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)

2026 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, 2026. This announcement, containing the full text of the 2026 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

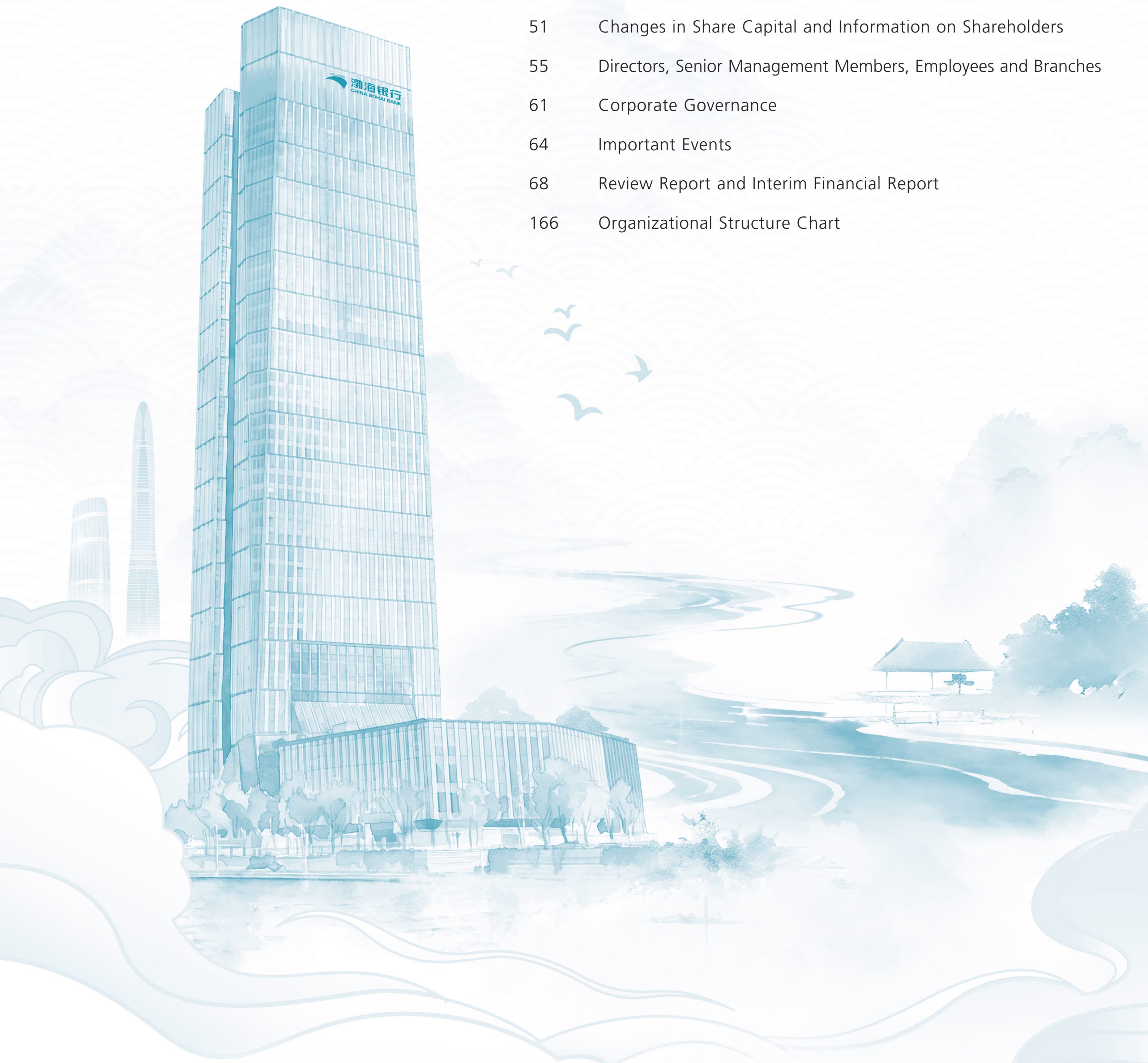
The Chinese and English versions of this results announcement will be available on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.cbhb.com.cn). If there are any discrepancies in interpretations between the Chinese and English versions, the Chinese version shall prevail. The printed version of the Bank's 2026 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, 2026

As of 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, Ms. CUI Hongqin, Mr. HU Aimin, Mr. ZHANG Yunji and Ms. LING Yingjie (employee director) 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 are 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
Commercial Banking Law	the Commercial Banking Law of the PRC (中華人民共和國商業銀行法)
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 Unlisted Shares	non-H shares issued by the Bank but not listed or traded on any domestic stock exchange
Fifth “Five-Year Plan”	the Plan for Development Strategy of CHINA BOHAI BANK CO., LTD. (2026-2030) (渤海銀行股份有限公司 2026-2030 年發展戰略規劃)
Group, our Group	the Bank and its subsidiary
H Shares	the shares issued by the Bank and listed 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
Nine-Five-Three-One	The overall business development strategy of the Bank.
	Nine refers to "Nine Major Banks", namely the development of an industry bank, a transaction bank and a light-model bank in corporate banking business; the development of an account-oriented bank, a wealth management bank and an ecosystem-based bank in retail banking business; and the development of a bond bank, an agency bank and an asset management bank in financial market business
	Five refers to "Five Core Capabilities", namely the cultivation of customer development and engagement capability, the sharpening of product innovation and service capability, the upgrade of risk-aligned governance capability, the consolidation of talent pipeline development capability, and the elevation of strategy execution capability
	Three refers to "Three Systems", namely the organizational structure, the appraisal system and the remuneration distribution system
	One refers to "One Benchmark", namely taking a leading and exemplary role in serving Tianjin to set a benchmark across the Bank for serving the real economy
Reporting Period	the six months ended June 30, 2026
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 Municipal People's Government

Important Notice

The Board of Directors, Directors and senior management members 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 2026 of the Bank was considered and approved at the 18th meeting of the sixth session of the Board of Directors on August 28, 2026. 14 Directors should attend the meeting, among which 14 Directors actually attended.

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 2026.

The Bank's 2026 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 Tianyuan

V. **Company Secretary:** ZHANG Tianyuan

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 Unlisted 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: Beijing Haiwen & Partners
As to Hong Kong Laws: Jingtian & Gongcheng LLP

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 2026	January to June 2025	Increase (decrease) (%)
Operating results data:			
Operating income	13,952,170	14,215,018	(1.85)
Profit before taxation	4,675,711	4,578,499	2.12
Net profit	4,151,020	3,830,435	8.37
Indicators per share (RMB):			
Basic earnings per share attributable to ordinary Shareholders of the Bank	0.23	0.22	4.55
Diluted earnings per share attributable to ordinary Shareholders of the Bank	0.23	0.22	4.55
Financial ratios[1] (%):			
Average return on total assets[2]	0.42	0.42	Flat
Weighted average return on net assets[3]	7.75	7.65	An increase of 0.10 percentage point
	June 30, 2026	**December 31, 2025**	**Increase (decrease) (%)**
Scale indicators:			
Total assets	2,028,160,709	1,934,409,532	4.85
Gross loans and advances to customers[4]	1,016,192,580	961,732,241	5.66
Total liabilities	1,897,854,113	1,809,182,579	4.90
Gross deposits from customers[4]	1,195,992,558	1,114,458,209	7.32
Total equity	130,306,596	125,226,953	4.06
Net assets per share attributable to ordinary Shareholders of the Bank[5] (RMB)	6.15	5.87	4.77

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 2026	January to June 2025	Change	January to June 2024
Profitability indicators[1]:				
Net interest spread[2]	1.22	1.20	An increase of 0.02 percentage point	1.16
Net interest margin[3]	1.39	1.39	Flat	1.39
Cost-to-income ratio[4]	32.35	32.17	An increase of 0.18 percentage point	36.27
	June 30, 2026	**December 31, 2025**	**Change**	**June 30, 2025**
Asset quality indicators:				
NPL ratio[5]	1.76	1.66	An increase of 0.10 percentage point	1.81
Allowance coverage ratio[6]	162.22	162.16	An increase of 0.06 percentage point	159.70
Allowance to gross loan ratio[7]	2.85	2.68	An increase of 0.17 percentage point	2.89
Capital adequacy indicators[8]:				
Capital adequacy ratio	12.10	12.48	A decrease of 0.38 percentage point	11.24
Tier 1 capital adequacy ratio	10.00	10.13	A decrease of 0.13 percentage point	9.31
Core Tier 1 capital adequacy ratio	8.37	8.40	A decrease of 0.03 percentage point	8.39

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 generated from businesses such as 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 2026

In the first half of 2026, global economic growth and international trade generally slowed down, while inflationary pressures intensified significantly across most countries, prompting central banks in several economies to adjust their monetary policies.

In the first half of 2026, China effectively addressed various external impacts and internal difficulties. The economy exhibited a development trend towards new growth drivers and structural optimization, demonstrating strong resilience and vitality. In the first half of 2026, China's GDP grew by 4.7% year on year at constant prices. Prices rose moderately overall, with the CPI and PPI increasing by 1.0% and 1.5% year on year in the first half of the year, respectively. Foreign trade maintained positive growth momentum, with goods exports in RMB-denominated terms increasing by 13.4% year on year in the first half of the year.

In the first half of 2026, the fiscal policy became more proactive, with special-purpose bonds and ultra-long-term special treasury bonds playing an increasingly prominent role in supporting the expansion of domestic demand. The monetary policy remained moderately accommodative, with rate cuts applied to structural monetary policy tools and increased financial support for key sectors. As of the end of June 2026, M2 and M1 grew by 8% and 4% year on year, respectively, while the overall social financing cost remained at a historically low level. In the first half of the year, financial reforms were further deepened through sustained efforts to tighten and strengthen regulatory oversight, as well as a prudent approach to resolving outstanding risks. The banking industry continued to optimize its credit structure, with asset quality remaining stable and under control. Overall, the banking industry actively responded to external challenges, effectively improved the quality and efficiency of its services to the real economy, and continued to advance its high-quality development.

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 National Congress of the Communist Party of China (CPC) and the plenary sessions of the 20th CPC Central Committee. It remained steadfast in upholding the Party's leadership over finance operations in all respects and was keenly aware of the political and people-centered nature of finance operations. By aligning itself with macroeconomic trends, industrial shifts and interbank competitive dynamics, the Bank actively seized strategic opportunities while effectively addressing risks and challenges. It identified a clear positioning and direction within the broader context of national development, remaining committed to focusing on core businesses, improving governance and pursuing differentiated development. With an aim to establish itself as a value-oriented bank, the Bank continued to upgrade and systematically implement the "Nine-Five-Three-One" development strategy while making intensive and meticulous efforts in the "five priorities" of finance, so as to create a shared synergy between serving the real economy and supporting 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 bonds; 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; bank card business; letters of credit and financial guarantees; acting as agent on inward and outward payments and insurance agency services; offering safe-deposit facilities; and other business approved by the regulatory authorities.

IV. OVERALL OPERATING PERFORMANCE

During the Reporting Period, in the face of the complex and ever-changing economic and financial conditions in China and globally, the Group strictly implemented and complied with the national macroeconomic policy directives and financial regulatory requirements. In alignment with the "Nine-Five-Three-One" development strategy, the Group continuously optimized its business layout, strengthened comprehensive risk management and control, and accelerated digital transformation and empowerment in firm pursuit of high-quality development. Centering on the "five priorities" of finance, it continuously enriched its product offerings, established a scenario-based digital integrated service platform, and constantly improved its corporate governance and internal risk control systems so as to achieve coordinated progress in quality, efficiency, structure and size, with a focus on enhancing the capacity of financial services to serve the real economy, thereby resulting in sound operations across all business lines, steady improvements in operational efficiency, and sustained gains in key performance 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 RMB2,028,161 million, representing an increase of RMB93,751 million or 4.85% as compared to the end of the previous year. In particular, the balance of loans and advances to customers amounted to RMB1,002,195 million, representing an increase of RMB52,447 million or 5.52% as compared to the end of the previous year. The Group coordinated and allocated credit resources across key sectors in a targeted manner, remaining steadfast in its fundamental role as a financial service provider. It exercised prudent control over credit extension to stay precisely aligned with the financing needs of national strategies and the real economy, while continuously optimizing its business layout to make its financial services more precisely responsive to market demand. During the Reporting Period, the growth of loans and advances to customers outpaced the growth of total assets, demonstrating ongoing improvements in both the quality and efficiency of its services to the real economy.

Strengthened liability management to drive better cost control and efficiency

As of the end of the Reporting Period, the total liabilities of the Group amounted to RMB1,897,854 million, representing an increase of RMB88,672 million or 4.90% as compared to the end of the previous year. In particular, deposits from customers amounted to RMB1,219,309 million, representing an increase of RMB80,533 million or 7.07% as compared to the end of the previous year, demonstrating steady growth in deposits. During the Reporting Period, the Group established a comprehensive liability management system, diversified its funding sources, deepened tiered customer operations, and coordinated the use of various active liability instruments to strengthen liability management, thus driving a steady decline in total liability costs.

Sustained effectiveness in cost reduction and efficiency enhancement, with steady improvement in key profitability indicators

During the Reporting Period, the Group continuously optimized its cost control measures, yielding sustained effectiveness in cost reduction and efficiency enhancement, with steady improvement in key profitability indicators. From January to June 2026, the deposit interest rate decreased by 37 BPs year on year; total reported expenses decreased by 1.31% year on year; net profit amounted to RMB4,151 million, representing a year-on-year increase of RMB321 million or 8.37%; and the annualized weighted average return on net assets was 7.75%, representing a year-on-year increase of 0.10 percentage point.

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 RMB17,882 million, representing an increase of RMB1,961 million as compared to the end of the previous year. The NPL ratio was 1.76%, representing an increase of 0.10 percentage point as compared to the end of the previous year. Allowance for loan loss was adequate, and the allowance for loan impairment of the Bank was RMB29,008 million, representing an increase of RMB3,191 million as compared to the end of the previous year. Impairment provisions for financial investments amounted to RMB8,299 million, and other impairment provisions amounted to RMB1,939 million. The allowance to gross loan ratio was 2.85%, and the allowance coverage ratio was 162.22%. Asset quality remained stable and allowance indicators met the regulatory requirements.

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 RMB4,151 million, representing a year-on-year increase of 8.37%. On the one hand, the Group actively optimized its liability structure and continuously reduced interest costs. On the other hand, it continued to deepen its efforts to reduce costs and boost efficiency. The combination of these efforts drove a steady improvement in profitability.

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 2026	January to June 2025	Change	Increase (decrease) (%)
Net interest income	8,524,627	8,045,646	478,981	5.95
Net non-interest income	5,427,543	6,169,372	(741,829)	(12.02)
Operating income	13,952,170	14,215,018	(262,848)	(1.85)
Operating expenses	(4,710,002)	(4,839,211)	129,209	(2.67)
Impairment losses on assets	(4,566,457)	(4,797,308)	230,851	(4.81)
Profit before taxation	4,675,711	4,578,499	97,212	2.12
Income tax expense	(524,691)	(748,064)	223,373	(29.86)
Net profit	4,151,020	3,830,435	320,585	8.37
Total comprehensive income	5,081,529	3,190,847	1,890,682	59.25

2. *Net interest income*

During the Reporting Period, the net interest income of the Group amounted to RMB8,525 million, representing a year-on-year increase of 5.95%, which was mainly due to the continuous optimization of the liability structure to reduce interest costs.

(1) Net interest spread and net interest margin

During the Reporting Period, the net interest spread of the Group was 1.22%, representing a year-on-year increase of 0.02 percentage point. The net interest margin was 1.39%, remaining flat as compared to the corresponding period last year.

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 2026			January to June 2025		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Assets:						
Loans and advances to customers	918,875,506	16,203,472	3.56	899,380,221	17,605,550	3.95
Financial investments	522,409,517	6,077,082	2.35	517,589,792	6,646,602	2.59
Balances with the central bank	71,007,778	500,802	1.42	63,658,647	453,489	1.44
Deposits with banks and other financial institutions	43,494,624	273,354	1.27	33,905,450	242,216	1.44
Placements with banks and other financial institutions	19,564,052	236,750	2.44	13,294,018	216,177	3.28
Financial assets purchased under resale agreements	57,526,216	401,152	1.41	15,456,075	137,451	1.79
Total interest-earning assets	**1,632,877,693**	**23,692,612**	**2.93**	**1,543,284,203**	**25,301,485**	**3.31**
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
Liabilities:						
Deposits from customers	1,133,912,057	9,779,027	1.74	958,050,859	10,004,667	2.11
Deposits from banks and other financial institutions	177,889,254	1,333,310	1.51	168,311,870	1,691,096	2.03
Placements from banks and other financial institutions	19,092,668	183,117	1.93	31,043,866	497,162	3.23
Financial assets sold under repurchase agreements	72,754,457	515,567	1.43	81,214,182	656,415	1.63
Debt securities issued	314,907,788	2,751,838	1.76	310,908,583	3,308,466	2.15
Borrowings from the central bank	73,774,045	605,126	1.65	103,442,331	1,098,033	2.14
Total interest-bearing liabilities	**1,792,330,269**	**15,167,985**	**1.71**	**1,652,971,691**	**17,255,839**	**2.11**
Net interest income		8,524,627			8,045,646	
Net interest spread			1.22			1.20
Net interest margin			1.39			1.39

Note: Net interest margin is calculated by dividing net interest income by the average balance of total interest-earning assets; gains generated from businesses such as 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 RMB23,693 million, representing a year-on-year decrease of 6.36%.

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 RMB16,203 million, representing a year-on-year decrease of 7.96%, which was mainly due to the Group's implementation of national financial policies and its continued efforts to benefit entities, enterprises and ordinary consumers, resulting in a decline in loan yields.

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 2026			January to June 2025		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans and advances	676,560,746	12,871,107	3.84	628,033,305	13,327,914	4.28
Personal loans	191,566,483	3,104,201	3.27	220,105,367	3,957,822	3.63
Discounted bills	50,748,277	228,164	0.91	51,241,549	319,814	1.26
Total loans and advances to customers	**918,875,506**	**16,203,472**	**3.56**	**899,380,221**	**17,605,550**	**3.95**

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, and interest income arising from financial assets purchased under resale agreements totaled RMB1,412 million, representing a year-on-year increase of 34.57%, which was mainly due to the Group's efforts to optimize its asset allocation structure and scale up investments in high-quality assets, which offset the impact of declining market interest rates.

Interest income arising from financial investments

During the Reporting Period, the Group's interest income arising from financial investments amounted to RMB6,077 million, representing a year-on-year decrease of 8.57%, which was mainly due to the decline in market interest rates.

(3) Interest expense

During the Reporting Period, the Group's interest expense amounted to RMB15,168 million, representing a year-on-year decrease of 12.10%.

Interest expense on deposits from customers

During the Reporting Period, the Group's interest expense on deposits from customers amounted to RMB9,779 million, representing a year-on-year decrease of 2.26%, which was mainly due to the Group's continuous optimization of its deposit structure to reduce interest costs, coupled with the decline in market interest rates, resulting in a year-on-year decrease of 37 BPs in the deposit interest rate.

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 2026			January to June 2025		
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
Corporate deposits	**706,011,778**	**5,676,739**	**1.62**	**592,739,730**	**5,946,806**	**2.02**
Of which: Demand deposits	166,441,579	285,771	0.35	152,439,965	469,246	0.62
Time deposits	539,570,199	5,390,968	2.01	440,299,765	5,477,560	2.51
Personal deposits	**253,610,231**	**2,784,774**	**2.21**	**212,905,579**	**2,802,161**	**2.65**
Of which: Demand deposits	27,158,397	15,611	0.12	26,574,512	16,467	0.12
Time deposits	226,451,834	2,769,163	2.47	186,331,067	2,785,694	3.01
Pledged deposits and others	174,290,048	1,317,514	1.52	152,405,550	1,255,700	1.66
Total deposits from customers	**1,133,912,057**	**9,779,027**	**1.74**	**958,050,859**	**10,004,667**	**2.11**

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 total interest expense on borrowings from the central bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, and financial assets sold under repurchase agreements totaled RMB2,637 million, representing a year-on-year decrease of 33.11%, which was mainly due to the decline in market interest rates.

Interest expense on debt securities issued

During the Reporting Period, the Group's interest expense on debt securities issued amounted to RMB2,752 million, representing a year-on-year decrease of 16.82%, which was 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 2026 vs. January to June 2025 due to changes in volume	January to June 2026 vs. January to June 2025 due to changes in rate	Net increase (decrease) (%)
Loans and advances to customers	337,299	(1,739,377)	(7.96)
Financial investments	46,483	(616,003)	(8.57)
Balances with the central bank	53,627	(6,314)	10.43
Deposits with banks and other financial institutions	59,721	(28,583)	12.86
Placements with banks and other financial institutions	75,949	(55,376)	9.52
Financial assets purchased under resale agreements	292,826	(29,125)	191.85
Changes in interest income	**865,905**	**(2,474,778)**	**(6.36)**
Deposits from customers	1,532,186	(1,757,826)	(2.26)
Deposits from banks and other financial institutions	76,228	(434,014)	(21.16)
Placements from banks and other financial institutions	(113,918)	(200,127)	(63.17)
Financial assets sold under repurchase agreements	(60,301)	(80,547)	(21.46)
Debt securities issued	44,661	(601,289)	(16.82)
Borrowings from the central bank	(241,556)	(251,351)	(44.89)
Changes in interest expense	**1,237,300**	**(3,325,154)**	**(12.10)**
Changes in net interest income	**(371,395)**	**850,376**	**5.95**

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 RMB5,428 million, representing a year-on-year decrease of 12.02%.

(1) Net fee and commission income

During the Reporting Period, the net fee and commission income of the Group amounted to RMB1,790 million, representing a year-on-year increase of 52.54%, which was mainly due to the increase in fees from agency and asset management services, custodian services, guarantees and commitments, as well as a decrease in fee and commission expenses.

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 2026	January to June 2025	Increase (decrease) (%)
Fee and commission income	**2,104,576**	**1,550,444**	**35.74**
Of which: Agency and asset management services	1,099,051	575,314	91.03
Settlement and clearing business	452,881	465,544	(2.72)
Guarantees and commitments	311,715	304,219	2.46
Custodian services	151,995	100,317	51.51
Consulting and advisory services	44,485	43,997	1.11
Bank card business	23,256	33,671	(30.93)
Others	21,193	27,382	(22.60)
Fee and commission expense	**314,433**	**376,897**	**(16.57)**
Net fee and commission income	**1,790,143**	**1,173,547**	**52.54**

(2) Other net non-interest income

During the Reporting Period, other net non-interest income of the Group amounted to RMB3,637 million, representing a year-on-year decrease of 27.19%, which was mainly due to the relatively favorable market performance for the corresponding period last year, during which the Group seized the opportunities to generate higher financial investment income, compared with a relatively stable market performance for the current year.

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 2026	January to June 2025	Increase (decrease) (%)
Net trading income	420,558	145,181	189.68
Net gains on financial investments	3,206,166	4,836,050	(33.70)
Other operating income	10,676	14,594	(26.85)
Total	**3,637,400**	**4,995,825**	**(27.19)**

4. *Operating expenses*

During the Reporting Period, the operating expenses of the Group amounted to RMB4,710 million, representing a year-on-year decrease of 2.67%, which was mainly due to the ongoing efforts to further reduce costs and boost efficiency, as well as the sustained reduction in total expenses.

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

(Unit: RMB'000)

	January to June 2026	January to June 2025	Increase (decrease) (%)
Staff costs	2,726,635	2,827,605	(3.57)
Depreciation and amortization	777,504	814,036	(4.49)
Taxes and surcharges	181,266	188,044	(3.60)
Interest expense on lease liabilities	50,923	59,488	(14.40)
Other general and administrative expenses	973,674	950,038	2.49
Total	**4,710,002**	**4,839,211**	**(2.67)**

5. *Impairment losses on assets*

During the Reporting Period, the impairment losses on assets of the Group amounted to RMB4,566 million, representing a year-on-year decrease of 4.81%, among which the impairment losses on loans and advances to customers amounted to RMB3,624 million, the impairment losses on investment amounted to RMB495 million, and other impairment losses amounted to RMB447 million.

6. *Income tax expense*

During the Reporting Period, the income tax expense of the Group amounted to RMB525 million and the effective tax rate was 11.22%.

(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 RMB2,028,161 million, representing an increase of 4.85% as compared to the end of the previous year, which was mainly due to the increase in asset size driven by the growth in loans and advances to customers and the increase in financial assets purchased under resale agreements.

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

(Unit: RMB'000)

	June 30, 2026		December 31, 2025		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Cash and balances with the central bank	123,978,378	6.11	129,722,705	6.71	(4.43)
Deposits with banks and other financial institutions	23,439,821	1.16	18,278,682	0.94	28.24
Placements with banks and other financial institutions	6,949,311	0.34	3,958,672	0.20	75.55
Derivative financial assets	2,743,681	0.14	2,023,233	0.10	35.61
Financial assets purchased under resale agreements	85,945,046	4.24	54,105,030	2.80	58.85
Loans and advances to customers	1,002,194,803	49.41	949,747,965	49.10	5.52
Financial investments	753,865,793	37.17	743,760,398	38.45	1.36
Property and equipment	2,728,560	0.13	2,927,826	0.15	(6.81)
Deferred tax assets	12,289,134	0.61	12,436,872	0.64	(1.19)
Right-of-use assets	2,985,248	0.15	3,286,036	0.17	(9.15)
Other assets	11,040,934	0.54	14,162,113	0.74	(22.04)
Total assets	**2,028,160,709**	**100.00**	**1,934,409,532**	**100.00**	**4.85**

(1) Loans and advances to customers

As of the end of the Reporting Period, the Group's gross loans and advances to customers (including discounts) amounted to RMB1,016,193 million, representing an increase of 5.66% 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, 2026		December 31, 2025		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Corporate loans and advances	764,767,503	75.26	712,412,088	74.08	7.35
Discounted bills	67,665,560	6.66	45,312,150	4.71	49.33
Personal loans	183,759,517	18.08	204,008,003	21.21	(9.93)
Gross loans and advances to customers	**1,016,192,580**	**100.00**	**961,732,241**	**100.00**	**5.66**
Interests accrued	13,798,221		12,581,529		
Total	**1,029,990,801**		**974,313,770**		

(2) Financial investments

As of the end of the Reporting Period, the financial investments of the Group amounted to RMB753,866 million, representing an increase of 1.36% 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, 2026		December 31, 2025		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Financial investments at fair value through profit or loss	234,104,944	31.05	215,700,905	29.00	8.53
Financial investments at fair value through other comprehensive income	255,377,883	33.88	268,060,545	36.04	(4.73)
Financial investments at amortized cost	264,382,966	35.07	259,998,948	34.96	1.69
Total	**753,865,793**	**100.00**	**743,760,398**	**100.00**	**1.36**

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, precious metal swaps, etc. The Group flexibly uses various derivative financial instruments to hedge exchange rate, interest rate and precious metal price risks. Gains and losses on related derivatives and gains and losses on hedged positions are recognized under different items of the statement of profit or loss and are in opposite directions. The Group engages in derivative transactions primarily for hedging purposes and to serve its customers, 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, 2026			December 31, 2025		
	Notional amount	Fair value		Notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
Interest rate swaps	393,298,706	8,794	(4,581)	400,738,896	13,406	(7,889)
Exchange rate swaps	273,507,323	1,838,299	(979,158)	259,341,039	1,321,562	(737,919)
Exchange rate forwards	97,011,332	722,550	(733,722)	42,813,952	170,434	(153,114)
Precious metal swaps	9,986,657	137,891	(1,266,268)	5,603,939	492,244	(519,588)
Precious metal forwards	7,910	1,359	–	–	–	–
Option contracts	22,143,510	34,788	(28,361)	3,554,504	25,587	(19,579)
Total	**795,955,438**	**2,743,681**	**(3,012,090)**	**712,052,330**	**2,023,233**	**(1,438,089)**

2. *Items of liabilities*

As of the end of the Reporting Period, the total liabilities of the Group amounted to RMB1,897,854 million, representing an increase of 4.90% as compared to the end of the previous year, which was mainly due to the increase in total liabilities driven by the growth in deposits from customers and financial assets sold under repurchase agreements.

