Bank convened 2 general meetings. The relevant information is as follows:

The Bank convened the 2025 first extraordinary general meeting in Tianjin on January 20, 2025. Shareholders or their proxies attending the general meeting represented a total of 13,257,120,842 ordinary shares with voting rights of the Bank. 11 Directors of the Bank attended the meeting, and the Supervisors of the Bank were present at the meeting. The resolution on the election of Directors for the sixth Board of Directors were considered and approved at the meeting. The meeting also reviewed the 2023 Assessment Report on the Quality and Qualification of Major Shareholders and Relevant Matters.

The Bank convened the 2024 annual general meeting in Tianjin on June 18, 2025. Shareholders or their proxies attending the general meeting represented a total of 13,260,447,353 ordinary shares with voting rights of the Bank. 11 Directors of the Bank attended the meeting, and the Supervisors of the Bank were present at the meeting. 8 resolutions were considered and approved at the meeting and the matters considered included: the Report of the Board of Directors for 2024, the Report of the Board of Supervisors for 2024, the Report of Final Financial Accounts for 2024, the Profit Distribution Plan for 2024, the Financial Budget Report for 2025, the Investment Plan for 2025, the re-appointment of external auditors for 2025, the remuneration for 2023 and assessment of incentive income for 2021-2023 of chairman. The meeting also reviewed 5 written reports, including the 2024 Special Report on Related Party Transactions, the 2024 Assessment Report on the Performance of Duties of the Board of Directors, Senior Management and their Members issued by the Board of Supervisors, the 2024 Report on Self-evaluation of the Board of Supervisors and Assessment of the Performance of Duties of Supervisors, the Report of the Board of Supervisors on Independent Opinions on Related Matters in 2024 and the Report on Purchase of Directors' Liability Insurance.

The domestic legal advisor of the Bank witnessed the convening of the above meetings and other related matters in accordance with the law, and believed that the meetings were in compliance with relevant laws and regulations, regulatory documents and the Articles of Association. For details of the meetings, please refer to the circular, notice and the poll results announcement of the relevant general meetings published on the websites of the HKEX and the Bank.

III. WORK OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Articles of Association stipulates that the independent non-executive Directors of the Bank shall represent at least one-third of the total members of the Board. As of the end of the Reporting Period, there were a total of 6 independent non-executive Directors sitting on the Board. The chairmen of the Risk Management and Green Finance Committee (and the Related Party Transactions Control Committee subordinated to it), the Audit and Consumer Rights Protection Committee, and the Nomination and Remuneration Committee under the Board of Directors were all independent non-executive Directors, and the independent non-executive Directors accounted for no less than one-third of the committee members. During the Reporting Period, the independent non-executive Directors of the Bank fulfilled their duties of integrity and diligence towards the Bank and all Shareholders. They acted independently and prudently, and performed their duties effectively: carefully reviewed all information and materials submitted by the Bank, maintained close communication with other Directors and senior management members, and continuously monitored the Bank's business development and its operation and management. They attended the Board meetings and special committee meetings on time, and conducted independent reviews and expressed professional opinions on matters under consideration. They paid attention to building their professional capacity, and actively participated in various training programs organized by the Bank to ensure that they continued to possess the professional knowledge necessary to perform their duties. During the Reporting Period, the independent non-executive Directors thought independently and deeply, expressed their independent opinions objectively and impartially, and expressed their independent opinions on the Bank's profit distribution, major related party transactions, Directors' remuneration, appointment of senior management members, and re-appointment of external auditors.

IV. WORK OF EXTERNAL SUPERVISORS

As of the end of the Reporting Period, the Board of Supervisors of the Bank had two external Supervisors, the number of which was not less than one-third of the total number of members of the Board of Supervisors. During the Reporting Period, the external Supervisors of the Bank strictly complied with the laws and regulations, regulatory requirements and the Articles of Association, performed their duties conscientiously and diligently, attended the meetings of the Board of Supervisors and its special committees on time. They actively spoke up at the meetings, and promptly provided opinions to the Board of Directors and senior management. They attended general meetings, meetings of the Board of Directors and special committees of the Board of Directors, continued to pay attention to the Bank's operation, management and risk status, and actively protected the legitimate rights and interests of the Bank, Shareholders, creditors, and other stakeholders. During the Reporting Period, they mainly conducted the following work: They attended all meetings of the Board of Supervisors held during the Reporting Period that they should attend, and complied with regulatory requirements on in-person attendance rate; actively observed Shareholders' general meetings, on-site meetings of the Board of Directors and meetings of special committees under the Board of Directors during the Reporting Period; reviewed the off-site meeting materials of the meetings of the Board of Directors and its special committees by correspondence, and supervised the operation of the meetings, and the performance of duties by Directors during the meetings; presided over and convened a meeting of the Nomination Committee of the Board of Supervisors and a meeting of the Supervision Committee of the Board of Supervisors, respectively to continuously monitor the matters within the scope of responsibilities of the special committee and provided professional advice. They reviewed 32 information reports including the minutes of the president's office meetings and monthly financial statements to strengthen their daily supervision on performance.

V. INTERNAL CONTROL

The Bank has established a "four-in-one" internal control organization system consisting of process execution, functional management, second-line supervision and internal audit. The Bank adheres to the principle of "comprehensive, whole-process, and whole-workforce" in internal control management, compliance support, operational risk prevention, case prevention and control, anti-money laundering management, business continuity management, auditing and inspection and other aspects, to promote compliant and orderly management and steady development of all operations.

During the Reporting Period, the Bank continued to improve the long-term mechanism of internal control and compliance management, optimized the internal control and compliance management structure, and strengthened segment management; working closely towards every key task during the year, it provided guidance to the internal control and compliance teams of its branches to enhance their management capability and professionalism; it strengthened assessment and incentives to improve the accuracy and effectiveness of internal control and compliance management assessment; it strengthened case prevention management, established a grid-based employee management structure, and improved employee management efficiency; it carried out various forms of internal control compliance training to continuously improve employees' compliance awareness and cultivate a compliance culture; it improved the inspection mechanisms, strengthened inspection management, and coordinated on-site inspections across the Bank to realize the organic linkage of on-site inspection planning, execution and supervision; it strengthened rectification and supervision, continued to promote accountability, and targeted on violations; it established an enterprise-level on-site inspection system and promoted its use throughout the Bank, continued to optimize the internal control compliance model, and continuously improved the intelligent level of internal control compliance management.

VI. INTERNAL AUDIT

The Bank adopts risk-oriented audit strategies and audit methods. On the basis of risk assessment, the Bank arranges audit plans and audit frequency to ensure the Bank's audit resources are directed toward high-risk areas, continuously expands the scope of audits and actively performs various audit supervision duties. By tracking the rectification of audit findings, the Bank strives to promote the continuous improvement of the internal control and risk management system.

During the Reporting Period, the Bank carried out special audits and regular audits to branches in accordance with the plan for internal audit work approved by the Party Committee and the Audit and Consumer Rights Protection Committee under the Board of Directors, the work arrangements of the Board of Supervisors and regulatory requirements, focusing on the Bank's central mission, and conducted exit audits according to the Bank's actual situation. In response to the control weaknesses identified by internal audits, relevant departments or branches formulated remedial measures, and the audit department of the Bank tracked the implementation of the remedial measures. The tracking results showed that, as of the date of this report, the problems identified by internal audits of the Bank had been rectified before the deadline.

VII. SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Bank has adopted the Model Code as the code of conduct for the supervision of securities transactions by Directors and Supervisors of the Bank. Following specific inquiries with all Directors and Supervisors of the Bank, the Directors and Supervisors of the Bank confirmed that they have complied with the Model Code during the Reporting Period.

VIII. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

During the Reporting Period, the Bank did not amend the Articles of Association.

For the purposes of optimizing the corporate governance structure and enhancing the operational efficiency of corporate governance, in accordance with the relevant requirements of the Company Law and the National Financial Regulatory Administration on the establishment of the board of supervisors, the Bank proposed to dissolve the Board of Supervisors, and the Audit and Consumer Rights Protection Committee of the Board shall take over the duties and responsibilities of the Board of Supervisors in accordance with the law. Pursuant to the laws and regulations, the latest regulatory requirements of the banking regulatory authorities and securities regulatory authorities, as well as the relevant arrangements of the reform of the Board of Supervisors of the Bank, the Bank amended the Articles of Association. Pursuant to the laws and regulations, the latest regulatory requirements of the banking regulatory authorities and securities regulatory authorities, and the needs of the Bank's corporate governance practices, the Bank amended the Rules of Procedure for Shareholders' General Meetings of CHINA BOHAI BANK CO., LTD. and the Rules of Procedure for the Board of Directors of CHINA BOHAI BANK CO., LTD. The above matters were considered and approved at the 2025 second extraordinary general meeting of the Bank on August 18, 2025. The amended Articles of Association shall become effective on the date on which they are approved by the regulatory authorities, and the dissolution of the Board of Supervisors, the amendments to the Rules of Procedure for Shareholders' General Meetings and the amendments to the Rules of Procedure for the Board of Directors shall take effect on the same date as the amended Articles of Association. For details, please refer to the relevant announcements and circular published by the Bank on the websites of the HKEX and the Bank.

IX. COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Bank has adopted the code provisions set out in Part 2 of Appendix C1 to the Listing Rules. Pursuant to code provision B.2.2, every director (including those appointed for a specific term) should be subject to retirement by rotation at least once every three years. The term of the fifth session of the Board of Directors of the Bank expired on December 15, 2022. During the period when preparations were being made for the re-election of the Board of Directors, the re-election of the Board of Directors was postponed in order to maintain the continuity of the relevant work of the Bank. On January 20, 2025, the sixth session of the Board of Directors was elected at the 2025 first extraordinary general meeting of the Bank, and thus the re-election of the Board of Directors was completed. The Bank has complied with code provision B.2.2 since then.

Save and except for disclosed above, the Bank has complied with the code provisions set out in Part 2 of Appendix C1 to the Listing Rules during the Reporting Period. The Bank has also complied with certain recommended best practices set out in the Code.

Important Events

I. MATERIAL LITIGATIONS AND ARBITRATIONS

As of the end of the Reporting Period, the Bank as the plaintiff or claimant was involved in a total of 87 litigations with the amount in dispute of over RMB30 million each, most of which were routine litigations and settlements initiated by the Bank, and no provisions would be made.

As of the end of the Reporting Period, the Bank as the defendant or respondent was involved in a total of 5 litigations with the amount in dispute of over RMB10 million each. Among them, 1 case had not yet entered the substantive trial stage, three cases had not yet obtained an effective judgment, and 1 case was closed. Currently, no provisions will be made.

As of the end of the Reporting Period, the Bank as the third party was involved in a total of 3 litigations with the amount in dispute of over RMB10 million each. None of them had obtained an effective judgment. Currently, no provisions will be made.

According to the above, the Bank considers that the above-mentioned litigations and arbitrations will not have any material impact on our operating activities and financial position.

In 2021, the Bank had a dispute with individual corporate customers over the business of bank acceptance bills pledged by certificates of deposit and reported the case to the security authorities. In 2022, the Bank filed a civil lawsuit with the People's Court in this regard. As of the date of this report, the case was in the judicial process. The outcome of the case is subject to the judgment of the court, and the Bank is of the view that the financial impact of the above dispute cannot be reliably estimated.

II. INCREASE OR REDUCTION IN THE REGISTERED CAPITAL, ACQUISITION AND DISPOSAL OF ASSETS AND BUSINESS MERGER

During the Reporting Period, there was no change in the registered capital of the Bank, no business merger and no material acquisition and disposal of assets.

III. IMPLEMENTATION OF EQUITY INCENTIVE PLANS

During the Reporting Period, the Bank did not implement any equity incentive plans.

IV. MATERIAL RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Reporting Period, all related party transactions of the Bank were conducted in accordance with relevant laws and regulations as well as relevant provisions of domestic and overseas regulatory authorities and the Bank's rules for related party transactions. These transactions were conducted in adherence to the general business principles, and based on conditions which were not superior to those granted to an independent third party, and their terms were fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The related party transactions of the Bank were mainly the related party transactions with the members of the Shareholders' group. Please refer to "Review Report and Interim Financial Report – Notes to the Unaudited Consolidated Financial Statements: 'Related Party Transactions'" in this report.

(I) Related Party Transactions Relating to Daily Operation

According to the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions, the material related party transactions of the Bank (including related party transactions under unified transaction agreements) were conducted in accordance with relevant laws and regulations, regulatory requirements and the Bank's review procedures. During the Reporting Period, the Board of Directors of the Bank approved one resolution on material related party transactions, which was the related party transactions on financial product transactions with Standard Chartered Bank (China) Limited considered and approved at the third meeting of the sixth session of the Board of Directors.

As of the end of the Reporting Period, the Bank's net credit amount granted to all related parties were RMB21.125 billion according to the standards of the National Financial Regulatory Administration. Specifically, the net credit amount granted to TEDA Investment Holding Co., Ltd. and its related parties was RMB13.716 billion, that granted to China Shipping Investment Co., Ltd. and its related parties was RMB751 million, that granted to State Development & Investment Corp., Ltd. and its related parties was RMB341 million, that granted to China Baowu Steel Group Corporation Limited and its related parties amounted to RMB1.572 billion, and that granted to Oceanwide Industry Co., Ltd. and its related parties was RMB3.948 billion, and that granted to other related parties reached RMB797 million.

According to the standards of Hong Kong Stock Exchange, the Bank's net credit amount granted to all connected persons amounted to RMB14.467 billion. Specifically, the Bank extended RMB13.716 billion of net credits to TEDA Investment Holding Co., Ltd. and its connected persons, RMB751 million to China Shipping Investment Co., Ltd. and its connected persons. The abovementioned transactions are transactions conducted by the Bank with its connected persons in the ordinary course of business on general commercial terms or better terms for the Bank, which are fully exempted in accordance with Chapter 14A of the Listing Rules.

Non-credit transactions between the Bank and related parties, such as deposits, service, leasing, agency sales, custody, and other daily related party transactions, are subject to general commercial terms and conditions no superior to those granted to independent third parties. The above-mentioned transactions are connected transactions meeting the full exemption or the minimum exemption level under Chapter 14A of the Listing Rules.

(II) Related Party Transactions Involving Disposal and Acquisition of Assets or Equity

During the Reporting Period, the Bank was not engaged in any related party transactions involving disposal and acquisition of assets or equity.

(III) Related Party Transactions in Joint External Investment

During the Reporting Period, the Bank was not engaged in any related party transactions in joint external investment.

V. MATERIAL CONTRACTS AND THEIR PERFORMANCE

(I) Material Custody, Contracting or Leasing Matters

During the Reporting Period, the Bank had no material custody, contracting or leasing matters which were required to be disclosed.

(II) Material Guarantees

During the Reporting Period, save as normal operation activities, the Bank had no material guarantee matters which were required to be disclosed.

(III) Other Material Contracts

During the Reporting Period, except for those within the scope of ordinary operations, the Bank had no other material contract matters which were required to be disclosed.

VI. SIGNIFICANT INVESTMENT AND MAJOR INVESTMENT PLAN

During the Reporting Period, the Bank had no significant external equity investment or major external equity investment plans.

VII. PENALTIES IMPOSED ON THE BANK AND ITS DIRECTORS, SUPERVISORS AND MEMBERS OF SENIOR MANAGEMENT

During the Reporting Period, the Bank was not subject to any investigation due to suspected crimes according to law, or any criminal penalty, and was not subject to any investigation or administrative penalty by CSRC due to suspected violations of laws and regulations, or any major administrative penalty by other competent authorities that had a significant impact on the operation and management of the Bank. During the Reporting Period, none of the Directors, Supervisors and members of the senior management of the Bank was subject to any coercive measures due to suspected crimes according to law, any criminal penalty, any investigation or administrative penalty by CSRC and other competent authorities due to suspected violations of laws and regulations in their performance of duties in the Bank, any confinement measures by disciplinary inspection authorities due to suspected serious violations of discipline, law or duty crimes which affect their performance of duties, or any coercive measures by other competent authorities due to suspected violations of laws and regulations which affect their performance of duties in the Bank. During the Reporting Period, neither the Bank nor any of its Directors, Supervisors or members of the senior management was subject to any administrative and regulatory measures and disciplinary actions taken by the CSRC, other competent authorities or stock exchanges.

VIII. OTHER MATERIAL EVENTS

(I) Issuance of Bonds

The Bank issued three-year green financial bonds with a face value of RMB5 billion on February 26, 2025, with a coupon rate of 1.89% per annum.

The Bank issued three-year financial bonds with a face value of RMB10 billion on April 25, 2025, with a coupon rate of 1.88% per annum.

The Bank issued three-year sci-tech innovation bonds with a face value of RMB5 billion on May 12, 2025, with a coupon rate of 1.75% per annum.

(II) Rating

During the Reporting Period, the Bank actively carried out follow-up rating work of international ratings, and delivered positive information of the Bank to rating companies objectively and accurately. As of the end of the Reporting Period, Moody's rated the Bank as Baa3, and Standard & Poor's rated the Bank as BBB-, maintaining the "investment grade" rating. The rating results objectively and comprehensively reflected the operating conditions, market image and industry status of the Bank.

IX. SUBSEQUENT EVENTS

As of the date of this report, the Bank had no material subsequent events for disclosure.

X. REVIEW OF INTERIM RESULTS

The Bank's external auditor Deloitte Touche Tohmatsu has reviewed the interim financial report prepared by the Bank in accordance with IFRS and the disclosure requirements of the Listing Rules. Meanwhile, the Audit and Consumer Rights Protection Committee under the Board of the Bank has reviewed and approved the Bank's results and financial report for the six months ended June 30, 2025.

XI. PUBLICATION OF THE INTERIM REPORT

The English and Chinese versions of the interim report prepared by the Bank pursuant to the IFRS and the Listing Rules are available on the website of the HKEX and the Bank's website.

Review Report and Interim Financial Report

Contents

Report on Review of Consolidated Financial Statements

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF CHINA BOHAI BANK CO., LTD.
(A joint stock company incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the consolidated financial statements of CHINA BOHAI BANK CO., LTD. (the "Bank") and its subsidiary (collectively the "Group") set out on pages 72 to 165, which comprise the consolidated statement of financial position as of 30 June 2025 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and notes to the consolidated financial statements. The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited require the preparation of the interim financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of these consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the International Auditing and Assurance Standards Board. A review of these consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 August 2025

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

(In RMB thousands, unless otherwise stated)

	Notes	Six months ended 30 June 2025 (Unaudited)	2024 (Unaudited)
Interest income	3	**25,301,485**	28,157,865
Interest expense	3	**(17,255,839)**	(20,077,707)
Net interest income	3	**8,045,646**	8,080,158
Fee and commission income	4	**1,550,444**	2,254,523
Fee and commission expense	4	**(376,897)**	(558,603)
Net fee and commission income	4	**1,173,547**	1,695,920
Net trading income	5	**145,181**	388,431
Net gains on financial investments	6	**4,836,050**	2,963,902
Other operating income	7	**14,594**	16,530
Operating income		**14,215,018**	13,144,941
Operating expenses	8	**(4,839,211)**	(5,018,272)
Impairment losses on assets	9	**(4,797,308)**	(4,012,307)
Profit before taxation		**4,578,499**	4,114,362
Income tax expense	10	**(748,064)**	(417,253)
Profit for the period		**3,830,435**	3,697,109

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

	Note	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Profit for the period		**3,830,435**	3,697,109
Other comprehensive income for the period, net of income tax:			
Item that will not be reclassified to profit or loss:			
Changes in fair value of equity instruments designated as at fair value through other comprehensive income ("FVTOCI")		**3**	–
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of debt instruments at FVTOCI		**(895,089)**	521,742
Credit losses of debt instruments at FVTOCI		**195,920**	16,958
Exchange difference on translation of financial statements of foreign operation		**59,578**	(68,138)
Other comprehensive income for the period, net of income tax		**(639,588)**	470,562
Total comprehensive income for the period		**3,190,847**	4,167,671
Profit for the period attributable to:			
Equity holders of the parent company		**3,830,435**	3,697,109
Non-controlling interests		**–**	–
Total comprehensive income for the period attributable to:			
Equity holders of the parent company		**3,190,847**	4,167,671
Non-controlling interests		**–**	–
Earnings per share			
– Basic and diluted (RMB Yuan)	11	**0.22**	0.21

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Financial Position

As at 30 June 2025
(In RMB thousands, unless otherwise stated)