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

(Unit: RMB'000)

	June 30, 2026		December 31, 2025		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Borrowings from the central bank	81,258,495	4.28	72,741,786	4.02	11.71
Deposits from banks and other financial institutions	146,722,753	7.73	152,751,045	8.44	(3.95)
Placements from banks and other financial institutions	13,548,632	0.71	18,089,549	1.00	(25.10)
Financial liabilities at fair value through profit or loss	2,103,442	0.11	621,527	0.03	238.43
Derivative financial liabilities	3,012,090	0.16	1,438,089	0.08	109.45
Financial assets sold under repurchase agreements	99,151,229	5.23	74,809,396	4.14	32.54
Deposits from customers	1,219,308,785	64.25	1,138,775,385	62.94	7.07
Income tax payable	(578,488)	(0.03)	(531,560)	(0.03)	8.83
Debt securities issued	316,051,585	16.65	330,593,371	18.27	(4.40)
Lease liabilities	3,090,203	0.16	3,400,319	0.19	(9.12)
Other liabilities	14,185,387	0.75	16,493,672	0.92	(13.99)
Total liabilities	**1,897,854,113**	**100.00**	**1,809,182,579**	**100.00**	**4.90**

Note: As of June 30, 2026, borrowings from the central bank of RMB81,258,495,000 included the principal amount at a fixed interest rate of RMB80,635,429,000, and the interest payable on the borrowings from the central bank of RMB623,066,000.

Deposits from customers

As of the end of the Reporting Period, the gross deposits from customers of the Group amounted to RMB1,195,993 million, representing an increase of 7.32% 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, 2026		December 31, 2025		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
Corporate deposits	**743,848,796**	**62.19**	**696,783,605**	**62.52**	**6.75**
Of which: Demand deposits	205,886,035	17.21	194,569,089	17.46	5.82
Time deposits	537,962,761	44.98	502,214,516	45.06	7.12
Personal deposits	**274,440,522**	**22.94**	**235,644,149**	**21.14**	**16.46**
Of which: Demand deposits	28,283,750	2.36	28,058,206	2.52	0.80
Time deposits	246,156,772	20.58	207,585,943	18.62	18.58
Pledged deposits	177,102,074	14.81	181,819,462	16.31	(2.59)
Fiscal deposits	578,605	0.05	167,509	0.02	245.42
Inward and outward remittances	22,561	0.01	43,484	0.01	(48.12)
Gross deposits from customers	**1,195,992,558**	**100.00**	**1,114,458,209**	**100.00**	**7.32**
Interests accrued	23,316,227		24,317,176		
Total	**1,219,308,785**		**1,138,775,385**		

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, 2026		December 31, 2025		
	Amount	Proportion (%)	Amount	Proportion (%)	Increase (decrease) (%)
RMB	1,173,346,799	96.23	1,092,190,877	95.91	7.43
Foreign currency against RMB	45,961,986	3.77	46,584,508	4.09	(1.34)
Total	**1,219,308,785**	**100.00**	**1,138,775,385**	**100.00**	**7.07**

3. *Total equity*

As of the end of the Reporting Period, the total equity of the Group amounted to RMB130,307 million, representing an increase of RMB5,080 million as compared to the end of the previous year, which was mainly 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, 2026		December 31, 2025	
	The Group	The Bank	The Group	The Bank
Core tier 1 capital	109,306,596	108,518,451	104,226,953	103,593,255
Core tier 1 capital regulatory deductions	(1,601,048)	(3,826,864)	(2,299,653)	(4,517,310)
Net core tier 1 capital	107,705,548	104,691,587	101,927,300	99,075,945
Other tier 1 capital	21,000,000	21,000,000	21,000,000	21,000,000
Net tier 1 capital	128,705,548	125,691,587	122,927,300	120,075,945
Tier 2 capital	27,103,060	27,103,061	28,479,125	28,479,125
Tier 2 capital regulatory deductions	–	–	–	–
Net capital	**155,808,608**	**152,794,648**	**151,406,425**	**148,555,070**
Capital adequacy ratio[Note] (%)	**12.10**	**11.91**	**12.48**	**12.28**
Tier 1 capital adequacy ratio (%)	**10.00**	**9.80**	**10.13**	**9.92**
Core tier 1 capital adequacy ratio (%)	**8.37**	**8.16**	**8.40**	**8.19**

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, and operational risk-weighted assets are calculated using the standardized approach. Market risk-weighted assets as of the end of June 2026 are calculated using the standardized approach, while those as of the end of December 2025 are calculated using the simplified standardized approach.

(Unit: RMB'000)

	June 30, 2026		December 31, 2025	
	The Group	The Bank	The Group	The Bank
Credit risk-weighted assets	**1,213,583,830**	**1,209,824,849**	**1,149,110,365**	**1,146,519,515**
Of which: On-balance sheet credit risk	1,096,681,322	1,092,922,341	1,052,278,979	1,049,688,129
Off-balance sheet credit risk	105,860,063	105,860,063	91,885,611	91,885,611
Counterparty credit risk	11,042,445	11,042,445	4,945,775	4,945,775
Market risk-weighted assets	28,918,157	28,918,157	19,309,674	19,309,674
Operational risk-weighted assets	44,838,091	44,253,782	44,838,092	44,253,782
Total risk-weighted assets	**1,287,340,078**	**1,282,996,788**	**1,213,258,131**	**1,210,082,971**

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, 2026	December 31, 2025
Tier 1 capital	130,306,596	125,226,953
Tier 1 capital deductions	(1,601,048)	(2,299,653)
Total adjusted on-balance sheet and off-balance sheet assets	**2,394,785,392**	**2,268,722,177**
Of which: Total adjusted on-balance sheet assets	1,937,875,036	1,875,978,910
Total adjusted off-balance sheet assets	339,255,099	306,300,920
Others	117,655,257	86,442,347
Leverage ratio (%)	**5.37**	**5.42**

VIII. LOAN QUALITY ANALYSIS

(I) Distribution of Loans by Five-category Classification

(Unit: RMB'000)

	June 30, 2026		December 31, 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Normal loans	971,744,550	95.63	918,977,057	95.55
Special mention loans	26,566,399	2.61	26,834,136	2.79
NPLs	**17,881,631**	**1.76**	**15,921,048**	**1.66**
Of which: Substandard loans	6,630,395	0.65	6,025,408	0.63
Doubtful loans	1,752,928	0.17	1,750,114	0.18
Loss loans	9,498,308	0.94	8,145,526	0.85
Gross loans and advances to customers	**1,016,192,580**	**100.00**	**961,732,241**	**100.00**

(II) Distribution of Loans and NPLs by Product Type

(Unit: RMB'000)

	June 30, 2026				December 31, 2025			
	Amount	Proportion (%)	NPL amount	NPL ratio (%)	Amount	Proportion (%)	NPL amount	NPL ratio (%)
Corporate loans and advances	764,767,503	75.26	8,818,807	1.15	712,412,088	74.08	8,158,650	1.15
Discounted bills	67,665,560	6.66	–	–	45,312,150	4.71	–	–
Personal loans	183,759,517	18.08	9,062,824	4.93	204,008,003	21.21	7,762,398	3.80
Gross loans and advances to customers	**1,016,192,580**	**100.00**	**17,881,631**	**1.76**	**961,732,241**	**100.00**	**15,921,048**	**1.66**

As of the end of the Reporting Period, the gross loans and advances to customers amounted to RMB1,016,193 million, representing an increase of 5.66% as compared to the end of the previous year. The gross corporate loans and advances amounted to RMB764,768 million, representing an increase of 7.35% as compared to the end of the previous year. The gross discounted bills amounted to RMB67,666 million, representing an increase of 49.33% as compared to the end of the previous year. The gross personal loans amounted to RMB183,760 million, representing a decrease of 9.93% as compared to the end of the previous year.

(III) Distribution of Loans and NPLs by Industry

(Unit: RMB'000)

	June 30, 2026				December 31, 2025			
	Amount	Proportion (%)	NPL amount	NPL ratio (%)	Amount	Proportion (%)	NPL amount	NPL ratio (%)
Corporate loans and advances	**764,767,503**	**75.26**	**8,818,807**	**1.15**	**712,412,088**	**74.08**	**8,158,650**	**1.15**
Leasing and commercial services	288,285,060	28.37	943,231	0.33	253,067,229	26.31	890,587	0.35
Real estate	93,709,725	9.22	1,792,767	1.91	89,569,238	9.31	1,901,111	2.12
Manufacturing	85,810,417	8.44	1,228,414	1.43	87,286,198	9.08	1,036,114	1.19
Wholesale and retail	84,916,156	8.36	2,199,191	2.59	84,983,974	8.84	1,916,415	2.26
Water conservancy, environment and public facilities management	65,014,833	6.40	27,298	0.04	68,167,177	7.09	20,000	0.03
Financial services	39,288,365	3.87	122,424	0.31	27,285,850	2.84	123,847	0.45
Construction	28,009,941	2.76	1,269,638	4.53	27,175,247	2.83	1,137,335	4.19
Transportations, storage and post	20,552,313	2.02	18,631	0.09	16,315,628	1.70	17,122	0.10
Information transmission, software and information technology services	16,997,069	1.67	574,502	3.38	12,742,261	1.32	567,650	4.45
Production and supply of electricity, heat, gas and water	13,367,458	1.32	4,939	0.04	13,044,170	1.36	4,939	0.04
Mining	8,910,170	0.88	–	–	10,831,222	1.12	–	–
Scientific research and technical services	5,431,430	0.53	201,658	3.71	8,463,565	0.88	166,380	1.97
Education	4,503,033	0.44	5,000	0.11	4,022,469	0.42	5,000	0.12
Others	9,971,533	0.98	431,114	4.32	9,457,860	0.98	372,150	3.93
Discounted bills	**67,665,560**	**6.66**	**–**	**–**	**45,312,150**	**4.71**	**–**	**–**
Personal loans	**183,759,517**	**18.08**	**9,062,824**	**4.93**	**204,008,003**	**21.21**	**7,762,398**	**3.80**
Gross loans and advances to customers	**1,016,192,580**	**100.00**	**17,881,631**	**1.76**	**961,732,241**	**100.00**	**15,921,048**	**1.66**

As of the end of the Reporting Period, the gross corporate loans and advances amounted to RMB764,768 million, representing an increase of 7.35% as compared to the end of the previous year. The overall structure of industry distribution remained stable. In particular, the balance of loans to the leasing and commercial services industry was RMB288,285 million, accounting for 28.37% and representing an increase of 2.06 percentage points as compared to the end of the previous year. The balance of loans to the real estate industry was RMB93,710 million, accounting for 9.22% and representing a decrease of 0.09 percentage point as compared to the end of the previous year.

(IV) Distribution of Loans and NPLs by Geographical Areas

(Unit: RMB'000)

	June 30, 2026				December 31, 2025			
	Amount	Proportion (%)	NPL amount	NPL ratio (%)	Amount	Proportion (%)	NPL amount	NPL ratio (%)
Northern and Northeastern China	401,180,766	39.49	7,749,222	1.93	389,500,753	40.51	7,393,554	1.90
Eastern China	291,977,629	28.73	2,243,356	0.77	268,752,599	27.94	1,804,370	0.67
Central and Southern China	235,999,003	23.22	6,520,363	2.76	224,982,779	23.39	5,539,003	2.46
Western China	87,035,182	8.56	1,368,690	1.57	78,496,110	8.16	1,184,121	1.51
Gross loans and advances to customers	**1,016,192,580**	**100.00**	**17,881,631**	**1.76**	**961,732,241**	**100.00**	**15,921,048**	**1.66**

(V) Distribution of Loans and NPLs by Security Type

(Unit: RMB'000)

	June 30, 2026				December 31, 2025			
	Amount	Proportion (%)	NPL amount	NPL ratio (%)	Amount	Proportion (%)	NPL amount	NPL ratio (%)
Collateralized loans	266,816,257	26.26	9,129,141	3.42	270,987,197	28.18	7,568,899	2.79
Pledged loans	127,357,304	12.53	928,419	0.73	107,028,769	11.13	911,679	0.85
Guaranteed loans	372,168,879	36.62	2,433,905	0.65	352,519,827	36.65	2,217,850	0.63
Unsecured loans	249,850,140	24.59	5,390,166	2.16	231,196,448	24.04	5,222,620	2.26
Gross loans and advances to customers	**1,016,192,580**	**100.00**	**17,881,631**	**1.76**	**961,732,241**	**100.00**	**15,921,048**	**1.66**

(VI) Distribution of Loans by Overdue Period

(Unit: RMB'000)

	June 30, 2026		December 31, 2025	
	Amount	Proportion (%)	Amount	Proportion (%)
Overdue within three months	11,187,125	1.10	10,207,218	1.06
Overdue more than three months to one year	5,703,760	0.56	4,972,512	0.52
Overdue more than one year to three years	7,278,398	0.72	5,307,542	0.55
Overdue more than three years	2,965,889	0.29	2,439,624	0.25
Total overdue loans	**27,135,172**	**2.67**	**22,926,896**	**2.38**
Gross loans and advances to customers	**1,016,192,580**	**100.00**	**961,732,241**	**100.00**

As of the end of the Reporting Period, the overdue loans amounted to RMB27,135 million, representing an increase of RMB4,208 million as compared to the end of the previous year.

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

(Unit: RMB'000)

		June 30, 2026			
Borrower	Industry	Amount	NPL amount	% of net capital base	% of gross loans
Customer A	Wholesale and retail	7,749,455	–	4.97	0.76
Customer B	Manufacturing	6,396,142	–	4.11	0.63
Customer C	Construction	5,560,999	–	3.57	0.55
Customer D	Leasing and commercial services	5,240,000	–	3.36	0.52
Customer E	Leasing and commercial services	5,117,400	–	3.29	0.50
Customer F	Leasing and commercial services	4,677,640	–	3.00	0.46
Customer G	Leasing and commercial services	4,650,000	–	2.99	0.46
Customer H	Leasing and commercial services	4,493,000	–	2.88	0.44
Customer I	Leasing and commercial services	3,759,336	–	2.41	0.37
Customer J	Leasing and commercial services	3,736,667	–	2.40	0.37
Total	**–**	**51,380,639**	**–**	**32.98**	**5.06**

As of the end of the Reporting Period, the balance of loans to the largest single borrower of the Bank was RMB7,749 million, accounting for 4.97% of the net capital base and 0.76% of its gross loans.

(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 Measures for the Risk Classification of Financial Assets of Commercial Banks. As of the end of the Reporting Period, the balance of restructured loans amounted to RMB5,541.6794 million.

(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 disposed of RMB2,806 million of non-performing assets through means such as cash collection, write-offs of bad debts, bankruptcy reorganization, transfers, and restructuring upgrades.

(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, 2026	For the six months ended June 30, 2025
Opening balance	24,565,805	24,244,122
Charge	3,663,584	3,595,438
Transfer out	–	–
Write-off	(753,374)	(1,847,725)
Recoveries	324,286	292,895
Exchange rate changes and others	(4,303)	1,932
Closing balance	**27,795,998**	**26,286,662**

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

(Unit: RMB'000)

	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Opening balance	1,251,290	1,330,218
Charge/(reversal)	(39,323)	(37,436)
Transfer out	–	–
Write-off	–	–
Recoveries	–	–
Exchange rate changes and others	–	–
Closing balance	**1,211,967**	**1,292,782**

(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, the Bank remained committed to the fundamental mission of serving national strategies and empowering the real economy in corporate banking. In alignment with the implementation of the "five priorities" of finance, the Bank thoroughly implemented the "Nine-Five-Three-One" strategic plan, staying firmly focused on its core strategic positioning as an industry bank, a transaction bank and a light-model bank. Supported by the dual engines of "customer factory + product factory", it continuously optimized its business layout and operating framework, consolidating its core competitive advantages through digital, professional and refined operations, thereby comprehensively advancing the high-quality transformation and development of its corporate banking business.

Customer development

During the Reporting Period, the Bank continued to advance the "customer factory" development in corporate banking, solidifying the foundation of corporate business through tiered and refined management. Committed to an industry bank-led strategy, the Bank aligned itself with national strategic directions and emerging industrial trends. It continuously enhanced its capabilities in industry analysis and strategic foresight to make forward-looking deployments in key industries and key customers, systematically established an operating framework for industry verticals to drive effective implementation in key segments, and consolidated customer resources. With an "Industry + AI" dual-driven model in place, the Bank accelerated the exploration and application of AI models in scenarios such as customer acquisition along the industrial chain and intelligent marketing. This comprehensively improved its integrated customer engagement and service capabilities, continuously forging a differentiated competitive edge in industry banking. The Bank deeply served national and regional development strategies by continuously increasing support for the Beijing-Tianjin-Hebei region, the Yangtze Economic Belt, the Chengdu-Chongqing economic zone and the Guangdong-Hong Kong-Macao Greater Bay Area, so as to empower regional industrial upgrading and the development of the real economy with its comprehensive financial services. It continued to strengthen institutional business cooperation, with a focus on addressing the core needs of customers such as administrative and public institutions, and implemented scenario-based, digitalized and integrated development initiatives. As of the end of the Reporting Period, the Bank served a total of 142,000 corporate customers, representing an increase of 6,893 customers or 5.10% as compared to the end of the previous year.

Liability business

During the Reporting Period, the Bank consistently adhered to a customer-centric approach in corporate banking. By focusing on customer relationship management, enriching product offerings, and refining channel strategies, it continuously drove the high-quality development of its liability business and consolidated its liability base. At the same time, it closely monitored macroeconomic policies and industry trends, adapted its strategies to changing circumstances, flexibly adjusted its business layout, optimized deposit structures, strengthened the refined control over liability costs, and steered interest-bearing costs on a steady downward trajectory, thereby consistently enhancing the efficiency and effectiveness of net interest margin management. As of the end of the Reporting Period, the balance of corporate deposits amounted to RMB743,849 million, representing an increase of RMB47,065 million or 6.75% as compared to the end of the previous year.

Asset business

During the Reporting Period, the Bank aligned its corporate banking operations closely with national macroeconomic policies and industrial development trends, anchoring its efforts on national strategies and key sectors. Adhering to the principle of "total growth, structural optimization, precise allocation, and efficiency improvement," it optimized the allocation of credit resources to achieve a precise match between credit supply and the needs of the real economy, driving steady scale growth. While continuously improving the credit structure, it remained customer-oriented by providing efficient and professional financial services to comprehensively enhance service quality and efficiency. As of the end of the Reporting Period, the gross corporate loans amounted to RMB764,768 million, representing an increase of RMB52,355 million or 7.35% as compared to the end of the previous year.

The Bank thoroughly implemented the strategy of building a strong technology nation, and made solid progress in advancing technology finance as a key priority. During the Reporting Period, the Bank established a first level department for technology finance to refine its specialized management structure. Focusing on core industry tracks under the 15th Five-Year Plan and deeply cultivating key regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing economic circle, the Bank improved its full-lifecycle service system for technology and innovation enterprises, continuously enhancing the degree of specialization and precision in its financial support for scientific and technological innovation. As of the end of the Reporting Period, the balance of loans to technology enterprises of the Bank* amounted to RMB70.448 billion, representing an increase of RMB6.318 billion or 9.85% 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. Focusing on key green industry tracks such as energy storage, wind power, new energy vehicles, and Artificial Intelligence Data Center (AIDC), the Bank strengthened industry research and policy enablement. It established a work mechanism featuring "industry research + policy interpretation + customer service" to assist enterprises in capitalizing on green transformation opportunities, drive the coordinated development of green industrial chains, and efficiently fulfill the market's demand for financial services. As of the end of the Reporting Period, the balance of green loans of the Bank amounted to RMB59,680 million, representing an increase of RMB344 million or 0.58% as compared to the end of the previous year.

The Bank formulated an annual special work plan for rural revitalization, continuously refined its rural financial service system, and made solid progress in advancing the comprehensive revitalization of rural areas. As of the end of the Reporting Period, the balance of agriculture-related loans of the Bank amounted to RMB48,145 million, representing an increase of RMB1,480 million or 3.17% as compared to the end of the previous year.

Transaction banking business

During the Reporting Period, the transaction banking business deeply cultivated key tracks in industrial finance. Through the establishment of an ecological service system featuring "connecting individual nodes into chains and weaving chains into networks", together with the upgrade of the AI-driven digital infrastructure, the Bank promoted the deep embedding of financial services into all scenarios of brick-and-mortar industries, achieving simultaneous leaps in scale, structure, and value. As of the end of the Reporting Period, the balance of on-balance sheet and off-balance sheet activities of the transaction banking amounted to RMB701.899 billion, representing a year-on-year increase of 26%. The cumulative transaction volume for on-balance sheet and off-balance sheet activities of the transaction banking amounted to RMB627.062 billion, representing a year-on-year increase of 20%. The business contributed RMB345.598 billion in corporate deposits, continuously demonstrating market competitiveness in core tracks and service value to the real economy.

* The loans to technology enterprises were calculated based on the latest 2026 standards outlined in the S70 Technology Finance Information Form (《S70 科技金融情況表》) issued by the National Financial Regulatory Administration. The data as of the end of 2025 was retrospectively adjusted to align with these criteria and was consistent with the data submitted to the National Financial Regulatory Administration.

During the Reporting Period, the Bank continuously deepened its presence in the supply chain industry ecosystem, achieving a triple breakthrough in scale, scenario integration, and digitization. Its bank-wide supply chain finance disbursements exceeded RMB150 billion, and it was awarded the "Best Supply Chain Finance Innovation Bank of the Year 2026 (2026 年度最佳供應鏈金融創新銀行)". Firstly, the Bank fully empowered emerging strategic tracks, closely followed the convergence of green electricity and computing power, and built a closed-loop system for computing-electricity coordination centered on "source-grid-load-storage", achieving comprehensive coverage across core industries such as AIDC, energy storage, and new energy power generation. It also landed an innovative credit insurance financing business for advertising agents of leading traffic platforms. Disbursements for 3C electronics supply chain financing surpassed RMB20 billion, realizing the completion of an iterative upgrade from credit granted based on core enterprises to a model driven by industrial data credit penetration. Secondly, the Bank deepened the integration of industry and finance in basic livelihood sectors across all scenarios. Focusing on six major sectors, including water, electricity, coal, gas, oil, and transport, the Bank developed a signature model of "power data + financial empowerment". Leveraging the benchmark products such as "Electricity Fee Certificate" and "Electricity Fee Note", financial disbursements in electricity fee scenarios reached approximately RMB11.8 billion. The Bank also broke ground in the China-Europe Railway Express freight certificate business, opening up a new channel for logistics digital financing. Thirdly, the Bank consolidated the automotive industry ecosystem across the full lifecycle. Achieving full coverage across seven mainstream passenger vehicle brands, it built a service chain spanning vehicle manufacturing, dealer inventory financing, and domestic-foreign integration. Leveraging its treasury capabilities, the Bank launched the benchmark product of "Auto Enterprise Note Express (車企票據直通車)", forming a replicable and standardized industry service solution.

In the cross-border finance sector, anchored by the "One Body, Two Wings" strategy, the Bank constructed an integrated service system featuring domestic-overseas linkage and local-foreign currency synergy, realizing leapfrog enhancements in both infrastructure and business scale. It launched the Free Trade (FT) master-sub account system, becoming the first corporate bank in the Tianjin region to serve as a direct participant in the Cross-Border Interbank Payment System (CIPS), and was awarded the "Golden Rudder Award – Best Growing Bank in Cross-Border Finance (金舵獎－最佳跨境金融成長銀行)" at the 3rd China Cross-Border Going Global Awards. In the first half of the year, the total international settlement volume of the Bank reached USD66.4 billion, representing a year-on-year increase of 24%. Since the launch of its CIPS direct participation, the cumulative RMB settlement volume reached RMB89.8 billion. On the business front, the Bank focused on core industries for overseas expansion, such as high-end manufacturing and new energy. Leveraging the standardized product matrix of "Bohai Cross-Border Connect (渤銀跨境通)", it deeply cultivated full-scenario services including cross-border RMB settlement, trade financing, and exchange rate hedging, precisely matching the full-cycle needs of enterprises in their global operations.

The Bank continued to enhance its bank-wide comprehensive treasury service system, creating a value hub for group-level treasury management. This had become a key driver for expanding business relationships with large corporate groups and leading state-owned enterprise customers in bulk. As of the end of the Reporting Period, the treasury service network covered 16 provinces and municipalities nationwide, with a cumulative customer base of 331. The coverage rate among local state-owned enterprises in Tianjin exceeded 50%, with strategic cooperation projects continuously landing for multiple leaders in manufacturing and public utilities as well as key local state-owned enterprises. In the first half of the year, the cumulative settlement volume of treasury business reached RMB127.5 billion. Concurrently, the global account visibility function was launched, establishing an integrated domestic and overseas fund management channel. This enabled full-visibility and centralized and integrated management for supply chain operating funds and cross-border allocated funds, further strengthening its position as a core treasury hub connecting industrial operations with domestic and overseas funds.

The Bank deepened the integration of industrial insight and digital-intelligent transformation, fully empowered precise supply chain marketing through a dual-wheel drive model of "customer factory + product factory". It continuously accumulated industry operational experience to establish a standardized, replicable digital management rule system. Leveraging large AI models, it constructed a full-panorama industrial chain mapping system to tap into customer segments with high-growth potential and identify operational risk nodes, thereby achieving intelligent matching and precise targeting of financial resources. By reshaping the paradigm of industrial finance operations through digital intelligence, the Bank continuously consolidated the core competitiveness of its transaction banking, providing robust support for the high-quality development of its bank-wide corporate banking business.

Investment banking business

During the Reporting Period, the investment banking remained committed to advancing its operational transformation centered on Finance Product Aggregate (FPA). It focused on building a light-model bank by revitalizing the existing assets, utilizing incremental assets and facilitating transaction flows. Leveraging products with comparative advantages as a breakthrough point for business, it strengthened its ability to acquire customers and improve profitability through capital-efficient methods, including bond underwriting, transaction facilitation, asset transfer and engaging with wealth management subsidiaries.

During the Reporting Period, it underwrote a total of 268 bonds of various types, with a total underwriting amount of RMB105.889 billion, representing a year-on-year increase of 9.34%. In particular, the Bank underwrote 62 innovative bonds and special products, with a total amount of RMB19.527 billion, representing a year-on-year increase of 16.63%. It conducted 9 credit risk mitigation (CRM) transactions totaling RMB0.684 billion.

The size of the facilitation business amounted to RMB76.897 billion, representing a year-on-year increase of 33%.

In terms of merger and acquisition (M&A) loan business, the Bank focused on the core requirements of high-quality development, deeply tapped into the needs for industry consolidation and enterprise transformation and upgrading. The Bank successfully executed M&A transactions such as acquisitions of controlling stakes in listed companies and consolidation within the new energy lithium mining industry, further enriching transaction scenarios and enhancing product adaptability, thereby injecting development momentum into enterprises seeking leapfrog development through M&A transactions.

With respect to the syndicated loan business, guided by the goal of serving national strategies, the Bank deepened its presence in key fields such as technology finance and green finance. It successfully launched multiple syndicated projects, including computing power cluster facilities, water governance, low-carbon industrial parks, independent energy storage power stations, and carbon neutrality demonstration wind power projects. Through syndicated loan products, the Bank addressed large-scale financing needs and fulfilled the fundamental requirement of empowering the real economy through credit support.

The capital market business advanced with a steady layout and targeted efforts, achieving several breakthroughs and maintaining strong development momentum. The special loan business for stock repurchases and shareholding increases was conducted in an orderly manner to serve the market capitalization management needs of listed companies, thereby injecting strength into the stable development of the capital market.