	Notes	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Assets			
Cash and balances with the central bank	12	**72,716,728**	148,162,149
Deposits with banks and other financial institutions	13	**19,087,416**	11,405,462
Placements with banks and other financial institutions	14	**4,896,671**	4,885,299
Derivative financial assets	15	**2,600,260**	2,448,184
Financial assets purchased under resale agreements	16	**15,124,305**	18,531,145
Loans and advances to customers	17	**942,427,621**	925,361,742
Financial investments:			
– Financial investments at fair value through profit or loss (“FVTPL”)	18	**214,676,144**	192,864,991
– Financial investments at FVTOCI	18	**253,273,746**	177,376,537
– Financial investments at amortised cost	18	**268,830,007**	330,196,792
Interest in associate	20	**–**	–
Property and equipment	21	**2,986,923**	3,217,544
Deferred tax assets	22	**11,905,073**	12,362,922
Right-of-use assets	23	**3,355,477**	3,606,436
Other assets	24	**11,921,739**	13,422,925
Total assets		**1,823,802,110**	1,843,842,128
Liabilities and equity			
Liabilities			
Borrowings from the central bank	25	**100,020,153**	121,378,473
Deposits from banks and other financial institutions	26	**148,142,488**	150,561,544
Placements from banks and other financial institutions	27	**30,379,796**	23,144,745
Financial liabilities at FVTPL		**171,678**	171,916
Derivative financial liabilities	15	**1,547,537**	1,799,883
Financial assets sold under repurchase agreements	28	**67,570,539**	57,818,338
Deposits from customers	29	**1,027,138,702**	1,067,561,795
Income tax payable		**(1,084,945)**	(621,775)
Debt securities issued	30	**322,389,351**	290,863,182
Lease liabilities	31	**3,440,762**	3,722,824
Other liabilities	32	**10,770,374**	17,316,375
Total liabilities		**1,710,486,435**	1,733,717,300

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Financial Position

As at 30 June 2025

(In RMB thousands, unless otherwise stated)

	Notes	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Equity			
Equity attributable to equity holders of the parent company			
Share capital	33	**17,762,000**	17,762,000
Other equity instruments	34	**11,000,000**	11,000,000
Capital reserve	35	**10,689,841**	10,689,841
Surplus reserve	35	**7,929,133**	7,929,133
General reserve	35	**21,121,371**	21,106,229
Other reserves	35	**1,093,336**	1,732,924
Retained earnings	36	**43,719,994**	39,904,701
Sub-total		**113,315,675**	110,124,828
Non-controlling interests		**–**	–
Total equity		**113,315,675**	110,124,828
Total equity and liabilities		**1,823,802,110**	1,843,842,128

Wang Jinhong *Legal Representative Chairman of the Board of Directors*	**Qu Hongzhi** *President Executive Director*	**Deng Bei** *The person in charge of accounting affairs*	**Zhang Hui** *The person in charge of accounting department*	**(Company stamp)**

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

	Note	Attributable to equity holders of the parent company									
		Share Capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total
Balance at 1 January 2025		**17,762,000**	**11,000,000**	**10,689,841**	**7,929,133**	**21,106,229**	**1,732,924**	**39,904,701**	**110,124,828**	**–**	**110,124,828**
Changes in equity for the period:											
Net profit for the period		–	–	–	–	–	–	3,830,435	3,830,435	–	3,830,435
Other comprehensive income		–	–	–	–	–	(639,588)	–	(639,588)	–	(639,588)
Total comprehensive income		–	–	–	–	–	(639,588)	3,830,435	3,190,847	–	3,190,847
Appropriation of profit											
– Appropriation to general reserve	35	–	–	–	–	15,142	–	(15,142)	–	–	–
Balance at 30 June 2025 (Unaudited)		**17,762,000**	**11,000,000**	**10,689,841**	**7,929,133**	**21,121,371**	**1,093,336**	**43,719,994**	**113,315,675**	**–**	**113,315,675**

	Note	Attributable to equity holders of the parent company									
		Share Capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total
Balance at 1 January 2024		17,762,000	19,961,604	10,732,077	7,828,688	20,678,511	(2,718,089)	40,157,910	114,402,701	–	114,402,701
Changes in equity for the period:											
Net profit for the period		–	–	–	–	–	–	3,697,109	3,697,109	–	3,697,109
Other comprehensive income		–	–	–	–	–	470,562	–	470,562	–	470,562
Total comprehensive income		–	–	–	–	–	470,562	3,697,109	4,167,671	–	4,167,671
Appropriation of profit											
– Appropriation to general reserve	35	–	–	–	–	780	–	(780)	–	–	–
Balance at 30 June 2024 (Unaudited)		17,762,000	19,961,604	10,732,077	7,828,688	20,679,291	(2,247,527)	43,854,239	118,570,372	–	118,570,372

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

(In RMB thousands, unless otherwise stated)

	Notes	Attributable to equity holders of the parent company									
		Share Capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total
Balance at 1 January 2024		17,762,000	19,961,604	10,732,077	7,828,688	20,678,511	(2,718,089)	40,157,910	114,402,701	–	114,402,701
Changes in equity for the year:											
Net profit for the year		–	–	–	–	–	–	5,255,815	5,255,815	–	5,255,815
Other comprehensive income		–	–	–	–	–	420,152	–	420,152	–	420,152
Total comprehensive income		–	–	–	–	–	420,152	5,255,815	5,675,967	–	5,675,967
Appropriation of profit											
– Reduction in capital of other equity instruments holders		–	(19,961,604)	(38,396)	–	–	–	–	(20,000,000)	–	(20,000,000)
– Capital contributed by other equity instruments holders		–	11,000,000	(3,840)	–	–	–	–	10,996,160	–	10,996,160
– Appropriation to surplus reserve	35	–	–	–	568,595	–	–	(568,595)	–	–	–
– Appropriation to general reserve	35	–	–	–	–	427,718	–	(427,718)	–	–	–
– Other comprehensive income transferred to retained earnings		–	–	–	(468,150)	–	4,030,861	(3,562,711)	–	–	–
– Distribution to other equity instruments holders	36	–	–	–	–	–	–	(950,000)	(950,000)	–	(950,000)
Balance at 31 December 2024 (Audited)		17,762,000	11,000,000	10,689,841	7,929,133	21,106,229	1,732,924	39,904,701	110,124,828	–	110,124,828

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Cash Flows

For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities		
Profit before taxation	**4,578,499**	4,114,362
Adjustments for:		
Impairment losses on assets	**4,797,308**	4,012,307
Depreciation and amortisation	**814,036**	880,850
Net gains on financial investments	**(4,836,050)**	(2,963,902)
Interest expense on debts securities issued	**3,308,466**	3,566,472
Net trading income	**(250,709)**	(275,556)
Interest income on financial investments	**(6,646,602)**	(6,577,414)
Interest expense on lease liabilities	**59,488**	75,704
Net gains on disposal of property and equipment and other long-term assets	**(5,237)**	(6,583)
	1,819,199	2,826,240
Changes in operating assets		
Net decrease in balances with the central bank	**3,111,541**	5,872,934
Net decrease in deposits with banks and other financial institutions with original maturity over three months	**–**	200,046
Net decrease in placements with banks and other financial institutions with original maturity over three months	**725,138**	4,889,736
Net increase in loans and advances to customers	**(19,223,382)**	(17,320,569)
Net increase in financial assets held for trading	**(6,374,446)**	(13,241,597)
Net decrease/(increase) in other operating assets	**2,083,056**	(917,763)
	(19,678,093)	(20,517,213)
Changes in operating liabilities		
Net decrease in in borrowings from the central bank	**(21,068,000)**	(551,000)
Net (decrease)/increase in deposits from banks and other financial institutions	**(2,505,611)**	10,072,145
Net increase in placements from banks and other financial institutions	**7,297,365**	111,671
Net increase/(decrease) in financial assets sold under repurchase agreements	**9,694,879**	(12,500,934)
Net (decrease)/increase in deposits from customers	**(41,903,935)**	19,459,559
Net decrease in other operating liabilities	**(10,745,319)**	(6,609,118)
	(59,230,621)	9,982,323
Net cash flows from operating activities before income tax payment	**(77,089,515)**	(7,708,650)
Income tax paid	**(558,857)**	(1,197,520)
Receipts of tax refunds	**51,422**	–
Net cash flows used in operating activities	**(77,596,950)**	(8,906,170)

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Cash Flows

For the six months ended 30 June 2024
(In RMB thousands, unless otherwise stated)

	Notes	Six months ended 30 June 2025 (Unaudited)	2024 (Unaudited)
Cash flows from investing activities			
Proceeds from sale and redemption of financial investments		**323,821,125**	320,534,869
Proceeds received from investment activities		**9,487,325**	8,219,396
Proceeds from disposal of property and equipment		**458**	1,904
Purchases of investments		**(353,888,491)**	(325,046,458)
Purchases of property and equipment, intangible assets and other long-term assets		**(93,167)**	(187,304)
Net cash flows (used in)/generated from investing activities		**(20,672,750)**	3,522,407
Cash flows from financing activities			
Proceeds from issuance of debt securities		**276,193,276**	213,314,851
Repayment of debt securities		**(238,625,754)**	(212,716,225)
Interest paid on debt securities		**(6,044,427)**	(4,925,576)
Repayment of lease liabilities		**(545,799)**	(608,602)
Net cash flows generated from/(used in) financing activities		**30,977,296**	(4,935,552)
Effect of foreign exchange rate changes on cash and cash equivalents		**106,411**	(73,574)
Net decrease in cash and cash equivalents	40(a)	**(67,185,993)**	(10,392,889)
Cash and cash equivalents as at 1 January		**122,169,996**	67,382,604
Cash and cash equivalents as at 30 June	40(b)	**54,984,003**	56,989,715
Net cash flows from operating activities include:			
Interest received		**18,555,169**	21,688,414
Interest paid		**(12,675,288)**	(15,666,941)

The accompanying notes form part of these consolidated financial statements.

Notes to the Unaudited Consolidated Financial Statements

For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

1. Background information

CHINA BOHAI BANK CO., LTD. (the "Bank") is a national joint-stock commercial bank established in Tianjin on 30 December 2005.

The Bank has been approved by the former China Banking and Insurance Regulatory Commission (the "CBIRC") to hold financial business permit (No. B0017H112000001) and the Market Supervision Administration of Hedong District, Tianjin for the business license (No. 911200007109339563).

On 16 July 2020, the Bank's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited with the stock code 9668.

The Bank's operation commenced on 16 February 2006. As at 30 June 2025, the Bank has established 34 tier-one branches, 35 tier-two branches and 291 sub-branches. The total number of outlets reached 376, including 16 small and micro community sub-branches.

The principal activities of the Bank include absorbing public deposits; offering short-term, medium term and long-term loans; arranging settlement of domestic and international accounts; handling accept and discount of bill; issuing financial bonds; acting as agent to issue, settle and underwrite government bonds and proprietary trading bonds issued by financial institutions and government; inter-bank borrowing and lending; trading of foreign currencies on its own and on behalf of its customers; selling and purchasing foreign exchange, bank card business; letters of credit and financial guarantees; acting as agent on inward and outward payments; acting as an insurance agent, safe-deposit facilities, derivative trading, securities investment custody, insurance fund custody, selling securities investment fund and other business approved by the banking regulatory institutions of the State Council.

According to the "Approval from the China Banking and Insurance Regulatory Commission on the Opening of CBHB Wealth Management Co., Ltd. (渤銀理財有限責任公司)", the Bank established its wholly owned subsidiary CBHB Wealth Management Co., Ltd. with a registered capital of RMB2 billion on 6 September 2022. The approved business scope of CBHB Wealth Management Co., Ltd. includes public issuance of financial products and provision of investment and management of entrusted investor property to the non-specific public, non-public issuance of wealth management products and provision of investment and management of entrusted investor property to qualified investors, consultancy and advisory services and other business as approved by the banking regulatory institutions of the State Council. The Bank and its subsidiary are collectively referred to as the "Group".

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

2. Basis of preparation and accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The interim consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standard Accounting Standards issued by the IASB ("IFRS Accounting Standards"), and should be read in conjunction with the audited annual consolidated financial statements for the year ended 31 December 2024.

The consolidated financial statements are unaudited, but have been reviewed by Deloitte Touche Tohmatsu in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

Accounting judgements and estimates

The preparation of the consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the preparation of the consolidated financial statements for the year ended 31 December 2024. Actual results may differ from these estimates.

Significant accounting policies

In the current period, the Group has applied, for the first time, the follow amendments to an IFRS Accounting Standard issued by the IASB.

Amendments to IAS 21	Lack of Exchangeability

The adoption of the amendments has no material impact on the financial position and the financial performance of the Group.

The Group has not applied any new standard, amendment or interpretation that is not yet effective for the current accounting period.

Other than the application of the amendments to an IFRS Accounting Standard mentioned above, the accounting policies and methods of computation used in the consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

3. Net interest income

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Interest income arising from		
Balances with the central bank	**453,489**	490,570
Deposits with banks and other financial institutions	**242,216**	165,957
Placements with banks and other financial institutions	**216,177**	327,363
Loans and advances to customers		
– Corporate loans and advances	**13,327,914**	13,630,957
– Personal loans	**3,957,822**	6,097,399
– Discounted bills	**319,814**	617,683
Financial assets purchased under resale agreements	**137,451**	250,522
Financial investments	**6,646,602**	6,577,414
Sub-total	**25,301,485**	28,157,865
Interest expense arising from		
Borrowings from the central bank	**(1,098,033)**	(1,682,108)
Deposits from banks and other financial institutions	**(1,691,096)**	(2,405,577)
Placements from banks and other financial institutions	**(497,162)**	(884,907)
Deposits from customers	**(10,004,667)**	(11,158,743)
Financial assets sold under repurchase agreements	**(656,415)**	(379,900)
Debt securities issued	**(3,308,466)**	(3,566,472)
Sub-total	**(17,255,839)**	(20,077,707)
Net interest income	**8,045,646**	8,080,158

4. Net fee and commission income

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Fee and commission income		
Agency and asset management services	**575,314**	1,106,619
Settlement and clearing business	**465,544**	487,889
Guarantees and commitments	**304,219**	354,562
Custodian services	**100,317**	154,178
Consulting and advisory services	**43,997**	74,213
Bank card business	**33,671**	54,339
Others	**27,382**	22,723
Sub-total	**1,550,444**	2,254,523
Fee and commission expense	**(376,897)**	(558,603)
Net fee and commission income	**1,173,547**	1,695,920

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

5. Net trading income

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Net gains from investments in derivative financial instruments	**373,355**	725,936
Exchange gains/(losses)	**882**	(642,573)
Net losses from trading of precious metals	**(648,725)**	(530,516)
Net gains from bond investments at FVTPL	**113,132**	670,064
Net gains from loans and advances at FVTPL	**354,052**	248,288
Net losses from equity investments	**(47,753)**	(82,768)
Net gains on changes in fair value of financial liabilities FVTPL	**238**	–
Total	**145,181**	388,431

6. Net gains on financial investments

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Net gains from financial investments at FVTPL	**3,447,349**	2,162,588
Net gains on disposal of financial investments at FVTOCI	**1,098,730**	508,957
Net gains on disposal of financial investments at amortised cost	**289,971**	292,357
Total	**4,836,050**	2,963,902

7. Other operating income

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Government grants	**2,041**	407
Rental income	**2,731**	5,809
Others	**9,822**	10,314
Total	**14,594**	16,530

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

8. Operating expenses

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Staff costs		
– Salaries, bonuses and allowances	**1,797,431**	1,824,347
– Social insurance and annuity	**543,524**	544,792
– Housing allowances	**320,714**	306,168
– Staff welfare	**107,244**	115,859
– Employee education expenses and labour union expenses	**56,719**	54,723
– Others	**1,973**	54,485
Sub-total	**2,827,605**	2,900,374
Depreciation and amortisation	**814,036**	880,850
Taxes and surcharges	**188,044**	217,555
Interest expense on lease liabilities	**59,488**	75,704
Other general and administrative expenses	**950,038**	943,789
Total	**4,839,211**	5,018,272

Expenses relating to short-term leases and leases of low-value assets were RMB20 million and RMB32 million for the six months ended 30 June 2025 and 2024, respectively.

9. Impairment losses on assets

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Deposits with banks and other financial institutions	**1,542**	725
Placements with banks and other financial institutions	**143,672**	3,334
Financial assets purchased under resale agreements	**2,267**	(1,677)
Loans and advances to customers	**3,558,002**	3,102,069
Financial investments	**1,139,447**	135,700
Credit commitments	**(48,766)**	59,965
Others	**1,144**	712,191
Total	**4,797,308**	4,012,307

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

10. Income tax expense

(a) Income tax expense:

		Six months ended 30 June	
	Note	**2025 (Unaudited)**	2024 (Unaudited)
Current tax		**44,265**	480,346
Deferred tax	22(b)	**703,799**	(63,093)
Total		**748,064**	417,253

(b) Reconciliations between income tax expense and accounting profit are as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit before taxation	**4,578,499**	4,114,362
People's Republic of China ("PRC") statutory income tax rate	**25%**	25%
Tax at the PRC statutory income tax rate	**1,144,625**	1,028,591
Effects of non-deductible expenses	**183,713**	60,682
Effects of non-taxable income (i)	**(602,172)**	(552,177)
Effects of others	**21,898**	(119,843)
Income tax expense	**748,064**	417,253

(i) The non-taxable income mainly represents the interest income arising from the PRC government bonds, municipal debts, and dividend income from funds.

11. Basic and diluted earnings per share

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Net profit for the period attributable to ordinary shareholders of the parent company	**3,830,435**	3,697,109
Weighted average number of ordinary shares in issue (in thousands)	**17,762,000**	17,762,000
Basic and diluted earnings per share (in RMB Yuan)	**0.22**	0.21

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the reporting period.

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12. Cash and balances with the central bank

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash		**781,819**	470,357
Balances with the central bank			
– Statutory deposit reserves	(a)	**52,808,859**	56,354,745
– Surplus deposit reserves	(b)	**18,314,730**	90,955,021
– Fiscal deposits and other		**787,734**	353,389
Sub-total		**71,911,323**	147,663,155
Interests accrued		**23,586**	28,637
Total		**72,716,728**	148,162,149

(a) The Bank places statutory deposit reserves with the People's Bank of China ("PBOC") in accordance with relevant regulations. The statutory deposit reserve ratios applicable to the Bank were as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Reserve ratio for RMB deposits	**5.50%**	6.00%
Reserve ratio for foreign currency deposits	**4.00%**	4.00%

The statutory deposit reserves are not available for the Group's daily business.

(b) The surplus deposit reserves include funds maintained with the PBOC for the purpose of clearing.

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13. Deposits with banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Deposits in Chinese mainland		
– Banks	**9,513,646**	6,077,852
– Other financial institutions	**2,392**	–
Sub-total	**9,516,038**	6,077,852
Deposits outside Chinese mainland		
– Banks	**9,593,865**	5,351,959
Sub-total	**9,593,865**	5,351,959
Interests accrued	**10,221**	6,739
Less: Allowances for impairment losses	**(32,708)**	(31,088)
Total	**19,087,416**	11,405,462

14. Placements with banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Placements in Chinese mainland		
– Banks	**–**	601,261
– Other financial institutions	**3,320,000**	3,740,000
Sub-total	**3,320,000**	4,341,261
Placements outside Chinese mainland		
– Banks	**1,650,956**	490,070
Sub-total	**1,650,956**	490,070
Interests accrued	**137,888**	122,454
Less: Allowances for impairment losses	**(212,173)**	(68,486)
Total	**4,896,671**	4,885,299

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15. Derivative financial instruments

A derivative is a financial instrument, the value of which changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other similar variables. Derivative financial instruments used by the Group mainly include forwards, swaps and option contracts.

The notional amount of a derivative represents the amount of an underlying asset upon which the value of the derivative is based. It indicates the volume of business transacted by the Group but does not reflect the risk.

The notional amount and fair value of unexpired derivative financial instruments held by the Group are set out in the following tables:

	30 June 2025 (Unaudited)		
		Fair value	
	Notional amount	**Assets**	**Liabilities**
Interest rate swaps	**326,790,962**	**24,240**	**(7,908)**
Exchange rate swaps	**301,672,011**	**1,402,052**	**(1,170,432)**
Exchange rate forwards	**19,641,811**	**211,226**	**(194,488)**
Precious metal swaps	**7,417,289**	**921,130**	**(140,526)**
Option contracts	**7,231,286**	**41,612**	**(34,183)**
Total	**662,753,359**	**2,600,260**	**(1,547,537)**

	31 December 2024 (Audited)		
		Fair value	
	Notional amount	Assets	Liabilities
Interest rate swaps	254,969,033	32,172	(11,129)
Exchange rate swaps	139,026,375	1,318,613	(922,071)
Exchange rate forwards	30,687,855	919,113	(847,959)
Precious metal swaps	4,010,073	168,443	(9,620)
Option contracts	1,912,240	9,843	(9,104)
Total	430,605,576	2,448,184	(1,799,883)

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16. Financial assets purchased under resale agreements

(a) Analysed by type and location of counterparty

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Financial assets purchased under resale agreements		
– Banks in Chinese mainland	**1,199,700**	9,407,700
– Other financial institutions in Chinese mainland	**13,926,895**	9,120,914
Sub-total	**15,126,595**	18,528,614
Interests accrued	**2,520**	5,074
Less: Allowances for impairment losses	**(4,810)**	(2,543)
Total	**15,124,305**	18,531,145

(b) Analysed by asset types

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Bonds	**15,126,595**	18,528,614
Interests accrued	**2,520**	5,074
Less: Allowances for impairment losses	**(4,810)**	(2,543)
Total	**15,124,305**	18,531,145

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17. Loans and advances to customers

(a) Analysed by nature

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Loans and advances to customers measured at amortised cost:		
Corporate loans and advances	**633,876,194**	614,895,270
Personal loans		
– Residential and commercial housing loans	**146,851,057**	149,664,942
– Personal consumer loans	**34,029,112**	37,512,214
– Personal business loans	**34,344,003**	34,849,935
Sub-total	**215,224,172**	222,027,091
Interests accrued	**14,292,305**	13,115,173
Less: Allowances for impairment losses on loans and advances to customers measured at amortised cost	**(26,286,662)**	(24,244,122)
Sub-total	**837,106,009**	825,793,412
Loans and advances to customers at FVTOCI:		
Corporate loans and advances	**4,427,195**	2,959,772
Discounted bills	**45,683,011**	59,727,587
Loans and advances to customers at FVTPL:		
Corporate loans and advances	**55,211,406**	36,880,971
Net loans and advances to customers	**942,427,621**	925,361,742

As at 30 June 2025, the Group's allowances for impairment losses on loans and advances to customers at FVTOCI was RMB1,293 million (31 December 2024: RMB1,330 million), refer to Note 17(f).