Inclusive finance business

During the Reporting Period, the Bank actively implemented the decisions and deployments of the CPC Central Committee and the State Council regarding inclusive finance, fully embraced the political and people-centric principles of its finance operations, and consistently took serving the real economy as the starting point and ultimate goal of its operations. Focusing on key inclusive areas such as small and micro enterprises and livelihood-related sectors, the Bank deepened and solidified the coordination mechanism for small and micro enterprise financing, granting a cumulative total of RMB79.215 billion in loans to small and micro enterprises. Meanwhile, the Bank enriched service offerings through product innovation and broadened customer coverage via targeted marketing. It placed particular emphasis on building a comprehensive inclusive finance product spectrum, continuously improving its inclusive finance product system. The Bank prioritized the development of "CBHB Digital E-Loan (渤銀數E貸)", a flagship digital inclusive finance product, supporting customized financial services and tailored solutions for in-scenario customers to meet the differentiated needs of diverse customers. As of the end of the Reporting Period, 19 distinctive sub-products developed by branches were launched during the year.

(II) Retail Banking Business

During the Reporting Period, retail banking adhered to a customer-centric and value-prioritized approach. Leveraging its three core product systems, namely "CBHB e-Pay (渤銀 e 付)", "CBHB e-Wealth (渤銀 e 財)" and "CBHB e-Loan" (渤銀 e 貸), the Bank developed customized and differentiated financial service solutions, enhanced its integrated service capabilities in asset allocation and other areas, and precisely responded to the differentiated service needs of customers at various tiers. Through digital enablement, it activated marketing momentum, fortified its foundation of development through compliant operations, and unlocked new quality productive forces in its retail business, ensuring the steady, sustainable, and sound growth of its retail banking operations.

Retail customers

During the Reporting Period, centering on the strategic goal of its retail business transformation and upgrading, the Bank adhered to a dual-wheel drive of expanding new customer acquisition and revitalizing existing customer assets, employing multiple measures to simultaneously enhance the scale and quality of its retail customer base. Leveraging the principles of "easy to open, user-friendly and value-adding", the Bank iteratively upgraded the service functionalities of the primary settlement accounts, primary wealth management accounts, and primary financing accounts for its customers. It coordinated and implemented an integrated collaborative operation, deepened project-based marketing approaches, and established an intelligent online and offline scenario-based customer acquisition system. The Bank also strengthened the synergy between wholesale and retail channels, unlocking the growth potential of payroll agency services, and reinforcing a grid-based, full-coverage customer acquisition strategy around branch networks. Active efforts were made to explore the application of AI technologies such as large models, innovate new digital external expansion models, and build a closed-loop digital operation framework, thereby consolidating the overall volume of retail customers. As of the end of the Reporting Period, the number of retail customers increased by 7.59% year-on-year, and the customer acquisition momentum continued to improve. The customer structure was consistently optimized with mid-to-high-end customers increasing by 20.27% year-on-year.

Wealth management

During the Reporting Period, the Bank steadfastly implemented its wealth management bank development strategy, adopting a customer-centric approach and positioning asset allocation capability building as its core engine. It developed a diversified product matrix, expanded product offerings, and strengthened product operations. The Bank enhanced its digital middle-office capabilities, deepened its full-lifecycle customer management strategy, and scientifically allocated family assets to create wealth value for customers, thereby strengthening buyer-side investment capabilities in advisory services, reinforcing its brand advantages and market reputation in wealth management, and achieving dual enhancements in both the scale and quality of its wealth management business. The Bank continuously upgraded its "Enjoy Bohai (渤享家)" wealth inheritance service system and built a professional service team. It thoroughly explored the comprehensive financial needs of the elderly population, created age-friendly service scenarios tailored to the new era, and expanded coverage among pre-retirement customer segments. As of the end of the Reporting Period, the scale of wealth assets increased by 16.37% year-on-year. In particular, the scale of distributed wealth management products increased by 6.27% year-on-year, and the scale of distributed trusts, insurance, and funds increased by 32.06% year-on-year. Wealth management fee income increased by 23.90% year-on-year. The contracted scale of wealth management service trusts increased by 84.21% year-on-year, and personal pension accounts increased by 15.77% year-on-year.

Liability business

During the Reporting Period, the Bank deepened its integrated operations of retail deposits, pursuing both volume growth and pricing optimization as its development direction, expanding scale and optimizing structure. Centering on customer base expansion and deposit management strategies, the Bank implemented tiered pricing management and tailored exclusive deposit portfolio products for target customer groups; enhanced its capability to acquire source funds by strengthening payment and settlement businesses such as payroll agency services, collection and payment agency services, and fund custody services; and adhered to differentiated product and distinctive debit card marketing strategies while advancing precision digital marketing, so as to enhance customer stickiness and service experience and drive rapid growth in retail deposits. As of the end of the Reporting Period, the balance of retail deposits amounted to RMB274,441 million, representing an increase of 22.76% as compared to the corresponding period last year.

Asset business

During the Reporting Period, the retail asset business closely followed national policy direction, focusing on supporting the expansion of domestic demand, boosting consumption and the development of the real economy. Adhering to a customer-centric approach, the Bank optimized business processes and enhanced its comprehensive financial service capabilities, steadily advancing the high-quality development of the retail asset business. The Bank deepened the housing mortgage loan business by broadening quality cooperation channels, improving online business processes and optimizing business functions, so as to efficiently meet residents' essential and improvement-related housing needs; strengthened the personal business loan business by focusing on block-chain, scenarios and environment to achieve bulk customer acquisition, thereby enhancing the quality and efficiency of inclusive financial services in supporting the stable operation and development of micro and small enterprise owners and individual industrial and commercial business; and upgraded the functions of personal consumption loan products, swiftly implementing interest subsidy policies and enriching the supply of consumer finance, so as to comprehensively boost residents' consumption. As of the end of the Reporting Period, the balance of personal loans amounted to RMB183,760 million.

(III) Financial Market Business

During the Reporting Period, closely aligned with the directives of the Central Financial Work Conference, the financial market business of the Bank fully executed the Bank's mission of transformation, revitalization and high-quality development, and continued to deeply understand and actively implement the strategic deployment of the "five priorities" of finance. Focusing on the three major banking business positions of "bond bank, agency bank and asset management bank", with investment and research capabilities as the core, trend management as a key lever, and customer service as the guiding principle, it strengthened the bond business model and product innovation while firmly securing its liquidity baseline. It made steady progress in the scale of various businesses and greatly improved the transaction ranking. Committed to collaborative growth in customer operations, it provided one-stop integrated financial services covering currency, bonds, foreign exchange, precious metals, as well as interest rate, exchange rate and credit derivatives, thereby effectively serving the development of the real economy.

During the Reporting Period, the Bank completed the overall construction of its new-generation integrated treasury business management system, further enhancing the diversified and professional product matrix of its financial markets business. It strengthened the round-the-clock, multi-dimensional risk control system at the middle-office level, and improved the systematic and refined management capabilities of its operations. These efforts empowered the Bank to achieve leapfrog developments in granular operations and value creation capabilities within its financial markets business amidst a complex market environment, which laid a solid foundation and injected momentum into the high-quality development of the financial market business, marking a significant milestone in advancing the digital transformation strategy of the Bank.

Bond business

Facing the complex and ever-changing bond market, the Bank strengthened its bond business development, flexibly utilized a 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. The Bank participated in and successfully subscribed to the Ministry of Finance's inaugural issuance of RMB green sovereign bonds in Hong Kong.

During the Reporting Period, the Bank received multiple awards from the China Foreign Exchange Trade System (CFETS), including "X-Lending Star", "X-Lending Active Institution", "Indicative Board Active Institution", "Floating-Rate Bond Market-Making Star", "Floating-Rate Bond Active Market-Making Institution", "X-Bargain Interest Rate Star", "i-Derivatives Rising Star", "Bond Basket Investment Star", and "IDEAL Indicative Trading Star". The Bank was awarded the title of "Active Institution in Floating-Rate Bond Trading and Settlement" multiple times by China Central Depository & Clearing Co., Ltd., and was recognized by the Shanghai Clearing House as the "Rising Star in Physical Delivery of CDB Standard Bonds" and "Rising Star in Physical Delivery of ADBC Standard Bonds".

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 conducted fund trading operations including interbank lending, pledged repo, open market operations, netting settlement at the Shanghai Clearing House and general repo. The Bank actively developed transaction counterparties and earnestly performed its duty as a primary dealer. It 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 CFETS 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 capabilities. During the Reporting Period, the foreign exchange market business of the Bank grew steadily, with its market influence continuing to strengthen. The total trading volume recorded significant year-on-year growth. The major product lines, including spot, forward, swap, option, and foreign currency interest rate market operations, all maintained positive business momentum, contributing to an overall steady and positive business development trajectory.

Agency business

During the Reporting Period, centering on the "CBHB Hedging Solution (渤銀避險)" product and service system, the Bank supported the hedging needs of the real economy and promoted the development of its agency fund trading business. It placed high importance on building frameworks for the agency business, refining its product portfolio, and continuously enhancing the expertise and service capabilities of its product manager team. It consistently strengthened customer promotion and marketing, provided customized business solutions, and adhered to the principle of using simple, straightforward products to help enterprises hedge against market price fluctuation risks. Actively aligning with the directives of regulatory authorities, the Bank strengthened the promotion of risk concepts and encouraged corporate customers in the real economy to continuously adopt a neutral stance towards exchange rate risk. During the Reporting Period, the Bank maintained steady development in the agency fund trading business.

Interbank business

The Bank made solid progress in its interbank asset and liability business, with a focus on enhancing operational quality and efficiency. During the Reporting Period, the interbank business continued to improve its operational quality and efficiency while maintaining a stable revenue level. On the one hand, it deepened the integrated management of interbank liabilities, diversified funding sources of liabilities, and effectively reduced interest costs. On the other hand, through meticulous management, the Bank continuously improved its management capabilities and achieved diversified returns on interbank assets.

The Bank made significant strides in expanding and strengthening its interbank business. It built an open ecosystem for asset management, enhanced its integrated customer engagement capabilities for interbank customers, and drove greater value creation for interbank customers in the broader asset management field. During the Reporting Period, credit lines granted to the Bank by interbank counterparties increased steadily, laying a foundation for the development of the overall interbank business of the Bank. During the Reporting Period, the Bank entered into a comprehensive strategic cooperation agreement with Bank of Beijing, under which they established shared goals of serving national strategies and jointly supporting the real economy. Meanwhile, the Bank took the lead in developing targeted marketing mechanisms for key customer bases, such as insurance companies, fund houses, wealth management companies and foreign banks. By enhancing coordination between the head office and branches to pool the Bank's resources, the Bank drove its transformation towards an integrated, customer-centric service system.

Wealth management business

During the Reporting Period, CBHB Wealth Management, a wholly-owned subsidiary of the Bank, continued to diversify its wealth management product offerings, optimize product features, actively expand external distribution channels*, and broaden its asset management customer base to provide quality wealth management services to customers. During the Reporting Period, CBHB Wealth Management issued a total of 459 wealth management products, with aggregate sales of RMB247.298 billion. As of the end of the Reporting Period, 846 wealth management products of CBHB Wealth Management were outstanding, with a total balance of RMB277.106 billion, and all of them were net-worth products. Among them, closed-end products accounted for 57.54%, while open-end products accounted for 42.46%. The asset allocation of these wealth management products was primarily weighted towards fixed-income assets, of which bonds, bank deposits, public funds, non-standardized debt assets and bonds purchased under resale agreements accounted for 39.67%, 21.38%, 14.85%, 12.96% and 4.52%, respectively. The remaining 6.62% was allocated to other assets, including equity assets and interbank certificates of deposit.

* As of the end of the Reporting Period, CBHB Wealth Management established distribution cooperation with 133 external institutions.

Asset custody business

The asset custody business of the Bank remained value-oriented, with a focus on products including public funds, bank wealth management products, trust schemes and asset management products offered by securities firms. The Bank advanced the restructuring and optimization of its business structure to solidify the foundation for high-quality development. It further strengthened its underlying custody services, leveraging its role as a critical hub connecting exchanges, clearing and settlement institutions, asset management firms and investors to safeguard the stable operation of the capital market. It expanded and reinforced its asset management operation and service capabilities to meet the mid- and back-office service needs of asset management institutions, driving a continuous extension of its service offering from basic operations to end-to-end customized solutions, while maintaining stable operations across the custody business generally. As of the end of the Reporting Period, the total balance of the asset custody and fund supervision businesses of the Bank amounted to RMB2,995.799 billion, comprising RMB1,133.625 billion in asset custody business and RMB1,862.174 billion in fund supervision business.

(IV) Online Financial Business

Continuously reinforcing the primary gateway for retail customer services and product sales to drive an all-round upgrade in the quality and efficiency of integrated and comprehensive services

The Bank continuously advanced the development of its mobile banking and other online channels, consolidating their role as the primary gateway for retail customer services and product sales. It optimized key business processes to improve customer experience, refined the HarmonyOS version of its mobile banking service system, and established a full-fledged digital marketing journey across H5, APP and WeCom. The Bank also strengthened the protection of personal customer information and dynamically updated its transaction monitoring models for high-risk businesses to reinforce security and ensure operational stability. The Bank pushed forward with the development of its WeCom system, achieving significant improvements in customer service precision and accessibility. Meanwhile, it accelerated the growth of its private-domain customer base on WeCom, continuously consolidating its online operational foothold and comprehensively enhancing the quality and efficiency of its integrated and comprehensive services within the WeChat ecosystem. During the Reporting Period, the online substitution rate for product transactions reached 97.71%.

Improving its ecosystem-based bank development strategy to build an integrated service system for platform cooperation

In the first half of 2026, the Bank continued to deepen its ecosystem-based bank development strategy, utilizing platform cooperation as a key driver for continuous expansion and upgrading. It focused on four major ecosystem segments – e-commerce platforms, chain brands, government services and public well-being, and corporate settlement – with payment and settlement services serving as the entry point. The Bank catered to the needs of both small and medium-sized enterprises and consumers within these ecosystems and responded precisely to the development demands of ecosystem enterprises in areas such as fund clearing, cost reduction and efficiency enhancement, ecosystem synergies, and data value mining. Leveraging its core advantages, including a national operating license, a diversified product matrix, integrated comprehensive financial services, and holistic credit and financing support, the Bank continued to refine its closed-loop operational model of "customer acquisition – customer engagement – value enhancement". Meanwhile, the Bank took a forward-looking approach to cross-border trade opportunities by actively positioning itself in the cross-border e-commerce sector. To address the needs of Chinese enterprises expanding overseas for inbound fund clearing and cross-border account setup, the Bank iteratively optimized its settlement products and multi-currency business models, extending its mature domestic clearing and settlement capabilities to cross-border business scenarios, thereby providing efficient and professional integrated financial solutions to support the global operations of market entities.

Focusing on the in-depth development of an intelligent remote banking system to chart a path for high-quality development of comprehensive financial services

Closely adhering to a "customer-centric" service philosophy, the Bank actively established a new ecosystem for remote financial services in its remote banking operations through centralized multi-channel operations and the enrichment and extension of business scenarios. In terms of service operations, the Bank optimized resource allocation to consistently provide customers with efficient, convenient, professional and user-friendly service experiences. It strengthened its elderly-friendly financial services and continuously improved the service quality of the "Senior Care Hotline", providing elderly customers with professional, attentive and compassionate services. During the Reporting Period, the Bank recorded a call connection rate of 92.37% for human-assisted channels and a customer satisfaction rate of 99.11%. In terms of customer engagement, the Bank continued to deepen the development of its centralized customer engagement system for remote banking, expanded the application of AI technology, and transitioned from "passive response" to "active service". During the Reporting Period, the number of customers served through remote operations increased by 35.73% year on year, and the number of intelligent engagement scenarios increased by 30.19% year on year.

(V) Information Technology Construction

During the Reporting Period, the Bank remained steadfast in fulfilling the fundamental mission of serving the real economy with financial services. It fully and accurately implemented the new development philosophy in all respects, making in-depth progress on the "five priorities" of finance. By building core competitiveness in digital finance and leveraging the integrated application of digital technologies as a key driver, the Bank advanced the digital innovation of its financial business models, contributing to a bank-wide enhancement of its digital operation and service capabilities.

The Bank fully recognized the strategic significance of financial standardization. During the Reporting Period, it took active steps to implement the relevant requirements for standardization work in the financial sector and systematically advanced various financial standardization initiatives. Firstly, it actively implemented various financial industry standards issued by the People's Bank of China to reinforce standardization awareness and service quality concepts among all staff. Secondly, it continuously improved the alignment and compliance of its financial products and services with applicable standards, effectively carrying out self-declarations and public disclosures of standards in areas such as online banking and branch outlets to ensure that financial standardization requirements were effectively put into practice with tangible results within the Bank.

During the Reporting Period, the Bank accelerated the development of a strategic framework for technology talent, comprehensively advancing the building of a versatile technology workforce. As of the end of the Reporting Period, the Bank employed 1,471 technology personnel, accounting for 10.48% of its contracted employees. The Bank consistently regarded the cultivation of versatile talent as a strategic cornerstone, remaining committed to making use of major projects as the primary training ground to temper talent through practical operations and integrate skills by tackling complex challenges. This systematic training enabled the Bank to develop versatile professionals who understand business pain points and are skillful at delivering technology solutions, thereby providing sustained talent support for the digital transformation and the execution of key projects across the Bank.

To fully support the high-quality development of the Bank, the Bank invested RMB564 million in technology during the Reporting Period. It accelerated the construction of digital financial infrastructure at full speed in a sustained effort to expedite the development of its Phase II (Deposit Center) of the new-generation distributed core and teller-channel system, and the new-generation credit risk management platform. The rollout of the new-generation integrated treasury management system was completed across all phases and batches, establishing a digital operational foundation for financial market operations that covered all asset classes across markets and integrated front, middle and back offices, which in turn significantly enhanced investment and trading efficiency as well as the risk management level. The Bank also completed the full migration and transformation of all peripheral systems for its data lake-warehouse integrated system, establishing an enterprise-level, standardized data sharing foundation and a full-stack, domestically developed data lake-warehouse architecture that effectively strengthened its capabilities in data governance and data asset operations. To efficiently empower business development and product innovation, the Bank enhanced the ecosystem foundation for inclusive finance business scenarios and established an agile access system for the banking enterprise ecosystem. The personal business loan product process was restructured to enable rapid partner scenario integration through product configuration. The retail auto-rollover structured deposit product was successfully rolled out, further diversifying the retail structured deposit offerings of the Bank. The Bank actively explored the application of large language models (LLMs). Leveraging a domestic computing power cluster, it initially established a diversified LLM resource pool that includes DeepSeek, Tongyi Qianwen and other model types and specifications, providing comprehensive support for the intelligent upgrade of business operations and management. It promoted the intelligent iteration of key scenarios, such as corporate due diligence report 2.0 and identification of retail customer intention for transactions, to enable precise marketing and greater operational efficiency for customers. It took a coordinated approach to building out an intelligent office ecosystem, progressively advancing the development of a matrix of exclusive AI assistants for all employees, including "Bo Wen Tong" (渤問通), "Bo Dong Jian" (渤洞見) and "Bo Miao Bi" (渤妙筆), with a view to comprehensively enhancing internal operation and management efficiency.

During the Reporting Period, the Bank continued to build a comprehensive, proactive and intelligent safe production and operation system that contributed to the stable and efficient operation of all systems across the Bank. The Bank actively advanced the development of its emergency coordination and management system and its monitoring indicator management system, which strengthened its capabilities in emergency response and monitoring management in production and operations. It accelerated the transformation and upgrading of its IT infrastructure and achieved milestone progress in the construction of the Xi'an off-site disaster recovery center, further consolidating the foundational infrastructure support for the business development of the Bank and ensuring the high availability and stable operation of its information systems.

(VI) Consumer Rights Protection

The Bank adhered to keeping political consciousness in mind and putting people first in the financial work. In line with the central theme of the "Year of Consumer Protection and Quality Improvement", the Bank integrated consumer rights protection into every aspect of its business and operational processes. It continued to improve its bank-wide, collaborative governance system for "consumer protection", strictly aligned its practices with regulatory requirements, and reinforced its primary responsibilities to effectively safeguard the legitimate rights and interests of financial consumers and foster a fair and orderly financial consumption environment.

In terms of governance capability development, the Board of Directors, the Party Committee, the senior management and the Consumer Rights Protection Working Committee performed their duties at all levels in full compliance with laws and regulations, operating in a coordinated and efficient manner. They regularly carried out coordinated planning and deployed key consumer protection initiatives to facilitate the closed-loop implementation of all measures. The Bank enhanced its institutional systems in key areas such as suitability management, personal information protection and financial dispute resolution. It developed the distinctive "CBHB Consumer Protection" cultural brand, established a tiered, full-coverage training system, and continuously strengthened consumer protection compliance awareness and practical execution capabilities of its workforce. During the Reporting Period, the Bank maintained a total of 402 regulations related to consumer protection and organized 690 specialized training sessions in consumer protection, with a total of 71,800 participants.

In terms of end-to-end management and control, the Bank established an integrated, closed-loop management mechanism encompassing pre-activity review, in-process control and post-activity supervision. It conducted front-end consumer protection reviews to identify and mitigate risks at the source, including product R&D, agreement terms, and marketing and promotional activities. It rigorously implemented the "three appropriateness" management requirements, established standards for product risk grading and client risk matching, encouraged transparent disclosure of service fees, and enhanced consumer protection management across the full lifecycle of cooperative institutions. It strictly implemented customer information and data security management, conducted regular risk inspections and issued risk alerts to build a comprehensive safeguard for consumer rights and interests.

In terms of financial education, the Bank established a multi-dimensional financial education framework featuring "centralized campaigns + regular outreach + cross-sector integration" to deliver financial knowledge precisely to diverse groups across society. It steadily carried out national thematic initiatives, such as the "3•15" Consumer Rights Protection Education Campaign and the "Financial Knowledge for All" awareness campaign (普及金融知識萬里行), with full participation from all branches. The Bank pioneered an innovative "Consumer Protection +" integrated model, partnering with communities and volunteer service organizations to create distinctive educational outreach bases. It conducted targeted, differentiated financial education programs for key groups, such as the elderly, youth, new urban residents, people with disabilities and foreign individuals in China, and prepared customized handbooks in relation to rights protection and multilingual financial service guides for foreigners. The Bank's consumer protection practices earned the "Golden Stone Award in Financial Consumer Protection" from Sina Finance for two consecutive years. Several of its original financial education publications were selected as outstanding cases by the China Banking Association, and multiple branches were honored as local model units for consumer protection excellence. During the Reporting Period, the Bank conducted a total of 7,132 financial education activities, engaging a total of 139 million consumers. The Bank's consumer protection practices were featured in 784 reports across national and local mainstream media, with its educational outreach influence continuing to grow.

In terms of complaint management and dispute resolution, the Bank deepened its root-cause complaint governance by establishing a supervision mechanism of "root-cause analysis for each complaint and corrective action for each case" to identify root causes and facilitate business process optimization, thereby shifting complaint governance from passive response to active prevention. It enhanced the rapid response mechanism for complaints, implemented end-to-end order monitoring and tiered supervision, and coordinated cross-departmental efforts to handle complex complaints. The Bank pioneered the "Fengqiao Experience Studio" (楓橋經驗工作室) concept within the national banking industry. Building upon a comprehensive review of the successful pilot experiences in Beijing and Tianjin, it further implemented the initiative across all branches nationwide. Leveraging its branch network, it established a "15-minute accessible" mediation service platform for the public, fully breaking down the "last-mile" barriers in resolving financial disputes at the grassroots level. Meanwhile, the Bank conducted identification of abnormal complaints and took action against fraudulent and malicious complaint activities, strictly enforced 24/7 public opinion monitoring, and conducted regular emergency drills to reinforce its risk defense line.

In terms of digital and intelligent consumer protection development, the Bank leveraged large AI language model technology to drive the digital upgrade of its consumer protection management. The second-phase upgrade of its intelligent consumer protection review system was completed, with the implementation of a complaint categorization system along with attribution analytics and visualization tools. By leveraging data to empower root-cause tracing of complaints, the Bank enhanced the sophistication of its compliance reviews and risk governance.

(VII) Business Profile of Overseas Branch

Opened in 2020, the Hong Kong branch of the Bank is the first licensed overseas branch of the Bank. It is authorized to conduct corporate banking activities, with a focus on two core business lines, namely wholesale banking and financial market businesses. By capitalizing on the financial ecosystem in Hong Kong, it has established a differentiated business layout that serves as a critical bridgehead in implementing the internationalization strategy of the Bank. With cross-border collaborative business as a key driver, and supported by diversified products such as bilateral loans, trade finance and agency fund trading, it has established an integrated service system that connected onshore and offshore operations to provide customers with integrated cross-border financial solutions.

During the Reporting Period, the Hong Kong branch leveraged Hong Kong's positioning as a cross-border financial hub to accelerate and expand its asset deployment, driving its business size to a record high. The financial market business achieved gains in both revenue generation and market influence, with a number of interbank collaborations successfully launched. The branch continued to strengthen its risk management foundation and maintained excellent asset quality. It refined and enhanced its market risk and climate risk management systems and optimized operational workflows to reduce costs and boost efficiency. It continuously enhanced its organizational structure by establishing a preparatory team for the debt capital market department and expanding its professional workforce. It advanced its licensing application in an orderly manner and maintained regular communication with regulatory authorities. As of the end of the Reporting Period, the total assets of the Hong Kong branch amounted to the equivalent of HK$33.219 billion.

(VIII) 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 RMB2.928 billion and net assets of RMB2.788 billion. During the Reporting Period, it achieved operating revenue of RMB241 million and net profit of RMB136 million.

During the Reporting Period, CBHB Wealth Management actively implemented the decisions and deployments of the CPC Central Committee, comprehensively enhancing its ability and commitment to keep political consciousness in mind and put people first in the financial work. On the one hand, it remained steadfastly committed to the fundamental mission of serving the real economy with financial services, took the initiative to promote the "five priorities" of finance, and continuously strengthened its high-quality wealth management financial services for major strategies, key sectors and areas of weakness. On the other hand, it continued to enhance the diversity, inclusiveness and adaptability of its wealth management products and services to better meet various financial needs of the public and the real economy. During the Reporting Period, the total asset investments for the year amounted to RMB55.433 billion, of which RMB5.788 billion was invested in areas related to the "five priorities" of finance and RMB13.377 billion was invested in the Beijing-Tianjin-Hebei region, with total returns of RMB2.290 billion generated for investors. Among the 172 matured closed-end products, 98.83% delivered returns exceeding the lower limit of their performance comparison benchmarks.

X. COMPREHENSIVE RISK MANAGEMENT

(I) Comprehensive Risk Management Summary

The Bank strictly maintains the bottom line of risk management, continuously establishing an "independent, balanced and efficient" risk management system. Firmly grasping the two main themes of "serving the real economy and preventing and controlling financial risks", the Bank maintains a steady and prudent risk appetite. It strengthens risk prevention and control capabilities in key areas, enhances the digitalization of risk management, and promotes the transformation of risk management from passive defense to proactive enablement, effectively ensuring the steady, balanced and sustainable development across all businesses of the Bank.

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 senior management of the Bank shall assume the responsibilities for implementing comprehensive risk management and executing the resolutions of the Board of Directors. The Risk Control Committee operates under the senior management to assist in fulfilling the comprehensive risk management duties of the senior management. The Bank has appointed a senior executive in charge of the risk management function (Chief Risk Officer), who is responsible for leading relevant departments within the risk management line to operate under the Bank's risk management framework. The Chief Risk Officer maintains independence and may report directly to the Board of Directors regarding comprehensive risk management matters. By establishing and strengthening mechanisms such as branch-level risk control committees, post-lending review meetings and monthly risk management directors' meetings, the Bank reinforces the organizational guarantees for risk management across the head office and branches, enhancing the coordinated risk prevention and resolution capabilities of the entire organization.

The institutions and functional departments of the Bank at all levels constitute the three lines of defense of the comprehensive risk management system, each assuming corresponding risk management responsibilities. Business departments at all levels serve as the first line of defense, bearing direct responsibility for risk management. Risk management departments at all levels serve as the second line of defense, responsible for formulating policies and processes, as well as monitoring and managing risks. The Audit Department serves as the third line of defense, responsible for auditing the performance of duties by business and risk management departments, and conducting oversight and evaluation of risk management activities within the first and second lines of defense.

(II) Credit Risk

The Bank adheres to the comprehensive, vertical and independent management modes for credit risk. At the head office level, the Bank has established the Risk Management Department, Credit Review and Approval Department, Asset Monitoring Department and Asset Resolution Department. At the branch level, the Bank has appointed a risk director, who reports to the Chief Risk 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 was 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 1.76%. 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 ensured that the Bank could continuously strengthen its risk resistance ability. The Bank continued to strengthen credit risk control and management, reinforced end-to-end monitoring of credit assets, with a focus on precise risk identification and resolution in key sectors and industries, and maintained regular monitoring of risk developments.

The second was to strengthen basic management. The Bank focused on enhancing its capabilities to safeguard approval processes, provide support for approval services, conduct professional research on approvals, and manage and control approval-related risks. On the back of its sound business development, the Bank enhanced its services, support and protection. While fostering synergistic business development, the Bank implemented risk management concepts and control measures throughout the entire business cycle from the business development stage, thereby building a robust credit defense line at the source. The Bank continued to conduct credit risk stress test and various special stress tests, and comprehensively assessed the impacts of various potential risks in credit risk aspect.

The third was to optimize the credit structure. The Bank strengthened the transmission of its risk appetite, and revised the "China Bohai Bank 2026-2027 Credit Policy", which delineated the overall credit direction for the Bank in terms of key industry, region, product and customer, covering 19 sectors and 66 industries and fields. 112 regionally differentiated credit policies were formulated under the "One Branch, One Policy" approach, under which the Bank comprehensively reviewed 1,382 national standard industry credit structure adjustment strategies. The Bank also published the "China Bohai Bank 2026 Credit Risk Limit Plan", which set limits in five areas: industry, region, product, customer and special project, thereby enhancing the credit risk limit management of the Bank. The Bank conducted credit risk stress tests to comprehensively assess the sensitivity of assets with corporate and retail exposures to extreme macroeconomic changes, and proposed risk mitigation measures to enhance the Bank's risk resilience.

The fourth was to improve the system & model. The Bank optimized the primary scale and rating symbols of the non-retail customer rating model, and refined the distribution of high-quality customer ratings. It continued to build and upgrade the retail credit risk model strategy system, focusing on improving the accuracy of risk identification to provide effective support for review and approval decision-making. 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 maintains a steady and prudent liquidity risk appetite. Based on cash flow gap analysis, the Bank comprehensively adopts routine management measures, such as position management, early-warning systems and limit management, and carries out regular stress tests and emergency drills. With cautious judgment on the market trend, the Bank implements dynamic risk control, ensuring that its liquidity risk remains within established limits.

Oriented with serving the real economy, the Bank continuously improves its liability management and risk management systems. In strict compliance with regulatory provisions and internal control requirements, 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. As the leading department, the Assets and Liabilities Management Department collaborates with the corporate banking, retail banking, and financial markets lines, as well as subsidiaries, overseas branches and domestic branches, to ensure the efficient implementation of end-to-end liquidity risk management.

The Bank comprehensively tracks static cash flows from all on- and off-balance-sheet operations, gives full consideration to the Bank's overall business development plans, and scientifically forecasts future cash flow gaps, in a bid to dynamically optimize the maturity structure, and strengthen its stable funding sources. In order to effectively cope with the potential impact arising from fluctuations in the capital market and changes in the macroeconomic environment, the Bank conducts daily alert monitoring for liquidity risk, quarterly liquidity risk stress tests, and annual evaluations of stress test models to update and adjust the parameters and conditions of stress tests. It also conducts liquidity risk emergency drills on an annual basis to reinforce risk defenses. The Bank's stress tests implement the shortest lifetime management of the Bank to test its tolerance of liquidity risk. The result of the test indicates that the Bank's shortest lifetime has met the regulatory requirements.

The Bank has 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, and has constantly optimized the liability structure. It stringently implements the Liability Quality Management Measures of CHINA BOHAI BANK CO., LTD., which establishes and improves the liability quality management system compatible with the Bank's business strategy and risk appetite. The Bank has achieved a steady improvement in liability quality, with all regulatory indicators meeting the standards.

During the Reporting Period, the Bank maintained a reasonably adequate liquidity level with a stable and controllable risk profile. The core regulatory and monitoring indicators remained within a normal range, and no material risk incidents occurred. As of the end of the Reporting Period, the Group's liquidity ratio reached 69.57%; the liquidity coverage ratio was 124.64%; the net stable funding ratio was 114.63%; the liquidity matching ratio (on a legal person basis) was 129.17%, all of which met regulatory requirements.

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 2026:

(Unit: RMB'000)

	June 30, 2026	March 31, 2026
Net stable funding ratio (%)	114.63	108.39
Available stable funding (in RMB)	1,180,665,147	1,129,979,168
Required stable funding (in RMB)	1,030,010,985	1,042,488,892

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

(Unit: RMB'000)

	June 30, 2026	March 31, 2026
Liquidity coverage ratio (%)	124.64	140.17
Qualified high-quality liquid assets (in RMB)	197,988,199	208,046,006
Net cash outflow in the next 30 days (in RMB)	158,846,521	148,424,217

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	271,622,662	149,990,856	100,187,404	483,531,932	458,645,189	436,711,254	124,727,731	2,025,417,028
Liabilities	316,325,358	325,537,294	273,201,667	592,713,304	381,867,118	351,435	4,845,847	1,894,842,023
Net liquidity	**(44,702,696)**	**(175,546,438)**	**(173,014,263)**	**(109,181,372)**	**76,778,071**	**436,359,819**	**119,881,884**	**130,575,005**

(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 market risk management policies and procedures, and determines the risk appetite and the level of market risk the Bank can tolerate. 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. During the Reporting Period, market risk had no significant impact on the Bank's operation and management.

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. In addition, the Bank conducts stress tests on a regular basis to identify and measure the potential impacts under unfavorable market conditions.

The Bank's market risk-weighted assets are measured by applying the standardized approach, and the scope of measurement covers default risk, general interest rate risk, credit spread risk and equity risk in the trading book, as well as exchange rate risk and commodity risk in all books. The Bank's market risk-weighted assets account for a relatively low proportion of its total risk-weighted assets. During the Reporting Period, the Bank had no significant and material market risk incidents.

(V) Interest Rate Risk in the Banking Book

In strict compliance with relevant requirements under the Guidelines for the Management of Interest Rate Risk in the Banking Book of Commercial Banks (Revised), the Bank has established a comprehensive governance structure and management procedure for interest rate risk in the banking book, covering interest rate-sensitive banking book assets, liabilities and relevant off-balance sheet items. The Bank manages interest rate risks in the banking book primarily through measurement methods such as gap analysis, duration analysis, sensitivity analysis and scenario analysis, covering major risk sources including gap risk, basis risk and option risk. The Bank continuously optimizes its net interest margin (NIM) analysis system, which integrates both dynamic and static approaches. Based on quantitative models and qualitative analysis, it continually strengthens its forecasting and analysis of interest rate trends to provide a solid basis for decision-making regarding asset and liability structure allocation. During the Reporting Period, the interest rate risk in the banking book of the Bank remained stable and under control, with no material impact on the operations or management of the Bank.

(VI) Operational Risk

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

During the Reporting Period, in accordance with the regulatory requirements, such as the Measures for the Administration of Operational Risks of Banking and Insurance Institutions and taking into account the actual conditions, the Bank standardized various aspects of operational risk management, vigorously advanced the implementation of operational risk projects and comprehensively identified and assessed operational risks in key processes of major business operations to improve not only risk prevention and control but also the efficiency of operational processes. The Bank verified the operational risk loss data and continuously improved data quality, laying a foundation for conducting operational risk stress tests and the future adoption of advanced methods to measure operational risk capital.

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 faced by the Bank, and ensure the Bank's steady operation and sustainable and healthy development. The Bank calculates, manages and discloses the 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 counter-cyclical 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: It conducted an in-depth analysis of the 15th Five-Year Plan, dynamically optimized the risk-weighted asset allocation mechanism, and strengthened the forward-looking guidance of the capital budget. On the basis of strictly observing regulatory bottom lines, the Bank reasonably coordinated various capital budget assumptions, dynamically adjusted the arrangement of asset structure, balanced the scope of maturing business with the demand for new business, and prepared annual and quarterly capital budgets and allocation plans; it strengthened the synergy and linkage between resource allocation and business development, attempted to establish an internal transfer mechanism for risk-weighted assets to strengthen the concept of capital-efficient development, and optimize the efficiency of resource utilization and the flexibility of capital allocation; it developed a capital efficiency evaluation model to identify idle and inefficient assets, and adjusted asset and business structures accordingly to enhance the Bank's overall capital operational efficiency and comprehensive business returns; it strengthened the core concept of capital value creation, improved the capital allocation and assessment system with capital efficiency indicator as the core, promoted the in-depth application of economic capital in resource allocation, differentiated pricing and performance assessment, and conveyed the concept of paid use of capital from multiple perspectives; 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; it 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, in accordance with regulatory requirements such as comprehensive risk management and internal control, as well as internal requirements such as risk appetite and information technology risk management policies, the Bank implemented the digital financial transformation strategy, effectively performed its duties on the three lines of defense of information technology risk management, continuously improved information technology risk management methods and management mechanism, and continued to advance its efforts in assessing, monitoring, and responding to information technology risks. The information technology risk was under control as a whole, and the information technology risk preference had not been broken.

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

(IX) Compliance Risk

Compliance risk status

Compliance risk refers to the possibility of a financial institution 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 such institution or the duty performance of such employees.

The Bank's compliance risk management organizational system is jointly composed of the Board of Directors, senior management, institutions at all levels, all departments and all employees. The Board of Directors is responsible for determining compliance management goals, reviewing and approving the basic systems of compliance management, and assumes ultimate responsibility for the effectiveness of compliance management. Senior management members are responsible for implementing compliance management goals and assume leadership responsibility for the compliance of the business in the fields they manage or oversee. Relevant committees of senior management are responsible for organizing and coordinating compliance management work and deliberating on major compliance management matters. Institutions at all levels assume the primary responsibility for the compliance management of their own institutions; according to their business scope, business scale, and compliance management work needs, they set up compliance management departments or posts, establish and improve the compliance management system, and effectively manage compliance risks. The compliance management department assumes the management responsibility for compliance, organizes, coordinates and promotes various departments and subordinate institutions to carry out compliance work, establishes and maintains the compliance management system, and provides compliance support for various departments and institutions at all levels. The internal audit department assumes the supervisory responsibility for compliance, conducts audits on the compliance of the Bank's operations and management, and establishes an effective information exchange mechanism with the compliance management department. All employees of the Bank abide by the compliance norms related to their performance of duties, actively identify and control the compliance risks of their performance of duties, proactively cooperate with the Bank and regulatory institutions to carry out compliance management, and assume responsibility for the compliance of their performance of duties.

During the Reporting Period, the Bank had established an end-to-end compliance management mechanism, with a chief compliance officer based at the head office and a compliance officer stationed at each tier-one branch. It also continued to develop a full spectrum of management tools and methods from the internalization of external regulations, system construction, and compliance review to compliance execution and compliance supervision and accountability. This realized basic coverage of operation and management activities, highlighted compliance management in key areas and strengthened compliance reporting, thereby effectively promoting the Bank's compliant operations.

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

Money laundering risk status

The Bank continued to optimize its anti-money laundering management system, earnestly implemented a risk-based approach and advanced the implementation of the new Anti-Money Laundering Law within the Bank. It refined the anti-money laundering system by formulating and revising various management systems, including those for money laundering risk self-assessment and beneficial owner identification and management, to further reinforce the foundation of anti-money laundering management. The Bank pushed forward the development of an anti-money laundering center, and centralized the processing of anti-money laundering tasks from 10 branches, including suspicious transaction identification, customer risk assessment, and the supplementation of transaction details. It also built a professional anti-money laundering team to enhance the quality of its anti-money laundering work. Besides, the Bank conducted self-assessment of money laundering risks, and collected extensive data and information to accurately reflect the Bank's inherent risks and the effectiveness of control measures, and fully utilized the assessment results to improve the working mechanism. The Beneficial Owner Information Management System was officially launched, which was integrated with the basic information from the People's Bank of China and market regulation authorities to systematically advance the re-identification, information verification and discrepancy resolution of beneficial owners for all institutional customers of the Bank. With a focus on updating regulatory policies and enhancing employees' capabilities to perform their duties, the Bank organized targeted anti-money laundering training sessions for employees in various positions to strengthen the entire workforce's awareness of anti-money laundering and their risk prevention and control capabilities. The Bank actively fulfilled its social responsibilities by organizing Anti-illegal Financial Activities Awareness Month events to raise the public's awareness of preventing such risks.

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

(X) Strategic Risk

The year 2026 marks the beginning of China Bohai Bank's Fifth "Five-Year Plan". During the Reporting Period, guided by the spirit of the fourth plenary session of the 20th CPC Central Committee, the Bank adhered to the requirements of "focusing on core businesses, improving governance and pursuing differentiated development". It formulated the Fifth "Five-Year Plan" to a high standard and steadily advanced the implementation of strategic tasks. As such, strategic risks remained generally stable and under control, and no major strategic risk incidents occurred. With meticulous planning, the Bank promoted the formulation of the Fifth "Five-Year Plan". The Party Committee of the Bank led a dedicated task force in steering the strategizing and planning work, with a focus on strategic issues related to the Bank's high-quality development, and led the Bank to embark on a new chapter of development. The Fifth "Five-Year Plan" adhered to the principle of "following through on a single blueprint to the end", while the "Nine-Five-Three-One" development strategy continued to evolve and upgrade. The Bank strengthened the implementation to achieve decisive success in deepening substantive development, solidifying differentiated development, revitalizing risk management and compliance, resolving historical risks and upgrading foundational support systems. It also streamlined the implementation mechanism to invigorate implementation efforts.

(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 systems, and always adheres to the guidance of the Party's political construction. By firmly upholding the Party's leadership in its publicity and ideological work, the Bank gives full play to the Party Committee's leadership role in setting the direction, overseeing the overall situation, and ensuring implementation in reputational risk management, thereby continuously enhancing the pro-activeness and foresight of reputational risk management. During the Reporting Period, the Bank further revised and improved its reputational risk management system, enhanced the risk prejudgment of potential public opinions and strengthened the investigation and mitigation of public opinion risks, so as to continuously move the "gate" of risk prevention forward and actively prevent material reputational risks. At the same time, the Bank took proactive initiatives to carry out external news and publicity work with meticulous planning. Closely aligning 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 conducted in-depth study of publicity highlights and maintained positive publicity and results to continuously enhance 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 of 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 2026, 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 considering the changes in the geopolitical landscape, and determined the country risk limits standards by taking into account the development of the Bank's business and the implementation of the country risk limits for 2025. During the Reporting Period, 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 under control.

(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.

During the Reporting Period, the Bank continued to reinforce social responsibility management and conduct ESG information disclosure. Firstly, the Bank paid close attention to ESG-related issues and the development of green finance business, supported the "five priorities" on technology finance, green finance, inclusive finance, pension finance and digital finance, empowered green development with green finance, and increased the support for green, low-carbon and circular economy to prevent ESG risks, and improved its own ESG governance capabilities. Secondly, the Bank fulfilled its 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. Thirdly, the Bank enhanced its ESG information disclosure and published the 2025 ESG (social responsibility) 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 2026

(I) Economic, Financial and Banking Industry Outlook

In the second half of 2026, the global economy is expected to be confronted with downward pressure, along with a complicated and volatile geopolitical landscape and uncertainties in global inflation and the monetary policies of major economies.

In the second half of the year, China is expected to further devise and roll out practical and effective new policies to drive stable economic operations and foster new and high-quality development, thereby laying a solid foundation and providing robust support for achieving the annual growth target. Traditional industries will accelerate their transformations and upgrades, while new impetus will continue to empower economic development. The development of the "Six Networks" has ushered in an acceleration period, and infrastructure investment is expected to reach a turning point. It is expected that export growth will remain resilient. As the government continues to launch various policies to stimulate consumption and steps up efforts to rectify "involutionary" competition, commodity prices are projected to maintain a moderate uptrend.

In the second half of the year, monetary policy is expected to become more forward-looking, flexible and targeted, with increased support for key areas such as expanding domestic demand, technological innovation and development of micro, small and medium-sized Enterprises (MSMEs). Regulatory authorities will continue to support and coordinate efforts to mitigate risks in the real estate industry and local government debts. Commercial banks will sustain stable credit growth and consistently improve their credit structure. Downward pressure on interest margins is expected to ease further, demonstrating clearer signs of bottoming out, and net interest income is expected to see marginal improvement. It is expected that the industry's overall asset quality will remain stable. The banking industry is expediting the adoption of AI to reduce costs and improve efficiency, but supporting management systems, including model governance and data compliance, still need to be refined. Overall, in the second half of the year, the banking industry will continue to closely align with the development plans of the 15th Five-Year Plan, seize opportunities for industrial upgrades, and balance the improvement of operational quality with risk prevention and control, with a view to steadily advancing high-quality development.

(II) Guiding Ideology and Major Measures for the Bank's Business Development in the Second Half of 2026

In the second half of 2026, adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, China Bohai Bank will thoroughly implement the guiding principles of the 20th National Congress of the CPC and the plenary sessions of the 20th CPC Central Committee. In close alignment with General Secretary Xi Jinping's important discourses on financial work, the spirit of the Central Economic Work Conference, and the decisions and arrangements of the CPC Central Committee and the State Council, the Bank will diligently comply with the work requirements of the financial regulators, the Tianjin Municipal Committee of the CPC and Tianjin Municipal People's Government. Staying committed to its strategic plan, the Bank will focus on building its core capabilities, reinforce its position as an industry bank, promote the development of high-quality AI initiatives, and continue to upgrade the "Nine-Five-Three-One" strategy, with a view to expediting in-depth reform, transformation and development.

Major work measures: Firstly, the Bank will strengthen the Party's leadership to build a cohesive force for high-quality development. It will continue to consolidate and enhance the results of the educational campaign on establishing and practicing a correct view of political achievements. By laying a solid ideological foundation, prioritizing practical action and upholding discipline, the Bank will earnestly fulfill its fundamental mission, promote the "five priorities" of finance, and demonstrate its sense of mission and responsibility as a state-owned enterprise in serving national strategies, promoting high-quality development and enhancing the well-being of the people. Secondly, the Bank will effectively manage its assets and liabilities to enhance its capability to create value. It will intensify its efforts to reduce costs and improve quality, optimize its asset-liability structure, lower the overall cost of debt, and enhance its risk-pricing capabilities, with a view to continuously strengthening the foundation for organic development. Thirdly, the Bank will accelerate business transformation and build momentum for distinctive development. Guided by the "Nine-Five-Three-One" strategic framework, the Bank will deepen the practical application of methodologies such as industry bank and technology finance, focus on high-quality niche markets, strengthen the differentiated regional business layout and solidify its distinctive comparative advantages. It will expedite the establishment of a differentiated development model that complements its peers, creates regional synergy, and aligns with its inherent strengths. Fourthly, the Bank will strengthen risk management and compliance to build a solid barrier for development. It will rigorously oversee key stages throughout the entire process, covering client onboarding, process management and post-transaction supervision, and enhance model management and system development, so as to comprehensively improve its capabilities in risk identification, early warning, prevention, and resolution, and continuously reinforce its defense line of risk management and compliance. Fifthly, the Bank will deepen the application of AI to unleash the potential of the integration of business and technology. It will steadily advance the digital and intelligent transformation, deepen the implementation of AI applications and continue to strengthen the IT infrastructure foundation, in a bid to continuously enhance the technological support for business operations and management. Sixthly, the Bank will promote lean management to solidify the foundation for transformation and development. It will strengthen talent cultivation, financial support, operational services, cybersecurity, consumer protection, security and stability and other support systems to continuously improve the standard of refined management.

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, 2025		Changes during the Reporting Period (shares)	June 30, 2026	
	Number (shares)	Percentage (%)		Number (shares)	Percentage (%)
Domestic Unlisted 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 80 Shareholders, including 11 holders of Domestic Unlisted Shares and 69 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 (Group) Co., Ltd.(2)	State-owned legal person	–	3,612,500,000	20.34	Domestic Unlisted Shares
HKSCC Nominees Limited(3)	Overseas legal person	(20)	3,311,645,379	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 Unlisted Shares
State Development & Investment Corp., Ltd.	State-owned legal person	–	1,686,315,000	9.49	Domestic Unlisted Shares
China Baowu Steel Group Corporation Limited	State-owned legal person	–	1,686,315,000	9.49	Domestic Unlisted Shares
Oceanwide Industry Co., Ltd.	Domestic non-state-owned legal person	–	1,370,706,739	7.72	Domestic Unlisted Shares
Tianjin Shanghui Investment Holding Company Limited	Domestic non-state-owned legal person	–	1,156,000,000	6.51	Domestic Unlisted Shares
Shine Enterprise (Tianjin) Co., Ltd.	Domestic non-state-owned legal person	–	29,424,331	0.17	Domestic Unlisted Shares
Tianjin Xianghe Enterprise Management Consulting Co., Ltd.	Domestic non-state-owned legal person	–	14,712,166	0.08	Domestic Unlisted Shares
Tianjin Firstwood Co., Ltd.	Domestic non-state-owned legal person	–	14,712,166	0.08	Domestic Unlisted Shares

Notes: (1) The above information is prepared based on the share registration as of June 30, 2026 of the Bank's Share Registrar.

(2) TEDA Investment Holding (Group) Co., Ltd. confirmed that, as of the end of the Reporting Period, in addition to the 3,612,500,000 Domestic Unlisted 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 (Group) 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
			Status	Number (shares)	
TEDA Investment Holding (Group) Co., Ltd.	Tianjin SASAC	Tianjin SASAC	Pledged	693,900,000	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 (Group) 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 4,160 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 executive 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 and chief executive 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 (Group) Co., Ltd.	Beneficial owner	Domestic Unlisted 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 Unlisted Shares	Long positions	1,975,315,000	11.12	17.09
China Shipping Group Company Limited(3)	Interest in controlled corporation	Domestic Unlisted Shares	Long positions	1,975,315,000	11.12	17.09
COSCO SHIPPING Development Co., Ltd.(3)	Interest in controlled corporation	Domestic Unlisted Shares	Long positions	1,975,315,000	11.12	17.09
China Shipping Investment Co., Ltd.	Beneficial owner	Domestic Unlisted Shares	Long positions	1,975,315,000	11.12	17.09
State Development & Investment Corp., Ltd.	Beneficial owner	Domestic Unlisted Shares	Long positions	1,686,315,000	9.49	14.59
China Baowu Steel Group Corporation Limited	Beneficial owner	Domestic Unlisted Shares	Long positions	1,686,315,000	9.49	14.59
LU Zhiqiang(4)	Interest in controlled corporation	Domestic Unlisted Shares	Long positions	1,370,706,739	7.72	11.86
HUANG Qiongzi(4)	Interest of spouse	Domestic Unlisted Shares	Long positions	1,370,706,739	7.72	11.86
Tohigh Holdings Co., Ltd.(4)	Interest in controlled corporation	Domestic Unlisted Shares	Long positions	1,370,706,739	7.72	11.86
Oceanwide Group Co., Ltd.(4)	Interest in controlled corporation	Domestic Unlisted Shares	Long positions	1,370,706,739	7.72	11.86
China Oceanwide Holdings Group Co., Ltd.(4)	Interest in controlled corporation	Domestic Unlisted Shares	Long positions	1,370,706,739	7.72	11.86
Oceanwide Industry Co., Ltd.	Beneficial owner	Domestic Unlisted Shares	Long positions	1,370,706,739	7.72	11.86
Tianjin Shanghui Investment Holding Company Limited	Beneficial owner	Domestic Unlisted 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 (Group) 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 and chief executive 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, Senior Management Members, Employees and Branches

I. DIRECTORS AND SENIOR MANAGEMENT MEMBERS

As of the date of this report, the Board of Directors of the Bank had 14 Directors in total, including 2 executive Directors: Mr. WANG Jinhong (chairman) and Mr. QU Hongzhi, 6 non-executive Directors: Mr. AU Siu Luen (vice chairman), Ms. YUAN Wei, Ms. CUI Hongqin, Mr. HU Aimin, Mr. ZHANG Yunji and Ms. LING Yingjie (employee Director), 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.

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

II. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT MEMBERS

Changes in Directors

On November 14, 2025, Ms. CUI Hongqin was elected as a non-executive Director of the Bank at the 2025 third extraordinary general meeting of the Bank. On March 23, 2026, her qualification as a director was approved by the National Financial Regulatory Administration. Ms. CUI Hongqin has served as a non-executive Director of the sixth session of the Board of Directors of the Bank, and a member of the Development Strategy and Inclusive Finance Committee under the Board of Directors since March 23, 2026.

On February 3, 2026, Ms. LING Yingjie was elected as an employee Director of the Bank at the employee representative meeting of the Bank. On June 2, 2026, her qualification as a director was approved by the National Financial Regulatory Administration. Ms. LING Yingjie has served as an employee Director of the sixth session of the Board of Directors of the Bank since June 2, 2026.

Mr. DUAN Wenwu resigned as a non-executive Director of the Bank and a member of the Development Strategy and Inclusive Finance Committee of the Board of Directors due to a change in work arrangements with effect from March 23, 2026.

In accordance with the relevant provisions of the Code of Corporate Governance of Banking and Insurance Institutions (《銀行保險機構公司治理準則》), independent directors shall not hold office for over six years in total in a banking or insurance institution. As Mr. TSE Yat Hong had served as an independent non-executive Director of the Bank for six years, he resigned as an independent non-executive Director of the Bank, the chairman of the Audit and Consumer Rights Protection Committee of the Board, a member of the Risk Management and Green Finance Committee of the Board and a member of the Related Party Transactions Control Committee of the Board. As considered and approved by the Board of Directors of the Bank on June 30, 2026, his resignation will become effective upon the election of the successor independent non-executive Director by the Shareholders' general meeting of the Bank and on the date such successor independent non-executive Director obtains the qualification approval from the regulatory authority. During this period, Mr. TSE Yat Hong will continue to perform his duties as an independent non-executive Director of the Bank, and the chairman and member of the aforementioned special committees of the Board of Directors.

Changes in Senior Management Members

On December 18, 2025, the appointment of Mr. XIE Kai as the chief information officer of the Bank was approved at the 12th meeting of the sixth session of the Board of Directors of the Bank. On April 13, 2026, the National Financial Regulatory Administration approved his qualification as the chief information officer.

On March 4, 2026, the appointment of Mr. QU Hongzhi, the president, to concurrently serve as the chief compliance officer of the Bank was approved at the 13th meeting of the sixth session of the Board of Directors of the Bank.

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

Ms. WANG Aijian, an independent non-executive Director of the Bank, serves as an independent director of Uhomes.com Tianjin Inc. (天津異鄉好居股份有限公司).

Mr. LIU Junmin, an independent non-executive Director of the Bank, no longer serves as an independent non-executive director of China Literature Limited.

Mr. LIU Lanbiao, an independent non-executive Director of the Bank, serves as a director of the Northeast Asia Financial Cooperation Research Center of Nankai University and no longer serves as the vice dean of the Institute of State Economy of Nankai University.

Mr. OUYANG Yong, an independent non-executive Director of the Bank, serves as an independent director of Wuhan Rural Commercial Bank Co., Ltd. (武漢農村商業銀行股份有限公司).