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17. Loans and advances to customers *(Continued)*

(b) Loans and advances to customers (excluding interests accrued) analysed by industry sector

	30 June 2025 (Unaudited)		
	Amount	Percentage	Loans and advances secured by collaterals
Leasing and commercial services	**252,362,729**	**26.44%**	**51,773,834**
Real estate	**97,844,678**	**10.25%**	**68,957,515**
Manufacturing	**79,491,614**	**8.33%**	**6,166,744**
Water conservancy, environment and public facilities management	**72,535,840**	**7.60%**	**8,719,506**
Wholesale and retail	**72,137,085**	**7.56%**	**16,655,431**
Construction	**31,029,371**	**3.25%**	**10,037,819**
Financial services	**23,465,031**	**2.46%**	**2,632,450**
Transportations, storage and post	**14,134,130**	**1.48%**	**5,020,924**
Production and supply of electricity, heat, gas and water	**13,026,786**	**1.36%**	**948,684**
Information transmission, software and information technology services	**9,696,273**	**1.02%**	**1,995,916**
Mining	**8,053,302**	**0.84%**	**814,022**
Scientific research and technical services	**5,862,551**	**0.61%**	**1,290,423**
Agriculture, forestry, animal husbandry and fishery	**4,357,978**	**0.46%**	**814,208**
Others	**9,517,427**	**1.00%**	**4,435,904**
Sub-total of corporate loans and advances	**693,514,795**	**72.66%**	**180,263,380**
Personal loans	**215,224,172**	**22.55%**	**164,337,784**
Discounted bills	**45,683,011**	**4.79%**	**45,683,011**
Gross loans and advances to customers	**954,421,978**	**100.00%**	**390,284,175**

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17. Loans and advances to customers *(Continued)*

(b) Loans and advances to customers (excluding interests accrued) analysed by industry sector *(Continued)*

	31 December 2024 (Audited)		
	Amount	Percentage	Loans and advances secured by collaterals
Leasing and commercial services	239,347,741	25.56%	54,705,862
Real estate	93,339,050	9.97%	68,096,721
Manufacturing	87,787,078	9.37%	17,680,869
Water conservancy, environment and public facilities management	68,171,356	7.28%	4,907,660
Wholesale and retail	51,153,524	5.46%	14,912,204
Construction	28,175,257	3.01%	10,026,561
Financial services	26,074,303	2.78%	3,892,199
Transportations, storage and post	14,239,861	1.52%	4,689,990
Production and supply of electricity, heat, gas and water	13,886,782	1.48%	1,054,099
Information transmission, software and information technology services	7,776,105	0.83%	1,461,374
Mining	6,463,006	0.69%	796,382
Scientific research and technical services	6,650,275	0.71%	1,249,784
Agriculture, forestry, animal husbandry and fishery	2,744,227	0.29%	516,459
Others	8,927,448	0.96%	4,266,602
Sub-total of corporate loans and advances	654,736,013	69.91%	188,256,766
Personal loans	222,027,091	23.71%	167,870,841
Discounted bills	59,727,587	6.38%	59,727,587
Gross loans and advances to customers	936,490,691	100.00%	415,855,194

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17. Loans and advances to customers *(Continued)*

(c) Analysed by geographical sector (excluding interests accrued)

	30 June 2025 (Unaudited)		
	Amount	**Percentage**	**Loans and advances secured by collaterals**
Northern and Northeastern China	**392,680,863**	**41.14%**	**165,657,785**
Eastern China	**282,385,221**	**29.59%**	**91,646,352**
Central and Southern China	**201,688,466**	**21.13%**	**102,124,791**
Western China	**77,667,428**	**8.14%**	**30,855,247**
Gross loans and advances to customers	**954,421,978**	**100.00%**	**390,284,175**

	31 December 2024 (Audited)		
	Amount	Percentage	Loans and advances secured by collaterals
Northern and Northeastern China	394,668,711	42.14%	176,092,973
Eastern China	260,038,530	27.77%	94,784,509
Central and Southern China	198,630,819	21.21%	107,202,979
Western China	83,152,631	8.88%	37,774,733
Gross loans and advances to customers	936,490,691	100.00%	415,855,194

The categorisation of geographical areas is consistent with the presentation in the audited consolidated financial statements for the year ended 31 December 2024.

(d) Analysed by type of collateral (excluding interests accrued)

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Unsecured loans	**211,268,702**	191,228,822
Guaranteed loans	**352,869,101**	329,406,675
Collateralised loans	**284,284,428**	286,551,232
Pledged loans	**105,999,747**	129,303,962
Gross loans and advances to customers	**954,421,978**	936,490,691

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17. Loans and advances to customers *(Continued)*

(e) Overdue loans analysed by overdue period (excluding interests accrued)

	30 June 2025 (Unaudited)				
	Overdue within three months (inclusive)	**Overdue more than three months to one year (inclusive)**	**Overdue more than one year to three years (inclusive)**	**Overdue more than three years**	**Total**
Unsecured loans	**1,023,156**	**1,843,580**	**1,916,462**	**750,164**	**5,533,362**
Guaranteed loans	**3,913,718**	**712,380**	**703,272**	**964,035**	**6,293,405**
Collateralised loans	**7,785,864**	**3,754,169**	**4,236,915**	**1,228,952**	**17,005,900**
Pledged loans	**20,502**	**37,821**	**21,101**	**248,946**	**328,370**
Total	**12,743,240**	**6,347,950**	**6,877,750**	**3,192,097**	**29,161,037**
As a percentage of gross loans and advances to customers	**1.34%**	**0.67%**	**0.72%**	**0.33%**	**3.06%**

	31 December 2024 (Audited)				
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	Total
Unsecured loans	1,162,089	2,071,707	2,335,720	637,938	6,207,454
Guaranteed loans	3,899,757	1,428,034	597,872	710,596	6,636,259
Collateralised loans	4,894,612	2,590,774	3,392,803	1,206,701	12,084,890
Pledged loans	954,881	5,000	48,206	217,538	1,225,625
Total	10,911,339	6,095,515	6,374,601	2,772,773	26,154,228
As a percentage of gross loans and advances to customers	1.16%	0.65%	0.68%	0.30%	2.79%

Overdue loans represent loans, of which the whole or part of the principal or interest were overdue for one day or more.

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17. Loans and advances to customers *(Continued)*

(f) Movements of allowances for impairment losses

(i) Movements of allowance for impairment losses of loans and advances to customers measured at amortised cost:

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	**6,080,413**	**5,156,951**	**13,006,758**	**24,244,122**
Transfer:				
– to Stage 1	**25,974**	**(25,974)**	**–**	**–**
– to Stage 2	**(145,235)**	**215,410**	**(70,175)**	**–**
– to Stage 3	**(7,712)**	**(383,493)**	**391,205**	**–**
Charge for the period	**177,649**	**2,237,834**	**1,179,955**	**3,595,438**
Recoveries	**–**	**–**	**292,895**	**292,895**
Write-offs	**–**	**–**	**(1,847,725)**	**(1,847,725)**
Exchange rate changes and others	**1,938**	**–**	**(6)**	**1,932**
Balance at 30 June	**6,133,027**	**7,200,728**	**12,952,907**	**26,286,662**

	Year ended 31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	5,647,264	7,041,337	11,911,201	24,599,802
Transfer:				
– to Stage 1	38,880	(38,880)	–	–
– to Stage 2	(715,792)	735,839	(20,047)	–
– to Stage 3	(251,736)	(3,425,000)	3,676,736	–
Charge for the year	1,361,942	843,655	4,607,993	6,813,590
Transfer out	–	–	(6,781,602)	(6,781,602)
Recoveries	–	–	1,968,349	1,968,349
Write-offs	–	–	(2,355,890)	(2,355,890)
Exchange rate changes and others	(145)	–	18	(127)
Balance at 31 December	6,080,413	5,156,951	13,006,758	24,244,122

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17. Loans and advances to customers *(Continued)*

(f) Movements of allowances for impairment losses *(Continued)*

(ii) Movements of allowance for impairment of loans and advances to customers measured at FVTOCI:

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	**36,455**	**–**	**1,293,763**	**1,330,218**
Charge/(reversal) for the period	**10,666**	**–**	**(48,102)**	**(37,436)**
Balance at 30 June	**47,121**	**–**	**1,245,661**	**1,292,782**

	Year ended 31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	18,847	–	1,367,990	1,386,837
Charge/(reversal) for the year	17,608	–	(74,227)	(56,619)
Balance at 31 December	36,455	–	1,293,763	1,330,218

Allowances for impairment losses on loans and advances to customers measured at fair value through other comprehensive income is recognised in other comprehensive income without decreasing the carrying amount of loans and advances to customers presented in the consolidated statement of financial position as the carrying amount is at fair value, and impairment loss or reversal is recognised in the profit or loss.

18. Financial investments

	Notes	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
Financial investments at FVTPL	(a)	**214,676,144**	192,864,991
Financial investments at FVTOCI	(b)	**253,273,746**	177,376,537
Financial investments at amortised cost	(c)	**268,830,007**	330,196,792
Total		**736,779,897**	700,438,320

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18. Financial investments *(Continued)*

(a) Financial investments at FVTPL

Financial investments held for trading:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Debt securities – Unlisted (i)		
– Government and central bank	**6,404,951**	5,055,172
– Policy banks	**4,760,809**	4,922,198
– Banks and other financial institutions	**1,258,118**	1,507,368
– Corporates	**16,025,620**	8,651,973
Sub-total	**28,449,498**	20,136,711
Interbank certificates of deposits – Unlisted	**8,121,913**	10,222,539
Total financial investments held for trading	**36,571,411**	30,359,250

Other financial investments classified as at FVTPL:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Fund investments – Unlisted	**75,363,170**	70,852,301
Equity investments		
– Listed outside Hong Kong	**479,859**	500,699
– Unlisted	**3,585,368**	3,588,068
Trust plans and asset management plans – Unlisted	**98,676,336**	87,564,673
Total other financial investments classified as at FVTPL	**178,104,733**	162,505,741
Total financial investments classified as at FVTPL	**214,676,144**	192,864,991

Note:

(i) As at 30 June 2025 and 31 December 2024, certain financial investments at FVTPL were pledged for borrowings from the central bank and financial assets sold under repurchase agreements (Note 46(e)).

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18. Financial investments *(Continued)*

(b) Financial investments at FVTOCI

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Debt securities – Unlisted (i)		
– Government	**83,250,402**	54,859,456
– Policy banks	**90,266,700**	70,764,845
– Banks and other financial institutions	**13,067,735**	10,423,057
– Corporates	**62,393,478**	37,868,134
Interests accrued	**2,019,586**	1,610,592
Sub-total	**250,997,901**	175,526,084
Interbank certificates of deposits – Unlisted	**2,061,893**	1,620,920
Interests accrued	**13,923**	29,507
Sub-total	**2,075,816**	1,650,427
Equity investments – Unlisted (ii)	**200,029**	200,026
Total	**253,273,746**	177,376,537

Note:

(i) As at 30 June 2025 and 31 December 2024, certain financial investments at FVTOCI were pledged for borrowings from the central bank and financial assets sold under repurchase agreements (Note 46(e)).

(ii) Dividends income from such equity investments during the six months ended 30 June 2025 and the year ended 31 December 2024 were RMB0 and RMB35 million, respectively, which were included in the profit or loss.

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18. Financial investments *(Continued)*

(b) Financial investments at FVTOCI *(Continued)*

Movements of allowance for impairment losses of financial investments at FVTOCI are as follows:

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	**348,107**	**–**	**10,000**	**358,107**
Charge for the period	**222,994**	**75,000**	**–**	**297,994**
Exchange rate changes and other	**8**	**–**	**–**	**8**
Balance at 30 June	**571,109**	**75,000**	**10,000**	**656,109**

	Year ended 31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	148,805	–	10,000	158,805
Charge for the year	199,248	–	–	199,248
Exchange rate changes and other	54	–	–	54
Balance at 31 December	348,107	–	10,000	358,107

Allowances for impairment on financial investments at FVTOCI is recognised in other comprehensive income without decreasing the carrying amount of financial investments presented in the consolidated statement of financial position as the carrying amount is at fair value, and impairment loss or reversal is recognised in the profit or loss.

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18. Financial investments *(Continued)*

(c) Financial investments at amortised cost

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Debt securities – Unlisted (i)		
– Government and central bank	**74,687,251**	86,748,389
– Policy banks	**58,811,735**	71,919,092
– Banks and other financial institutions	**7,206,173**	7,789,129
– Corporates	**40,306,263**	57,474,426
Interests accrued	**2,479,888**	3,171,369
Sub-total	**183,491,310**	227,102,405
Trust plans and asset management plans – Unlisted	**93,697,756**	110,296,478
Interests accrued	**904,089**	1,269,127
Sub-total	**94,601,845**	111,565,605
Less: Allowances for impairment losses	**(9,263,148)**	(8,471,218)
Total	**268,830,007**	330,196,792

Note:

(i) As at 30 June 2025 and 31 December 2024, certain financial investments at amortised cost were pledged for borrowings from the central bank and financial assets sold under repurchase agreements (Note 46(e)).

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18. Financial investments *(Continued)*

(c) Financial investments at amortised cost *(Continued)*

Movements of allowance for impairment losses of financial investments at amortised cost are as follows:

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	**1,412,263**	**609,943**	**6,449,012**	**8,471,218**
Transfer:				
– to Stage 1	**9,717**	**(9,717)**	**–**	**–**
– to Stage 2	**(546)**	**546**	**–**	**–**
– to Stage 3	**(23,962)**	**(830,320)**	**854,282**	**–**
(Reversal)/charge for the period	**(285,986)**	**366,484**	**760,955**	**841,453**
Write-offs	**–**	**–**	**(50,880)**	**(50,880)**
Exchange rate changes and other	**1,357**	**–**	**–**	**1,357**
Balance at 30 June	**1,112,843**	**136,936**	**8,013,369**	**9,263,148**

	Year ended 31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	772,484	727,652	7,216,463	8,716,599
Transfer:				
– to Stage 1	–	–	–	–
– to Stage 2	–	–	–	–
– to Stage 3	(65,185)	(86,499)	151,684	–
Charge/(reversal) for the year	705,257	(31,210)	(603,671)	70,376
Write-offs/transfer out	–	–	(315,464)	(315,464)
Exchange rate changes and other	(293)	–	–	(293)
Balance at 31 December	1,412,263	609,943	6,449,012	8,471,218

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19. Investment in subsidiary

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
CBHB Wealth Management Co., Ltd.	**2,000,000**	2,000,000

Details of the subsidiary are as follows:

Name	Date of incorporation/ establishment	Place of incorporation/ operation	Legal form	Paid-in capital	Percentage of equity interest/ voting rights	Business scope
CBHB Wealth Management Co., Ltd	6 September 2022	Tianjin, China	Limited liability company	RMB2 billion	100%	Wealth management

20. Interest in associate

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Investment in associate	**–**	–

The Group invested in Hawtai Motor Finance Co., Ltd. ("Hawtai") in 2015, and the proportion of equity interest in the investment and the proportion of voting rights are both 10%. The Group accounts for its investment in Hawtai under the equity method. As at 30 June 2025 and 31 December 2024, accumulated losses of Hawtai assumed by the Group in proportion to equity interest in the investment exceeded the Group's share of the equity interest, and as the Group has no obligation to assume additional losses, the carrying amount of the Group's investment in the associate was reduced to RMB0.

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21. Property and equipment

	Premises	Leasehold improvements	Operating equipment	Motor vehicles	Construction in progress	Total
Cost						
As at 1 January 2024	3,875,984	1,225,684	2,069,712	87,087	568,793	7,827,260
Additions	199,089	82,644	234,627	3,404	32,224	551,988
Disposals	–	(16,380)	(73,297)	(10,271)	(231,761)	(331,709)
Foreign currency translation differences	–	240	367	12	–	619
As at 31 December 2024 (Audited)	4,075,073	1,292,188	2,231,409	80,232	369,256	8,048,158
As at 1 January 2025	**4,075,073**	**1,292,188**	**2,231,409**	**80,232**	**369,256**	**8,048,158**
Additions	**–**	**29,653**	**24,475**	**1,649**	**–**	**55,777**
Disposals	**–**	**(15,887)**	**(19,689)**	**(5,074)**	**–**	**(40,650)**
Foreign currency translation differences	**–**	**(214)**	**(329)**	**(11)**	**–**	**(554)**
As at 30 June 2025 (Unaudited)	**4,075,073**	**1,305,740**	**2,235,866**	**76,796**	**369,256**	**8,062,731**
Accumulated depreciation						
As at 1 January 2024	(1,727,772)	(971,106)	(1,467,876)	(73,833)	–	(4,240,587)
Charge for the year	(191,796)	(165,055)	(224,710)	(3,717)	–	(585,278)
Disposals	–	16,038	68,790	8,984	–	93,812
Foreign currency translation differences	–	(240)	(305)	(11)	–	(556)
As at 31 December 2024 (Audited)	(1,919,568)	(1,120,363)	(1,624,101)	(68,577)	–	(4,732,609)
As at 1 January 2025	**(1,919,568)**	**(1,120,363)**	**(1,624,101)**	**(68,577)**	**–**	**(4,732,609)**
Charge for the period	**(97,760)**	**(62,614)**	**(114,755)**	**(1,711)**	**–**	**(276,840)**
Disposals	**–**	**7,248**	**19,443**	**4,444**	**–**	**31,135**
Foreign currency translation differences	**–**	**214**	**287**	**10**	**–**	**511**
As at 30 June 2025 (Unaudited)	**(2,017,328)**	**(1,175,515)**	**(1,719,126)**	**(65,834)**	**–**	**(4,977,803)**
Impairment provision						
As at 1 January 2024	–	–	–	–	–	–
Charge for the year	–	–	–	–	(98,005)	(98,005)
As at 31 December 2024 (Audited)	–	–	–	–	(98,005)	(98,005)
As at 1 January 2025	**–**	**–**	**–**	**–**	**(98,005)**	**(98,005)**
Charge for the period	**–**	**–**	**–**	**–**	**–**	**–**
As at 30 June 2025 (Unaudited)	**–**	**–**	**–**	**–**	**(98,005)**	**(98,005)**
Net book value						
As at 31 December 2024 (Audited)	2,155,505	171,825	607,308	11,655	271,251	3,217,544
As at 30 June 2025 (Unaudited)	**2,057,745**	**130,225**	**516,740**	**10,962**	**271,251**	**2,986,923**

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22. DEFERRED TAX ASSETS

(a) Analysed by nature

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Deductible/ (taxable) temporary differences	**Deferred tax assets/ (liabilities)**	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets				
– Allowance for impairment losses	**46,249,284**	**11,562,321**	46,582,679	11,645,670
– Fair value changes	**2,762,382**	**690,596**	3,010,740	752,685
– Accrued salary cost	**4,622,923**	**1,155,731**	4,863,511	1,215,878
– Provisions	**411,709**	**102,927**	501,793	125,448
– Tax losses	**3,069,000**	**767,250**	3,069,000	767,250
– Others	**4,978,249**	**1,244,562**	4,581,954	1,145,489
	62,093,547	**15,523,387**	62,609,677	15,652,420
Deferred tax liabilities				
– Fair value changes	**(10,636,905)**	**(2,659,226)**	(9,054,443)	(2,263,611)
– Others	**(3,836,350)**	**(959,088)**	(4,103,549)	(1,025,887)
	(14,473,255)	**(3,618,314)**	(13,157,992)	(3,289,498)
Net balance	**47,620,292**	**11,905,073**	49,451,685	12,362,922

(b) Movements of deferred tax

	Allowance for impairment losses	Net losses/ (gains) on fair value changes	Others	Net balance of deferred tax assets
As at 1 January 2024	12,604,137	720,859	1,434,055	14,759,051
Recognised in profit or loss	(923,765)	(754,743)	794,123	(884,385)
Recognised in other comprehensive income	(34,702)	(1,477,042)	–	(1,511,744)
As at 31 December 2024 (Audited)	11,645,670	(1,510,926)	2,228,178	12,362,922
Recognised in profit or loss	(18,736)	(768,267)	83,204	(703,799)
Recognised in other comprehensive income	(64,613)	310,563	–	245,950
As at 30 June 2025 (Unaudited)	**11,562,321**	**(1,968,630)**	**2,311,382**	**11,905,073**

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23. Right-of-use assets

	Premises	Others	Total
Cost			
As at 1 January 2024	7,348,834	13,565	7,362,399
Additions	1,191,666	81	1,191,747
Disposals	(1,273,367)	(308)	(1,273,675)
Foreign currency translation differences	1,835	4	1,839
As at 31 December 2024 (Audited)	7,268,968	13,342	7,282,310
As at 1 January 2025	**7,268,968**	**13,342**	**7,282,310**
Additions	**443,243**	**114**	**443,357**
Disposals	**(879,761)**	**(81)**	**(879,842)**
Foreign currency translation differences	**(1,643)**	**(3)**	**(1,646)**
As at 30 June 2025 (Unaudited)	**6,830,807**	**13,372**	**6,844,179**
Accumulated depreciation			
As at 1 January 2024	(3,468,248)	(7,381)	(3,475,629)
Charge for the year	(1,035,718)	(1,093)	(1,036,811)
Disposals	838,031	90	838,121
Foreign currency translation differences	(1,552)	(3)	(1,555)
As at 31 December 2024 (Audited)	(3,667,487)	(8,387)	(3,675,874)
As at 1 January 2025	**(3,667,487)**	**(8,387)**	**(3,675,874)**
Charge for the period	**(469,561)**	**(553)**	**(470,114)**
Disposals	**655,662**	**81**	**655,743**
Foreign currency translation differences	**1,540**	**3**	**1,543**
As at 30 June 2025 (Unaudited)	**(3,479,846)**	**(8,856)**	**(3,488,702)**
Net book value			
As at 31 December 2024 (Audited)	3,601,481	4,955	3,606,436
As at 30 June 2025 (Unaudited)	**3,350,961**	**4,516**	**3,355,477**

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24. Other assets

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Interest receivable	(a)	**3,046,057**	2,840,447
Settlement receivable		**2,162,942**	6,263,025
Guarantee deposits		**1,201,145**	710,345
Precious metal		**974,451**	359,345
Fees and commission receivable		**420,523**	395,529
Land use rights		**363,173**	370,536
Intangible assets		**262,675**	287,596
Prepayments		**196,717**	200,454
Others		**4,296,651**	2,957,129
Sub-total		**12,924,334**	14,384,406
Less: Allowances for impairment losses		**(1,002,595)**	(961,481)
Total		**11,921,739**	13,422,925

(a) Interest receivable

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Interest receivable arising from:		
Loans and advances to customers	**1,233,683**	1,075,461
Financial investments	**1,812,374**	1,764,986
Total	**3,046,057**	2,840,447

As at 30 June 2025 and 31 December 2024, interest receivable only includes interest that has been due but not yet received for the relevant financial instruments. Interest on financial instruments based on the effective interest method has been reflected in the balance of the corresponding financial instruments.

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25. Borrowings from the central bank

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Medium-term lending facility	**96,940,000**	118,100,000
Re-lending	**1,865,000**	1,773,000
Interests accrued	**1,215,153**	1,505,473
Total	**100,020,153**	121,378,473

26. Deposits from banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Deposits in Chinese mainland		
– Banks	**63,489,112**	79,667,880
– Other financial institutions	**80,850,974**	67,061,876
Sub-total	**144,340,086**	146,729,756
Deposits outside Chinese mainland		
– Other financial institutions	**2,761,755**	2,877,696
Sub-total	**2,761,755**	2,877,696
Interests accrued	**1,040,647**	954,092
Total	**148,142,488**	150,561,544

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27. Placements from banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Placements in Chinese mainland		
– Banks	**23,457,584**	12,441,557
Sub-total	**23,457,584**	12,441,557
Placements outside Chinese mainland		
– Banks	**6,690,347**	10,409,008
Sub-total	**6,690,347**	10,409,008
Interests accrued	**231,865**	294,180
Total	**30,379,796**	23,144,745

28. Financial assets sold under repurchase agreements

(a) Analysed by type and location of counterparty

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Financial assets sold under repurchase agreements in Chinese mainland		
– Banks	**67,493,146**	57,798,266
Sub-total	**67,493,146**	57,798,266
Interests accrued	**77,393**	20,072
Total	**67,570,539**	57,818,338

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28. Financial assets sold under repurchase agreements *(Continued)*

(b) Analysed by type of collateral held

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Bonds	**67,154,400**	51,635,100
Acceptance	**338,746**	6,163,166
Sub-total	**67,493,146**	57,798,266
Interests accrued	**77,393**	20,072
Total	**67,570,539**	57,818,338

29. Deposits from customers

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Demand deposits		
– Corporate customers	**193,538,570**	238,497,466
– Individual customers	**30,148,277**	36,293,255
Sub-total	**223,686,847**	274,790,721
Time deposits		
– Corporate customers	**436,918,930**	416,936,133
– Individual customers	**193,418,924**	175,982,215
Sub-total	**630,337,854**	592,918,348
Pledged deposits		
– Acceptances	**44,107,906**	89,373,241
– Letters of credit and guarantees	**93,057,774**	60,270,878
– Letters of guarantees	**2,629,969**	2,532,115
– Others	**10,255,720**	23,838,062
Sub-total	**150,051,369**	176,014,296
Fiscal deposits	**80,356**	159,715
Inward and outward remittances	**28,432**	2,205,715
Interests accrued	**22,953,844**	21,473,000
Total	**1,027,138,702**	1,067,561,795

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30. Debt securities issued

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Interbank certificates of deposits issued	(a)	**233,158,338**	213,027,589
Financial bonds issued	(b)	**59,989,452**	49,987,676
Tier 2 capital debts issued	(c)	**22,985,772**	22,986,594
Certificates of deposit issued	(d)	**5,377,257**	3,567,867
Sub-total		**321,510,819**	289,569,726
Interests accrued		**878,532**	1,293,456
Total		**322,389,351**	290,863,182

Notes:

(a) Interbank certificates of deposits issued

For the six months ended 30 June 2025, the Bank issued a number of interbank certificates of deposits with total nominal amount of RMB255,990 million for a duration between 1 to 12 months. The effective interest rates ranged from 1.53% to 2.20% per annum. For the year ended 31 December 2024, the Bank issued a number of interbank certificates of deposits with total nominal amount of RMB402,110 million for a duration between 1 to 12 months. The effective interest rates ranged from 1.64% to 2.52% per annum. The carrying amount of these interbank certificates of deposits that remained outstanding as at 30 June 2025 was RMB233,158 million.

(b) Financial bonds issued

(i) On 12 May 2025, the Group issued three-year financial bonds with face value of RMB5,000 million. The coupon rate is 1.75% per annum. As at 30 June 2025, the carrying amount of the financial bonds was RMB4,999 million.

(ii) On 25 April 2025, the Group issued three-year financial bonds with face value of RMB10,000 million. The coupon rate is 1.88% per annum. As at 30 June 2025, the carrying amount of the financial bonds was RMB9,999 million.

(iii) On 26 February 2025, the Group issued three-year financial bonds with face value of RMB50,000 million. The coupon rate is 1.89% per annum. As at 30 June 2025, the carrying amount of the financial bonds was RMB4,999 million.

(iv) On 24 June 2024, the Group issued three-year financial bonds with face value of RMB5,000 million. The coupon rate is 2.05% per annum. As at 30 June 2025, the carrying amount of the financial bonds was RMB4,998 million.

(v) On 25 July 2023 the Group issued three-year financial bonds with face value of RMB10,000 million. The coupon rate is 2.72% per annum. As at 30 June 2025, the carrying amount of the financial bonds was RMB9,998 million.

(vi) On 12 May 2023, the Group issued three-year financial bonds with face value of RMB10,000 million. The coupon rate is 2.88% per annum. As at 30 June 2025, the carrying amount of the financial bonds was RMB9,998 million.

(vii) On 1 December 2022, the Group issued three-year financial bonds with face value of RMB15,000 million. The coupon rate is 2.95% per annum. As at 30 June 2025, the carrying amount of the financial bonds was RMB14,997 million.

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30. Debt securities issued *(Continued)*

(c) Tier 2 capital debts issued

(i) On 18 April 2024, the Group issued ten-year fixed-rate tier 2 capital debts with face value of RMB14,000 million. The coupon rate is 2.77% per annum. According to the issuance terms, the Bank has the option to redeem all of the debts at face value on the last day of the fifth year. As at 30 June 2025, the carrying amount of the tier 2 capital debts was RMB13,994 million.

(ii) On 15 January 2021, the Group issued ten-year fixed-rate tier 2 capital debts with face value of RMB9,000 million. The coupon rate is 4.40% per annum. According to the issuance terms, the Bank has the option to redeem all of the debts at face value on the last day of the fifth year. As at 30 June 2025, the carrying amount of the tier 2 capital debts was RMB8,991 million.

(d) Certificates of deposit issued

For the six months ended 30 June 2025, the Bank issued a number of certificates of deposit with total face value of 4,351 million RMB equivalent for a duration between 1 to 12 months. The effective interest rates ranged from 1.81% to 4.63% per annum. For the year ended 31 December 2024, the Group issued a number of certificates of deposit with total face value of 3,603 million RMB equivalent for a duration between 1 to 12 months. The effective interest rates ranged from 2.20% to 5.59% per annum. The carrying amount of these certificates of deposit that remained outstanding as at 30 June 2025 was RMB5,377 million.

As at 30 June 2025 and 31 December 2024, there were no defaults of principal and interest or other breaches with respect to these debt securities. None of the above debt securities were secured.

31. Lease liabilities

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Less than one year (inclusive)	**910,860**	959,866
One to two years (inclusive)	**749,695**	779,883
Two to three years (inclusive)	**603,973**	654,359
Three to five years (inclusive)	**874,342**	921,302
More than five years	**613,691**	768,131
Total undiscounted lease liabilities	**3,752,561**	4,083,541
Lease liabilities	**3,440,762**	3,722,824

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32. Other liabilities

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Accrued staff cost	(a)	**4,892,555**	5,078,974
Settlement and clearing payable		**2,120,425**	3,108,938
Other taxes payable		**703,581**	712,534
Provisions	(b)	**419,396**	509,685
Contract liabilities	(c)	**336,813**	415,092
Payment and collection clearance accounts		**92,887**	6,200,113
Others		**2,204,717**	1,291,039
Total		**10,770,374**	17,316,375

(a) Accrued staff cost

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Salary, bonuses and allowances payable	**4,426,819**	4,652,508
Pension and annuity payable	**46,398**	18,872
Other social insurance payable	**8,723**	6,764
Housing fund payable	**23,780**	5,857
Others	**386,835**	394,973
Total	**4,892,555**	5,078,974

(b) Provisions

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Provision for credit commitment losses	**418,916**	466,961
Expected litigation losses	**–**	42,244
Others	**480**	480
Total	**419,396**	509,685

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32. Other liabilities *(Continued)*

(b) Provisions *(Continued)*

Movements of provisions for credit commitment losses are as follows:

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at 1 January 2025	**464,456**	**708**	**1,797**	**466,961**
(Reversal)/charge for the period	**(55,699)**	**(110)**	**7,043**	**(48,766)**
Exchange rate changes and other	**721**	**–**	**–**	**721**
As at 30 June 2025	**409,478**	**598**	**8,840**	**418,916**

	Year ended 31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2024	333,398	851	1,778	336,027
Charge/(reversal) for the year	130,909	(143)	19	130,785
Exchange rate changes and other	149	–	–	149
As at 31 December 2024	464,456	708	1,797	466,961

(c) Contract liabilities

As at 30 June 2025 and 31 December 2024, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts are approximately RMB337 million and RMB415 million, respectively. These amounts represent income expected to be recognised in the future from agency, custody, guarantee and other services. The Group will recognise the expected income in future as the services are provided.

33. Share capital

Issued share capital

Share capital of the Bank as at 30 June 2025 and 31 December 2024 represented share capital of the Bank, which is fully paid.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Number of shares issued and fully paid at par value of RMB1 each (in thousand)	**17,762,000**	17,762,000

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34. Other equity instruments

Undated capital bonds

(a) *Outstanding undated capital bonds ("Bonds") at 30 June 2025*

Financial instrument outstanding	Issue date Status	Accounting classification	Initial interest rate	Issue price	Shares (million shares)	In RMB (Unaudited)	Maturity date	Conversion conditions	Conversion status
Undated capital bonds	13 September 2024	Equity instruments	2.38%	RMB 100/Unit	110	11,000,000	Perpetual	None	None

(b) *Main clauses*

(i) *Issue size*

The issue size of the Bonds for the period is RMB11 billion.

(ii) *Term of the Bonds*

The Bonds for the period will continue to be outstanding so long as the Issuer's business continues to operate.

(iii) *Coupon rate*

The coupon rate of the Bonds will be adjusted at defined intervals, with a coupon rate adjustment period every 5 years since the payment settlement date. In any coupon rate adjusted period, the interest payments on the Bonds will be paid at a prescribed fixed coupon rate.

The coupon rate of the Bonds for the period includes a benchmark rate plus a fixed spread. The benchmark rate is the arithmetic average of the yields to maturity of 5 trading days prior to the Announcement Date of the Subscription Agreement, as indicated by the yield to maturity curve of applicable 5-year China government Notes (rounded to 0.01%) published on www.ChinaBond.com.cn (or other websites approved by the China Central Depository & Clearing Co., Ltd.). The fixed spread is the difference between the coupon rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined.

The Bonds will not have any elevation in interest rates nor any other incentive to redeem.

(iv) *Conditional redemption rights of the issuer*

The Bonds issuance sets conditional redemption rights for the issuer. From the fifth anniversary since the issuance of the Bonds, the issuer may redeem the Bonds in whole or in part on each interest payment date (including the fifth interest payment date since the issuance). If, after the issuance, the Bonds no longer qualify as Additional Tier 1 Capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations, the issuer may redeem all but not part of the Bonds.

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34. Other equity instruments *(Continued)*

Undated capital bonds *(Continued)*

(b) Main clauses (Continued)

(v) Subordination

The claims in respect of the Bonds, in the event of the liquidation of the issuer, will be subordinated to claims of depositors, general creditors, and subordinated indebtedness that rank senior to the Bonds; shall rank in priority to all classes of shares held by the issuer's shareholders and rank pari passu with the claims in respect of any other Additional Tier 1 Capital instruments of the issuer that rank pari passu with the Bonds.

(vi) Interest payment

The interest of the Bonds will be payable annually. The interest payment date of the Bonds shall be 19 September of each year. The issuer shall have the right to cancel, in whole or in part, interests on the Bonds and any such cancellation shall not constitute an event of default. When exercising such right, the issuer will take into full consideration the interest of the Bonds' holders. The issuer may, at its sole discretion, use the proceeds from the cancelled interests to meet other obligations as they fall due. Cancellation of any interests on the Bonds, no matter in whole or in part, will not impose any other restriction on the issuer, except in relation to dividend distributions to ordinary shares. Any cancellation of any distribution on the Bonds, no matter in whole or in part, will require the deliberation and approval of the general shareholders meeting. The Issuer shall give notice to the investors on such cancellation in a timely manner.

(vii) Resale

The holders of the Bonds do not have any option to sell back the Bonds to the issuer.

(viii) Write-down/write-off clauses

Upon the occurrence of a Non-viability Trigger Event, the issuer has the right, without the need for the consent of the Bond holders, to write down part or all of the principal of the Bonds. The Bonds shall be written down according to proportion of corresponding outstanding par value in the total outstanding nominal value of all other Additional Tier 1 Capital instruments with the same trigger event. A Non-viability Trigger Event refers to the earlier of the following events: (a) the National Financial Regulatory Administration ("NFRA") having decided that the issuer would become non-viable without a write-off; (b) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the issuer would become non-viable. The portion written down will not be restored.

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35. Reserves

(a) Capital reserve

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Share premium	**10,689,841**	10,689,841

(b) Surplus reserve

Pursuant to the Company Law of the PRC and the Articles of the Bank, the Group is required to appropriate 10% of its net profit determined in accordance with the Accounting Standards for Business Enterprises and other relevant regulations to the statutory surplus reserve until the balance reaches 50% of its registered capital.

(c) General reserve

Pursuant to the "Measures on Impairment Allowances for Financial Enterprises (Cai Jin [2012] No. 20)" issued by the Ministry of Finance, the Bank is required to set aside a general reserve through profit appropriation on an annual basis. General reserve should not be lower than 1.5% of the ending balance of the Bank's gross risk-bearing assets. Pursuant to the *Interim Measures for the Supervision and Administration of the Risk Reserves of Publicly Offered Securities Investment Funds*, the Bank is required to set aside a risk reserve for custody services of publicly offered securities investment funds on an annual basis from its net profit as profit distribution, at a rate of 2.5% of the total custody income generated from publicly offered securities investment funds during the year, until the balance reaches 0.25% of the net value of the investment funds.

Pursuant to the *Measures for the Administration of Wealth Management Subsidiary Companies of Commercial Banks*, the Bank's subsidiary shall appropriate risk reserve based on 10% of the management fee income of wealth management products, until the balance reaches 1% of the ending balance of wealth management products.

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35. Reserves *(Continued)*

(d) Other reserves

	Six months ended 30 June 2025 (Unaudited)	Year ended 31 December 2024 (Audited)
Item that will not be reclassified to profit or loss:		
Changes in fair value of investments in equity instruments designated as at FVTOCI		
As at 1 January	**–**	(3,023,146)
Transfer to retained profits from changes in fair value recognised in other comprehensive income	**–**	4,030,861
Changes in fair value recognised in other comprehensive income	**4**	–
Less: Income tax effect	**(1)**	(1,007,715)
As at 30 June/31 December	**3**	–
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments at FVTOCI		
As at 1 January	**545,989**	(838,052)
Changes in fair value recognised in other comprehensive income	**(1,847,418)**	382,140
Changes in fair value transferred to profit or loss upon disposal	**641,765**	1,471,228
Less: Income tax effect	**310,564**	(469,327)
As at 30 June/31 December	**(349,100)**	545,989
Allowance for credit losses on debt instruments at FVTOCI		
As at 1 January	**1,267,503**	1,159,522
Allowance for credit losses recognised in other comprehensive income	**260,533**	142,683
Less: Income tax effect	**(64,613)**	(34,702)
As at 30 June/31 December	**1,463,423**	1,267,503
Foreign currency translation reserve	**(20,990)**	(80,568)
Total	**1,093,336**	1,732,924

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36. Appropriation of profits

Dividend on ordinary shares

In accordance with the resolution at the Bank's Annual General Meeting on 18 June 2025, the Bank did not distribute dividends to ordinary shareholders for the year ended 31 December 2024.

In accordance with the resolution at the Bank's Annual General Meeting on 28 June 2024, the Bank did not distribute dividends to ordinary shareholders for the year ended 31 December 2023.

Interests for undated capital bonds

The Bank declared and distributed the interest on the Undated Capital Bonds for year 2023 amounting to RMB950 million on 16 September 2024.

37. Interests in unconsolidated structured entities

(a) Structured entities sponsored by third party institutions in which the Group holds an interest:

The Group holds interests in certain structured entities sponsored by third party institutions through investments in the units issued by these structured entities. Such structured entities include investment management products managed under trust schemes or by securities firms, and investment funds. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The following table sets out an analysis of the carrying amounts of interests held by the Group in unconsolidated structured entities, as well as an analysis of the line items in the statement of financial position in which relevant assets are recognised as at 30 June 2025 and 31 December 2024:

	30 June 2025 (Unaudited)			
	Financial investments at FVTPL	**Financial investments at amortised cost**	**Carrying amount**	**Maximum exposure**
Trust plans and asset management plans	**98,176,163**	**85,642,491**	**183,818,654**	**183,818,654**
Funds	**75,363,170**	**–**	**75,363,170**	**75,363,170**
Total	**173,539,333**	**85,642,491**	**259,181,824**	**259,181,824**

	31 December 2024 (Audited)			
	Financial investments at FVTPL	Financial investments at amortised cost	Carrying amount	Maximum exposure
Trust plans and asset management plans	87,042,916	103,603,204	190,646,120	190,646,120
Funds	70,852,301	–	70,852,301	70,852,301
Total	157,895,217	103,603,204	261,498,421	261,498,421

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37. Interests in unconsolidated structured entities *(Continued)*

(b) Structured entities sponsored by the Group in which the Group does not consolidate but holds an interest in:

The types of unconsolidated structured entities sponsored by the Group include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of wealth management products to investors. Interest held by the Group includes fees charged by providing management services.

For the six months ended 30 June 2025 and 2024, the amount of fee and commission income received from the abovementioned structured entities by the Group amounted to RMB177 million and RMB685 million, respectively.

As at 30 June 2025 and 31 December 2024, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Group, were RMB216,879 million and RMB173,549 million, respectively.

(c) Unconsolidated structure entities sponsored by the Group during the period which the Group does not have an interest in as at 30 June:

The aggregated amount of the non-principal-guaranteed wealth management products sponsored and issued by the Group after 1 January 2025 but matured before 30 June 2025 was RMB725 million (the aggregated amount of the non-principal-guaranteed wealth management products sponsored and issued by the Group after 1 January 2024 but matured before 30 June 2024 was RMB2,561 million).