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

As of the end of the Reporting Period, none of our Directors 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 14,153 employees, including 6,571 male employees and 7,582 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	2,828	19.98
Aged 31-35	2,727	19.27
Aged 36-40	3,897	27.53
Aged 41-45	2,512	17.75
Aged 46-50	1,119	7.91
Aged over 50	1,070	7.56
Total	**14,153**	**100.00**

2. *Educational background of employees*

Educational background/degree	Number of employees	Structure (%)
Postgraduate/Master's degree and above	4,310	30.45
Undergraduate/Bachelor's degree	9,684	68.43
College and lower	159	1.12
Total	**14,153**	**100.00**

3. *Professional post structure of employees*

Professional post	Number of employees	Structure (%)
Corporate banking	3,404	24.05
Retail banking	3,024	21.37
Financial markets	368	2.60
Finance and assets & liabilities	329	2.32
Risk management	1,212	8.56
Audit, legal, internal control & compliance	484	3.42
Business operation	2,394	16.92
Information technology	1,471	10.39
Others	1,344	9.50
Subsidiary	123	0.87
Total	**14,153**	**100.00**

In addition to the employees with whom the Group had entered into labor contracts, as of the end of the Reporting Period, the Group also engaged 162 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 continuously improves its 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, staying committed to its "Nine-Five-Three-One" strategy plan, the Bank continued to promote targeted training for talents in a hierarchical manner, establishing a three-dimensional training framework that emphasized management for mid-level personnel, execution for front-line staff, and skills for professionals. It continuously refined its training system, optimized the allocation of training resources and provided targeted and specialized training, in a bid to bolster talent pipeline development and provide robust talent support for the Bank's high-quality development. The Bank organized various offline training and online training sessions, with total attendance of 26,000 participants and 166,000 participants, respectively.

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, 294 sub-branches, and 14 small and micro community sub-branches. The total number of officially opened outlets reached 377.

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	2,857	–	–
Capital Operation Center	5F, Building 1, No. 28, Jianguomennei Avenue, Dongcheng District, Beijing	86	–	–
Tianjin Branch	8-15/F, Part 1/F, Part 2/F, China Bohai Bank Tower, 218 Haihe East Road, Hedong District, Tianjin	419	1/52	1,120
Tianjin Pilot Free Trade Zone Branch	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	322	1/30	446
Hangzhou Branch	Bohai Bank Building, No. 117 Tiyuchang Road, Xiacheng District, Hangzhou City, Zhejiang Province	188	3/16	366
Taiyuan Branch	No. 308, Changzhi Road, Xiaodian District, Taiyuan City, Shanxi Province	191	2/11	253
Chengdu Branch	No. 87, Jinrongcheng South Road, High-Tech Zone, Chengdu City, Sichuan Province	186	1/16	219
Jinan Branch	Building 3, Lushang Olympic City, 9777 Jingshi East Road, Jinan City, Shandong Province	209	4/13	353
Shanghai Branch	No. 155 Yincheng Road, China (Shanghai) Pilot Free Trade Zone	195	0/16	219
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	117	0/01	10
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	253	1/12	249
Nanjing Branch	No. 213 Jiangdong Middle Road, Jianye District, Nanjing City, Jiangsu Province	247	6/10	369
Suzhou Branch	Jianwu Financial Center Building, No. 710 Zhongyuan Road, Suzhou Industrial Park, Jiangsu Province	169	0/04	76
Dalian Branch	Yifang Building, No. 9 Yan'an Road, Zhongshan District, Dalian City, Liaoning Province	173	1/08	149
Guangzhou Branch	Nanya Zhonghe Plaza, 57 Linjiang Avenue, Tianhe District, Guangzhou City, Guangdong Province	205	4/14	358
Changsha Branch	Jiasheng Business Plaza, No. 289 Laodong West Road, Tianxin District, Changsha City, Hunan Province	181	3/13	212
Shijiazhuang Branch	18 Zhonghua South Street, Shijiazhuang City, Hebei Province	202	3/14	298

Name	Address	Number of employees	Tier-two branches and sub-branches under jurisdiction	Number of employees in the institutions under jurisdiction
Wuhan Branch	Pan Ocean International Centre, No. 185 Yunxia Road, No. 187 Yunxia Road, No. 249 Huaihai Road, Jianghan District, Wuhan City, Hubei Province	172	2/22	276
Hohhot Branch	No. 85 Xinhua East Street, Xincheng District, Hohhot City, Inner Mongolia Autonomous Region	132	1/04	89
Fuzhou Branch	Huaban Building, No. 363 Jiangbin Middle Avenue, Taijiang District, Fuzhou City, Fujian Province	135	1/03	85
Hefei Branch	No. 269 Suixi Road, North First Ring, Luyang District, Hefei City, Anhui Province	156	0/05	69
Zhengzhou Branch	No. 88 Jinshui East Road, Zhengdong New District, Zhengzhou City, Henan Province	162	0/07	92
Xi'an Branch	1F-6F, Building 4, No. 31, Tangyan Road, High-Tech Zone, Xi'an City, Shaanxi Province	161	0/06	85
Changchun Branch	No. 2699 Xi'an Road, Lvyuan District, Changchun City, Jilin Province	110	0/02	27
Chongqing Branch	Building 2, Lifan Center, No. 6, Juxianyan Square, Jiangbei District, Chongqing	106	0/06	66
Shenyang Branch	No. 32 Yingbin Street, Shenhe District, Shenyang City, Liaoning Province	91	1/03	58
Xiamen Pilot Free Trade Zone Branch	Building A, Cross-strait Trade Center, No. 1-9 Yunan 4th Road, Xiamen Area of China (Fujian) Pilot Free Trade Zone (Bonded Area)	103	–	–
Haikou Branch	S5 Podium Building, Guorui City, No. 11 Guoxing Avenue, Meilan District, Haikou City, Hainan Province	86	0/01	15
Qingdao Branch	Office Building T8, Shangshi Center, 195 Xianggang East Road, Laoshan District, Qingdao City, Shandong Province	105	0/04	57
Ningbo Branch	1F-3F, Emeke Building, No. 188 Dazha Road, Jiangbei District, Ningbo City, Zhejiang Province	84	0/02	19
Nanning Branch	1F-5F, Podium Building, King's International Merchant Center, 59 Jinhu Road, Qingxiu District, Nanning City, Guangxi Zhuang Autonomous Region	82	0/03	41
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	84	0/02	21
Kunming Branch	No. 391, Rixin Middle Road, Xishan District, Kunming City, Yunnan Province	86	0/02	25
Hong Kong Branch	Suites 1201-1209 and 1215-1216, 12/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	75	–	–

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 Company Law, the Commercial Banking Law, the Listing Rules and other laws and regulations, as well as the Bank's Articles of Association and other corporate governance regulations, actively implements good corporate governance standards, further integrates the Party's leadership with its corporate governance, and continuously improves the corporate governance level. During the Reporting Period, all corporate governance entities performed their respective duties and responsibilities, coordinated operation and exercised effective checks and balances, which effectively safeguarded the legitimate rights and interests of the Bank, the Shareholders and other stakeholders. For the corporate governance structure of the Bank, please refer to the "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 1 Shareholders' general meeting, at which 6 proposals were considered and 3 reports were heard; 4 meetings of the Board of Directors, at which 45 proposals were considered and 14 reports were heard; 16 meetings of special committees under the Board of Directors (including: 3 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, 3 meetings of the Nomination and Remuneration Committee, and 3 meetings of the Development Strategy and Inclusive Finance Committee), at which 47 proposals were considered and 9 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 work report of the senior management, the report on comprehensive risk management, the work report on consumer rights protection, the work report on green finance, the appointment of the chief compliance officer, and the group performance evaluation indicators; revised the Group's risk consolidation management measures, professional codes of conduct for employees, reputational risk management measures and other regulations.

II. THE SHAREHOLDERS' GENERAL MEETING

During the Reporting Period, the Bank convened 1 Shareholders' general meeting. The relevant information is as follows:

The Bank convened the 2025 annual general meeting in Tianjin on June 17, 2026. Shareholders or their proxies attending the Shareholders' general meeting represented a total of 13,297,077,915 ordinary shares with voting rights of the Bank. 11 Directors of the Bank attended the meeting. 6 resolutions were considered and approved at the meeting and the matters considered included: the Report of the Board of Directors for 2025, the Profit Distribution Plan for 2025, the Financial Budget Report for 2026, the re-appointment of external auditors for 2026, the loan reduction and exemption authorization plan and the remuneration for 2024 of chairman. The meeting also listened to 3 written reports, including the 2025 Special Report on Related Party Transactions, the Report on Purchase of Directors' Liability Insurance and the 2025 Assessment Report on the Performance of Duties of the Board of Directors, Senior Management and their Members issued by the Audit and Consumer Rights Protection Committee of the Board.

The domestic legal advisor of the Bank witnessed the convening of the above meeting and other related matters in accordance with the law, and believed that the meeting was in compliance with relevant laws and regulations, regulatory documents and the Articles of Association. For details of the meeting, please refer to the relevant circular, notice and the poll results announcement 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, appointment of senior management member and re-appointment of external auditors.

IV. INTERNAL CONTROL

The Bank continues to refine its internal control organization system, and adheres to the principle of "comprehensive, whole-process, and whole-workforce" in internal control management, compliance and operational risk prevention, case prevention and control, anti-money laundering management 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; it continuously fostered scientific, standardized and regulated management systems; it improved the appraisal system to enhance the accuracy and effectiveness of internal control and compliance management assessment; it strengthened case prevention management, optimized the grid-based employee management structure, and stepped up the management of abnormal employee behaviors; it 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, reinforced accountability, and targeted on violations; it pushed forward the operational risk projects in accordance with the "integrated dual-perspective" work principle; it implemented the business continuity system that met the required standards across all domestic tier-one branches, thereby strengthening the integrity of the business continuity systems across branches; it conducted diverse training on internal control and compliance and issued risk alerts addressing typical issues, so as to continuously enhance employees' awareness of compliance and cultivate a robust compliance culture.

V. 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 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 end of the Reporting Period, the problems identified by internal audits of the Bank had been rectified before the deadline.

VI. SECURITIES TRANSACTIONS BY DIRECTORS

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

VII. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

VIII. COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Bank has adopted the code provisions set out in Part 2 of Appendix C1 to the Listing Rules. During the Reporting Period, the Bank complied with the code provisions set out in Part 2 of Appendix C1 to the Listing Rules. The Bank had 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 was involved in certain litigations and arbitrations in the ordinary course of business, and most of them were routine litigations and settlements initiated by the Bank. Currently, no provisions will be made.

As of the end of the Reporting Period, the Bank as the defendant was involved in a total of 5 litigations with the amount in dispute of over RMB10 million each. 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. Currently, no provisions will be made.

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

II. INCREASE OR REDUCTION IN THE REGISTERED CAPITAL AND BUSINESS MERGER

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

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 credit-granting 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 for specific data.

(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 are credit-granting related party transactions and related party transactions on interbank liabilities, and are conducted in accordance with relevant laws and regulations, external regulatory requirements and the Bank's review procedures. During the Reporting Period, the Board of Directors of the Bank approved five resolutions on material related party transactions, including the related party transactions on credit business with Tianjin TEDA Energy Group Co., Ltd. and the related party transactions on credit business (amended) with Tianjin Bohai State-owned Assets Administration Co., Ltd. considered and approved at the 13th meeting of the sixth session of the Board of Directors, and the related party transactions on credit business with SDIC Finance Co., Ltd. (國投財務有限公司), the related party transactions on interbank liabilities business with SDIC Finance Co., Ltd. (國投財務有限公司) and the related party transactions on credit business (amended) with Tianjin TEDA Energy Group Co., Ltd. considered and approved at the 15th 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 RMB21.198 billion according to the standards of the National Financial Regulatory Administration. Specifically, the net credit amount granted to TEDA Investment Holding (Group) Co., Ltd. and its related parties was RMB13.188 billion, that granted to Standard Chartered Bank (Hong Kong) Limited and its related parties was RMB2.771 billion, that granted to China Shipping Investment Co., Ltd. and its related parties was RMB897 million, that granted to State Development & Investment Corp., Ltd. and its related parties was RMB418 million, that granted to China Baowu Steel Group Corporation Limited and its related parties amounted to RMB2.071 billion, and that granted to other related parties reached RMB1.853 billion.

According to the standards of Hong Kong Stock Exchange, the Bank's net credit amount granted to all connected persons amounted to RMB16.856 billion. Specifically, the Bank extended RMB13.188 billion of net credits to TEDA Investment Holding (Group) Co., Ltd. and its connected persons, RMB2.771 billion of net credits to Standard Chartered Bank (Hong Kong) Limited and its connected persons, and RMB897 million of net credits to China Shipping Investment Co., Ltd. and its connected persons. The above-mentioned transactions were 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 were fully exempted in accordance with Chapter 14A of the Listing Rules.

During the Reporting Period, non-credit related party transactions between the Bank and related parties, such as deposits, service, leasing, agency sales, custody, and other daily related party transactions, were subject to general commercial terms and conditions no superior to those granted to independent third parties. The above-mentioned transactions were 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.

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 AND SENIOR MANAGEMENT MEMBERS

During the Reporting Period, the Bank was not subject to any investigation due to suspected crimes according to law, nor did it receive any criminal penalty. In accordance with regulatory requirements, the Bank disclosed the administrative penalties imposed by regulatory authorities on the Bank through its corporate website and other public channels. Save as disclosed above, the Bank was not subject to any investigation or administrative penalty by CSRC due to suspected violations of laws and regulations, nor was it subject to 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 and senior management members 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 or senior management members 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 Tier 2 Capital Bonds with a total issue size of RMB9 billion on May 19, 2026. The bonds are ten-year fixed rate bonds with a right allowing issuer to redeem subject to conditions precedent at the end of the 5th year and a coupon rate of 2.10%. The proceeds from the issue of the bonds after deducting expenses for the issuance will be entirely used to replenish the Bank's tier 2 capital.

(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 Group 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 Group's results and financial report for the six months ended June 30, 2026.

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 70 to 161, which comprise the consolidated statement of financial position as of 30 June 2026 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 2026

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

	Notes	Six months ended 30 June 2026 (Unaudited)	Six months ended 30 June 2025 (Unaudited)
Interest income	3	**23,692,612**	25,301,485
Interest expense	3	**(15,167,985)**	(17,255,839)
Net interest income	3	**8,524,627**	8,045,646
Fee and commission income	4	**2,104,576**	1,550,444
Fee and commission expense	4	**(314,433)**	(376,897)
Net fee and commission income	4	**1,790,143**	1,173,547
Net trading income	5	**420,558**	145,181
Net gains on financial investments	6	**3,206,166**	4,836,050
Other operating income	7	**10,676**	14,594
Operating income		**13,952,170**	14,215,018
Operating expenses	8	**(4,710,002)**	(4,839,211)
Asset impairment losses	9	**(4,566,457)**	(4,797,308)
Profit before taxation		**4,675,711**	4,578,499
Income tax expense	10	**(524,691)**	(748,064)
Profit for the period		**4,151,020**	3,830,435

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 2026
(In RMB thousands, unless otherwise stated)

	Notes	Six months ended 30 June	
		2026 (Unaudited)	2025 (Unaudited)
Profit for the period		**4,151,020**	3,830,435
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")		**(2)**	3
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of debt instruments at FVTOCI		**900,429**	(895,089)
Credit losses of debt instruments at FVTOCI		**29,117**	195,920
Exchange difference on translation of financial statements of foreign operation		**965**	59,578
Other comprehensive income for the period, net of income tax		**930,509**	(639,588)
Total comprehensive income for the period		**5,081,529**	3,190,847
Profit for the period attributable to:			
Equity holders of the parent company		**4,151,020**	3,830,435
Non-controlling interests		**–**	–
Total comprehensive income for the period attributable to:			
Equity holders of the parent company		**5,081,529**	3,190,847
Non-controlling interests		**–**	–
Earnings per share			
– Basic and diluted (RMB Yuan)	11	**0.23**	0.22

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Financial Position

As at 30 June 2026
(In RMB thousands, unless otherwise stated)

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Cash and balances with the central bank	12	**123,978,378**	129,722,705
Deposits with banks and other financial institutions	13	**23,439,821**	18,278,682
Placements with banks and other financial institutions	14	**6,949,311**	3,958,672
Derivative financial assets	15	**2,743,681**	2,023,233
Financial assets purchased under resale agreements	16	**85,945,046**	54,105,030
Loans and advances to customers	17	**1,002,194,803**	949,747,965
Financial investments:			
Financial investments at fair value through profit or loss ("FVTPL")	18	**234,104,944**	215,700,905
Financial investments at FVTOCI	18	**255,377,883**	268,060,545
Financial investments at amortised cost	18	**264,382,966**	259,998,948
Investment in associate	20	**–**	–
Property and equipment	21	**2,728,560**	2,927,826
Deferred tax assets	22	**12,289,134**	12,436,872
Right-of-use assets	23	**2,985,248**	3,286,036
Other assets	24	**11,040,934**	14,162,113
Total assets		**2,028,160,709**	1,934,409,532
Liabilities and equity			
Liabilities			
Borrowings from the central bank	25	**81,258,495**	72,741,786
Deposits from banks and other financial institutions	26	**146,722,753**	152,751,045
Placements from banks and other financial institutions	27	**13,548,632**	18,089,549
Financial liabilities at FVTPL	28	**2,103,442**	621,527
Derivative financial liabilities	15	**3,012,090**	1,438,089
Financial assets sold under repurchase agreements	29	**99,151,229**	74,809,396
Deposits from customers	30	**1,219,308,785**	1,138,775,385
Income tax payable		**(578,488)**	(531,560)
Debt securities issued	31	**316,051,585**	330,593,371
Lease liabilities	32	**3,090,203**	3,400,319
Other liabilities	33	**14,185,387**	16,493,672
Total liabilities		**1,897,854,113**	1,809,182,579

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Financial Position

As at 30 June 2026

(In RMB thousands, unless otherwise stated)

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Equity			
Equity attributable to equity holders of the parent company			
Share capital	34	**17,762,000**	17,762,000
Other equity instruments	35	**21,000,000**	21,000,000
Capital reserve	36	**10,687,342**	10,689,228
Surplus reserve	36	**8,456,784**	8,456,784
General reserve	36	**21,769,599**	21,752,539
Other reserves	36	**2,529,765**	1,599,256
Retained earnings	37	**48,101,106**	43,967,146
Sub-total		**130,306,596**	125,226,953
Non-controlling interests		**–**	–
Total equity		**130,306,596**	125,226,953
Total equity and liabilities		**2,028,160,709**	1,934,409,532

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 2026
(In RMB thousands, unless otherwise stated)

		Attributable to equity holders of the parent company									
	Note	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 2026		17,762,000	21,000,000	10,689,228	8,456,784	21,752,539	1,599,256	43,967,146	125,226,953	–	125,226,953
Changes in equity for the period:											
Net profit for the period		–	–	–	–	–	–	4,151,020	4,151,020	–	4,151,020
Other comprehensive income		–	–	–	–	–	930,509	–	930,509	–	930,509
Total comprehensive income		–	–	–	–	–	930,509	4,151,020	5,081,529	–	5,081,529
Capital contributed by other equity instruments holders		–	–	(1,886)	–	–	–	–	(1,886)	–	(1,886)
Appropriation to general reserve	36	–	–	–	–	17,060	–	(17,060)	–	–	–
Balance at 30 June 2026 (Unaudited)		17,762,000	21,000,000	10,687,342	8,456,784	21,769,599	2,529,765	48,101,106	130,306,596	–	130,306,596

		Attributable to equity holders of the parent company									
	Note	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 to general reserve	36	–	–	–	–	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

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Cash Flows

For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities		
Profit before taxation	**4,675,711**	4,578,499
Adjustments for:		
Asset impairment losses	**4,566,457**	4,797,308
Depreciation and amortisation	**777,504**	814,036
Net gains on financial investments	**(3,206,166)**	(4,836,050)
Interest expense on debt securities issued	**2,751,838**	3,308,466
Net trading loss/(income)	**195,786**	(250,709)
Interest income on financial investments	**(6,077,082)**	(6,646,602)
Interest expense on lease liabilities	**50,923**	59,488
Net gains on disposal of property and equipment and other long-term assets	**(5,138)**	(5,237)
	3,729,833	1,819,199
Changes in operating assets		
Net (increase)/decrease in balances with the central bank	**(4,597,996)**	3,111,541
Net (increase)/decrease in placements with banks and other financial institutions with original maturity over three months	**(2,452,997)**	725,138
Net increase in loans and advances to customers	**(54,766,283)**	(19,223,382)
Net increase in financial assets held for trading	**(1,802,157)**	(6,374,446)
Net decrease in other operating assets	**1,473,630**	2,083,056
	(62,145,803)	(19,678,093)
Changes in operating liabilities		
Net increase/(decrease) in borrowings from the central bank	**8,588,340**	(21,068,000)
Net decrease in deposits from banks and other financial institutions	**(5,895,384)**	(2,505,611)
Net (decrease)/increase in placements from banks and other financial institutions	**(4,411,687)**	7,297,365
Net increase in financial assets sold under repurchase agreements	**24,309,507**	9,694,879
Net increase/(decrease) in deposits from customers	**81,534,350**	(41,903,935)
Net decrease in other operating liabilities	**(2,299,534)**	(10,745,319)
	101,825,592	(59,230,621)
Net cash flows from/(used in) operating activities before income tax payment	**43,409,622**	(77,089,515)
Income tax paid	**(836,534)**	(558,857)
Receipts of tax refunds	**85,873**	51,422
Net cash flows from/(used in) operating activities	**42,658,961**	(77,596,950)

The accompanying notes form part of these consolidated financial statements.

Unaudited Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

(In RMB thousands, unless otherwise stated)

	Notes	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Cash flows from investing activities			
Proceeds from sale and redemption of financial investments		**390,780,204**	323,821,125
Proceeds received from investment activities		**11,232,823**	9,487,325
Proceeds from disposal of property and equipment		**2,592**	458
Purchases of investments		**(399,231,172)**	(353,888,491)
Purchases of property and equipment, intangible assets and other long-term assets		**(124,500)**	(93,167)
Net cash flows from/(used in) investing activities		**2,659,947**	(20,672,750)
Cash flows from financing activities			
Proceeds from issuance of debt securities		**300,466,811**	276,193,276
Repayment of debt securities		**(314,180,000)**	(238,625,754)
Interest paid on debt securities		**(3,580,435)**	(6,044,427)
Repayment of lease liabilities		**(499,394)**	(545,799)
Other cash payments relating to financing activities		**(1,886)**	–
Net cash flows (used in)/from financing activities		**(17,794,904)**	30,977,296
Effect of foreign exchange rate changes on cash and cash equivalents		**(334,072)**	106,411
Net increase/(decrease) in cash and cash equivalents	41(a)	**27,189,932**	(67,185,993)
Cash and cash equivalents as at 1 January		**143,475,339**	122,169,996
Cash and cash equivalents as at 30 June	41(b)	**170,665,271**	54,984,003
Net cash flows from operating activities include:			
Interest received		**16,815,342**	18,555,169
Interest paid		**(10,285,156)**	(12,675,288)

The accompanying notes form part of these consolidated financial statements.

Notes to the Unaudited Consolidated Financial Statements

For the six months ended 30 June 2026
(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 2026, the Bank has established 34 tier-one branches, 35 tier-two branches and 294 sub-branches. The total number of outlets reached 377, including 14 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 2026
(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 2025.

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 2025. Actual results may differ from these estimates.

Significant accounting policies

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

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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 the IFRS Accounting Standards mentioned above, the accounting policies and methods of computation used in the consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

3. Net interest income

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Interest income arising from		
Balances with the central bank	**500,802**	453,489
Deposits with banks and other financial institutions	**273,354**	242,216
Placements with banks and other financial institutions	**236,750**	216,177
Loans and advances to customers		
– Corporate loans and advances	**12,871,107**	13,327,914
– Personal loans	**3,104,201**	3,957,822
– Discounted bills	**228,164**	319,814
Financial assets purchased under resale agreements	**401,152**	137,451
Financial investments	**6,077,082**	6,646,602
Sub-total	**23,692,612**	25,301,485
Interest expense arising from		
Borrowings from the central bank	**(605,126)**	(1,098,033)
Deposits from banks and other financial institutions	**(1,333,310)**	(1,691,096)
Placements from banks and other financial institutions	**(183,117)**	(497,162)
Deposits from customers	**(9,779,027)**	(10,004,667)
Financial assets sold under repurchase agreements	**(515,567)**	(656,415)
Debt securities issued	**(2,751,838)**	(3,308,466)
Sub-total	**(15,167,985)**	(17,255,839)
Net interest income	**8,524,627**	8,045,646

4. Net fee and commission income

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Fee and commission income		
Agency and asset management services	**1,099,051**	575,314
Settlement and clearing business	**452,881**	465,544
Guarantees and commitments	**311,715**	304,219
Custodian services	**151,995**	100,317
Consulting and advisory services	**44,485**	43,997
Bank card business	**23,256**	33,671
Others	**21,193**	27,382
Sub-total	**2,104,576**	1,550,444
Fee and commission expense	**(314,433)**	(376,897)
Net fee and commission income	**1,790,143**	1,173,547

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

5. Net trading income

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Net (losses)/gains from investments in derivative financial instruments	**(949,902)**	373,355
Exchange (losses)/gains	**(487,805)**	882
Net gains/(losses) from trading of precious metals	**1,064,802**	(648,725)
Net gains from bond investments at FVTPL	**263,554**	113,132
Net gains from loans and advances at FVTPL	**581,992**	354,052
Net losses from equity investments	**(53,975)**	(47,753)
Net gains from financial liabilities at FVTPL	**1,892**	238
Total	**420,558**	145,181

6. Net gains on financial investments

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Net gains from financial assets at FVTPL	**2,482,683**	3,447,349
Net gains on disposal of financial assets at FVTOCI	**585,041**	1,098,730
Net gains on disposal of financial assets at amortised cost	**138,442**	289,971
Total	**3,206,166**	4,836,050

7. Other operating income

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Government grants	**1,087**	2,041
Rental income	**25**	2,731
Others	**9,564**	9,822
Total	**10,676**	14,594

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

8. Operating expenses

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Staff costs		
– Salaries, bonuses and allowances	**1,684,653**	1,797,431
– Social insurance and annuity	**557,256**	543,524
– Housing allowances	**316,642**	320,714
– Staff welfare	**115,149**	107,244
– Employee education expenses and labour union expenses	**51,877**	56,719
– Others	**1,058**	1,973
Sub-total	**2,726,635**	2,827,605
Depreciation and amortisation	**777,504**	814,036
Taxes and surcharges	**181,266**	188,044
Interest expense on lease liabilities	**50,923**	59,488
Other general and administrative expenses	**973,674**	950,038
Total	**4,710,002**	4,839,211

Expenses relating to short-term leases and leases of low-value assets were RMB24 million and RMB20 million for the six months ended 30 June 2026 and 2025, respectively.

9. Asset impairment losses

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Deposits with banks and other financial institutions	**3,065**	1,542
Placements with banks and other financial institutions	**1,788**	143,672
Financial assets purchased under resale agreements	**748**	2,267
Loans and advances to customers	**3,624,261**	3,558,002
Financial investments	**495,009**	1,139,447
Credit commitments	**(60,065)**	(48,766)
Other assets	**501,651**	1,144
Total	**4,566,457**	4,797,308

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

10. Income tax expense

(a) Income tax expense:

		Six months ended 30 June	
	Note	**2026 (Unaudited)**	2025 (Unaudited)
Current tax		**702,380**	44,265
Deferred tax	22(b)	**(177,689)**	703,799
Total		**524,691**	748,064

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

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Profit before taxation	**4,675,711**	4,578,499
People's Republic of China ("PRC") statutory income tax rate	**25%**	25%
Tax at the PRC statutory income tax rate	**1,168,928**	1,144,625
Effects of non-deductible expenses	**103,995**	183,713
Effects of non-taxable income (i)	**(447,700)**	(602,172)
Effects of others	**(300,532)**	21,898
Income tax expense	**524,691**	748,064

(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	
	2026 (Unaudited)	2025 (Unaudited)
Net profit for the period attributable to ordinary shareholders of the parent company	**4,151,020**	3,830,435
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)	**0.23**	0.22

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

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

12. Cash and balances with the central bank

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash		**840,908**	458,812
Balances with the central bank			
– Statutory deposit reserves	(a)	**63,810,785**	59,045,501
– Surplus deposit reserves	(b)	**58,914,974**	69,638,785
– Fiscal deposits and other		**382,801**	550,089
Sub-total		**123,108,560**	129,234,375
Interests accrued		**28,910**	29,518
Total		**123,978,378**	129,722,705

(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 2026 (Unaudited)	31 December 2025 (Audited)
Reserve ratio for RMB deposits	**5.50%**	5.50%
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.

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

13. Deposits with banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Deposits in Chinese mainland		
– Banks	**17,865,373**	13,538,531
Deposits outside Chinese mainland		
– Banks	**5,598,364**	4,757,615
Interests accrued	**10,462**	13,961
Less: Allowances for impairment losses	**(34,378)**	(31,425)
Total	**23,439,821**	18,278,682

14. Placements with banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Placements in Chinese mainland		
– Banks	**173,214**	562,085
– Other financial institutions	**5,229,856**	2,631,440
Sub-total	**5,403,070**	3,193,525
Placements outside Chinese mainland		
– Banks	**1,537,514**	763,215
Sub-total	**1,537,514**	763,215
Interests accrued	**19,830**	11,277
Less: Allowances for impairment losses	**(11,103)**	(9,345)
Total	**6,949,311**	3,958,672

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

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 2026 (Unaudited)		
		Fair value	
	Notional amount	**Assets**	**Liabilities**
Interest rate swaps	**393,298,706**	**8,794**	**(4,581)**
Exchange rate swaps	**273,507,323**	**1,838,299**	**(979,158)**
Exchange rate forwards	**97,011,332**	**722,550**	**(733,722)**
Precious metal swaps	**9,986,657**	**137,891**	**(1,266,268)**
Precious metal forwards	**7,910**	**1,359**	**–**
Option contracts	**22,143,510**	**34,788**	**(28,361)**
Total	**795,955,438**	**2,743,681**	**(3,012,090)**

	31 December 2025 (Audited)		
		Fair value	
	Notional amount	Assets	Liabilities
Interest rate swaps	400,738,896	13,406	(7,889)
Exchange rate swaps	259,341,039	1,321,562	(737,919)
Exchange rate forwards	42,813,952	170,434	(153,114)
Precious metal swaps	5,603,939	492,244	(519,588)
Option contracts	3,554,504	25,587	(19,579)
Total	712,052,330	2,023,233	(1,438,089)

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

16. Financial assets purchased under resale agreements

(a) Analysed by type and location of counterparty

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Financial assets purchased under resale agreements		
– Banks in Chinese mainland	**8,700,000**	9,536,650
– Other financial institutions in Chinese mainland	**77,240,944**	44,571,086
Sub-total	**85,940,944**	54,107,736
Interests accrued	**13,123**	5,567
Less: Allowances for impairment losses	**(9,021)**	(8,273)
Total	**85,945,046**	54,105,030

(b) Analysed by asset types

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Bonds	**85,940,944**	54,107,736
Interests accrued	**13,123**	5,567
Less: Allowances for impairment losses	**(9,021)**	(8,273)
Total	**85,945,046**	54,105,030

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17. Loans and advances to customers

(a) Analysed by nature

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Loans and advances to customers measured at amortised cost:		
Corporate loans and advances	**669,805,326**	624,684,855
Personal loans		
– Residential and commercial housing loans	**137,207,370**	141,185,852
– Personal consumer loans	**20,254,893**	29,095,174
– Personal business loans	**26,297,254**	33,726,977
Sub-total	**183,759,517**	204,008,003
Interests accrued	**13,798,221**	12,581,529
Less: Allowances for impairment losses on loans and advances to customers measured at amortised cost	**(27,795,998)**	(24,565,805)
Sub-total	**839,567,066**	816,708,582
Loans and advances to customers at FVTOCI:		
Corporate loans and advances	**9,233,033**	7,772,416
Discounted bills	**67,665,560**	45,312,150
Loans and advances to customers at FVTPL:		
Corporate loans and advances	**85,729,144**	79,954,817
Net loans and advances to customers	**1,002,194,803**	949,747,965

As at 30 June 2026, the Group's allowances for impairment losses on loans and advances to customers at FVTOCI was RMB1,212 million (31 December 2025: RMB1,251 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 2026 (Unaudited)		
	Amount	**Percentage**	**Loans and advances secured by collaterals**
Leasing and commercial services	**288,285,060**	**28.37%**	**49,459,402**
Real estate	**93,709,725**	**9.22%**	**65,869,758**
Manufacturing	**85,810,417**	**8.44%**	**4,114,625**
Wholesale and retail	**84,916,156**	**8.36%**	**13,648,218**
Water conservancy, environment and public facilities management	**65,014,833**	**6.40%**	**6,068,900**
Financial services	**39,288,365**	**3.87%**	**8,409,646**
Construction	**28,009,941**	**2.76%**	**10,045,907**
Transportations, storage and post	**20,552,313**	**2.02%**	**4,758,960**
Information transmission, software and information technology services	**16,997,069**	**1.67%**	**3,588,849**
Production and supply of electricity, heat, gas and water	**13,367,458**	**1.32%**	**1,557,638**
Mining	**8,910,170**	**0.88%**	**677,598**
Scientific research and technical services	**5,431,430**	**0.53%**	**1,182,010**
Education	**4,503,033**	**0.44%**	**3,218,689**
Others	**9,971,533**	**0.98%**	**2,410,417**
Sub-total of corporate loans and advances	**764,767,503**	**75.26%**	**175,010,617**
Personal loans	**183,759,517**	**18.08%**	**151,497,384**
Discounted bills	**67,665,560**	**6.66%**	**67,665,560**
Gross loans and advances to customers	**1,016,192,580**	**100.00%**	**394,173,561**

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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 2025 (Audited)		
	Amount	Percentage	Loans and advances secured by collaterals
Leasing and commercial services	253,067,229	26.31%	49,265,712
Real estate	89,569,238	9.31%	62,922,379
Manufacturing	87,286,198	9.08%	3,964,207
Wholesale and retail	84,983,974	8.84%	16,793,488
Water conservancy, environment and public facilities management	68,167,177	7.09%	9,241,447
Financial services	27,285,850	2.84%	4,187,418
Construction	27,175,247	2.83%	10,731,256
Transportations, storage and post	16,315,628	1.70%	4,780,260
Information transmission, software and information technology services	12,742,261	1.32%	2,134,896
Production and supply of electricity, heat, gas and water	13,044,170	1.36%	1,152,291
Mining	10,831,222	1.12%	737,605
Scientific research and technical services	8,463,565	0.88%	4,198,350
Education	4,022,469	0.42%	2,810,571
Others	9,457,860	0.98%	2,715,872
Sub-total of corporate loans and advances	712,412,088	74.08%	175,635,752
Personal loans	204,008,003	21.21%	157,068,064
Discounted bills	45,312,150	4.71%	45,312,150
Gross loans and advances to customers	961,732,241	100.00%	378,015,966

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

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

	30 June 2026 (Unaudited)		
	Amount	**Percentage**	**Loans and advances secured by collaterals**
Northern and Northeastern China	**401,180,766**	**39.49%**	**175,922,256**
Eastern China	**291,977,629**	**28.73%**	**83,391,630**
Central and Southern China	**235,999,003**	**23.22%**	**108,282,556**
Western China	**87,035,182**	**8.56%**	**26,577,119**
Gross loans and advances to customers	**1,016,192,580**	**100.00%**	**394,173,561**

	31 December 2025 (Audited)		
	Amount	Percentage	Loans and advances secured by collaterals
Northern and Northeastern China	389,500,753	40.51%	159,521,903
Eastern China	268,752,599	27.94%	85,366,510
Central and Southern China	224,982,779	23.39%	106,568,749
Western China	78,496,110	8.16%	26,558,804
Gross loans and advances to customers	961,732,241	100.00%	378,015,966

The categorisation of geographical areas is consistent with the presentation in the audited consolidated financial statements for the year ended 31 December 2025.

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

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Unsecured loans	**249,850,140**	231,196,448
Guaranteed loans	**372,168,879**	352,519,827
Collateralised loans	**266,816,257**	270,987,197
Pledged loans	**127,357,304**	107,028,769
Gross loans and advances to customers	**1,016,192,580**	961,732,241

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

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

	30 June 2026 (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	**625,016**	**1,276,393**	**2,764,854**	**1,030,612**	**5,696,875**
Guaranteed loans	**3,458,069**	**820,457**	**610,059**	**542,406**	**5,430,991**
Collateralised loans	**5,709,495**	**3,586,016**	**3,846,713**	**1,183,134**	**14,325,358**
Pledged loans	**1,394,545**	**20,894**	**56,772**	**209,737**	**1,681,948**
Total	**11,187,125**	**5,703,760**	**7,278,398**	**2,965,889**	**27,135,172**
As a percentage of gross loans and advances to customers	**1.10%**	**0.56%**	**0.72%**	**0.29%**	**2.67%**

	31 December 2025 (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	347,458	1,663,993	2,264,414	821,902	5,097,767
Guaranteed loans	3,025,475	582,113	376,334	560,080	4,544,002
Collateralised loans	6,814,895	2,694,634	2,628,401	849,384	12,987,314
Pledged loans	19,390	31,772	38,393	208,258	297,813
Total	10,207,218	4,972,512	5,307,542	2,439,624	22,926,896
As a percentage of gross loans and advances to customers	1.06%	0.52%	0.55%	0.25%	2.38%

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 2026 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	**5,329,223**	**6,227,170**	**13,009,412**	**24,565,805**
Transfer:				
– to Stage 1	**–**	**–**	**–**	**–**
– to Stage 2	**(11,361)**	**72,473**	**(61,112)**	**–**
– to Stage 3	**(12,795)**	**(177,517)**	**190,312**	**–**
(Reversal)/charge for the period	**(404,960)**	**1,269,702**	**2,798,842**	**3,663,584**
Recoveries	**–**	**–**	**324,286**	**324,286**
Write-offs	**–**	**–**	**(753,374)**	**(753,374)**
Exchange rate changes and others	**(4,070)**	**(141)**	**(92)**	**(4,303)**
Balance at 30 June	**4,896,037**	**7,391,687**	**15,508,274**	**27,795,998**

	Year ended 31 December 2025 (Audited)			
	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	–	–	–	–
– to Stage 2	(281,653)	573,865	(292,212)	–
– to Stage 3	(87,843)	(2,640,634)	2,728,477	–
(Reversal)/charge for the year	(380,821)	3,136,988	2,803,894	5,560,061
Transfer out	–	–	(3,378,589)	(3,378,589)
Recoveries	–	–	607,587	607,587
Write-offs	–	–	(2,466,231)	(2,466,231)
Exchange rate changes and others	(873)	–	(272)	(1,145)
Balance at 31 December	5,329,223	6,227,170	13,009,412	24,565,805

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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 2026 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	**64,762**	**–**	**1,186,528**	**1,251,290**
Reversal for the period	**(5,815)**	**–**	**(33,508)**	**(39,323)**
Balance at 30 June	**58,947**	**–**	**1,153,020**	**1,211,967**

	Year ended 31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	36,455	–	1,293,763	1,330,218
Charge/(reversal) for the year	28,307	–	(107,235)	(78,928)
Balance at 31 December	64,762	–	1,186,528	1,251,290

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 2026 (Unaudited)**	31 December 2025 (Audited)
Financial investments at FVTPL	(a)	**234,104,944**	215,700,905
Financial investments at FVTOCI	(b)	**255,377,883**	268,060,545
Financial investments at amortised cost	(c)	**264,382,966**	259,998,948
Total		**753,865,793**	743,760,398

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18. Financial investments *(Continued)*

(a) Financial investments at FVTPL

Financial investments held for trading:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Debt securities – Unlisted (i)		
– Government and central bank	**8,115,673**	6,155,310
– Policy banks	**4,705,525**	6,426,580
– Banks and other financial institutions	**1,660,761**	426,006
– Corporates	**14,660,155**	17,182,799
Sub-total	**29,142,114**	30,190,695
Interbank certificates of deposits – Unlisted	**4,548,225**	1,622,226
Total financial investments held for trading	**33,690,339**	31,812,921

Other financial investments classified as at FVTPL:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Fund investments – Unlisted	**60,525,669**	59,001,409
Equity investments		
– Listed outside Hong Kong	**201,673**	266,670
– Unlisted	**3,315,672**	3,315,672
Trust plans and asset management plans – Unlisted	**136,371,591**	121,304,233
Total other financial investments classified as at FVTPL	**200,414,605**	183,887,984
Total financial investments classified as at FVTPL	**234,104,944**	215,700,905

Note:

(i) As at 30 June 2026 and 31 December 2025, certain financial investments at FVTPL were pledged for borrowings from the central bank and financial assets sold under repurchase agreements (Note 47(e)).

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18. Financial investments *(Continued)*

(b) Financial investments at FVTOCI

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Debt securities – Unlisted (i)		
– Government	**69,749,574**	76,062,939
– Policy banks	**83,719,259**	90,462,157
– Banks and other financial institutions	**13,573,177**	13,569,647
– Corporates	**76,596,187**	81,723,274
Interests accrued	**1,929,646**	2,217,891
Sub-total	**245,567,843**	264,035,908
Interbank certificates of deposits – Unlisted	**7,791,898**	1,995,795
Interests accrued	**6,888**	17,586
Sub-total	**7,798,786**	2,013,381
Equity investments – Unlisted (ii)	**2,011,254**	2,011,256
Total	**255,377,883**	268,060,545

Note:

(i) As at 30 June 2026 and 31 December 2025, certain financial investments at FVTOCI were pledged for borrowings from the central bank and financial assets sold under repurchase agreements (Note 47(e)).

(ii) Dividends income from such equity investments during the six months ended 30 June 2026 and the year ended 31 December 2025 were RMB0 and RMB38.76 million, respectively, which were included in the profit or loss. For the six months ended 30 June 2026 and for the year ended 31 December 2025, the Group has no disposal of any investments in such equity instruments.

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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 2026 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	**579,497**	**75,000**	**–**	**654,497**
Charge for the period	**76,407**	**–**	**–**	**76,407**
Exchange rate changes and others	**(447)**	**–**	**–**	**(447)**
Balance at 30 June	**655,457**	**75,000**	**–**	**730,457**

	Year ended 31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January	348,107	–	10,000	358,107
Charge for the year	231,462	75,000	–	306,462
Write-offs	–	–	(10,000)	(10,000)
Exchange rate changes and others	(72)	–	–	(72)
Balance at 31 December	579,497	75,000	–	654,497

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 2026 (Unaudited)	31 December 2025 (Audited)
Debt securities – Unlisted (i)		
– Government and central bank	**71,642,619**	70,141,213
– Policy banks	**62,911,995**	48,567,962
– Banks and other financial institutions	**14,159,714**	6,152,264
– Corporates	**18,167,692**	28,742,648
Interests accrued	**1,921,758**	2,221,566
Sub-total	**168,803,778**	155,825,653
Trust plans and asset management plans – Unlisted	**102,665,383**	110,472,537
Interests accrued	**481,929**	1,147,439
Sub-total	**103,147,312**	111,619,976
Less: Allowances for impairment losses	**(7,568,124)**	(7,446,681)
Total	**264,382,966**	259,998,948

Note:

(i) As at 30 June 2026 and 31 December 2025, certain financial investments at amortised cost were pledged for borrowings from the central bank and financial assets sold under repurchase agreements (Note 47(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 2026 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at 1 January	**1,746,540**	**114,813**	**5,585,328**	**7,446,681**
Transfer:				
– to Stage 1	**–**	**–**	**–**	**–**
– to Stage 2	**(28,685)**	**78,149**	**(49,464)**	**–**
– to Stage 3	**–**	**(114,813)**	**114,813**	**–**
(Reversal)/charge for the period	**(157,606)**	**82,032**	**494,176**	**418,602**
Write-offs/transfer out for the period	**–**	**–**	**(294,426)**	**(294,426)**
Exchange rate changes and others	**(2,733)**	**–**	**–**	**(2,733)**
Balance at 30 June	**1,557,516**	**160,181**	**5,850,427**	**7,568,124**

	Year ended 31 December 2025 (Audited)			
	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	2,147	(2,147)	–	–
– to Stage 2	(4,392)	4,392	–	–
– to Stage 3	(113,497)	(480,446)	593,943	–
Charge/(reversal) for the year	450,952	(16,929)	145,488	579,511
Write-offs/transfer out for the year	–	–	(1,603,264)	(1,603,264)
Recoveries	–	–	149	149
Exchange rate changes and others	(933)	–	–	(933)
Balance at 31 December	1,746,540	114,813	5,585,328	7,446,681

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19. Investment in subsidiary

	30 June 2026 (Unaudited)	31 December 2025 (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	RMB 2 billion	100%	Wealth management

20. Investment in associate

	30 June 2026 (Unaudited)	31 December 2025 (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 2026 and 31 December 2025, 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 2025	4,075,073	1,292,188	2,231,409	80,232	369,256	8,048,158
Additions	–	95,563	188,710	6,351	908	291,532
Disposals	(8,305)	(22,905)	(51,880)	(13,513)	–	(96,603)
Foreign currency translation differences	–	(347)	(534)	(17)	–	(898)
As at 31 December 2025 (Audited)	4,066,768	1,364,499	2,367,705	73,053	370,164	8,242,189
As at 1 January 2026	**4,066,768**	**1,364,499**	**2,367,705**	**73,053**	**370,164**	**8,242,189**
Additions	**–**	**14,553**	**53,673**	**1,711**	**161**	**70,098**
Disposals	**–**	**(11,316)**	**(21,020)**	**(5,859)**	**–**	**(38,195)**
Foreign currency translation differences	**–**	**(528)**	**(884)**	**(26)**	**–**	**(1,438)**
As at 30 June 2026 (Unaudited)	**4,066,768**	**1,367,208**	**2,399,474**	**68,879**	**370,325**	**8,272,654**
Accumulated depreciation						
As at 1 January 2025	(1,919,568)	(1,120,363)	(1,624,101)	(68,577)	–	(4,732,609)
Charge for the year	(195,325)	(138,219)	(234,055)	(3,410)	–	(571,009)
Disposals	2,256	21,285	50,880	11,997	–	86,418
Foreign currency translation differences	–	347	479	16	–	842
As at 31 December 2025 (Audited)	(2,112,637)	(1,236,950)	(1,806,797)	(59,974)	–	(5,216,358)
As at 1 January 2026	**(2,112,637)**	**(1,236,950)**	**(1,806,797)**	**(59,974)**	**–**	**(5,216,358)**
Charge for the period	**(97,563)**	**(46,298)**	**(116,627)**	**(1,974)**	**–**	**(262,462)**
Disposals	**–**	**6,658**	**19,211**	**5,549**	**–**	**31,418**
Foreign currency translation differences	**–**	**528**	**760**	**25**	**–**	**1,313**
As at 30 June 2026 (Unaudited)	**(2,210,200)**	**(1,276,062)**	**(1,903,453)**	**(56,374)**	**–**	**(5,446,089)**
Impairment provision						
As at 1 January 2025	–	–	–	–	(98,005)	(98,005)
Charge for the year	–	–	–	–	–	–
As at 31 December 2025 (Audited)	–	–	–	–	(98,005)	(98,005)
As at 1 January 2026	**–**	**–**	**–**	**–**	**(98,005)**	**(98,005)**
Charge for the period	**–**	**–**	**–**	**–**	**–**	**–**
As at 30 June 2026 (Unaudited)	**–**	**–**	**–**	**–**	**(98,005)**	**(98,005)**
Net book value						
As at 31 December 2025 (Audited)	1,954,131	127,549	560,908	13,079	272,159	2,927,826
As at 30 June 2026 (Unaudited)	**1,856,568**	**91,146**	**496,021**	**12,505**	**272,320**	**2,728,560**

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22. Deferred tax assets

(a) Analysed by nature

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Deductible/ (taxable) temporary differences	**Deferred tax assets/ (liabilities)**	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)
Deferred tax assets				
– Allowance for impairment losses	**48,282,357**	**12,070,589**	47,018,439	11,754,610
– Fair value changes	**4,148,168**	**1,037,042**	2,991,171	747,793
– Accrued salary cost	**4,326,055**	**1,081,514**	4,958,009	1,239,502
– Provisions	**502,714**	**125,679**	562,925	140,731
– Tax losses	**1,346,424**	**336,606**	1,346,424	336,606
– Others	**3,686,347**	**921,586**	4,021,164	1,005,291
	62,292,065	**15,573,016**	60,898,132	15,224,533
Deferred tax liabilities				
– Fair value changes	**(8,641,913)**	**(2,160,478)**	(7,389,132)	(1,847,283)
– Others	**(4,493,616)**	**(1,123,404)**	(3,761,513)	(940,378)
	(13,135,529)	**(3,283,882)**	(11,150,645)	(2,787,661)
Net balance	**49,156,536**	**12,289,134**	49,747,487	12,436,872

(b) Movements of deferred tax

	Allowance for impairment losses	Net (gains)/ losses on fair value changes	Others	Net balance of deferred tax assets
As at 1 January 2025	11,645,670	(1,510,926)	2,228,178	12,362,922
Recognised in profit or loss	164,085	283,596	(446,426)	1,255
Recognised in other comprehensive income	(55,145)	127,840	–	72,695
As at 31 December 2025 (Audited)	11,754,610	(1,099,490)	1,781,752	12,436,872
Recognised in profit or loss	323,497	293,963	(439,771)	177,689
Recognised in other comprehensive income	(7,518)	(317,909)	–	(325,427)
As at 30 June 2026 (Unaudited)	**12,070,589**	**(1,123,436)**	**1,341,981**	**12,289,134**

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23. Right-of-use assets

	Premises	Others	Total
Cost			
As at 1 January 2025	7,268,968	13,342	7,282,310
Additions	1,138,833	717	1,139,550
Disposals	(1,582,740)	(383)	(1,583,123)
Foreign currency translation differences	(2,660)	(5)	(2,665)
As at 31 December 2025 (Audited)	6,822,401	13,671	6,836,072
As at 1 January 2026	**6,822,401**	**13,671**	**6,836,072**
Additions	**287,193**	**1,253**	**288,446**
Disposals	**(494,065)**	**(1,326)**	**(495,391)**
Foreign currency translation differences	**(6,579)**	**(8)**	**(6,587)**
As at 30 June 2026 (Unaudited)	**6,608,950**	**13,590**	**6,622,540**
Accumulated depreciation			
As at 1 January 2025	(3,667,487)	(8,387)	(3,675,874)
Charge for the year	(929,235)	(1,541)	(930,776)
Disposals	1,053,626	383	1,054,009
Foreign currency translation differences	2,600	5	2,605
As at 31 December 2025 (Audited)	(3,540,496)	(9,540)	(3,550,036)
As at 1 January 2026	**(3,540,496)**	**(9,540)**	**(3,550,036)**
Charge for the period	**(449,973)**	**(923)**	**(450,896)**
Disposals	**357,917**	**1,316**	**359,233**
Foreign currency translation differences	**4,399**	**8**	**4,407**
As at 30 June 2026 (Unaudited)	**(3,628,153)**	**(9,139)**	**(3,637,292)**
Net book value			
As at 31 December 2025 (Audited)	3,281,905	4,131	3,286,036
As at 30 June 2026 (Unaudited)	**2,980,797**	**4,451**	**2,985,248**

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24. Other assets

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Interest receivable	(a)	**2,973,438**	2,358,783
Guarantee deposits		**2,345,944**	794,604
Fees and commission receivable		**441,341**	415,234
Precious metal		**351,550**	857,894
Land use rights		**348,448**	355,811
Intangible assets		**220,522**	259,523
Prepayments		**197,281**	146,101
Settlement receivable		**184,612**	5,949,901
Others		**5,355,379**	4,368,107
Sub-total		**12,418,515**	15,505,958
Less: Allowances for impairment losses		**(1,377,581)**	(1,343,845)
Total		**11,040,934**	14,162,113

(a) Interest receivable

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Interest receivable arising from:		
Loans and advances to customers	**1,220,236**	861,198
Financial investments	**1,753,202**	1,497,585
Total	**2,973,438**	2,358,783

As at 30 June 2026 and 31 December 2025, 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 2026 (Unaudited)	31 December 2025 (Audited)
Medium-term lending facility	**75,810,000**	70,574,903
Re-lending	**4,825,429**	1,472,186
Interests accrued	**623,066**	694,697
Total	**81,258,495**	72,741,786

26. Deposits from banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Deposits in Chinese mainland		
– Banks	**45,867,165**	60,790,498
– Other financial institutions	**97,091,644**	88,254,463
Sub-total	**142,958,809**	149,044,961
Deposits outside Chinese mainland		
– Other financial institutions	**3,302,343**	3,111,575
Sub-total	**3,302,343**	3,111,575
Interests accrued	**461,601**	594,509
Total	**146,722,753**	152,751,045

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27. Placements from banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Placements in Chinese mainland		
– Banks	**8,038,000**	16,358,271
Placements outside Chinese mainland		
– Banks	**5,481,322**	1,572,739
Interests accrued	**29,310**	158,539
Total	**13,548,632**	18,089,549

28. Financial liabilities at FVTPL

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Financial liabilities at FVTPL		
– Structured bills	**1,150,809**	621,527
– Short position of bonds	**952,633**	–
Total	**2,103,442**	621,527

The Group designated the structured bills issued as financial liabilities at FVTPL. As at 30 June 2026, the amount of fair value changes in financial liabilities at FVTPL resulting from changes in credit risk is insignificant.

29. Financial assets sold under repurchase agreements

(a) Analysed by type and location of counterparty

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Financial assets sold under repurchase agreements in Chinese mainland		
– Banks	**99,040,460**	74,730,953
Interests accrued	**110,769**	78,443
Total	**99,151,229**	74,809,396

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

(b) Analysed by type of collateral held

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Bonds	**96,762,584**	74,730,953
Acceptance	**2,277,876**	–
Sub-total	**99,040,460**	74,730,953
Interests accrued	**110,769**	78,443
Total	**99,151,229**	74,809,396

30. Deposits from customers

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Demand deposits		
– Corporate customers	**205,886,035**	194,569,089
– Individual customers	**28,283,750**	28,058,206
Sub-total	**234,169,785**	222,627,295
Time deposits		
– Corporate customers	**537,962,761**	502,214,516
– Individual customers	**246,156,772**	207,585,943
Sub-total	**784,119,533**	709,800,459
Pledged deposits		
– Acceptances	**63,555,452**	65,552,208
– Letters of credit and guarantees	**102,440,390**	104,077,064
– Letters of guarantees	**1,544,912**	1,931,469
– Others	**9,561,320**	10,258,721
Sub-total	**177,102,074**	181,819,462
Fiscal deposits	**578,605**	167,509
Inward and outward remittances	**22,561**	43,484
Interests accrued	**23,316,227**	24,317,176
Total	**1,219,308,785**	1,138,775,385

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31. Debt securities issued

	Notes	**30 June 2026 (Unaudited)**	31 December 2025 (Audited)
Interbank certificates of deposits issued	(a)	**245,435,764**	252,799,572
Financial bonds issued	(b)	**38,494,660**	48,491,057
Tier 2 capital bonds issued	(c)	**22,996,104**	22,990,656
Certificates of deposit issued	(d)	**8,665,825**	4,853,547
Asset-backed securities issued		**–**	170,710
Sub-total		**315,592,353**	329,305,542
Interests accrued		**459,232**	1,287,829
Total		**316,051,585**	330,593,371

Notes:

(a) Interbank certificates of deposits issued

For the six months ended 30 June 2026, the Bank issued a number of interbank certificates of deposits with total nominal amount of RMB309,550 million for a duration between 1 to 12 months. The effective interest rates ranged from 1.35% to 1.645% per annum. For the year ended 31 December 2025, the Bank issued a number of interbank certificates of deposits with total nominal amount of RMB546,560 million for a duration between 1 to 12 months. The effective interest rates ranged from 1.48% to 2.20% per annum. The carrying amount of these interbank certificates of deposits that remained outstanding as at 30 June 2026 was RMB245,436 million.

(b) Financial bonds issued

(i) 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 2026, the carrying amount of the financial bonds was RMB10,000 million.

(ii) 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 2026, the carrying amount of the financial bonds was RMB4,999 million.

(iii) On 26 February 2025, the Group issued three-year financial bonds with face value of RMB5,000 million. The coupon rate is 1.89% per annum. As at 30 June 2026, the carrying amount of the financial bonds was RMB4,999 million.

(iv) 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 2026, the carrying amount of the financial bonds was RMB9,999 million.

(v) 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 2026, the carrying amount of the financial bonds was RMB4,999 million.

(vi) On 17 December 2025, the Group issued three-year financial bonds with face value of RMB1,500 million. The coupon rate is 1.86% per annum. As at 30 June 2026, the carrying amount of the financial bonds was RMB1,500 million.

(vii) On 17 December 2025, the Group issued three-year financial bonds with face value of RMB2,000 million. The coupon rate includes a benchmark rate plus a fixed spread. The benchmark interest rate is the one-year LPR, and the fixed spread is -110BP. A coupon rate adjustment period covers every three months, and the coupon rate for the first interest rate adjustment period was 1.90%. As at 30 June 2026, the carrying amount of the financial bonds was RMB1,999 million.

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31. Debt securities issued *(Continued)*

(c) Tier 2 capital bonds issued

(i) On 18 April 2024, the Group issued fixed-rate tier 2 capital bonds with face value of RMB14,000 million. The coupon rate is 2.77% per annum. The bonds for the period are bearing a 10-year fixed rate. The preconditioned issuer was granted the redemption right at the end of the fifth year, and the issuer is entitled to redeem part or all of such bonds at face value with the approval of the relevant regulator. As at 30 June 2026, the carrying amount of the above issued capital bonds was RMB13,997 million.

(ii) On 19 May 2026, the Group issued fixed-rate tier 2 capital bonds with face value of RMB9,000 million. The coupon rate is 2.10% per annum. The bonds for the period are bearing a 10-year fixed rate. The preconditioned issuer was granted the redemption right at the end of the fifth year, and the issuer is entitled to redeem part or all of such bonds at face value with the approval of the relevant regulator. As at 30 June 2026, the carrying amount of the above issued capital bonds was RMB8,999 million.

(d) Certificates of deposit issued

For the six months ended 30 June 2026, the Bank issued a number of certificates of deposit with total face value of 6,640 million RMB equivalent for a duration between 1 to 12 months. The effective interest rates ranged from 1.58% to 3.74% per annum. For the year ended 31 December 2025, the Group issued a number of certificates of deposit with total face value of 6,673 million RMB equivalent for a duration between 2 to 12 months. The effective interest rates ranged from 1.31% to 4.63% per annum. The carrying amount of these certificates of deposit that remained outstanding as at 30 June 2026 was RMB8,666 million.

As at 30 June 2026 and 31 December 2025, 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.

32. Lease liabilities

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Less than one year (inclusive)	**863,285**	918,450
One to two years (inclusive)	**704,438**	756,177
Two to three years (inclusive)	**559,959**	607,543
Three to five years (inclusive)	**786,797**	868,045
More than five years	**412,587**	528,492
Total undiscounted lease liabilities	**3,327,066**	3,678,707
Lease liabilities	**3,090,203**	3,400,319

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33. Other liabilities

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Settlement and clearing payable		**4,692,677**	6,824,582
Accrued staff cost	(a)	**4,545,998**	5,123,028
Other taxes payable		**670,245**	648,789
Provisions	(b)	**509,910**	571,010
Contract liabilities	(c)	**298,030**	346,825
Payment and collection clearance accounts		**10,320**	517,731
Others		**3,458,207**	2,461,707
Total		**14,185,387**	16,493,672

(a) Accrued staff cost

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Salary, bonuses and allowances payable	**4,068,376**	4,693,928
Other social insurance payable	**44,954**	6,420
Pension and annuity payable	**10,105**	18,497
Housing fund payable	**8,789**	5,158
Others	**413,774**	399,025
Total	**4,545,998**	5,123,028

(b) Provisions

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Provision for credit commitment losses	**509,430**	570,530
Others	**480**	480
Total	**509,910**	571,010

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33. Other liabilities *(Continued)*

(b) Provisions *(Continued)*

Movements of provisions for credit commitment losses are as follows:

	Six months ended 30 June 2026 (Unaudited)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
As at 1 January 2026	**568,151**	**622**	**1,757**	**570,530**
Reversal for the period	**(59,954)**	**(61)**	**(50)**	**(60,065)**
Exchange rate changes and others	**(1,035)**	**–**	**–**	**(1,035)**
As at 30 June 2026	**507,162**	**561**	**1,707**	**509,430**

	Year ended 31 December 2025 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	464,456	708	1,797	466,961
Charge/(reversal) for the year	103,808	(86)	(40)	103,682
Exchange rate changes and others	(113)	–	–	(113)
As at 31 December 2025	568,151	622	1,757	570,530

(c) Contract liabilities

As at 30 June 2026 and 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts are approximately RMB298 million and RMB347 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.

34. Share capital

Issued share capital

Share capital of the Bank as at 30 June 2026 and 31 December 2025 represented share capital of the Bank, which is fully paid.

	30 June 2026 (Unaudited)	31 December 2025 (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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35. Other equity instruments

Undated capital bonds

(a) Outstanding undated capital bonds ("Bonds") at 30 June 2026

Financial instrument outstanding	Issue date	Accounting classification	Initial interest rate	Issue price	Shares (million shares)	In RMB	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
Undated capital bonds	18 November 2025	Equity instruments	2.37%	RMB 100/Unit	100	10,000,000	Perpetual	None	None

(b) Main clauses

(i) Issue size

The issue size of the undated capital bonds for 2024 was RMB11 billion.

The issue size of the undated capital bonds for 2025 was RMB10 billion.

(ii) Term of the Bonds

The Bonds 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 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 or the date of benchmark interest rate adjustment, 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.

(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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35. 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 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.

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

(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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36. Reserves

(a) Capital reserve

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Share premium	**10,687,342**	10,689,228

(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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36. Reserves *(Continued)*

(d) Other reserves

	Six months ended 30 June 2026 (Unaudited)	Year ended 31 December 2025 (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	**1,358,423**	–
Transfer to retained profits from changes in fair value recognised in other comprehensive income	**–**	–
Changes in fair value recognised in other comprehensive income	**(2)**	1,811,230
Less: Income tax effect	**–**	(452,807)
As at 30 June/31 December	**1,358,421**	1,358,423
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments at FVTOCI		
As at 1 January	**(1,184,800)**	545,989
Changes in fair value recognised in other comprehensive income	**1,067,787**	(1,066,446)
Changes in fair value transferred to profit or loss upon disposal	**150,551**	(1,244,990)
Less: Income tax effect	**(317,909)**	580,647
As at 30 June/31 December	**(284,371)**	(1,184,800)
Credit losses of debt instruments at FVTOCI		
As at 1 January	**1,429,820**	1,267,503
Allowance for credit losses recognised in other comprehensive income	**36,635**	217,462
Less: Income tax effect	**(7,518)**	(55,145)
As at 30 June/31 December	**1,458,937**	1,429,820
Foreign currency translation reserve	**(3,222)**	(4,187)
Total	**2,529,765**	1,599,256

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37. Appropriation of profits

Dividend on ordinary shares

In accordance with the resolution at the Bank's Annual General Meeting on 17 June 2026, the Bank did not distribute dividends to ordinary shareholders for the year ended 31 December 2025.

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.

Interests for undated capital bonds

The Bank declared and distributed the interest on the Undated Capital Bonds for year 2024 amounting to RMB950 million on 11 September 2025.

38. 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 2026 and 31 December 2025:

	30 June 2026 (Unaudited)			
	Financial investments at FVTPL	**Financial investments at amortised cost**	**Carrying amount**	**Maximum exposure**
Trust plans and asset management plans	**136,019,281**	**95,788,964**	**231,808,245**	**231,808,245**
Funds	**60,525,669**	**–**	**60,525,669**	**60,525,669**
Total	**196,544,950**	**95,788,964**	**292,333,914**	**292,333,914**

	31 December 2025 (Audited)			
	Financial investments at FVTPL	Financial investments at amortised cost	Carrying amount	Maximum exposure
Trust plans and asset management plans	120,819,051	104,529,303	225,348,354	225,348,354
Funds	59,001,409	–	59,001,409	59,001,409
Total	179,820,460	104,529,303	284,349,763	284,349,763

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38. 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 2026 and 2025, the amount of fee and commission income received from the abovementioned structured entities by the Group amounted to RMB677 million and RMB177 million, respectively.

As at 30 June 2026 and 31 December 2025, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Group, were RMB277,106 million and RMB248,932 million, respectively.

(c) Unconsolidated structured 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 2026 but matured before 30 June 2026 was RMB3,443 million (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).

39. 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 2026, the Group has transferred loans and advances to customers with underlying amount of RMB217 million to independent third parties at a consideration of RMB200 million, and these financial assets were all qualified for full derecognition. For the year ended 31 December 2025, the Group has transferred loans and advances to customers with underlying amount of RMB53,515 million to independent third parties at a consideration of RMB36,401 million, and these assets were all qualified for full de-recognition.

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40. 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 2025, 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, market risk and operational risk are all 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 2026 and 31 December 2025 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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40. Capital management *(Continued)*

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Core tier 1 capital		
– Share capital	**17,762,000**	17,762,000
– Qualifying portion of capital reserve	**10,707,342**	10,709,228
– Surplus reserve	**8,456,784**	8,456,784
– General reserve	**21,769,599**	21,752,539
– Retained earnings	**48,081,106**	43,947,146
– Other reserves	**2,529,765**	1,599,256
Core tier 1 capital	**109,306,596**	104,226,953
Core tier 1 capital adjustments	**(1,601,048)**	(2,299,653)
Net core tier 1 capital	**107,705,548**	101,927,300
Other tier 1 capital	**21,000,000**	21,000,000
Net tier 1 capital	**128,705,548**	122,927,300
Tier 2 capital		
– Qualifying portion of instruments issued and share premium	**22,996,104**	22,990,656
– Surplus provision for loan impairment	**4,106,956**	5,488,469
Tier 2 capital deductions	**–**	–
Net tier 2 capital	**27,103,060**	28,479,125
Net capital base	**155,808,608**	151,406,425
Total risk weighted assets	**1,287,340,078**	1,213,258,131
Core tier 1 capital adequacy ratio	**8.37%**	8.40%
Tier 1 capital adequacy ratio	**10.00%**	10.13%
Capital adequacy ratio	**12.10%**	12.48%

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41. Cash and cash equivalents

(a) Net changes in cash and cash equivalents

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Cash and cash equivalents as at 30 June	**170,665,271**	54,984,003
Less: Cash and cash equivalents as at 1 January	**(143,475,339)**	(122,169,996)
Net increase/(decrease) in cash and cash equivalents	**27,189,932**	(67,185,993)

(b) Cash and cash equivalents

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Cash on hand	**840,908**	458,812
Deposits with central bank other than restricted deposits	**58,914,974**	69,638,785
Deposits with banks and other financial institutions with original maturity of three months or less	**23,463,737**	18,296,146
Placements with banks and other financial institutions with original maturity of three months or less	**1,504,708**	973,860
Financial assets purchased under resale agreements with original maturity of three months or less	**85,940,944**	54,107,736
Total	**170,665,271**	143,475,339

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42. 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 2026 (Unaudited)	31 December 2025 (Audited)
TEDA Investment Holding (Group) Co., Ltd. (天津泰達投資控股(集團)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 42(a) or their controlling shareholders.

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42. 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	
	2026 (Unaudited)	2025 (Unaudited)
Transactions during the period		
Interest income	**72,302**	83,479
Interest expense	**47**	14
Operating expenses	**11,451**	11,591

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balances at end of the period/year		
Deposits with banks and other financial institutions	**497,859**	695,561
Loans and advances to customers	**3,006,927**	3,362,885
Deposits from customers	**53,060**	805
Lease liabilities	**49,011**	60,295

(ii) Transactions between the Bank and subsidiary:

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Transactions during the period		
Interest expense	**3,527**	1,325

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balances at end of the period/year		
Deposits from banks and other financial institutions	**558,238**	486,936

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42. 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	
	2026 (Unaudited)	2025 (Unaudited)
Transactions during the period		
Interest expense	**–**	9

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

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Transactions during the period		
Interest income	**271,685**	331,890
Fee and commission income	**29,690**	35,345
Net trading income	**–**	823
Net gains on financial investments	**65**	93
Interest expense	**65,665**	76,862
Operating expenses	**7,354**	9,254

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balances at end of the period/year		
Deposits with banks and other financial institutions	**1,741,451**	1,785,532
Derivative financial assets	**9,491**	3,871
Loans and advances to customers	**13,429,570**	12,912,613
Financial investments	**5,769,423**	4,634,701
Deposits from banks and other financial institutions	**795,654**	1,932,930
Deposits from customers	**6,331,718**	4,346,744
Debt securities issued	**989,349**	269,065
Lease liabilities	**21,050**	25,654
Off-balance sheet items		
Derivative financial instruments-notional amount	**788,721**	188,287
Bank acceptances	**983,923**	1,173,474
Letters of guarantees	**23,399**	40,475
Letters of credit	**462,932**	425,527

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42. 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	
	2026 (Unaudited)	2025 (Unaudited)
Transactions during the period		
Interest income	**12**	14
Interest expense	**32**	27

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balances at end of the period/year		
Loans and advances to customers	**589**	640
Deposits from customers	**7,012**	5,039

(ii) Key management personnel compensation

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

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Key management personnel compensation	**5,738**	5,630

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 2026 (Unaudited)	31 December 2025 (Audited)
Aggregate amount of relevant loans outstanding at the end of the period/year	**588**	639
Maximum aggregate amount of relevant loans granted during the period/year	**588**	639

There were no amounts due but unpaid as at 30 June 2026 and 31 December 2025.

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43. 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.

Funding operations

This segment covers the Group's funding 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 2026 and 2025 to acquire property and equipment, intangible assets and other long-term assets.

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43. Segment reporting *(Continued)*

(a) Operating segment *(Continued)*

	Six months ended 30 June 2026 (Unaudited)				
	Corporate banking	Retail banking	Funding operations	Others	Total
Operating income	9,299,647	1,265,821	3,003,436	383,266	13,952,170
Including:					
External net interest income/ (expense)	8,592,805	(372,018)	(499,859)	803,699	8,524,627
Internal net interest (expense)/ income	(1,272,007)	1,631,580	51,142	(410,715)	–
Operating expenses	(2,254,473)	(1,230,067)	(717,834)	(507,628)	(4,710,002)
Asset impairment losses	(3,584,318)	(9,153)	(761,279)	(211,707)	(4,566,457)
Profit/(loss) before taxation	3,460,856	26,601	1,524,323	(336,069)	4,675,711
Other segment information					
– Depreciation and amortisation	372,189	211,248	107,981	86,086	777,504
– Capital expenditure	48,865	44,988	7,101	11,854	112,808

	30 June 2026 (Unaudited)				
	Corporate banking	Retail banking	Funding operations	Others	Total
Segment assets	1,107,194,789	182,490,472	678,040,625	48,145,689	2,015,871,575
Deferred tax assets					12,289,134
Total assets					2,028,160,709
Segment liabilities	978,451,584	287,693,714	629,128,409	2,580,406	1,897,854,113
Total liabilities					1,897,854,113
Credit commitments	500,267,791	7,225,507	–	–	507,493,298

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43. Segment reporting *(Continued)*

(a) Operating segment *(Continued)*

	Six months ended 30 June 2025 (Unaudited)				
	Corporate banking	Retail banking	Funding operations	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)
Asset impairment losses	(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

	31 December 2025 (Audited)				
	Corporate banking	Retail banking	Funding operations	Others	Total
Segment assets	1,062,989,141	189,419,963	601,443,820	68,119,736	1,921,972,660
Deferred tax assets					12,436,872
Total assets					1,934,409,532
Segment liabilities	945,843,207	250,522,987	611,440,322	1,376,063	1,809,182,579
Total liabilities					1,809,182,579
Credit commitments	468,592,903	8,196,103	–	–	476,789,006

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43. 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 2026 (Unaudited)					
	Northern and Northeastern China	Eastern China	Central and Southern China	Western China	Elimination	Total
Operating income	8,081,665	3,036,396	2,149,156	684,953	–	13,952,170
Including:						
External net interest income	4,056,504	2,818,103	798,125	851,895	–	8,524,627
Internal net interest (expense)/ income	(400,624)	(248,824)	891,062	(241,614)	–	–
Operating expenses	(2,820,439)	(851,475)	(774,174)	(263,914)	–	(4,710,002)
(Losses on)/Reversal of asset impairment	(1,857,019)	(1,786,337)	(1,159,941)	236,840	–	(4,566,457)
Profit before taxation	3,404,207	398,584	215,041	657,879	–	4,675,711
Other segment information						
– Depreciation and amortisation	417,810	152,899	157,652	49,143	–	777,504
– Capital expenditure	77,039	7,079	25,817	2,873	–	112,808

	30 June 2026 (Unaudited)					
	Northern and Northeastern China	Eastern China	Central and Southern China	Western China	Elimination	Total
Segment assets	1,559,875,544	375,388,140	357,610,256	103,063,586	(380,065,951)	2,015,871,575
Deferred tax assets						12,289,134
Total assets						2,028,160,709
Segment liabilities	1,443,757,523	374,073,829	357,662,889	102,425,823	(380,065,951)	1,897,854,113
Total liabilities						1,897,854,113
Credit commitments	193,213,033	130,651,224	132,201,667	51,427,374	–	507,493,298

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43. Segment reporting *(Continued)*

(b) Geographical segment *(Continued)*

	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)
(Losses on)/Reversal of asset impairment	(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

	31 December 2025 (Audited)					
	Northern and Northeastern China	Eastern China	Central and Southern China	Western China	Elimination	Total
Segment assets	1,491,647,897	359,815,269	320,521,788	86,528,857	(336,541,151)	1,921,972,660
Deferred tax assets						12,436,872
Total assets						1,934,409,532
Segment liabilities	1,383,337,834	357,578,577	318,702,439	86,104,880	(336,541,151)	1,809,182,579
Total liabilities						1,809,182,579
Credit commitments	172,865,597	125,430,001	134,953,676	43,539,732	–	476,789,006

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44. 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 senior management shall assume the responsibilities for implementing comprehensive risk management and the resolutions of the Board of Directors.

All institutions at all levels and functional departments of the Bank form the three lines of defence of the comprehensive risk management system, each assuming corresponding risk management responsibilities. Business departments at all levels constitute the first line of defence for risk management, who are directly responsible for the prevention of various types of risks. Risk management departments at all levels form the second line of defence for risk management, who are responsible for 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 business departments and risk management departments, and conducting re-supervision and evaluation on the risk management activities of the first and second lines 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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44. 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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(In RMB thousands, unless otherwise stated)

44. 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 collateral management system and 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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44. 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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For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

44. 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 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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44. 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 measure 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 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).

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44. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

Credit risk mitigation measures *(Continued)*

Impairment and provisioning policies *(Continued)*

(4) Measurement of ECLs (Continued)

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

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 at 30 June 2026, 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 2025.

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44. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

(i) Maximum credit risk exposure

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Credit risk exposures relating to on-balance sheet items:		
Deposits with the central bank	**123,137,470**	129,263,893
Deposits with banks and other financial institutions	**23,439,821**	18,278,682
Placements with banks and other financial institutions	**6,949,311**	3,958,672
Derivative financial assets	**2,743,681**	2,023,233
Financial assets purchased under resale agreements	**85,945,046**	54,105,030
Loans and advances to customers	**1,002,194,803**	949,747,965
Financial investments		
– Financial investments at FVTPL	**230,587,599**	212,118,563
– Financial investments at FVTOCI	**253,366,629**	266,049,289
– Financial investments at amortised cost	**264,382,966**	259,998,948
Other assets	**7,345,759**	5,143,880
Sub-total	**2,000,093,085**	1,900,688,155
Credit commitments	**507,493,298**	476,789,006
Total	**2,507,586,383**	2,377,477,161

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44. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

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

	30 June 2026 (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	123,108,560	–	–	123,108,560	–	–	–	–
Deposits with banks and other financial institutions	23,463,737	–	–	23,463,737	(34,378)	–	–	(34,378)
Placements with banks and other financial institutions	6,940,584	–	–	6,940,584	(11,103)	–	–	(11,103)
Financial assets purchased under resale agreements	85,940,944	–	–	85,940,944	(9,021)	–	–	(9,021)
Loans and advances to customers	795,724,191	35,510,646	22,330,006	853,564,843	(4,896,037)	(7,391,687)	(15,508,274)	(27,795,998)
Financial investments	245,981,637	1,582,453	21,983,313	269,547,403	(1,557,516)	(160,181)	(5,850,427)	(7,568,124)
Other assets	3,546,917	819,907	4,354,373	8,721,197	(19,192)	(170,833)	(1,185,413)	(1,375,438)
Total financial assets measured at amortised cost	1,284,706,570	37,913,006	48,667,692	1,371,287,268	(6,527,247)	(7,722,701)	(22,544,114)	(36,794,062)
Financial assets at FVTOCI								
Loans and advances to customers	76,898,593	–	–	76,898,593	(58,947)	–	(1,153,020)	(1,211,967)
Financial investments	250,926,032	504,063	–	251,430,095	(655,457)	(75,000)	–	(730,457)
Total financial assets at FVTOCI	327,824,625	504,063	–	328,328,688	(714,404)	(75,000)	(1,153,020)	(1,942,424)
Credit commitments	507,446,752	34,141	12,405	507,493,298	(507,162)	(561)	(1,707)	(509,430)

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44. Financial risk management *(Continued)*

(a) Credit risk *(Continued)*

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

	31 December 2025 (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	129,234,375	–	–	129,234,375	–	–	–	–
Deposits with banks and other financial institutions	18,296,146	–	–	18,296,146	(31,425)	–	–	(31,425)
Placements with banks and other financial institutions	3,956,740	–	–	3,956,740	(9,345)	–	–	(9,345)
Financial assets purchased under resale agreements	54,107,736	–	–	54,107,736	(8,273)	–	–	(8,273)
Loans and advances to customers	772,767,154	35,769,451	20,156,253	828,692,858	(5,329,223)	(6,227,170)	(13,009,412)	(24,565,805)
Financial investments	240,320,841	1,242,331	22,513,452	264,076,624	(1,746,540)	(114,813)	(5,585,328)	(7,446,681)
Other assets	1,727,732	754,166	4,003,684	6,485,582	(19,215)	(151,947)	(1,170,540)	(1,341,702)
Total financial assets measured at amortised cost	1,220,410,724	37,765,948	46,673,389	1,304,850,061	(7,144,021)	(6,493,930)	(19,765,280)	(33,403,231)
Financial assets at FVTOCI								
Loans and advances to customers	53,084,566	–	–	53,084,566	(64,762)	–	(1,186,528)	(1,251,290)
Financial investments	263,310,749	503,063	–	263,813,812	(579,497)	(75,000)	–	(654,497)
Total financial assets at FVTOCI	316,395,315	503,063	–	316,898,378	(644,259)	(75,000)	(1,186,528)	(1,905,787)
Credit commitments	476,775,164	10,328	3,514	476,789,006	(568,151)	(622)	(1,757)	(570,530)

As at 30 June 2026 and 31 December 2025, the fair value of collaterals held against loans and advances that are overdue but not credit-impaired and assessed for lifetime ECLs amounted to RMB5,098 million and RMB2,883 million, respectively. The fair value of collaterals held against loans and advances that are credit-impaired amounted to RMB9,589 million and RMB8,050 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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44. 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 2026 and 31 December 2025, the Group's restructured loans amounted to RMB5,542 million and RMB2,257 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 2026 and 31 December 2025 are as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Neither overdue nor impaired		
Ratings		
– AAA	**407,094,224**	398,352,524
– AA- to AA+	**43,587,405**	48,684,489
Sub-total	**450,681,629**	447,037,013
Unrated	**1,320,825**	2,193,807
Total	**452,002,454**	449,230,820

(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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44. 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.

(In RMB thousands, unless otherwise stated)

44. 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 2026 (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	123,978,378	869,818	123,108,560	–	–	–
Deposits with banks and other financial institutions	23,439,821	10,462	23,429,359	–	–	–
Placements with banks and other financial institutions	6,949,311	19,830	3,531,229	3,398,252	–	–
Derivative financial assets	2,743,681	2,743,681	–	–	–	–
Financial assets purchased under resale agreements	85,945,046	13,123	85,931,923	–	–	–
Loans and advances to customers *(Note (a))*	1,002,194,803	13,798,221	231,417,585	650,278,012	94,336,912	12,364,073
Financial investments *(Note (b))*	753,865,793	26,550,026	232,312,176	99,294,406	230,546,095	165,163,090
Others	29,043,876	29,043,876	–	–	–	–
Total assets	2,028,160,709	73,049,037	699,730,832	752,970,670	324,883,007	177,527,163
Liabilities						
Borrowings from the central bank	81,258,495	623,066	13,011,903	67,623,526	–	–
Deposits from banks and other financial institutions	146,722,753	461,601	106,742,258	39,518,894	–	–
Placements from banks and other financial institutions	13,548,632	29,310	8,276,972	5,242,350	–	–
Financial liabilities at FVTPL	2,103,442	–	1,763,032	132,319	208,091	–
Derivative financial liabilities	3,012,090	3,012,090	–	–	–	–
Financial assets sold under repurchase agreements	99,151,229	110,769	93,701,767	5,338,693	–	–
Deposits from customers	1,219,308,785	23,711,092	545,246,263	328,618,278	321,733,152	–
Debt securities issued	316,051,585	459,232	148,108,265	122,991,518	44,492,570	–
Others	16,697,102	13,606,899	250,934	599,965	1,887,869	351,435
Total liabilities	1,897,854,113	42,014,059	917,101,394	570,065,543	368,321,682	351,435
Asset-liability gap	130,306,596	31,034,978	(217,370,562)	182,905,127	(43,438,675)	177,175,728

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44. 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 2025 (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	129,722,705	488,330	129,234,375	–	–	–
Deposits with banks and other financial institutions	18,278,682	13,961	18,264,721	–	–	–
Placements with banks and other financial institutions	3,958,672	11,277	2,174,454	1,772,941	–	–
Derivative financial assets	2,023,233	2,023,233	–	–	–	–
Financial assets purchased under resale agreements	54,105,030	5,567	54,099,463	–	–	–
Loans and advances to customers *(Note (a))*	949,747,965	12,581,529	418,919,882	400,261,664	106,472,357	11,512,533
Financial investments *(Note (b))*	743,760,398	28,881,464	228,365,441	78,518,381	237,819,039	170,176,073
Others	32,812,847	32,812,847	–	–	–	–
Total assets	1,934,409,532	76,818,208	851,058,336	480,552,986	344,291,396	181,688,606
Liabilities						
Borrowings from the central bank	72,741,786	694,697	31,190,000	40,857,089	–	–
Deposits from banks and other financial institutions	152,751,045	594,509	99,541,785	52,614,751	–	–
Placements from banks and other financial institutions	18,089,549	158,539	9,807,125	8,123,885	–	–
Financial liabilities at FVTPL	621,527	–	–	550,167	71,360	–
Derivative financial liabilities	1,438,089	1,438,089	–	–	–	–
Financial assets sold under repurchase agreements	74,809,396	78,443	64,860,953	9,870,000	–	–
Deposits from customers	1,138,775,385	24,361,110	488,629,721	362,885,071	262,899,483	–
Debt securities issued	330,593,371	1,287,829	139,422,263	147,394,091	42,489,188	–
Others	19,362,431	15,962,112	288,444	619,932	2,048,475	443,468
Total liabilities	1,809,182,579	44,575,328	833,740,291	622,914,986	307,508,506	443,468
Asset-liability gap	125,226,953	32,242,880	17,318,045	(142,362,000)	36,782,890	181,245,138

Note:

(a) As at 30 June 2026 and 31 December 2025, for loans and advances to customers, the category "Within three months" includes overdue amounts (net of allowances for impairment losses) of RMB11,174 million and RMB9,274 million, respectively.

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

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

	30 June 2026 (Unaudited) (Decrease)/ Increase	31 December 2025 (Audited) (Decrease)/ Increase
Changes in profit before taxation		
100 bps parallel upward shift in yield curves	**(1,460,047)**	(1,370,756)
100 bps parallel downward shift in yield curves	**1,460,047**	1,370,756

	30 June 2026 (Unaudited) (Decrease)/ Increase	31 December 2025 (Audited) (Decrease)/ Increase
Change in equity (without tax effect)		
100 bps parallel upward shift in yield curves	**(2,504,414)**	(2,241,979)
100 bps parallel downward shift in yield curves	**2,504,414**	2,241,979

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 taxation 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 taxation 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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44. 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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44. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

Foreign exchange risk *(Continued)*

The Group's foreign exchange rate exposures as at 30 June 2026 and 31 December 2025 are as follows:

	30 June 2026 (Unaudited)			
	RMB	USD (In RMB equivalent)	Others (In RMB equivalent)	Total (In RMB equivalent)
Assets				
Cash and balances with the central bank	121,720,615	1,895,648	362,115	123,978,378
Deposits with banks and other financial institutions	15,579,638	6,100,924	1,759,259	23,439,821
Placements with banks and other financial institutions	4,327,528	1,955,825	665,958	6,949,311
Derivative financial assets	2,488,308	209,319	46,054	2,743,681
Financial assets purchased under resale agreements	85,945,046	–	–	85,945,046
Loans and advances to customers	977,273,206	15,567,266	9,354,331	1,002,194,803
Financial investments *(Note (i))*	680,169,354	65,465,988	8,230,451	753,865,793
Others	26,439,798	1,124,779	1,479,299	29,043,876
Total assets	1,913,943,493	92,319,749	21,897,467	2,028,160,709
Liabilities				
Borrowings from the central bank	81,258,495	–	–	81,258,495
Deposits from banks and other financial institutions	143,360,470	1,594,987	1,767,296	146,722,753
Placements from banks and other financial institutions	3,108,046	2,384,807	8,055,779	13,548,632
Financial liabilities at FVTPL	2,103,442	–	–	2,103,442
Derivative financial liabilities	2,879,703	129,706	2,681	3,012,090
Financial assets sold under repurchase agreements	98,060,755	1,090,474	–	99,151,229
Deposits from customers	1,173,346,799	40,512,799	5,449,187	1,219,308,785
Debt securities issued	315,080,345	971,240	–	316,051,585
Others	14,639,964	1,574,747	482,391	16,697,102
Total liabilities	1,833,838,019	48,258,760	15,757,334	1,897,854,113
Net position	80,105,474	44,060,989	6,140,133	130,306,596
Off-balance sheet credit commitments	496,963,680	9,042,552	1,487,066	507,493,298

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44. Financial risk management *(Continued)*

(b) Market risk *(Continued)*

Foreign exchange risk *(Continued)*

The Group's foreign exchange rate exposures as at 30 June 2026 and 31 December 2025 are as follows: *(Continued)*

	31 December 2025 (Audited)			
	RMB	USD (In RMB equivalent)	Others (In RMB equivalent)	Total (In RMB equivalent)
Assets				
Cash and balances with the central bank	126,182,904	2,248,355	1,291,446	129,722,705
Deposits with banks and other financial institutions	10,808,525	5,806,288	1,663,869	18,278,682
Placements with banks and other financial institutions	2,278,572	771,974	908,126	3,958,672
Derivative financial assets	1,990,203	–	33,030	2,023,233
Financial assets purchased under resale agreements	54,105,030	–	–	54,105,030
Loans and advances to customers	931,660,664	10,488,645	7,598,656	949,747,965
Financial investments *(Note (i))*	687,666,969	52,765,140	3,328,289	743,760,398
Others	30,965,417	913,056	934,374	32,812,847
Total assets	1,845,658,284	72,993,458	15,757,790	1,934,409,532
Liabilities				
Borrowings from the central bank	72,741,786	–	–	72,741,786
Deposits from banks and other financial institutions	146,929,024	4,517,136	1,304,885	152,751,045
Placements from banks and other financial institutions	10,373,398	5,542,297	2,173,854	18,089,549
Financial liabilities at FVTPL	621,527	–	–	621,527
Derivative financial liabilities	1,424,994	–	13,095	1,438,089
Financial assets sold under repurchase agreements	72,904,750	1,904,646	–	74,809,396
Deposits from customers	1,092,190,877	35,230,205	11,354,303	1,138,775,385
Debt securities issued	330,016,006	577,365	–	330,593,371
Others	18,405,889	832,338	124,204	19,362,431
Total liabilities	1,745,608,251	48,603,987	14,970,341	1,809,182,579
Net position	100,050,033	24,389,471	787,449	125,226,953
Off-balance sheet credit commitments	441,083,938	33,393,058	2,312,010	476,789,006

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

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44. Financial risk management *(Continued)*

(c) Liquidity risk

Adhering to a prudent and conservative liquidity risk appetite, the Group takes cash flow gap analysis as the foundation, comprehensively applies regular management tools including position management, early warning system and limit management, conducts periodic stress tests and emergency drills, rigorously judges market trends and dynamically controls risks, so as to ensure the liquidity risk of the Bank within the limit of the risk appetite.

The Group focuses on the adjustment and optimisation of asset structure, and maintains a sufficient stock of high-quality liquid assets. It continuously expands diversified liability funding channels, and establishes and continuously improves a comprehensive and systematic liability business management and risk control system. The Group's liquidity risk management policies and systems are in line with regulatory requirements and its own management needs. The core liquidity risk indicators of the Group mainly include the liquidity ratio, liquidity coverage ratio, net stable funding ratio and liquidity matching ratio. The Group has formulated planning schemes targeting the risk appetite of the above indicators, and decomposed them correspondingly into the liquidity management plans for various businesses, to ensure that all core indicators stay within the Group's defined risk appetite.

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44. 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 2026 and 31 December 2025:

	30 June 2026 (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	64,193,586	59,784,792	–	–	–	–	–	123,978,378
Deposits with banks and other financial institutions	–	23,439,821	–	–	–	–	–	23,439,821
Placements with banks and other financial institutions	–	–	1,504,488	705,886	3,327,318	1,411,619	–	6,949,311
Financial assets purchased under resale agreements	–	–	85,945,046	–	–	–	–	85,945,046
Loans and advances to customers	9,451,321	6,520,629	52,138,664	78,012,285	379,015,674	214,414,002	262,642,228	1,002,194,803
Financial investments *(Note (ii))*	22,223,560	181,692,808	10,402,658	21,469,233	101,188,940	242,819,568	174,069,026	753,865,793
Others	28,859,264	184,612	–	–	–	–	–	29,043,876
Total	124,727,731	271,622,662	149,990,856	100,187,404	483,531,932	458,645,189	436,711,254	2,025,417,028
Liabilities								
Borrowings from the central bank	–	–	1,340,189	11,855,813	68,062,493	–	–	81,258,495
Deposits from banks and other financial institutions		70,947,987	24,140,079	11,901,153	39,733,534	–	–	146,722,753
Placements from banks and other financial institutions			5,696,284	2,600,405	5,251,943			13,548,632
Financial liabilities at FVTPL	–	–	1,002,641	760,391	132,319	208,091	–	2,103,442
Financial assets sold under repurchase agreements	–	–	84,264,834	9,537,349	5,349,046	–	–	99,151,229
Deposits from customers	–	240,684,694	142,568,102	161,710,656	343,862,675	330,482,658	–	1,219,308,785
Debt securities issued	–	–	66,378,690	74,731,441	128,353,792	46,587,662	–	316,051,585
Others	4,845,847	4,692,677	146,475	104,459	1,967,502	4,588,707	351,435	16,697,102
Total	4,845,847	316,325,358	325,537,294	273,201,667	592,713,304	381,867,118	351,435	1,894,842,023
Net position	119,881,884	(44,702,696)	(175,546,438)	(173,014,263)	(109,181,372)	76,778,071	436,359,819	130,575,005

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44. 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 2026 and 31 December 2025: *(Continued)*

	31 December 2025 (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	59,595,590	70,127,115	–	–	–	–	–	129,722,705
Deposits with banks and other financial institutions	–	18,278,682	–	–	–	–	–	18,278,682
Placements with banks and other financial institutions	–	–	1,415,182	412,331	1,779,591	351,568	–	3,958,672
Financial assets purchased under resale agreements	–	–	54,105,030	–	–	–	–	54,105,030
Loans and advances to customers	10,380,740	5,631,810	67,875,455	71,882,196	317,430,024	230,998,137	245,549,603	949,747,965
Financial investments (Note (ii))	22,829,054	162,086,710	11,955,111	36,414,832	82,002,477	247,016,415	181,455,799	743,760,398
Others	26,862,946	5,949,901	–	–	–	–	–	32,812,847
Total	119,668,330	262,074,218	135,350,778	108,709,359	401,212,092	478,366,120	427,005,402	1,932,386,299
Liabilities								
Borrowings from the central bank	–	–	18,350,140	13,396,135	40,995,511	–	–	72,741,786
Deposits from banks and other financial institutions	–	65,146,746	11,350,892	23,638,656	52,614,751	–	–	152,751,045
Placements from banks and other financial institutions	–	–	2,306,046	7,640,118	8,143,385	–	–	18,089,549
Financial liabilities at FVTPL	–	–	–	–	550,167	71,360	–	621,527
Financial assets sold under repurchase agreements	–	–	54,633,918	10,288,529	9,886,949	–	–	74,809,396
Deposits from customers	–	254,371,464	111,187,635	147,570,750	362,746,053	262,899,483	–	1,138,775,385
Debt securities issued	–	–	66,160,123	73,656,308	147,700,123	43,076,817	–	330,593,371
Others	3,928,146	6,824,582	183,395	620,505	2,398,126	4,964,209	443,468	19,362,431
Total	3,928,146	326,342,792	264,172,149	276,811,001	625,035,065	311,011,869	443,468	1,807,744,490
Net position	115,740,184	(64,268,574)	(128,821,371)	(168,101,642)	(223,822,973)	167,354,251	426,561,934	124,641,809

Note:

(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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44. 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 2026 and 31 December 2025:

	30 June 2026 (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	81,258,495	81,912,374	–	–	1,341,731	11,892,638	68,678,005	–	–
Deposits from banks and other financial institutions	146,722,753	147,126,643	–	70,948,097	24,153,835	11,930,282	40,094,429	–	–
Placements from banks and other financial institutions	13,548,632	13,597,440	–	–	5,700,661	2,610,194	5,286,585	–	–
Financial liabilities at FVTPL	2,103,442	2,129,383	–	–	1,002,996	764,671	135,947	225,769	–
Financial assets sold under repurchase agreements	99,151,229	99,854,239	–	–	84,916,144	9,561,015	5,377,080	–	–
Deposits from customers	1,219,308,785	1,229,554,543	–	240,684,694	142,639,763	161,950,423	346,582,541	337,697,122	–
Debt securities issued	316,051,585	320,145,652	–	–	66,445,163	74,930,054	129,333,878	49,436,557	–
Other financial liabilities	15,889,162	16,126,025	4,037,907	4,692,677	146,618	104,955	1,979,250	4,752,032	412,586
Total non-derivative financial liabilities	1,894,034,083	1,910,446,299	4,037,907	316,325,468	326,346,911	273,744,232	597,467,715	392,111,480	412,586
Credit commitments	507,493,298	507,493,298	–	162,927,170	82,906,049	110,496,066	141,652,601	9,198,976	312,436

	31 December 2025 (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	72,741,786	73,359,043	–	–	18,374,142	13,449,571	41,535,330	–	–
Deposits from banks and other financial institutions	152,751,045	153,332,741	–	65,248,426	11,350,892	24,118,671	52,614,752	–	–
Placements from banks and other financial institutions	18,089,549	18,199,212	–	–	2,308,470	7,681,065	8,209,677	–	–
Financial liabilities at FVTPL	621,527	640,004	–	–	–	–	562,504	77,500	–
Financial assets sold under repurchase agreements	74,809,396	75,257,013	–	–	54,999,856	10,311,339	9,945,818	–	–
Deposits from customers	1,138,775,385	1,149,621,097	–	254,371,464	111,229,232	147,845,636	365,947,917	270,226,848	–
Debt securities issued	330,593,371	334,455,602	–	–	66,235,194	73,867,288	148,761,704	45,591,416	–
Other financial liabilities	18,444,596	18,722,984	3,010,311	6,824,582	184,299	621,067	2,406,735	5,147,499	528,491
Total non-derivative financial liabilities	1,806,826,655	1,823,587,696	3,010,311	326,444,472	264,682,085	277,894,637	629,984,437	321,043,263	528,491
Credit commitments	476,789,006	476,789,006	–	164,639,307	64,578,026	101,352,757	134,634,295	11,544,621	40,000

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

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44. 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 2026 (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	**–**	**1,875**	**192**	**2,146**	**4,213**
Precious metal swaps	**(313,015)**	**(392,552)**	**(422,810)**	**–**	**(1,128,377)**
Derivative financial instruments settled on a gross basis					
Exchange rate swaps					
– Cash inflow	**54,836,324**	**21,466,573**	**69,621,852**	**16,399,901**	**162,324,650**
– Cash outflow	**(54,705,732)**	**(21,340,162)**	**(69,819,925)**	**(15,993,986)**	**(161,859,805)**
Exchange rate forwards					
– Cash inflow	**3,158,845**	**8,532,888**	**39,621,816**	**45,510,619**	**96,824,168**
– Cash outflow	**(3,159,698)**	**(8,530,074)**	**(39,543,416)**	**(45,442,345)**	**(96,675,533)**
Foreign exchange option contracts					
– Cash inflow	**1,001,140**	**2,319,901**	**17,498,143**	**1,419,413**	**22,238,597**
– Cash outflow	**(1,001,160)**	**(2,351,298)**	**(17,522,083)**	**(1,419,413)**	**(22,293,954)**

	31 December 2025 (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	38	337	3,404	1,738	5,517
Precious metal swaps	(309,072)	279,439	2,289	–	(27,344)
Derivative financial instruments settled on a gross basis					
Exchange rate swaps					
– Cash inflow	60,782,352	38,616,401	58,452,206	14,997,135	172,848,094
– Cash outflow	(60,654,018)	(38,561,883)	(58,177,200)	(14,620,130)	(172,013,231)
Exchange rate forwards					
– Cash inflow	520,287	2,629,973	29,291,501	10,235,640	42,677,401
– Cash outflow	(520,434)	(2,630,519)	(29,252,247)	(10,169,633)	(42,572,833)
Foreign exchange option contracts					
– Cash inflow	1,015,600	794,706	633,969	1,108,620	3,552,895
– Cash outflow	(1,015,600)	(794,706)	(633,969)	(1,108,620)	(3,552,895)

44. 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, in compliance with regulatory requirements including the Measures for the Administration of Operational Risks of Banking and Insurance Institutions and in light of its actual operation, the Bank carried out operational risk management work in a standardised manner, further advanced the implementation of operational risk engineering projects, and fully identified and assessed operational risks in key processes of core businesses, so as to achieve simultaneous improvement in both risk prevention and control and process efficiency. The Bank conducted verification of operational risk loss data to continuously improve data quality, laying a solid foundation for operational risk stress testing and the future adoption of the advanced measurement approach for operational risk capital calculation.

45. Fair value

(a) Methods and assumptions for measurement of fair value

The Group has established a governance framework and internal control system covering the entire process of fair value assessment of financial instruments, so as to ensure the accuracy, prudence and consistency of fair value measurement. 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 valuation 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.

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

45. 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 financial 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 45(c). The carrying amounts of other financial liabilities approximate their fair values.

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(In RMB thousands, unless otherwise stated)

45. 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 values are truly and effectively reflected. When referring to the valuation results of third-party appraisal firm, the authority, independence and professionalism of the valuer should be assessed.

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

45. Fair value *(Continued)*

(c) Fair value hierarchy *(Continued)*

	30 June 2026 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets				
Derivative financial assets	–	2,743,681	–	2,743,681
Loans and advances to customers at FVTPL				
– Corporate loans and advances	–	85,729,144	–	85,729,144
Loans and advances to customers at FVTOCI				
– Corporate loans and advances	–	9,233,033	–	9,233,033
– Discounted bills	–	67,665,560	–	67,665,560
Financial investments at FVTPL				
– Bonds	–	28,675,783	466,331	29,142,114
– Interbank certificates of deposits	–	4,548,225	–	4,548,225
– Fund investments	–	60,525,669	–	60,525,669
– Trust plans and asset management plans	–	125,055,476	11,316,115	136,371,591
– Equity investments	201,673	–	3,315,672	3,517,345
Financial investments at FVTOCI				
– Bonds (excluding interests accrued)	–	243,638,197	–	243,638,197
– Interbank certificates of deposits (excluding interests accrued)	–	7,791,898	–	7,791,898
– Equity investments	–	–	2,011,254	2,011,254
Total	201,673	635,606,666	17,109,372	652,917,711
Liabilities				
Derivative financial liabilities	–	(3,012,090)	–	(3,012,090)
Financial liabilities at FVTPL	–	(2,103,442)	–	(2,103,442)
Total	–	(5,115,532)	–	(5,115,532)
Not measured at fair value				
Liabilities				
Debt securities issued	–	(315,439,081)	–	(315,439,081)
Total	–	(315,439,081)	–	(315,439,081)

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

45. Fair value *(Continued)*

(c) Fair value hierarchy *(Continued)*

	31 December 2025 (Audited)			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets				
Derivative financial assets	–	2,023,233	–	2,023,233
Loans and advances to customers at FVTPL				
– Corporate loans and advances	–	79,954,817	–	79,954,817
Loans and advances to customers at FVTOCI				
– Corporate loans and advances	–	7,772,416	–	7,772,416
– Discounted bills	–	45,312,150	–	45,312,150
Financial investments at FVTPL				
– Bonds	–	29,724,364	466,331	30,190,695
– Interbank certificates of deposits	–	1,622,226	–	1,622,226
– Fund investments	–	59,001,409	–	59,001,409
– Trust plans and asset management plans	–	107,752,657	13,551,576	121,304,233
– Equity investments	266,670	–	3,315,672	3,582,342
Financial investments at FVTOCI				
– Bonds (excluding interests accrued)	–	261,818,017	–	261,818,017
– Interbank certificates of deposits (excluding interests accrued)	–	1,995,795	–	1,995,795
– Equity investments	–	–	2,011,256	2,011,256
Total	266,670	596,977,084	19,344,835	616,588,589
Liabilities				
Derivative financial liabilities	–	(1,438,089)	–	(1,438,089)
Financial liabilities at FVTPL	–	(621,527)	–	(621,527)
Total	–	(2,059,616)	–	(2,059,616)
Not measured at fair value				
Liabilities				
Debt securities issued	–	(328,787,468)	–	(328,787,468)
Total	–	(328,787,468)	–	(328,787,468)

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

45. Fair value *(Continued)*

(c) Fair value hierarchy *(Continued)*

The movement during the six months ended 30 June 2026 (unaudited) in the balance of Level 3 fair value measurements is as follows:

			Total gain or losses of the period					
	1 January 2026	Transfer into/ (out of) Level 3	Included in profit or loss	Included in other comprehensive income	Additions/ issues	Sales/ settlements	30 June 2026	Unrealised gains or losses for the period included in profit or loss for assets held at the end of the period
Assets								
Financial assets at FVTPL								
– Bonds	466,331	–	–	–	–	–	466,331	–
– Trust plans and asset management plans	13,551,576	–	(2,217,007)	–	–	(18,454)	11,316,115	(2,217,007)
– Equity investments	3,315,672	–	–	–	–	–	3,315,672	–
Sub-total	17,333,579	–	(2,217,007)	–	–	(18,454)	15,098,118	(2,217,007)
Financial investments at FVTOCI								
– Equity investments	2,011,256	–	–	(2)	–	–	2,011,254	–
Total	19,344,835	–	(2,217,007)	(2)	–	(18,454)	17,109,372	(2,217,007)

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

45. Fair value *(Continued)*

(c) Fair value hierarchy *(Continued)*

The movement during the year ended 31 December 2025 (audited) in the balance of Level 3 fair value measurements is as follows:

			Total gain or losses of the year					
	1 January 2025	Transfer into/ (out of) Level 3	Included in profit or loss	Included in other comprehensive income	Additions/ issues	Sales/ settlements	31 December 2025	Unrealised gains or losses for the year included in profit or loss for assets held at the end of the year
Assets								
Financial investments at FVTPL								
– Bonds	450,545	–	13,799	–	1,987	–	466,331	13,799
– Trust plans and asset management plans	13,382,001	–	176,021	–	–	(6,446)	13,551,576	176,021
– Equity investments	3,383,219	–	(67,547)	–	–	–	3,315,672	(67,547)
Sub-total	17,215,765	–	122,273	–	1,987	(6,446)	17,333,579	122,273
Financial investments at FVTOCI								
– Equity investments	200,026	–	–	1,811,230	–	–	2,011,256	–
Total	17,415,791	–	122,273	1,811,230	1,987	(6,446)	19,344,835	122,273

The valuation techniques used for the Group's financial instruments at fair value in Level 3 are the discounted cash flow method, comparable company method, and the net asset value method, using unobservable inputs such as risk-adjusted discount rate, cash flows, liquidity discount, and net assets, respectively. For the six months ended 30 June 2026 and for the year ended 31 December 2025, there were neither significant change in the valuation techniques nor significant transfer of financial instruments between levels.

46. 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 2026 (Unaudited)	31 December 2025 (Audited)
Entrusted loans	**30,144,710**	28,482,318
Entrusted funds	**30,144,710**	28,482,318

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

47. 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 2026 (Unaudited)	31 December 2025 (Audited)
Irrevocable loan commitments		
Original contractual maturity within one year	**434,275**	1,065,449
Original contractual maturity of one year or above	**327,165**	81,795
Credit card overdraft commitments	**7,225,507**	8,196,103
Sub-total	**7,986,947**	9,343,347
Bank acceptances	**249,472,230**	225,125,005
Letters of credit		
– Sight letter of credit	**339,056**	350,670
– Usance letter of credit	**219,248,937**	208,137,777
Letters of guarantees		
– Financing letter of guarantee	**18,935,581**	20,718,607
– Non-financing letter of guarantee	**9,979,547**	11,506,600
Credit risk guarantee	**1,531,000**	1,607,000
Total	**507,493,298**	476,789,006

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 2026 and 31 December 2025, provisions for credit commitments were RMB509 million and RMB571 million.

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

47. Commitments and contingencies *(Continued)*

(b) Credit risk-weighted amount for credit commitments

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Credit risk-weighted amounts	**105,860,063**	91,885,611

The credit risk-weighted amount of credit commitments at 30 June 2026 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 2026 and 31 December 2025, the Group's authorised capital commitments were as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Contracted but not paid for	**431,051**	280,285
Authorised but not contracted for	**67,788**	55,372
Total	**498,839**	335,657

(d) Outstanding litigations and disputes

As at 30 June 2026 and 31 December 2025, 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.

In 2021, the Group had a dispute with individual corporate customers over the business of bank acceptance bills pledged by certificates of deposit. The Group filed civil lawsuits with the people's court in 2022 in this regard. As at the date of issuance of the Group's financial statements, the cases are still in the judicial process, and the outcome of these cases shall be subject to the effective judgments and rulings of the court. The impairment provided by the Group as at 30 June 2026 and 31 December 2025 were determined by evaluating the progress of the aforementioned cases and taking into account the opinions of external lawyers.

Notes to the Unaudited Consolidated Financial Statements
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

47. Commitments and contingencies *(Continued)*

(e) Pledged assets

Assets pledged as collaterals

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Financial investments	**180,405,483**	151,617,890
Discounted bills	**2,277,876**	–
Total	**182,683,359**	151,617,890

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

As at 30 June 2026 and 31 December 2025, the Group did not hold any discounted bills under resale agreements. As at 30 June 2026 and 31 December 2025, the Group did not have any pledged assets that were sold or repledged but is obliged to return upon due.

48. Subsequent events

From 30 June 2026 till the approval date of the report, the Group has no significant subsequent events to disclose.

Unaudited Supplementary Financial Information

For the six months ended 30 June 2026
(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

	30 June 2026	Average for the six months ended 30 June 2026
Liquidity coverage ratio (RMB and foreign currency)	**124.64%**	**132.41%**

	31 December 2025	Average for the year ended 31 December 2025
Liquidity coverage ratio (RMB and foreign currency)	156.73%	147.59%

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 2026	31 December 2025
Leverage Ratio	**5.37%**	5.42%

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 Financial Information
For the six months ended 30 June 2026
(In RMB thousands, unless otherwise stated)

1. Liquidity coverage ratio and leverage ratio *(Continued)*

(c) Net Stable Funding Ratio

	30 June 2026	31 December 2025
Available stable funding	**1,180,665,147**	1,129,147,934
Required stable funding	**1,030,010,985**	981,175,278
Net stable funding ratio	**114.63%**	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 2026			
	USD (In RMB equivalent)	**HKD (In RMB equivalent)**	**Others (In RMB equivalent)**	**Total**
Spot assets	**92,319,749**	**6,681,888**	**15,215,579**	**114,217,216**
Spot liabilities	**(48,258,760)**	**(5,099,749)**	**(10,657,585)**	**(64,016,094)**
Net position	**44,060,989**	**1,582,139**	**4,557,994**	**50,201,122**

	31 December 2025			
	USD (In RMB equivalent)	HKD (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

Unaudited Supplementary Financial Information
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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 2026		
	Banks	**Non-bank financial institutions**	**Total**
Asia Pacific (excluding North and South America)	**8,633,084**	**40,869,652**	**49,502,736**
Europe	**13,756,930**	**3,368,255**	**17,125,185**
North and South America	**5,894,111**	**7,421,457**	**13,315,568**
Others	**2,462,846**	**2,601,624**	**5,064,470**
Total	**30,746,971**	**54,260,988**	**85,007,959**

	31 December 2025		
	Banks	Non-bank financial institutions	Total
Asia Pacific (excluding North and South America)	2,921,675	61,449,145	64,370,820
Europe	1,758,302	1,622,954	3,381,256
North and South America	3,646,516	5,110,179	8,756,695
Others	1,250,698	741,534	1,992,232
Total	9,577,191	68,923,812	78,501,003

Unaudited Supplementary Financial Information
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(In RMB thousands, unless otherwise stated)

4. Gross amount of overdue loans and advances

	30 June 2026	31 December 2025
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– between 3 and 6 months (inclusive)	**2,555,406**	1,078,573
– between 6 months and 1 year (inclusive)	**3,148,354**	3,893,939
– between 1 year and 3 years (inclusive)	**7,278,398**	5,307,542
– over 3 years	**2,965,889**	2,439,624
Total	**15,948,047**	12,719,678
As a percentage of the gross loans and advances		
– between 3 and 6 months (inclusive)	**0.25%**	0.11%
– between 6 months and 1 year (inclusive)	**0.31%**	0.41%
– between 1 year and 3 years (inclusive)	**0.72%**	0.55%
– over 3 years	**0.29%**	0.25%
Total	**1.57%**	1.32%

Organizational Structure Chart

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