38. Transferred financial assets

The Group enters into transactions in the normal course of business whereby it transfers recognised financial assets to third parties or structured entities. In some cases, these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group retains substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

The Group enters into transactions by which it transfers loans to structured entities which issue trust units to investors. The Group assesses among other factors, whether or not to derecognise the transferred assets by evaluating the extent to which it retains the risks and rewards of the assets and whether it has relinquished control over these assets.

For the six months ended 30 June 2025, the Group has transferred loans and advances to customers with principal amount of RMB160 million to independent third parties at a consideration of RMB191 million, and these financial assets were all qualified for full derecognition. For the year ended 31 December 2024, the Group has transferred loans and advances to customers with principal amount of RMB29,967 million to independent third parties at a consideration of RMB25,024 million, and these financial assets were all qualified for full de-recognition.

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39. Capital management

The Group implements a comprehensive capital management framework, covering the management of the regulated capital, economic capital and accounting capital, encompassing the capital compliance management, capital planning, capital allocation and capital evaluation.

In setting its capital adequacy objective, the Group considers regulatory requirements, external rating objective and its own risk preference, so as to protect the interest of its customers and creditors, maximise the value of shareholders and meet all regulatory requirements on capital management.

Since 1 January 2024, the Group has measured capital adequacy ratios in accordance with the relevant regulatory rules in the Administrative Measures on the Capital of Commercial Banks promulgated by the NFRA. In calculating its capital adequacy ratios, the Group considers all its domestic and overseas branches and financial institution subsidiary (excluding insurance company).

The Group uses the weighting method to measure credit risk weighted assets, in which on-balance sheet business determines risk weights based on asset type, counterparty, collateral status and other relevant risk elements, considering the impact of qualified risk mitigation; and off-balance sheet business calculates risk-weighted assets using the same methodology as that used for on-balance sheet business, adjusted for contingent loss characteristics. Counterparty credit risk for over-the-counter derivatives is calculated using the current exposure method; market risk is measured using the simplified standard method; and operational risk is measured using the standard method.

The NFRA requires commercial banks to meet the capital targets at all levels set out in the Administrative Measures on the Capital of Commercial Banks. For non-systemically important banks, the core Tier 1 capital adequacy ratio shall not be less than 7.5%, Tier 1 capital adequacy ratio shall not be less than 8.5%, and capital adequacy ratio shall not be less than 10.5%. During the reporting period, the Group has complied with the capital requirements of the regulatory authorities.

The Group calculates its capital adequacy ratios as at 30 June 2025 and 31 December 2024 in accordance with the *Administrative Measures for the Capital of Commercial Banks* and relevant requirements issued by the NFRA. The Group calculates the capital adequacy ratios at all levels on the basis of the statutory financial statements and related data prepared in accordance with China Accounting Standards.

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39. Capital management *(Continued)*

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Core tier 1 capital		
– Share capital	**17,762,000**	17,762,000
– Qualifying portion of capital reserve	**10,709,841**	10,709,841
– Surplus reserve	**7,929,133**	7,929,133
– General reserve	**21,121,371**	21,106,229
– Retained earnings	**43,699,994**	39,884,701
– Other reserves	**1,093,336**	1,732,924
Core tier 1 capital	**102,315,675**	99,124,828
Core tier 1 capital adjustments	**(2,465,649)**	(2,766,797)
Net core tier 1 capital	**99,850,026**	96,358,031
Other tier 1 capital	**11,000,000**	11,000,000
Net tier 1 capital	**110,850,026**	107,358,031
Tier 2 capital		
– Qualifying portion of instruments issued and share premium	**22,985,772**	22,986,595
– Surplus provision for loan impairment	**–**	3,871,197
Tier 2 capital deductions	**–**	–
Net tier 2 capital	**22,985,772**	26,857,792
Net capital base	**133,835,798**	134,215,823
Total risk weighted assets	**1,190,649,736**	1,154,443,220
Core tier 1 capital adequacy ratio	**8.39%**	8.35%
Tier 1 capital adequacy ratio	**9.31%**	9.30%
Capital adequacy ratio	**11.24%**	11.63%

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40. Cash and cash equivalents

(a) Net changes in cash and cash equivalents

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Cash and cash equivalents as at 30 June	**54,984,003**	56,989,715
Less: Cash and cash equivalents as at 1 January	**(122,169,996)**	(67,382,604)
Net decrease in cash and cash equivalents	**(67,185,993)**	(10,392,889)

(b) Cash and cash equivalents

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash on hand	**781,819**	470,357
Deposits with central bank other than restricted deposits	**18,314,730**	90,955,021
Deposits with banks and other financial institutions with original maturity of three months or less	**19,109,903**	11,429,811
Placements with banks and other financial institutions with original maturity of three months or less	**1,650,956**	786,193
Financial assets purchased under resale agreements with original maturity of three months or less	**15,126,595**	18,528,614
Total	**54,984,003**	122,169,996

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41. Related parties

Related parties of the Bank

(a) The Bank's major shareholders

Major shareholders include shareholders of the Bank with direct or indirect 5% or above shareholding, or with the right to appoint a director in the Bank.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
TEDA Investment Holding Co., Ltd. (天津泰達投資控股有限公司)	**20.34%**	20.34%
Standard Chartered Bank (Hong Kong) Limited (渣打銀行(香港)有限公司)	**16.26%**	16.26%
China Shipping Investment Co., Ltd. (中海集團投資有限公司)	**11.12%**	11.12%
State Development & Investment Corp., Ltd. (國家開發投資集團有限公司)	**9.49%**	9.49%
China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司)	**9.49%**	9.49%
Oceanwide Industry Co., Ltd. (泛海實業股份有限公司)	**7.72%**	7.72%
Tianjin Shanghui Investment Holding Company Limited (天津商匯投資(控股)有限公司)	**6.51%**	6.51%

(b) Subsidiary of the Bank

The detailed information of the Bank's subsidiary is set out in Note 19.

(c) Associate of the Bank

The detailed information of the Bank's associate is set out in Note 20.

(d) Other related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals; entities (and their subsidiaries) controlled or jointly controlled by members of the board of directors, the board of supervisors and senior management, and close family members of such individuals; and entities controlled or jointly controlled by the major shareholders of the Bank as set out in Note 41(a) or their controlling shareholders.

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41. Related parties *(Continued)*

Related party transactions

(a) Pricing policy

Transactions between the Group and related parties are conducted in the normal course of its business and under normal commercial terms. The pricing policies are no more favourable than those offered to independent third parties.

(b) Transactions with related parties other than key management personnel

(i) Transactions between the Group and major shareholders of the Bank:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Transactions during the period		
Interest income	**83,479**	90,248
Interest expense	**14**	6
Operating expenses	**11,591**	13,123

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balances at end of the period/year		
Deposits with banks and other financial institutions	**1,573,116**	407,747
Loans and advances to customers	**3,371,596**	3,375,563
Deposits from customers	**30,216**	3,296
Lease liabilities	**1,754**	13,412

(ii) Transactions between the Bank and subsidiary:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Transactions during the period		
Interest expense	**1,325**	1,945
Fee and commission expense	**–**	10

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balances at end of the period/year		
Deposits from banks and other financial institutions	**524,741**	60,173

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41. Related parties *(Continued)*

Related party transactions *(Continued)*

(b) *Transactions with related parties other than key management personnel* *(Continued)*

(iii) *Transactions between the Group and associate:*

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Transactions during the period		
Interest expense	**9**	895

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balances at end of the period/year		
Deposits from banks and other financial institutions	**8**	4,382

(iv) *Transactions between the Group and other related parties:*

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Transactions during the period		
Interest income	**331,890**	341,726
Fee and commission income	**35,345**	23,876
Net trading income	**823**	–
Net gains on financial investments	**93**	161
Interest expense	**76,862**	179,328
Operating expenses	**9,254**	34,283

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balances at end of the period/year		
Deposits with banks and other financial institutions	**2,069,771**	1,651,019
Derivative financial assets	**–**	315
Loans and advances to customers	**12,837,072**	14,634,479
Financial investments	**6,631,364**	2,484,743
Deposits from banks and other financial institutions	**3,744,565**	4,662,406
Derivative financial liabilities	**731**	325
Deposits from customers	**5,744,999**	7,757,546
Debt securities issued	**672,293**	–
Lease liabilities	**29,881**	34,427
Off-balance sheet items		
Derivative financial instruments-notional amount	**51,169**	280,000
Bank acceptances	**1,281,701**	1,140,276
Letters of guarantees	**24,697**	24,389
Letters of credit	**427,969**	498,055

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41. Related parties *(Continued)*

Related party transactions *(Continued)*

(c) Key management personnel

The key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Bank, directly or indirectly, including members of the board of directors, the board of supervisors and executive officers.

(i) Transactions between the Group and key management personnel

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Transactions during the period		
Interest income	**14**	1
Interest expense	**27**	4

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balances at end of the period/year		
Loans and advances to customers	**649**	695
Deposits from customers	**3,605**	5,513

(ii) Key management personnel compensation

The aggregate compensation of key management personnel is listed as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Key management personnel compensation	**5,630**	6,199

Note: The amounts mentioned above include basic compensation, performance compensation (including prior years' deferred performance compensation), employer-paid social insurance, housing allowances, annuity and supplementary medical insurance.

(d) Loans and advances to directors, supervisors and officers

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Aggregate amount of relevant loans outstanding at the end of the period/year	**648**	693
Maximum aggregate amount of relevant loans granted during the period/year	**648**	693

There were no amounts due but unpaid as at 30 June 2025 and 31 December 2024.

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42. Segment reporting

(a) Operating segment

The Group divides its business into different operating segments based on business lines for management purposes. Consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group defines reporting segments based on the following operating segments:

Corporate banking

This segment represents the provision of a range of financial products and services to corporations, government agencies and financial institutions. These products and services include corporate loans and advances, trade financing, deposit taking activities, agency services, wealth management services, consulting and advisory services, remittance and settlement services and guarantee services.

Retail banking

This segment represents the provision of a range of financial products and services to retail customers. These products and services include personal loans, deposit taking activities, personal wealth management services and remittance services.

Financial market

This segment covers the Group's financial market business operations. The financial market business enters into inter-bank money market transactions, repurchases transactions, investments in inter-bank products, and bond investments and trading. The financial market business segment also covers management of the Group's overall liquidity position, including the issuance of debts.

Others

These represent assets, liabilities, income and expenses which are not attributable or cannot be allocated to above-mentioned segments on a reasonable basis.

Measurement of segment assets and liabilities and of segment income, expenses and results is based on the Group's accounting policies.

Internal charges and transfer prices are determined with reference to market rates and have been reflected in the performance of each segment. Interest income and expense earned from third parties are referred to as "external net interest income/expense". Net interest income and expense arising from internal charges and transfer pricing adjustments are referred to as "internal net interest income/expense".

Segment income, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Intra-group balances and intra-group transactions are eliminated by segment income, expenses, assets and liabilities as part of the consolidation process. Segment capital expenditure is the total cost incurred for the six months ended 30 June 2025 and 2024 to acquire property and equipment, intangible assets and other long-term assets.

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42. Segment reporting *(Continued)*

(a) Operating segment *(Continued)*

	Six months ended 30 June 2025 (Unaudited)				
	Corporate banking	Retail banking	Financial market	Others	Total
Operating income	8,104,656	1,400,060	4,192,911	517,391	14,215,018
Including:					
External net interest income/ (expense)	8,836,173	398,934	(2,047,677)	858,216	8,045,646
Internal net interest (expense)/ income	(2,442,947)	1,100,412	1,698,601	(356,066)	–
Operating expenses	(2,076,594)	(1,214,196)	(1,005,540)	(542,881)	(4,839,211)
Impairment losses on assets	(2,288,542)	(534,222)	(1,400,003)	(574,541)	(4,797,308)
Profit/(loss) before taxation	3,739,520	(348,358)	1,787,368	(600,031)	4,578,499
Other segment information					
– Depreciation and amortisation	351,658	210,810	166,836	84,732	814,036
– Capital expenditure	38,437	37,411	11,243	10,116	97,207

	30 June 2025 (Unaudited)				
	Corporate banking	Retail banking	Financial market	Others	Total
Segment assets	991,901,427	203,398,791	571,237,669	45,359,150	1,811,897,037
Deferred tax assets					11,905,073
Total assets					1,823,802,110
Segment liabilities	857,166,717	237,887,248	612,347,422	3,085,048	1,710,486,435
Total liabilities					1,710,486,435
Credit commitments	373,066,029	9,398,102	–	–	382,464,131

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42. Segment reporting *(Continued)*

(a) Operating segment *(Continued)*

	Six months ended 30 June 2024 (Unaudited)				
	Corporate banking	Retail banking	Financial market	Others	Total
Operating income	8,030,219	1,424,768	2,414,317	1,275,637	13,144,941
Including:					
External net interest income/ (expense)	6,996,578	1,402,616	(2,329,156)	2,010,120	8,080,158
Internal net interest (expense)/ income	(1,116,988)	268,157	1,595,034	(746,203)	–
Operating expenses	(2,471,812)	(1,087,681)	(415,303)	(1,043,476)	(5,018,272)
Impairment losses on assets	(1,821,250)	(1,046,228)	(211,171)	(933,658)	(4,012,307)
Profit/(loss) before taxation	3,737,157	(709,141)	1,787,843	(701,497)	4,114,362
Other segment information					
– Depreciation and amortisation	434,810	198,370	70,449	177,221	880,850
– Capital expenditure	63,334	69,019	10,400	20,655	163,408

	31 December 2024 (Audited)				
	Corporate banking	Retail banking	Financial market	Others	Total
Segment assets	1,010,007,783	227,554,714	543,403,357	50,513,352	1,831,479,206
Deferred tax assets					12,362,922
Total assets					1,843,842,128
Segment liabilities	901,184,384	225,735,069	598,014,218	8,783,629	1,733,717,300
Total liabilities					1,733,717,300
Credit commitments	391,761,816	10,500,375	–	–	402,262,191

The management and evaluation rules for certain businesses within the above segments have been adjusted, and the comparative figures for the same period have been prepared according to the current period's presentation basis.

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42. Segment reporting *(Continued)*

(b) Geographical segment

Geographically, the Group mainly conducts its business in the four regions listed below in Chinese mainland, refer to Note 17(c).

	Six months ended 30 June 2025 (Unaudited)					
	Northern and Northeastern China	Eastern China	Central and Southern China	Western China	Elimination	Total
Operating income	8,668,277	2,821,198	2,005,098	720,445	–	14,215,018
Including:						
External net interest income	3,585,899	2,701,936	857,142	900,669	–	8,045,646
Internal net interest (expense)/ income	(192,144)	(366,736)	806,362	(247,482)	–	–
Operating expenses	(2,855,965)	(891,951)	(810,928)	(280,367)	–	(4,839,211)
Impairment (losses)/reversals on assets	(2,854,047)	(1,189,869)	(763,544)	10,152	–	(4,797,308)
Profit before taxation	2,958,265	739,378	430,626	450,230	–	4,578,499
Other segment information						
– Depreciation and amortisation	413,084	172,490	174,266	54,196	–	814,036
– Capital expenditure	67,087	6,359	21,849	1,912	–	97,207

	30 June 2025 (Unaudited)					
	Northern and Northeastern China	Eastern China	Central and Southern China	Western China	Elimination	Total
Segment assets	1,342,669,218	339,322,648	299,474,465	81,582,015	(251,151,309)	1,811,897,037
Deferred tax assets						11,905,073
Total assets						1,823,802,110
Segment liabilities	1,243,133,885	338,123,049	299,234,394	81,146,416	(251,151,309)	1,710,486,435
Total liabilities						1,710,486,435
Credit commitments	122,426,883	104,275,002	116,591,552	39,170,694	–	382,464,131

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42. Segment reporting *(Continued)*

(b) Geographical segment *(Continued)*

	Six months ended 30 June 2024 (Unaudited)					
	Northern and Northeastern China	Eastern China	Central and Southern China	Western China	Elimination	Total
Operating income	8,061,148	2,242,622	2,028,744	812,427	–	13,144,941
Including:						
External net interest income	3,236,310	2,435,766	1,460,624	947,458	–	8,080,158
Internal net interest income/ (expense)	706,708	(662,380)	233,202	(277,530)	–	–
Operating expenses	(2,908,709)	(938,052)	(852,608)	(318,903)	–	(5,018,272)
Impairment (losses)/reversals on assets	(2,693,333)	(489,657)	(857,181)	27,864	–	(4,012,307)
Profit before taxation	2,459,106	814,913	318,955	521,388	–	4,114,362
Other segment information						
– Depreciation and amortisation	431,213	183,960	200,464	65,213	–	880,850
– Capital expenditure	112,768	7,761	39,298	3,581	–	163,408

	31 December 2024 (Audited)					
	Northern and Northeastern China	Eastern China	Central and Southern China	Western China	Elimination	Total
Segment assets	1,396,186,140	345,552,070	298,899,272	89,921,389	(299,079,665)	1,831,479,206
Deferred tax assets						12,362,922
Total assets						1,843,842,128
Segment liabilities	1,303,973,911	342,761,391	297,118,585	88,943,078	(299,079,665)	1,733,717,300
Total liabilities						1,733,717,300
Credit commitments	120,911,532	113,320,417	131,963,266	36,066,976	–	402,262,191

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43. Financial risk management

The Group has exposure to the following risks: credit risk, market risk, liquidity risk and operational risk.

The Group develops and continually improves risk management policies, limit system, control procedures and IT systems based on the latest changes in regulatory policies, market conditions and business development to analyse, identify, monitor and report various risks.

This note presents information about the Group's exposure to each of the above risks and their sources, and the Group's objectives, policies and procedures for measuring and managing these risks.

Risk management system

The Board of Directors of the Bank undertakes the ultimate responsibility for comprehensive risk management. The Risk Management and Green Finance Committee of the Bank is set up under the Board of Directors, which reports to the Board of Directors. The Board of Supervisors of the Bank is responsible for the supervision of comprehensive risk management and the performance of the Board of Directors and senior management in risk management and the rectification. The senior management shall assume the responsibilities for implementing comprehensive risk management and the resolutions of the Board of Directors.

The Group has established a risk prevention system consisting of three lines of defence against each main risk to which it is exposed. The first line of defence is formed by various business line departments, branches and sub-branches of the Group, who are directly responsible for the prevention of various types of risks. The second line of defence is business management departments of risk management line, Assets and Liabilities Management Department, Internal Control and Compliance Departments, General Office (Public Relation Department), Office of the Board of Directors of the Group, who take the lead in formulating the requisite policies and procedures, and supervising bank-wide risk management measures. The third line of defence is the Audit Department of the Group, which is responsible for auditing the performance of the first line of defence and the second line of defence.

(a) Credit risk

Credit risk is one of the most important risks faced by the business operations of the Group. The Group may be exposed to significant risks when all counterparties are concentrated in a single industry or region. This is mainly because the counterparties' concentration risk is subject to the same impact by the economic development of the region or industry in which they operate.

The Board of Directors of the Bank undertakes the ultimate responsibility for credit risk management and could authorise the Risk Management and Green Finance Committee to execute some of its functions. The Group continues to improve the credit risk management system, credit risk management policies and tools, and the management process is gradually online and digital. The efficiency of credit approval is further improved, providing strategic support for bank-wide business development.

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

Measurement of credit risk

Loans and advances to customers and off-balance sheet credit commitments

The Group's Risk Management Department, Credit Review and Approval Department, Asset Monitoring Department and Asset Resolution Department are jointly responsible for the credit risk management of various types of credit business and financial investments. For wholesale credit business, the Group measures the default risk and loss given default of customers in accordance with the risk measurement requirements of the internal rating method, and continuously improves them through continuous data monitoring, objective validation and performance evaluation, enriches the practical application of risk measurement results in the credit risk management system, and actively explores the construction of the Group's internal rating system. For the retail credit business, the Group, taking into account its own business characteristics and customer structure, rationally applies financial technology to continuously improve its credit scoring model and data mining and risk analysis of customers' historical behavioural performance, so as to progressively enhance the effectiveness of credit access, inventory asset management, asset classification and impairment calculation.

Deposits and placements with banks and other financial institutions and financial assets purchased under resale agreements

The Group adopts a centralised underwriting process in relation to approving credit limits for financial institution counterparties engaged in interbank placements, investment securities and securities under repurchase and resale agreements. The Group assesses the credit risk of these counterparties adopting a quantitative and qualitative approach which collectively involves the assessment and review of their credit rating in the banking industry, customer base and profiles, management capabilities, business prospects, industry position, external environment, regulatory indicators and cooperation with the Group and financial standing and performance, etc.

Bond investments and derivative financial instruments

Before making investment in bonds issued by financial institutions or corporate bonds or before any dealing in financial derivatives with clients, the Group conducts credit assessment on the issuers and the potential clients for dealing in derivative financial instruments (excluding customers who pay full margin). The Group is also appropriately using external credit rating in assessing risk.

The credit risks in financial derivatives engaged by the Group are mitigated mainly through margin deposits, government bonds, pledge of time deposit certificates recognised by the Group and credit facilities from banks.

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

Credit risk limit management

Loans and advances to customers and off-balance sheet credit commitments

The Group generates credit scheme amount for the customers in accordance with the approval opinions. Meanwhile, the Group reviews the approved conditions for the credit line, and monitors the use of the credit limit. The Group strictly control the occurrence of exceeding credit amounts or conditions, and where clients provide collateral, credit limits shall be frozen or adjusted in a timely manner in responding to the change in value of the collateral in order to meet the approved conditions for the credit lines.

Deposits and placements with banks and other financial institutions and financial assets purchased under resale agreements

The Group activates the credit line for financial institutions interbank customers based on the credit approval, and monitors the quotas of deposits and placements with banks and other financial institutions and financial assets purchased under resale agreements based on the relevant information such as the credit approval and risk exposure.

Bond investment and derivative trading

The Group activates the credit line for financial institutions based on the credit approval, and monitors the bond investment and derivative trading quotas of interbank customers or bond investment quota of non-interbank customers based on the relevant information such as the credit approval and risk exposure.

Credit risk mitigation measures

Collaterals and pledges

The credit policies of the Group provide specific requirements on the acceptable collaterals and pledges, and set different collateral/pledge rates based on their nature and liquidity. The Group sets out specific requirements for the qualifications of professional evaluation agencies. In addition, through credit risk management system, the Group implements strict management on the collaterals and pledges and their ownership certificates to prevent the occurrence of operational risks.

The acceptable collaterals and pledges include financial collateral, real estate properties, accounts receivable and other collateral, mainly consisting of cash and cash equivalents, stock, state-owned construction land use right, residential real estate, commercial real estate and accounts receivable.

If the decrease in value or quantity of collateral makes it insufficient for the actual value of the collateral to meet collateral (pledge) rate, the Group shall freeze the underlying credit program amounts, require the client to provide additional collateral or security deposit or return the corresponding credit lines.

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

Credit risk mitigation measures (Continued)

Master netting arrangements

The Group and its counterparties enter into master netting arrangements for derivatives transactions to further reduce credit risk. Master netting arrangements may not lead to the offsetting between assets and liabilities on the statement of financial position, because the transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts are terminated and settled on a net basis.

The financial derivatives are mainly settled in accordance with the provisions of the International Swaps and Derivatives Association and the features of the products, using, in principle, the method that involves the lowest settlement risk.

Credit commitments

The main objective of credit commitments is to ensure that clients obtain the funds they need. The Group makes irrevocable guarantee when it issues letters of guarantees, letters of credit and Group's acceptance bill, i.e., the Group shall make repayments on behalf of the client if the client cannot meet its repayment obligations to a third party, and the Group assumes the same credit risks as those of a loan, review should be done in strict compliance with the Group's relevant requirements in conducting such business.

The Group defines margin deposit as one of the risk mitigations and receives certain margin deposits from clients when conducting relevant credit extension business, with the exception of certain creditworthy clients, to reduce the credit risk involved in providing this service. The margin deposit is collected at a certain percentage of the committed amount based on the credibility of the client.

Impairment and provisioning policies

(1) Stages of risks in financial assets

The financial assets are categorised by the Group into the following stages to manage its financial assets' credit risk:

Stage 1: Financial assets have not experienced a significant increase in credit risk since initial recognition and impairment recognised on the basis of 12 months ECLs.

Stage 2: Financial assets have experienced a significant increase in credit risk since initial recognition and impairment is recognised on the basis of lifetime ECLs.

Stage 3: Financial assets that are in default and considered credit-impaired and impairment is recognised on the basis of lifetime ECLs.

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

Credit risk mitigation measures *(Continued)*

Impairment and provisioning policies *(Continued)*

(2) Significant increase in credit risk

The Group evaluates the whether the credit risk of related financial instruments at least on each balance sheet date has increased significantly since initial recognition. The Group makes full use of all reasonable and supportable information, including forward-looking information, to reflect the significant changes in its credit risk when it conducts the classification of losses of financial instruments. Criteria include regulation and operation environment, internal and external credit ratings, solvency, ability to continue as a going concern, provisions of loan contract, and repayment activities. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group compares the risk of default of financial instruments on balance sheet date and on the date of initial recognition to determine the change in default risk during the expected duration of financial instruments. The Group judges whether the credit risk of a financial instrument has significantly increased since initial recognition from the risk classification, risk overdue days, internal and external ratings, probability of default, and market price etc.

(3) Definition of "default" and "credit-impaired"

When a financial asset is impaired, the Group identifies the financial asset as a default. Generally speaking, if the financial asset is overdue for more than 90 days, it is considered as a default.

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt instruments at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;

– it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– the disappearance of an active market for that financial asset because of financial difficulties;

– purchase or source a financial asset at significant discount, which reflects that the financial asset is credit-impaired; or

– overdue more than 90 days.

The above criteria apply to all financial assets of the Group and they are consistent with the definition of "default" adopted by the internal management of credit risk.

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

Credit risk mitigation measures (Continued)

Impairment and provisioning policies *(Continued)*

(4) Measurement of ECLs

The Group adopts ECL model to measures provision for loss of financial assets based on the stages categorised above.

The ECL is principally the result of the discounted product of probability of default (PD), exposure at default (EAD) and loss given default (LGD). The definitions of these terms are as follows:

– PD refers to the likelihood that a borrower will be unable to meet his repayment obligations over the next 12 months or the remaining lifetime of the loan;

– EAD is the amount that the Group should be reimbursed upon default of an obligor over the next 12 months or the remaining lifetime of the loan;

– LGD refers to the expected degree of loss arising from the EAD which is predicted by the Group. LGD varies according to different types of counterparties, methods and priority of recovering debts, and the availability of collaterals or other credit support.

The Group determines the ECL by estimating the PD, LGD and EAD of individual exposure or asset portfolios in the future years. The Group multiplies these three parameters and makes adjustments according to the probability of their continuance (i.e. there is no prepayment or default at an earlier period). For the purpose of calculating the lifetime ECL, the Group calculated the ECL of each period, and the results of calculation are then discounted to the balance sheet date and added up. The discount rate used in the calculation of ECL is the initial effective interest rate or its approximate value.

The lifetime PD is deduced from using the maturity model or 12-month probability of default. The maturity model describes the development rule of the defaults of the asset portfolio over its lifetime. The model is developed based on historical observational data and applicable to all assets in the same portfolio with the same credit rating. The above method is supported by empirical analysis.

The 12-month EAD and lifetime EAD are determined based on expected repayment arrangements, which are different according to different types of products.

In respect of the financial assets with instalment repayments and bullet repayment, the Group determines 12-month or lifetime EAD according to the repayment schedule agreed in the contract, and makes adjustment based on prediction of overlimit repayment and prepayments/refinancing made by the borrower.

As to the off-balance sheet credit commitments, the parameter of EAD is calculated using the current exposure method, and obtained from multiplying the nominal amount of the off-balance sheet items on the balance sheet date by the credit conversion factor (CCF).

The Group determines the 12-month loss given default (LGD) and lifetime LGD based on the factors that affects post-default recovery. LGD for different product types are different.

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

Credit risk mitigation measures *(Continued)*

Impairment and provisioning policies *(Continued)*

(4) Measurement of ECLs (Continued)

As to financial assets classified as guarantees, the Group determines the loss given default (LGD) according to the types of collaterals and their expected value, the discount rate at the compulsory sale, the recovery time and the estimated recovery cost.

As to credit-based financial assets, the Group usually determines loss given default (LGD) at the product level due to the limited differences in recoverable amounts from different borrowers.

Forward-looking economic information should be considered when determining the 12-month and lifetime probability of default, EAD and loss given default.

The Group quarterly monitors and reviews assumptions related to the calculation of ECLs, including the changes in PD and the value of collaterals under the different time limits.

Forward-looking information included in the ECL model:

The calculation of ECLs involves forward-looking information. After the historical analysis, the Group identified the key economic indicators related to ECL, such as gross domestic product (GDP), consumer price index (CPI), Broad money supply (M2), and Industrial Added Value. The Group carried out regression analysis to determine the relationship between these economic indicators and PD as well as LGD, so as to ascertain the impact of historical changes in these indicators on PD and LGD. The Group forecasts these economic indicators at least annually and provides the best estimates of the economic conditions for the coming year.

The important macroeconomic assumptions used by the Group in various macroeconomic scenarios include broad money supply, consumer price index, gross domestic product, export amount, Industrial Added Value, price index of second-hand housing in 70 large and medium-sized cities, and Gross Consumption of Social Retail Goods (GCSRG).

The Group established measurement models to identify the three risk weights, i.e. optimistic, neutral and pessimistic. As of 30 June 2025, the Group's optimistic scenario weight is 20%, neutral scenario weight is 60%, and pessimistic scenario weight is 20%, all of which are consistent with 2024.

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

(i) Maximum credit risk exposure

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Credit risk exposures relating to on-balance sheet items:		
Deposits with the central bank	**71,934,909**	147,691,792
Deposits with banks and other financial institutions	**19,087,416**	11,405,462
Placements with banks and other financial institutions	**4,896,671**	4,885,299
Derivative financial assets	**2,600,260**	2,448,184
Financial assets purchased under resale agreements	**15,124,305**	18,531,145
Loans and advances to customers	**942,427,621**	925,361,742
Financial investments		
– Financial investments at FVTPL	**210,610,917**	188,776,224
– Financial investments at FVTOCI	**253,073,717**	177,176,511
– Financial investments at amortised cost	**268,830,007**	330,196,792
Other assets	**6,666,052**	5,918,024
Sub-total	**1,795,251,875**	1,812,391,175
Credit commitments	**382,464,131**	402,262,191
Total	**2,177,716,006**	2,214,653,366

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

(ii) Financial assets (excluding interests accrued) analysed by credit quality

	30 June 2025 (Unaudited)							
	Gross carrying amount				Allowances for ECLs			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Deposits with the central bank	71,911,323	–	–	71,911,323	–	–	–	–
Deposits with banks and other financial institutions	19,109,903	–	–	19,109,903	(32,708)	–	–	(32,708)
Placements with banks and other financial institutions	4,770,956	–	200,000	4,970,956	(12,173)	–	(200,000)	(212,173)
Financial assets purchased under resale agreements	15,126,595	–	–	15,126,595	(4,810)	–	–	(4,810)
Loans and advances to customers	780,187,120	48,170,333	20,742,913	849,100,366	(6,133,027)	(7,200,728)	(12,952,907)	(26,286,662)
Financial investments	235,567,984	1,622,181	37,519,013	274,709,178	(1,112,843)	(136,936)	(8,013,369)	(9,263,148)
Other assets	4,682,680	1,349,041	1,634,782	7,666,503	(99,322)	(214,064)	(687,065)	(1,000,451)
Total financial assets measured at amortised cost	1,131,356,561	51,141,555	60,096,708	1,242,594,824	(7,394,883)	(7,551,728)	(21,853,341)	(36,799,952)
Financial assets at FVTOCI								
Loans and advances to customers	50,110,206	–	–	50,110,206	(47,121)	–	(1,245,661)	(1,292,782)
Financial investments	250,530,208	500,000	10,000	251,040,208	(571,109)	(75,000)	(10,000)	(656,109)
Total financial assets at FVTOCI	300,640,414	500,000	10,000	301,150,414	(618,230)	(75,000)	(1,255,661)	(1,948,891)
Credit commitments	382,414,551	12,280	37,300	382,464,131	(409,478)	(598)	(8,840)	(418,916)

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

(ii) Financial assets (excluding interests accrued) analysed by credit quality (Continued)

	31 December 2024 (Audited)							
	Gross carrying amount				Allowances for ECLs			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Deposits with the central bank	147,663,155	–	–	147,663,155	–	–	–	–
Deposits with banks and other financial institutions	11,429,811	–	–	11,429,811	(31,088)	–	–	(31,088)
Placements with banks and other financial institutions	4,631,331	–	200,000	4,831,331	(8,486)	–	(60,000)	(68,486)
Financial assets purchased under resale agreements	18,528,614	–	–	18,528,614	(2,543)	–	–	(2,543)
Loans and advances to customers	773,198,893	45,308,985	18,414,483	836,922,361	(6,080,413)	(5,156,951)	(13,006,758)	(24,244,122)
Financial investments	293,505,980	7,093,538	33,627,996	334,227,514	(1,412,263)	(609,943)	(6,449,012)	(8,471,218)
Other assets	3,945,472	1,071,141	1,860,749	6,877,362	(265,080)	(109,874)	(584,384)	(959,338)
Total financial assets measured at amortised cost	1,252,903,256	53,473,664	54,103,228	1,360,480,148	(7,799,873)	(5,876,768)	(20,100,154)	(33,776,795)
Financial assets at FVTOCI								
Loans and advances to customers	62,687,359	–	–	62,687,359	(36,455)	–	(1,293,763)	(1,330,218)
Financial investments	175,536,412	–	–	175,536,412	(348,107)	–	(10,000)	(358,107)
Total financial assets at FVTOCI	238,223,771	–	–	238,223,771	(384,562)	–	(1,303,763)	(1,688,325)
Credit commitments	402,239,294	19,303	3,594	402,262,191	(464,456)	(708)	(1,797)	(466,961)

As at 30 June 2025 and 31 December 2024, the fair value of collaterals held against loans and advances that are overdue but not credit-impaired and assessed for lifetime ECLs amounted to RMB8,412 million and RMB5,553 million, respectively. The fair value of collaterals held against loans and advances that are credit-impaired amounted to RMB11,896 million and RMB9,657 million. The collaterals mainly include land, buildings, machinery and equipment. The fair value of collaterals was estimated by the Group based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

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43. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

(iii) Restructured loans and advances to customers

Restructured loans refer to those loans that relevant borrowers are not capable of repaying due to financial difficulties and therefore certain clauses on the loan contract are adjusted as stipulated in the *Measures for the Risk Classification of Financial Assets of Commercial Bank*. As at 30 June 2025 and 31 December 2024, the Group's restructured loans amounted to RMB1,714 million and RMB1,621 million.

(iv) Credit rating

The Group adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to major rating agencies where the issuers of the debt securities are located. The carrying amounts of debt securities investments (excluding interests accrued) analysed by the rating agency designations as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Neither overdue nor impaired		
Ratings		
– AAA	**415,574,048**	334,641,811
– AA- to AA+	**50,825,856**	94,734,342
Sub-total	**466,399,904**	429,376,153
Unrated	**2,223,137**	450,545
Total	**468,623,041**	429,826,698

(b) Market risk

Market risk refers to the risk of losses to the Group's on-balance sheet and off-balance sheet activities arising from unfavourable changes in market prices, mainly including interest rates and exchange rates, commodity price risk and equity price risks. The interest rate risk in the banking book refers to the risk of losses on the economic value and the overall income of the banking book resulted from unfavourable changes in interest rate levels and the maturity structure. The Group is exposed to market risks in its trading book and banking book. Financial instruments and commodity position recorded in the trading book are those held by the Group for the purpose of trading or avoiding risks in other items of trading book and which can be traded freely. The assets and liabilities of long-term positions held for the purpose of managing the liquidity of the Group, regulatory reserve or profit maximisation are included in the banking book. Generally, the assets and liabilities recorded in the banking book are mainly held-to-maturity.

The Board is responsible for approving management strategies of market risk, policy and procedure, determining the level of market risk tolerance, urging senior management to undertake necessary measures to identify, measure, monitor and control market risk, obtaining periodic reports associated with nature and level of market risk, monitoring and evaluating the comprehensiveness, effectiveness of market risk management, and performance of senior management under market risk management. The Group's senior management has set up the Asset and Liability Management Committee which is in charge of formulating, reviewing and supervising market risk policy and procedure, and process execution. The committee sets market risk limit according to the Board's risk appetite.

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43. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

The Group sets up the market risk management team under the Asset and Liability Management Department. The team is independent of trading department, and responsible for leading the market risk identification, measurement, monitoring, and control, ensuring that the market risk of the Group is in compliance with the requirements of internal limits and external supervision according to Group's market risk management policies and procedures.

Trading book market risk

Limits management

In order to control trading book market risk, the Group sets Value-at-Risk limits, Basis Point Value limits and stop loss limits.

Stress testing

Stress testing is used to assess the loss sustainability under extremely adverse conditions when significant market changes take place, including the extreme fluctuations of market risk elements, such as interest rates and exchange rates, unexpected political or economic events, or a combination of the above situations. The market risk of the Group goes through stress testing on a regular basis.

Assessment of fair value

Assessment of the fair value of financial instruments is based on the quantitative analysis of the financial products that takes into consideration the specific characteristics of the financial products, market situation of trading strategy, risk factors and the quality and qualification of counterparties. The Group assesses the fair value of its financial instruments on a regular basis.

Interest rate risk of banking book

Interest rate risk of the banking book is measured and managed mainly through gap management, sensitivity analysis and duration analysis to ensure the interest rate risk of the banking book are controlled within the scope set by the risk appetite.

The Group calculates the interest rate sensitivity gap based on repricing cash flow of the interest-earning assets and interest-bearing liabilities, and conducts scenario analysis, to assess the impact on the Group of changes in interest rates. The impact on the market value of assets or liabilities of one basis point movement in interest rate was assessed through calculation of Basis Point Value.

Interest rate risk of the Group's banking book goes through stress testing on a regular basis. In such stress testing, basic interest rate and market rate is treated as a prime factor, and other factors such as political and economic contingency or several contingencies happened at the same time are included.

Interest rate risk

The Group operates its business predominantly in Chinese mainland under the interest rate scheme regulated by PBOC.

The Group manages its interest rate risks through gap analysis, duration analysis and sensitivity analysis of its assets and liabilities. The Group has set limits to the rate gap, duration and interest rate sensitivity, and monitors regularly to ensure that the exposures are within the Group's limit.

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43. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

Interest rate risk (Continued)

(i) The tables below summarise the Group's exposures to interest rate risks. They present the Group's assets and liabilities on the statement of financial position at carrying amounts, by the earlier of the contractual re-pricing date or the maturity date.

	30 June 2025 (Unaudited)					
	Total	Non-interest-bearing	Within three months	Three months to one year	One year to five years	More than five years
Assets						
Cash and balances with the central bank	72,716,728	805,405	71,911,323	–	–	–
Deposits with banks and other financial institutions	19,087,416	10,221	19,077,195	–	–	–
Placements with banks and other financial institutions	4,896,671	137,888	2,492,218	2,266,565	–	–
Derivative financial assets	2,600,260	2,600,260	–	–	–	–
Financial assets purchased under resale agreements	15,124,305	2,520	15,121,785	–	–	–
Loans and advances to customers *(Note (a))*	942,427,621	14,292,305	219,974,775	580,808,228	113,217,196	14,135,117
Financial investments *(Note (b))*	736,779,897	42,996,157	224,950,626	110,041,551	246,422,771	112,368,792
Others	30,169,212	30,169,212	–	–	–	–
Total assets	1,823,802,110	91,013,968	553,527,922	693,116,344	359,639,967	126,503,909
Liabilities						
Borrowings from the central bank	100,020,153	1,215,153	30,248,000	68,557,000	–	–
Deposits from banks and other financial institutions	148,142,488	1,040,647	104,795,610	42,306,231	–	–
Placements from banks and other financial institutions	30,379,796	231,865	22,080,590	8,067,341	–	–
Financial liabilities at FVTPL	171,678	–	–	40,013	131,665	–
Derivative financial liabilities	1,547,537	1,547,537	–	–	–	–
Financial assets sold under repurchase agreements	67,570,539	77,393	66,703,146	790,000	–	–
Deposits from customers	1,027,138,702	22,990,870	420,022,790	343,087,665	240,887,377	150,000
Debt securities issued	322,389,351	878,532	126,177,569	137,353,506	57,979,744	–
Others	13,126,191	9,685,429	248,172	648,831	2,035,045	508,714
Total liabilities	1,710,486,435	37,667,426	770,275,877	600,850,587	301,033,831	658,714
Asset-liability gap	113,315,675	53,346,542	(216,747,955)	92,265,757	58,606,136	125,845,195

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43. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

Interest rate risk *(Continued)*

(i) The tables below summarise the Group's exposures to interest rate risks. They present the Group's assets and liabilities on the statement of financial position at carrying amounts, by the earlier of the contractual re-pricing date or the maturity date *(Continued)*

	31 December 2024 (Audited)					
	Total	Non-interest-bearing	Within three months	Three months to one year	One year to five years	More than five years
Assets						
Cash and balances with the central bank	148,162,149	498,994	147,663,155	–	–	–
Deposits with banks and other financial institutions	11,405,462	6,739	11,398,723	–	–	–
Placements with banks and other financial institutions	4,885,299	122,454	2,508,159	2,254,686	–	–
Derivative financial assets	2,448,184	2,448,184	–	–	–	–
Financial assets purchased under resale agreements	18,531,145	5,074	18,526,071	–	–	–
Loans and advances to customers *(Note (a))*	925,361,742	13,115,173	421,399,353	372,918,579	104,888,354	13,040,283
Financial investments *(Note (b))*	700,438,320	48,453,643	191,904,092	107,505,668	244,315,139	108,259,778
Others	32,609,827	32,609,827	–	–	–	–
Total assets	1,843,842,128	97,260,088	793,399,553	482,678,933	349,203,493	121,300,061
Liabilities						
Borrowings from the central bank	121,378,473	1,505,473	52,080,000	67,793,000	–	–
Deposits from banks and other financial institutions	150,561,544	954,092	68,382,218	81,225,234	–	–
Placements from banks and other financial institutions	23,144,745	294,180	15,378,046	7,472,519	–	–
Financial liabilities at FVTPL	171,916	–	–	–	171,916	–
Derivative financial liabilities	1,799,883	1,799,883	–	–	–	–
Financial assets sold under repurchase agreements	57,818,338	20,072	57,605,208	193,058	–	–
Deposits from customers	1,067,561,795	23,683,016	507,046,136	281,988,390	254,521,253	323,000
Debt securities issued	290,863,182	1,293,456	112,326,361	129,265,095	47,978,270	–
Others	20,417,424	16,694,600	307,976	637,979	2,148,821	628,048
Total liabilities	1,733,717,300	46,244,772	813,125,945	568,575,275	304,820,260	951,048
Asset-liability gap	110,124,828	51,015,316	(19,726,392)	(85,896,342)	44,383,233	120,349,013

Notes:

(a) As at 30 June 2025 and 31 December 2024, for loans and advances to customers, the category "Within three months" includes overdue amounts (net of allowances for impairment losses) of RMB17,450 million and RMB13,626 million, respectively.

(b) Financial investments include financial investments at FVTPL, financial investments at FVTOCI and financial investments at amortised cost.

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43. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

Interest rate risk (Continued)

(ii) Interest rate sensitivity analysis

The Group uses sensitivity analysis to measure the potential impact of changes in interest rate on the Group's profit before tax and shareholders' equity (without tax effect). The following table sets forth the results of the Group's interest rate sensitivity analysis on profit before tax and equity (without tax effect) with an assumption that all other variables held remain constant.

	30 June 2025 (Unaudited) (Decrease)/ Increase	31 December 2024 (Audited) (Decrease)/ Increase
Change in profit before tax		
100 bps parallel upward shift in yield curves	**(1,930,302)**	(1,417,378)
100 bps parallel downward shift in yield curves	**1,930,302**	1,417,378

	30 June 2025 (Unaudited) (Decrease)/ Increase	31 December 2024 (Audited) (Decrease)/ Increase
Change in equity (without tax effect)		
100 bps parallel upward shift in yield curves	**(2,940,819)**	(2,346,466)
100 bps parallel downward shift in yield curves	**2,940,819**	2,346,466

The sensitivity analysis above is based on a static interest rate risk profile of the Group's assets and liabilities. This analysis measures only the changes in interest rates within one year, showing how profit before tax and shareholders' equity (without tax effect) would have been affected by repricing of the Group's assets and liabilities within the one-year period on an annualised basis.

Due to possible inconsistencies between reality and assumptions, actual changes in the Group's profit before tax and shareholders' equity (without tax effect) caused by changes in interest rates might vary from estimated results of this sensitivity analysis.

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43. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

Foreign exchange risk

Foreign exchange risk refers to the risk of losses arising from the negative changes in the rate of exchange. The Group conducts the majority of its business in RMB, with certain foreign transactions in United States dollars ("USD"), Hong Kong dollars ("HKD") and, to a much lesser extent, other currencies.

The Group's principle in controlling foreign exchange risk is to match its assets and liabilities by currency and to maintain foreign exchange risk within established limits. The Group has set foreign exchange risk limits which are consistent with the guidelines established by the Asset and Liability Management Committee of the Group and are in accordance with relevant regulatory requirements and the management's assessment of current circumstances. The Group also manages its sources and uses of foreign currencies to minimise potential mismatches.

The Group monitors and controls the foreign exchange risk through the limit management, and mainly uses the foreign exchange exposure analysis, scenario analysis and stress testing to measure and analyse the foreign exchange risk. Besides, the Group monitors and controls the foreign exchange risk through the limit management. The Asset and Liability Management Department's market risk team performs independent monitoring, reporting, and management for the entire Group's foreign exchange risk. Meanwhile, the Group managed the on-balance sheet and off-balance sheet foreign exchange risk exposures through derivative financial instruments such as foreign exchange swaps and foreign exchange forwards, and kept the Group's total exposures to a low level. Therefore, the foreign exchange exposure at the end of the period is not sensitive to exchange rate fluctuations, and the potential impact on the Group's net profit and shareholders' equity is not significant.

The following tables summarise the Group's exchange risk of assets and liabilities at the date of the financial statements. Included in the tables are the carrying value of assets and liabilities, and the off-balance sheet credit commitments in RMB equivalent, categorised by the original currency.

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43. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

Foreign exchange risk *(Continued)*

The Group's foreign exchange rate exposures as at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025 (Unaudited)			
	RMB	USD (In RMB equivalent)	Others (In RMB equivalent)	Total (In RMB equivalent)
Assets				
Cash and balances with the central bank	70,522,634	1,857,220	336,874	72,716,728
Deposits with banks and other financial institutions	7,506,363	7,803,242	3,777,811	19,087,416
Placements with banks and other financial institutions	3,646,879	393,121	856,671	4,896,671
Derivative financial assets	2,594,495	–	5,765	2,600,260
Financial assets purchased under resale agreements	15,124,305	–	–	15,124,305
Loans and advances to customers	922,505,769	11,470,738	8,451,114	942,427,621
Financial investments *(Note (i))*	688,921,344	45,206,905	2,651,648	736,779,897
Others	26,733,773	878,189	2,557,250	30,169,212
Total assets	1,737,555,562	67,609,415	18,637,133	1,823,802,110
Liabilities				
Borrowings from the central bank	100,020,153	–	–	100,020,153
Deposits from banks and other financial institutions	138,110,892	8,629,413	1,402,183	148,142,488
Placements from banks and other financial institutions	5,144,405	16,184,372	9,051,019	30,379,796
Financial liabilities at FVTPL	171,678	–	–	171,678
Derivative financial liabilities	1,528,411	–	19,126	1,547,537
Financial assets sold under repurchase agreements	67,570,539	–	–	67,570,539
Deposits from customers	989,502,309	29,658,555	7,977,838	1,027,138,702
Debt securities issued	320,926,346	1,463,005	–	322,389,351
Others	12,054,048	919,726	152,417	13,126,191
Total liabilities	1,635,028,781	56,855,071	18,602,583	1,710,486,435
Net position	102,526,781	10,754,344	34,550	113,315,675
Off-balance sheet credit commitments	327,149,215	52,043,189	3,271,727	382,464,131

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43. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

Foreign exchange risk (Continued)

The Group's foreign exchange rate exposures as at 30 June 2025 and 31 December 2024 are as follows: *(Continued)*

	31 December 2024 (Audited)			
	RMB	USD (In RMB equivalent)	Others (In RMB equivalent)	Total (In RMB equivalent)
Assets				
Cash and balances with the central bank	144,047,662	1,702,803	2,411,684	148,162,149
Deposits with banks and other financial institutions	4,435,648	5,641,679	1,328,135	11,405,462
Placements with banks and other financial institutions	3,793,541	596,927	494,831	4,885,299
Derivative financial assets	2,447,857	–	327	2,448,184
Financial assets purchased under resale agreements	18,531,145	–	–	18,531,145
Loans and advances to customers	888,911,258	27,331,842	9,118,642	925,361,742
Financial investments *(Note (i))*	652,338,074	44,736,838	3,363,408	700,438,320
Others	31,992,766	219,084	397,977	32,609,827
Total assets	1,746,497,951	80,229,173	17,115,004	1,843,842,128
Liabilities				
Borrowings from the central bank	121,378,473	–	–	121,378,473
Deposits from banks and other financial institutions	140,034,111	8,872,663	1,654,770	150,561,544
Placements from banks and other financial institutions	3,901,792	11,952,734	7,290,219	23,144,745
Financial liabilities at FVTPL	171,916	–	–	171,916
Derivative financial liabilities	1,736,795	–	63,088	1,799,883
Financial assets sold under repurchase agreements	57,818,338	–	–	57,818,338
Deposits from customers	1,033,215,256	31,804,974	2,541,565	1,067,561,795
Debt securities issued	289,263,278	1,186,926	412,978	290,863,182
Others	19,707,858	608,865	100,701	20,417,424
Total liabilities	1,667,227,817	54,426,162	12,063,321	1,733,717,300
Net position	79,270,134	25,803,011	5,051,683	110,124,828
Off-balance sheet credit commitments	368,892,578	31,231,231	2,138,382	402,262,191

(i) Financial investments include financial investments at FVTPL, financial investments at FVTOCI and financial investments at amortised cost.

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43. Financial risk management *(Continued)*

(c) Liquidity risk

The Group adopts a centralised approach with respect to its liquidity risk management, in which the head office centrally manages overall liquidity risk across the Group under the policies and guidance of the Board of Directors. Liquidity risk is managed on three levels from the Board of Directors to senior management and down to individual departments and subsidiary, so that the Group is involved in the liquidity risk management. The Asset and Liability Management Department is the leading department in managing the liquidity risk, and is responsible for formulating liquidity risk management strategies, policies and procedures, and identifying, measuring, monitoring and controlling liquidity risk of the Bank, and ensuring the Group's overall liquidity risk is controlled within the Group's risk tolerance based on cash flow gap analysis, with the help of intraday position management, early-warning indicators and limit control, among other means and methods, and by conducting stress testing and crisis response exercises, strengthening market prejudgement and maintaining liquidity risk of the Bank within the limit of the risk appetite. The current liquidity risk management policies and systems are in line with regulatory requirements and the own management needs. At the same time, the Group has established and continuously improved a comprehensive and systematic liability business management and risk control system to continuously improve the efficiency and level of financial services to the real economy. The corporate business lines, retail business line and financial market line, among others at the head office, and subsidiary, overseas branch and domestic sub-branches engage in their business activities in compliance with the liquidity risk management policies, appetite, processes, limits and other requirements as set down by the Board of Directors and senior management.

The Group consistently adheres to a prudent liquidity risk management philosophy. For medium- and long-term liquidity risk management, the Group strengthened management measures on dynamic arrangement concerning maturity structure of assets and liabilities, price guidance, investment and financing strategy update and internal limit, implemented initiative supplementing of liabilities and adjustments to asset structure, realised an expanded stable source of capital and improved the maturity structure of assets and liabilities. For short-term liquidity risk management, the Group implemented integrated local and foreign currency intraday positions management, calculated the liquidity position demand for various businesses by type of currency, reasonably managed short-term investment and financing strategies and balanced the liquidity and profitability, ensuring the payment security across the Bank.

The Group's core indicators of liquidity risk mainly include liquidity proportion, liquidity coverage ratio, net stable funding ratio and liquidity matching rate. To ensure that the core indicators are in line with the Group's risk appetite, the Group has formulated a planning scheme with reference to the above indicator preferences and broken it down accordingly into the liquidity management scheme of each business. The Group has set internal limits on liquidity risk in the aspects of debt securities pledged and maturity mismatch to guide all operating departments to control liquidity risks in daily operations. The Group enhanced the establishment and analysis of customer behaviour models, leveraging liquidity management models that use prudent assumptions on the Group's cash inflows and outflows from its assets and liabilities, and by monitoring, analysing and managing its compliance with regulatory indicators and internal limits, the Group has been able to maintain a sound liquidity position.

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43. Financial risk management *(Continued)*

(c) Liquidity risk *(Continued)*

The Group's overall objective in liquidity risk management is to meet funding obligations across all business lines, ensure compliance with liquidity regulatory index, and minimise additional costs related to liquidity – including opportunity costs of reserve funds, market funding premiums, and asset liquidation losses – through prudent management of asset-liability structure and future cash flows. The Group focuses on the adjustment and optimisation of asset structure. It has established a three-tier liquidity reserve system based on cash and excess reserve and highly liquid assets such as interest-rate bonds, financial bonds of commercial banks, short-term deposits and placements and open-ended fund, which can effectively respond to liquidity risk management needs in day-to-day scenarios and contingencies, and satisfy all payment needs. In addition, the Group continues to expand its various debt channels, actively strengthens the degree of participation in the issuance of financial bonds, inter-bank customer relationship management, and open market operations of the PBOC, expands interbank credit, builds up emergency fund reserves, attempts to expand the Group's medium and long-term stable sources of liabilities, so as to improve the Group's financing ability under high liquidity pressure.

In order to cope with its potential impact arising from fluctuation of capital market and changes of macro-economic environment, the Group conducts daily monitoring and early warning for liquidity risk, performs quarterly liquidity risk stress tests, annually evaluates the stress test models and updates the parameters and conditions, and carries out annual liquidity risk emergency drills. By incorporating internal and external factors and simulating scenarios such as declines in securities prices and outflow of deposits, the Group tests the cash flow gaps in the future 7 days, 30 days and 90 days, as well as the 30-day liquidity ratio, implements shortest lifetime management of the Group, and tests its tolerance of liquidity risks under different stress scenarios. The Bank's shortest lifetime consistently exceeds the regulatory requirement of 30 days. Stress testing is conducted to examine and assess the level of market risk tolerance, and management strategies are dynamically adjusted according to the latest market developments and actual business progress. The Group develops emergency plans based on business scale, complexity, risk levels, and organizational structure, clearly defining internal responsibilities and emergency procedures, and organizes regular emergency drills involving relevant departments at both head office and branch levels to ensure liquidity security under a crisis situation.

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43. Financial risk management *(Continued)*

(c) Liquidity risk *(Continued)*

Maturity date analysis

The following tables provide an analysis of non-derivative assets and liabilities of the Group based on the remaining maturity date at 30 June 2025 and 31 December 2024:

	30 June 2025 (Unaudited)							
	Indefinite Note (i)	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	Total
Assets								
Cash and balances with the central bank	53,596,593	19,120,135	–	–	–	–	–	72,716,728
Deposits with banks and other financial institutions	–	19,087,416	–	–	–	–	–	19,087,416
Placements with banks and other financial institutions	–	–	1,646,771	895,104	2,354,796	–	–	4,896,671
Financial assets purchased under resale agreements	–	–	15,124,305	–	–	–	–	15,124,305
Loans and advances to customers	14,527,421	5,901,234	60,226,232	81,810,822	311,745,000	234,133,306	234,083,606	942,427,621
Financial investments *(Note (ii))*	33,806,345	75,590,937	102,683,800	30,553,077	111,086,618	258,781,799	124,277,321	736,779,897
Others	27,289,642	2,879,570	–	–	–	–	–	30,169,212
Total	129,220,001	122,579,292	179,681,108	113,259,003	425,186,414	492,915,105	358,360,927	1,821,201,850
Liabilities								
Borrowings from the central bank	–	–	4,475,172	26,311,507	69,233,474	–	–	100,020,153
Deposits from banks and other financial institutions	–	37,680,744	25,318,276	42,614,208	42,529,260	–	–	148,142,488
Placements from banks and other financial institutions	–	–	10,128,844	12,114,630	8,136,322	–	–	30,379,796
Financial liabilities at FVTPL	–	–	–	–	40,013	131,665	–	171,678
Financial assets sold under repurchase agreements	–	–	56,464,611	10,315,382	790,546	–	–	67,570,539
Deposits from customers	–	240,759,436	64,930,107	119,940,640	351,711,911	249,640,346	156,262	1,027,138,702
Debt securities issued	–	–	39,351,363	86,826,204	137,650,994	58,560,790	–	322,389,351
Others	3,047,488	2,120,425	150,770	188,098	1,872,840	5,237,856	508,714	13,126,191
Total	3,047,488	280,560,605	200,819,143	298,310,669	611,965,360	313,570,657	664,976	1,708,938,898
Net position	126,172,513	(157,981,313)	(21,138,035)	(185,051,666)	(186,778,946)	179,344,448	357,695,951	112,262,952

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43. Financial risk management *(Continued)*

(c) Liquidity risk *(Continued)*

Maturity date analysis *(Continued)*

The following tables provide an analysis of non-derivative assets and liabilities of the Group based on the remaining maturity date at 30 June 2025 and 31 December 2024: *(Continued)*

	31 December 2024 (Audited)							
	Indefinite Note (i)	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	Total
Assets								
Cash and balances with the central bank	56,708,134	91,454,015	–	–	–	–	–	148,162,149
Deposits with banks and other financial institutions	–	11,405,462	–	–	–	–	–	11,405,462
Placements with banks and other financial institutions	140,000	–	1,946,322	466,288	2,332,689	–	–	4,885,299
Financial assets purchased under resale agreements	–	–	18,531,145	–	–	–	–	18,531,145
Loans and advances to customers	10,580,451	5,695,826	66,813,616	95,970,950	292,071,756	229,371,460	224,857,683	925,361,742
Financial investments *(Note (ii))*	35,146,664	71,551,793	78,754,166	28,675,693	108,610,183	256,784,598	120,915,223	700,438,320
Others	26,346,802	6,263,025	–	–	–	–	–	32,609,827
Total	128,922,051	186,370,121	166,045,249	125,112,931	403,014,628	486,156,058	345,772,906	1,841,393,944
Liabilities								
Borrowings from the central bank	–	–	20,488,889	32,757,170	68,132,414	–	–	121,378,473
Deposits from banks and other financial institutions	–	35,108,050	14,680,273	18,992,345	81,780,876	–	–	150,561,544
Placements from banks and other financial institutions	–	–	10,754,092	4,850,937	7,539,716	–	–	23,144,745
Financial liabilities at FVTPL	–	–	–	–	–	171,916	–	171,916
Financial assets sold under repurchase agreements	–	–	50,118,712	7,506,787	192,839	–	–	57,818,338
Deposits from customers	–	295,357,422	85,437,697	138,115,332	285,721,207	262,598,756	331,381	1,067,561,795
Debt securities issued	–	–	28,691,484	83,886,353	129,308,386	48,976,959	–	290,863,182
Others	2,734,047	3,108,938	3,665,565	2,841,518	2,098,930	5,340,378	628,048	20,417,424
Total	2,734,047	333,574,410	213,836,712	288,950,442	574,774,368	317,088,009	959,429	1,731,917,417
Net position	126,188,004	(147,204,289)	(47,791,463)	(163,837,511)	(171,759,740)	169,068,049	344,813,477	109,476,527

Notes:

(i) Indefinite amount of Cash and balances with the central bank represents the statutory deposit reserves and fiscal deposits with the central bank. Indefinite amount of loans and advances to customers includes all the impaired loans and advances, as well as those overdue more than one month. Indefinite amount of financial investments represents impaired investments or those overdue more than one month. Equity investments are listed in the category of indefinite. Loans and advances to customers and financial investments with no impairment but overdue within one month are classified into the category of repayable on demand.

(ii) Financial investments include financial investments at FVTPL, financial investments at FVTOCI, financial investments at amortised cost.

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43. Financial risk management *(Continued)*

(c) Liquidity risk *(Continued)*

Analysis on contractual undiscounted cash flows of non-derivative financial liabilities

The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities of the Group at 30 June 2025 and 31 December 2024:

	30 June 2025 (Unaudited)								
	Carrying amount	Contractual undiscounted cash flow	Indefinite	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities									
Borrowings from the central bank	100,020,153	100,847,550	–	–	4,481,846	26,423,294	69,942,410	–	–
Deposits from banks and other financial institutions	148,142,488	148,410,570	–	37,640,743	25,373,691	42,743,975	42,652,161	–	–
Placements from banks and other financial institutions	30,379,796	30,607,343	–	–	10,138,885	12,173,387	8,295,071	–	–
Financial liabilities at FVTPL	171,678	189,029	–	–	–	–	43,270	145,759	–
Financial assets sold under repurchase agreements	67,570,539	67,899,224	–	–	56,760,461	10,342,139	796,624	–	–
Deposits from customers	1,027,138,702	1,037,805,065	–	240,759,436	64,951,401	120,170,460	354,712,190	257,018,306	193,272
Debt securities issued	322,389,351	331,384,344	–	–	39,381,471	87,113,125	139,081,099	65,808,649	–
Other financial liabilities	12,369,982	12,681,781	2,291,279	2,120,425	150,923	188,611	1,886,031	5,430,820	613,692
Total non-derivative financial liabilities	1,708,182,689	1,729,824,906	2,291,279	280,520,604	201,238,678	299,154,991	617,408,856	328,403,534	806,964
Credit commitments	382,464,131	382,464,131	–	137,908,502	42,181,587	68,576,758	119,754,196	14,043,088	–

	31 December 2024 (Audited)								
	Carrying amount	Contractual undiscounted cash flow	Indefinite	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities									
Borrowings from the central bank	121,378,473	122,628,875	–	–	20,509,722	32,895,800	69,223,353	–	–
Deposits from banks and other financial institutions	150,561,544	151,583,271	–	35,108,050	14,695,118	19,065,305	82,714,798	–	–
Placements from banks and other financial institutions	23,144,745	23,334,363	–	–	10,768,397	4,887,743	7,678,223	–	–
Financial liabilities at FVTPL	171,916	195,699	–	–	–	–	–	195,699	–
Financial assets sold under repurchase agreements	57,818,338	59,666,053	–	–	51,946,775	7,524,888	194,390	–	–
Deposits from customers	1,067,561,795	1,079,194,996	–	295,357,422	85,500,749	138,489,296	288,204,160	271,227,126	416,243
Debt securities issued	290,863,182	299,885,446	–	–	28,719,785	84,180,620	130,827,567	56,157,474	–
Other financial liabilities	19,492,648	19,853,365	1,809,271	3,108,938	3,665,785	2,842,151	2,111,988	5,547,102	768,130
Total non-derivative financial liabilities	1,730,992,641	1,756,342,068	1,809,271	333,574,410	215,806,331	289,885,803	580,954,479	333,127,401	1,184,373
Credit commitments	402,262,191	402,262,191	–	12,173,257	58,713,451	95,914,223	222,054,500	13,406,760	–

The analysis on contractual undiscounted cash flows of these financial instruments might diverge from actual results.

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43. Financial risk management *(Continued)*

(c) Liquidity risk *(Continued)*

Analysis on contractual undiscounted cash flow of derivative financial instruments

The Group's derivative financial instruments that will be settled on a net basis include interest rate swaps, precious metals derivative contracts. The Group's derivative financial instruments that will be settled on a gross basis are currency derivatives.

The following tables analyse the contractual undiscounted cash flow of derivative financial instruments that will be settled on net amounts and gross amounts basis held by the Group:

	30 June 2025 (Unaudited)				
	Within one month	One month to three months	Three months to one year	One year to five years	Total
Derivative financial instruments settled on a net basis					
Interest rate swaps	**655**	**1**	**3,066**	**12,610**	**16,332**
Precious metal swaps	**389,787**	**235,710**	**155,107**	**–**	**780,604**
Derivative financial instruments settled on a gross basis					
Exchange rate swaps					
– Cash inflow	**37,098,157**	**40,754,200**	**97,055,377**	**13,405,143**	**188,312,877**
– Cash outflow	**(37,107,439)**	**(40,715,119)**	**(96,890,121)**	**(13,061,682)**	**(187,774,361)**
Exchange rate forwards					
– Cash inflow	**1,357,828**	**3,186,365**	**13,738,059**	**2,778,994**	**21,061,246**
– Cash outflow	**(1,356,615)**	**(3,188,104)**	**(13,715,309)**	**(2,732,686)**	**(20,992,714)**
Foreign exchange option contracts					
– Cash inflow	**1,303,437**	**1,375,342**	**3,325,047**	**1,119,004**	**7,122,830**
– Cash outflow	**(1,303,608)**	**(1,369,154)**	**(3,325,291)**	**(1,119,004)**	**(7,117,057)**

	31 December 2024 (Audited)				
	Within one month	One month to three months	Three months to one year	One year to five years	Total
Derivative financial instruments settled on a net basis					
Interest rate swaps	70	3,179	7,647	10,147	21,043
Precious metal swaps	63,274	(5,218)	99,218	1,549	158,823
Derivative financial instruments settled on a gross basis					
Exchange rate swaps					
– Cash inflow	45,342,358	28,859,658	53,983,855	9,576,552	137,762,423
– Cash outflow	(45,374,499)	(28,682,524)	(53,852,250)	(9,304,029)	(137,213,302)
Exchange rate forwards					
– Cash inflow	5,783,790	12,366,927	9,146,893	2,447,952	29,745,562
– Cash outflow	(5,770,047)	(12,324,814)	(9,134,170)	(2,430,440)	(29,659,471)
Foreign exchange option contracts					
– Cash inflow	–	–	1,910,932	–	1,910,932
– Cash outflow	–	–	(1,910,932)	–	(1,910,932)

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43. Financial risk management *(Continued)*

(d) Operational risk

Operational risk is the risk of losses due to flawed internal processes, staff and IT systems, and external events. It includes legal risk but excludes strategic risk and reputational risk.

During the reporting period, the Bank initiated optimisation of operational risk management system, defined objectives and action plans for system optimisation, revised operational risk management preferences and policies, established dedicated operational risk management roles within major departments of the head office, finalised self-assessments methodologies for operational risk control and conducted pilot evaluations, explored and developed mechanisms for collecting operational risk loss data, completed collection of operational risk loss data since 2019, continued advancing the business continuity management system towards compliance across branches, undertook restructuring of the operational risk management system, and commenced trial operations of the new operational risk management system.

44. Fair value

(a) Methods and assumptions for measurement of fair value

The Group adopts the following methods and assumptions when estimating fair values:

(i) Debt securities, interbank certificates of deposits, investment funds and equity investments

The fair values of debt securities, interbank certificates of deposits, investment funds and equity investments that are traded in an active market are based on their quoted market prices in an active market at the end of reporting period. If quoted market prices are not available, then fair values are estimated on the basis of pricing models, such as discounted cash flow model.

(ii) Other non-derivative financial assets

Fair values are estimated as the present value of the future cash flows. The discount rates are based on the market interest rates adjusted for market liquidity and credit spreads at the end of reporting period.

(iii) Debt securities issued and other non-derivative financial liabilities

Fair values of debt securities issued are based on their quoted market prices at the end of reporting period, or the present value of estimated future cash flows. The fair values of other non-derivative financial liabilities are valued at the present value of estimated future cash flows. The discount rates are based on the market interest rates adjusted for market liquidity and credit spreads at the end of reporting period.

(iv) Derivatives

Derivatives valued using a valuation technique with market observable inputs are mainly interest rate swaps, foreign exchange forwards, swaps and options, etc. The most frequently applied valuation techniques include discounted cash flow model and the Garman Kohlhagen model extended from Black Scholes model. The models incorporate various inputs including foreign exchange spot and forward rates, foreign exchange rate volatility, interest rate yield curves, etc.

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44. Fair value *(Continued)*

(b) Fair value measurement

(i) Financial assets

The Group's financial assets mainly consist of cash, deposits with the central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, derivative financial assets, financial assets purchased under resale agreements, loans and advances to customers, and investments.

Deposits with the central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions and financial assets purchased under resale agreements are mostly priced at market interest rates and due within one year. Accordingly, the carrying amounts approximate the fair values.

Loans and advances to customers are mostly priced at floating rates close to the Loan Prime Rate. Accordingly, the carrying amounts approximate the fair values.

Derivative financial assets, financial investments at FVTOCI and financial assets at FVTPL are stated at fair value. As the financial investments at amortised cost are short-term or frequently repriced at current market rates, their carrying amounts approximate the fair values.

(ii) Financial liabilities

The Group's financial liabilities mainly include deposits from banks and other financial institutions, financial liabilities at FVTPL, placements from banks and other financial institutions, derivative financial liabilities, financial assets sold under repurchase agreements, deposits from customers and debt securities issued.

Derivative financial liabilities are stated at fair value. The fair value of debt securities issued is presented in Note 44(c). The carrying amounts of other financial liabilities approximate their fair values.

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44. Fair value *(Continued)*

(c) Fair value hierarchy

The following table presents the fair value of financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 – Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

– Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and

– Level 3: Fair value measured using significant unobservable inputs.

If there is a reliable market quote for a financial instrument that is measured at fair value, the fair value of which is based on quoted market prices. When quoted prices on open market are not available, the Group determines the fair value of financial instruments by using appropriate valuation model, enquiry or by reference to the valuation results of third-party appraisal firm. The Group selects appropriate models based on the risk characteristics, liquidity, counterparty risk and pricing basis of specific financial instruments or trading strategies to ensure that their fair value are truly and effectively reflected. The Group selects the quoted prices or refers to the valuation results of third-party appraisal firm for evaluation of the fair value of a financial instrument, and when referring to the valuation results of third-party appraisal firm, the authority, independence and professionalism of the valuer should be assessed.

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44. Fair value *(Continued)*

(c) Fair value hierarchy *(Continued)*

	30 June 2025 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets				
Derivative financial assets	–	2,600,260	–	2,600,260
Loans and advances to customers at FVTPL				
– Corporate loans and advances	–	55,211,406	–	55,211,406
Loans and advances to customers at FVTOCI				
– Corporate loans and advances	–	4,427,195	–	4,427,195
– Discounted bills	–	45,683,011	–	45,683,011
Financial investments at FVTPL				
– Bonds	–	27,998,953	450,545	28,449,498
– Interbank certificates of deposits	–	8,121,913	–	8,121,913
– Fund investments	–	75,363,170	–	75,363,170
– Trust plans and asset management plans	–	85,712,936	12,963,400	98,676,336
– Equity investments	479,859	202,149	3,383,219	4,065,227
Financial investments at FVTOCI				
– Bonds (excluding interests accrued)	–	248,978,315	–	248,978,315
– Interbank certificates of deposits (excluding interests accrued)	–	2,061,893	–	2,061,893
– Equity investments	–	–	200,029	200,029
Total	479,859	556,361,201	16,997,193	573,838,253
Liabilities				
Derivative financial liabilities	–	(1,547,537)	–	(1,547,537)
Financial liabilities at FVTPL	–	(171,678)	–	(171,678)
Total	–	(1,719,215)	–	(1,719,215)
Not measured at fair value				
Liabilities				
Debt securities issued	–	(321,135,035)	–	(321,135,035)
Total	–	(321,135,035)	–	(321,135,035)

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44. Fair value *(Continued)*

(c) Fair value hierarchy *(Continued)*

	31 December 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets				
Derivative financial assets	–	2,448,184	–	2,448,184
Loans and advances to customers at FVTPL				
– Corporate loans and advances	–	36,880,971	–	36,880,971
Loans and advances to customers at FVTOCI				
– Corporate loans and advances	–	2,959,772	–	2,959,772
– Discounted bills	–	59,727,587	–	59,727,587
Financial investments at FVTPL				
– Bonds	–	19,686,166	450,545	20,136,711
– Interbank certificates of deposits	–	10,222,539	–	10,222,539
– Fund investments	–	70,852,301	–	70,852,301
– Trust plans and asset management plans	–	74,182,672	13,382,001	87,564,673
– Equity investments	500,699	204,849	3,383,219	4,088,767
Financial investments at FVTOCI				
– Bonds (excluding interests accrued)	–	173,915,492	–	173,915,492
– Interbank certificates of deposits (excluding interests accrued)	–	1,620,920	–	1,620,920
– Equity investments	–	–	200,026	200,026
Total	500,699	452,701,453	17,415,791	470,617,943
Liabilities				
Derivative financial liabilities	–	(1,799,883)	–	(1,799,883)
Financial liabilities at FVTPL	–	(171,916)	–	(171,916)
Total	–	(1,971,799)	–	(1,971,799)
Not measured at fair value				
Liabilities				
Debt securities issued	–	(289,531,894)	–	(289,531,894)
Total	–	(289,531,894)	–	(289,531,894)

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44. Fair value *(Continued)*

(c) Fair value hierarchy *(Continued)*

The movement during the six months ended 30 June 2025 (unaudited) in the balance of Level 3 fair value measurements is as follows:

	1 January 2025	Transfer into/ (out of) Level 3	Total gain or losses of the period		Additions/ issues	Sales/ settlements	30 June 2025	Unrealised gains or losses for the period included in profit or loss for assets held at the end of the period
			Included in profit or loss	Included in other comprehensive income				
Assets								
Financial assets at FVTPL								
– Bonds	450,545	–	–	–	–	–	450,545	–
– Trust plans and asset management plans	13,382,001	–	(418,601)	–	–	–	12,963,400	(418,601)
– Equity investments	3,383,219	–	–	–	–	–	3,383,219	–
Sub-total	17,215,765	–	(418,601)	–	–	–	16,797,164	(418,601)
Financial investments at FVTOCI								
– Equity investments	200,026	–	–	3	–	–	200,029	–
Total	17,415,791	–	(418,601)	3	–	–	16,997,193	(418,601)

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44. Fair value *(Continued)*

(c) Fair value hierarchy *(Continued)*

The movement during the year ended 31 December 2024 (audited) in the balance of Level 3 fair value measurements is as follows:

	1 January 2024	Transfer into/ (out of) Level 3	Total gain or losses of the year		Additions/ issues	Sales/ settlements	31 December 2024	Unrealised gains or losses for the year included in profit or loss for assets held at the end of the year
			Included in profit or loss	Included in other comprehensive income				
Assets								
Financial investments at FVTPL								
– Bonds	715,619	–	(265,074)	–	–	–	450,545	(265,074)
– Trust plans and asset management plans	13,063,378	–	80,172	–	250,682	(12,231)	13,382,001	80,172
– Equity investments	3,366,940	–	16,279	–	–	–	3,383,219	16,279
Sub-total	17,145,937	–	(168,623)	–	250,682	(12,231)	17,215,765	(168,623)
Financial investments at FVTOCI								
– Equity investments	3,262,738	–	–	–	26	(3,062,738)	200,026	–
Total	20,408,675	–	(168,623)	–	250,708	(3,074,969)	17,415,791	(168,623)

The Group's financial instruments measured at the Level 3 fair value adopt the discounted cash flow approach and net asset value approach as the valuation techniques, and the unobservable inputs used are the risk-adjusted discount rate, cash flows and net asset value, liquidity discount respectively. For the six months ended 30 June 2025 and for the year ended 31 December 2024, there were neither significant change in the valuation techniques nor significant transfer of financial instruments between levels.

45. Entrusted lending business

The Group provides entrusted lending business services to customers. All entrusted loans are funded by entrusted funds from these customers. The Group does not take any credit risk in relation to these transactions. The Group acts as an agent to hold and manage these assets and liabilities at the direction of the entrustor and receives fee income for the services provided. The entrusted assets are not assets of the Group and therefore not recognised in the statement of financial position. Surplus funding is accounted for as deposits from customers.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Entrusted loans	**27,264,849**	26,773,799
Entrusted funds	**27,264,849**	26,773,799

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46. Commitments and contingencies

(a) Credit commitments

The Group's credit commitments take the form of approved loans with signed contracts, credit card commitments, bank acceptances, letters of credit and financial guarantees.

The contractual amounts of loans commitments and credit card commitments represent the amounts should the contracts be fully drawn upon. The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Bank acceptances comprise of undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Irrevocable loan commitments		
Original contractual maturity within one year	**547,772**	463,020
Original contractual maturity of one year or above	**96,855**	19,764
Credit card overdraft commitments	**9,398,102**	10,500,375
Sub-total	**10,042,729**	10,983,159
Bank acceptances	**145,208,264**	206,160,264
Letters of credit		
– Sight letter of credit	**398,896**	638,600
– Usance letter of credit	**191,853,574**	146,709,867
Letters of guarantees		
– Financing letter of guarantee	**23,261,102**	24,668,521
– Non-financing letter of guarantee	**9,619,838**	9,534,500
Credit risk guarantee	**2,079,728**	3,567,280
Total	**382,464,131**	402,262,191

The Group may be exposed to credit risk in all the above credit businesses. Management periodically assesses credit risk and makes provision for any probable losses. As the facilities may expire without being drawn upon, the total of the contractual amounts shown above is not representative of expected future cash outflows. As at 30 June 2025 and 31 December 2024, provisions for credit commitments were RMB419 million and RMB467 million.

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46. Commitments and contingencies *(Continued)*

(b) Credit risk-weighted amount for credit commitments

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Credit risk-weighted amounts	**93,045,180**	89,201,282

The credit risk-weighted amount of credit commitments at 30 June 2025 is calculated in accordance with the Administrative Measures on the Capital of Commercial Banks promulgated by the NFRA.

(c) Capital commitments

As at 30 June 2025 and 31 December 2024, the Group's authorised capital commitments were as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Contracted but not paid for	**408,961**	282,702
Authorised but not contracted for	**19,509**	34,253
Total	**428,470**	316,955

(d) Outstanding litigations and disputes

As at 30 June 2025 and 31 December 2024, the Group had certain outstanding litigations and claims arising from its normal business operations, and recognised loss allowance based on the court process and the opinion of the external legal counsels. After consulting with external professional legal counsels, the management believes that the final outcome of such legal proceedings and claims will not have a material impact on the financial position or operating results of the Group.

During the year ended 31 December 2021, the Group had a dispute with individual corporate customer over the business of bank acceptance bills pledged by certificates of deposit. The Group had reported the case to the police authorities and filed a civil lawsuit in the People's Court in 2022. As of the approval date of the Group's financial statements, the above criminal and civil case are still in the judicial process. The outcome of the case is subject to the judgement of the court, and the Group is of the view that the financial impact of the above dispute cannot be reliably estimated. As a result, no relevant accrued liabilities were recognised as at 30 June 2025 and 31 December 2024.

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46. Commitments and contingencies *(Continued)*

(e) Pledged assets

Assets pledged as collaterals

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Debt securities	**171,384,253**	177,295,744
Discounted bills	**338,745**	6,163,166
Total	**171,722,998**	183,458,910

Certain assets are pledged as collateral under repurchase agreements and borrowings from the central bank.

As at 30 June 2025 and 31 December 2024, the Group did not hold any discounted bills under resale agreements. As at 30 June 2025 and 31 December 2024, the Group did not have any pledged assets that were sold or repledged but is obliged to return upon due.

47. Subsequent events

From 30 June 2025 till the approval date of the report, the Group has no significant subsequent events to disclose.

Unaudited Supplementary Information to the Consolidated Financial Statements

For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

In accordance with the Listing Rules and Banking (Disclosure) Rules, the Group discloses the unaudited supplementary financial information as follows:

1. Liquidity coverage ratio and leverage ratio

(a) Liquidity coverage ratio and leverage ratio

	30 June 2025	**Average for the six months ended 30 June 2025**
Liquidity coverage ratio (RMB and foreign currency)	**128.93%**	**138.05%**

	31 December 2024	Average for the year ended 31 December 2024
Liquidity coverage ratio (RMB and foreign currency)	158.70%	145.84%

Pursuant to the Administrative Measures on the Liquidity Risk Management of Commercial Banks, the liquidity coverage ratio of commercial banks shall be over 100%.

(b) Leverage Ratio

	30 June 2025	31 December 2024
Leverage Ratio	**5.33%**	5.01%

In accordance with the Capital Management Measures for Commercial Banks, which was promulgated by the NFRA of China and became effective on 1 January 2024, the leverage ratio of commercial banks shall not be lower than 4%.

Unaudited Supplementary Information to the Consolidated Financial Statements
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1. Liquidity coverage ratio and leverage ratio *(Continued)*

(c) Net Stable Funding Ratio

	30 June 2025	31 December 2024
Available stable funding	**1,008,488,158**	1,073,032,883
Required stable funding	**931,632,419**	932,440,310
Net stable funding ratio	**108.25%**	115.08%

Pursuant to the Administrative Measures on the Liquidity Risk Management of Commercial Banks, a minimum net stable funding ratio of 100% is required.

The above liquidity coverage ratio, leverage ratio and net stable funding ratio are calculated in accordance with the formula promulgated by the former CBRC and based on the financial information prepared in accordance with China Accounting Standards.

2. Currency concentrations

	30 June 2025			
	US Dollars (In RMB equivalent)	**HK Dollars (In RMB equivalent)**	**Others (In RMB equivalent)**	**Total**
Spot assets	**67,609,415**	**8,548,541**	**10,088,592**	**86,246,548**
Spot liabilities	**(56,855,071)**	**(6,300,515)**	**(12,302,068)**	**(75,457,654)**
Net position	**10,754,344**	**2,248,026**	**(2,213,476)**	**10,788,894**

	31 December 2024			
	US Dollars (In RMB equivalent)	HK Dollars (In RMB equivalent)	Others (In RMB equivalent)	Total
Spot assets	80,229,173	7,730,774	9,384,230	97,344,177
Spot liabilities	(54,426,162)	(4,491,442)	(7,571,879)	(66,489,483)
Net position	25,803,011	3,239,332	1,812,351	30,854,694

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3. International claims

The Group is principally engaged in business operations within Chinese mainland and regards all claims on third parties outside Chinese mainland as international claims.

International claims include loans and advances to customers, deposits with the central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions and financial investments.

A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose Head Office is located in another country.

	30 June 2025		
	Banks	**Non-bank financial institutions**	**Total**
Asia Pacific (excluding North and South America)	**6,124,266**	**49,921,894**	**56,046,160**
Europe	**2,652,874**	**830,717**	**3,483,591**
North and South America	**6,582,136**	**1,120,454**	**7,702,590**
Others	**–**	**587,862**	**587,862**
Total	**15,359,276**	**52,460,927**	**67,820,203**

	31 December 2024		
	Banks	Non-bank financial institutions	Total
Asia Pacific (excluding North and South America)	4,021,166	46,289,810	50,310,976
Europe	1,504,157	2,739,783	4,243,940
North and South America	3,801,298	4,534,525	8,335,823
Others	107,811	361,801	469,612
Total	9,434,432	53,925,919	63,360,351

Unaudited Supplementary Information to the Consolidated Financial Statements
For the six months ended 30 June 2025
(In RMB thousands, unless otherwise stated)

4. Gross amount of overdue loans and advances

	30 June 2025	31 December 2024
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– between 3 and 6 months (inclusive)	**2,888,855**	2,532,594
– between 6 months and 1 year (inclusive)	**3,459,095**	3,562,921
– between 1 year and 3 years (inclusive)	**6,877,750**	6,374,601
– over 3 years	**3,192,097**	2,772,773
Total	**16,417,797**	15,242,889
As a percentage of the gross loans and advances		
– between 3 and 6 months (inclusive)	**0.30%**	0.27%
– between 6 months and 1 year (inclusive)	**0.37%**	0.38%
– between 1 year and 3 years (inclusive)	**0.72%**	0.68%
– over 3 years	**0.33%**	0.30%
Total	**1.72%**	1.63%

Organizational Structure Chart

As of the date of this report, the principal organizational and management structure of the Bank are as follows: