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重庆农村商业银行

CHONGQING RURAL COMMERCIAL BANK

重慶農村商業銀行股份有限公司*

Chongqing Rural Commercial Bank Co., Ltd.*

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3618)*

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of Chongqing Rural Commercial Bank Co., Ltd. 重慶農村商業銀行股份有限公司* (the “**Bank**”) is pleased to announce the unaudited interim consolidated results of the Bank and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Interim Results**”). This results announcement contains the full text of the interim report of the Group for the six months ended 30 June 2025 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and International Financial Reporting Standards. The Interim Results have also been reviewed by the Board and the audit committee of the Board. This results announcement is published on the websites of the Bank (www.cqrbc.com) and the Hong Kong Stock Exchange (www.hkexnews.hk). The interim report of the Bank for the six months ended 30 June 2025 will be despatched to H shareholders of the Bank by the means they selected to receive the corporate communications and will also be available at the abovementioned websites in due course.

By order of the Board

Chongqing Rural Commercial Bank Co., Ltd.*

重慶農村商業銀行股份有限公司*

Sui Jun

Executive Director and President

Chongqing, the PRC, 26 August 2025

As at the date of this announcement, the executive director of the Bank is Mr. Sui Jun; the non-executive directors of the Bank are Ms. Hu Chun, Mr. Yin Xianglin and Mr. Peng Yulong; and the independent non-executive directors of the Bank are Mr. Zhang Qiaoyun, Mr. Lee Ming Hau, Mr. Li Jiaming and Ms. Bi Qian.

* The Bank holds a financial licence number B0335H250000001 approved by the regulatory authority of the banking industry of the PRC and was authorised by the Administration for Market Regulation of Chongqing to obtain a corporate legal person business licence with a unified social credit code 91500000676129728J. The Bank is not an authorised institution in accordance with the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/deposit-taking business in Hong Kong.

* *The Bank holds a financial licence number B0335H250000001 approved by the China Banking and Insurance Regulatory Authority and was authorised by the Market Supervision Administration of Chongqing Municipality to obtain a corporate legal person business licence with a unified social credit code 91500000676129728J. The Bank is not an authorised institution in accordance with the Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorised to carry on banking/ deposit-taking business in Hong Kong.*

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Important Notice

1. The Board, the Board of Supervisors and the directors, supervisors and senior management of the Bank warrant the truthfulness, accuracy and completeness of the contents of this interim report, and that there are no false presentations, misleading statements or material omissions herein, and are legally liable jointly and severally.
2. The 2025 interim report and the results announcement of the Bank have been considered and approved at the 60th meeting of the fifth session of the Board of Directors of the Bank convened on 26 August 2025. The number of directors who should attend the meeting is 8 with 8 directors actually attended the meeting. Some supervisors and senior management personnel of the Bank attended the meeting.
3. The 2025 interim financial report prepared by the Bank in accordance with Chinese Accounting Standards has been reviewed by KPMG Huazhen LLP in accordance with China Standards on Review Engagements, and the 2025 interim financial report prepared in accordance with International Financial Reporting Standards has been reviewed by KPMG in accordance with the International Standards on Review Engagements.
4. The Bank's president Sui Jun¹, and vice president in charge of accounting Zhang Jin and officer-in-charge of the accounting department Liu Yi warrant the truthfulness, accuracy and completeness of the financial statements in this report.
5. The resolution in relation to the interim profit distribution arrangement of Chongqing Rural Commercial Bank Co., Ltd. for 2025 was considered and approved at the 2024 annual general meeting of the Bank, which authorized the Board of Directors to formulate and implement the specific interim profit distribution plan under the conditions for profit distribution. The Board of Directors of the Bank shall, within the authorization scope, implement the specific interim profit distribution plan for 2025 in due course. No capitalisation of the capital reserve to share capital is proposed by the Bank during the 2025 interim period.
6. This report may contain forward-looking statements such as future plans of the Bank. Such statements are made by the Bank based on the current situation and forecast, and are related to future events or the Bank's future financial, business or other performance. Possible future plans do not constitute a substantive commitment by the Bank to its investors. Investors and people concerned should be fully aware of the risks and understand the differences between plans, forecast and commitment.
7. There is no misappropriation of the Bank's funds by its controlling shareholders and other related parties for non-operating purposes and no instance of providing external guarantee that is in breach of the established decision-making procedure.
8. The Bank has no significant risks that need to draw special attention of investors. For details of the major risks that the Bank faces in its business operation and various measures adopted by the Bank, please refer to the Risk Management section in Chapter 3.

¹ Mr. Sui Jun, the president of the Bank, acts on behalf of the chairman until the date when the qualification of a new chairman of the Bank is approved by the regulatory authority, and performs the duties of the Secretary to the Board.

Definitions >>>

Chongqing Rural Commercial Bank, Bank or our Bank	Chongqing Rural Commercial Bank Co., Ltd.* (重慶農村商業銀行股份有限公司)
Group	Chongqing Rural Commercial Bank Co., Ltd.* (重慶農村商業銀行股份有限公司) and its subsidiaries
PBOC or Central Bank	the People's Bank of China
CSRC	China Securities Regulatory Commission
Hong Kong Stock Exchange, or the Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
Shanghai Stock Exchange	Shanghai Stock Exchange
rural commercial bank	a short-hand reference to rural commercial bank (農村商業銀行)
Sannong	a short-hand reference to the Chinese pronunciation of the phrase "agriculture, rural areas and farmers"
village and township banks	bank institutions that are approved by China Banking Regulatory Authority to be incorporated in rural areas to provide services to local farmers or enterprises
CQRC Wealth Management	CQRC Wealth Management Co., Ltd.
CQRC Financial Leasing	CQRC Financial Leasing Co., Ltd.
urban area	9 urban areas in Chongqing City, namely Yuzhong District, Dadukou District, Jiangbei District, Shapingba District, Jiulongpo District, Nan'an District, Beibei District, Yubei District and Ba'nan District
county area	Regions other than 9 urban areas of Chongqing city, also including 12 village and township banks controlled by the Bank and Qujing Branch established in another province by the Bank
yuan	RMB yuan
Reporting Period	for the six-month period from 1 January 2025 to 30 June 2025
Articles of Association	the articles of association of the Bank currently in force, as amended from time to time

Company Information

I. Basic Information

Legal name and abbreviation in Chinese	重慶農村商業銀行股份有限公司 (abbreviated as “重慶農村商業銀行”)	A-share listing stock exchange Shanghai Stock Exchange	H-share listing stock exchange The Stock Exchange of Hong Kong Limited
Legal name and abbreviation in English	Chongqing Rural Commercial Bank Co., Ltd. (abbreviated as “Chongqing Rural Commercial Bank”)	Stock Short Name: Yu Nong Shang Hang Stock Code: 601077	Stock Short Name: CQRC BANK Stock Code: 03618
Legal Representative	Sui Jun	A share registrar Shanghai branch of China Securities Depository and Clearing Corporation Limited Address: No. 188 Yanggaonan Road, Pudong New District, Shanghai	H share registrar Computershare Hong Kong Investor Services Limited Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Authorised Representatives	Sui Jun Leung Wing Han Sharon		
Secretary to the Board	Sui Jun	Date of first incorporation and registration authority 27 June 2008	
Securities affairs representative	Huang Wei	Administration for Market Regulation of Chongqing	
Company Secretary	Leung Wing Han Sharon	Unified social credit code of corporate legal person business license 91500000676129728J	

Contact details for investors

Correspondence Address:

No. 36 Jinshamen Road, Jiangbei District, Chongqing

Telephone:
(86) 23-61110637

Fax:
(86) 23-61110844

Email address:
ir@cqrccb.com

Registered and office address and postcode
No. 36 Jinshamen Road, Jiangbei District, Chongqing 400023

Financial license institution number

The Bank holds a financial license number B0335H250000001 approved by the China Banking Regulatory Authority

Auditors

KPMG Huazhen LLP
Address: 8th Floor, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing, China
Signing accountants: XUE Chenjun, WANG Weishun
KPMG
Address: 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong
Signing accountant: Pang Shing Chor Eric

Legal advisor as to PRC laws

Tahota (Chongqing) Law Firm
36th/43rd Floor, Fortune Financial Center, No.1 Fortune Avenue, Liangjiang New District, Chongqing

Legal advisor as to Hong Kong laws

Clifford Chance LLP
27th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong

Historical change of the Company's registered address	The registered address of the Bank at the time of its establishment on 27 June 2008 was 10 Yanghe Road East, Jiangbei District, Chongqing, and was changed to the current registered address on 1 April 2017
Principal place of business in Hong Kong	Room 1920, 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
Company's website	www.cqrccb.com
Email address	cqrccb@cqrccb.com
Name of designated media for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Designated website of CSRC for publication of interim report	Website of the Shanghai Stock Exchange (www.sse.com.cn)
Website of the Hong Kong Stock Exchange for publication of interim report	the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk)
Place for maintenance of interim report	Office of the Board of Directors of the Bank

II. Business Summary >>>

The Bank was established in 2008 and listed on the Main Board of H shares in 2010 and on the main board of A shares in 2019. The Bank's main businesses include inclusive finance business, corporate finance business and financial market business. Among them, inclusive finance business mainly provides financial services for personal customers, including personal loan and deposit business, bank card and credit card business, wealth management and intermediary business, etc. and provides financial services for small and micro enterprises. The corporate finance business mainly provides financial services for corporate customers and institutional customers, mainly including corporate deposit and loans business, supply chain financing business, foreign currency financing business, trade financing business, bills business and investment banking business. The financial market business mainly includes capital operation business and asset custody business. At the same time, the Bank currently has one wholly-owned non-banking subsidiary and one non-banking holding subsidiary which engage in wealth management business and financial leasing business respectively, and controls 12 village and township banks.

III. The Development Strategy and Core Competitiveness >>>

(I) Development Strategy

The Bank adheres to the guidance of Xi Jinping's Thought on Socialism with Chinese characteristics in the New Era, thoroughly practices the spirit of the 20th National Congress of the Communist Party of China and the Second and Third Plenary Sessions of the 20th Central Committee of the Communist Party of China, fully implements the deployment of the Fourth, Fifth, Sixth and Seventh Plenary Session of the 6th Municipal Party Committee, enhances the leadership in Party building, forges ahead with gratitude and focuses on further deepening reform in an all-around way. The Bank thoroughly builds "three new momentums" of digitally-driven, industrial-chain-driven and scenario-driven, makes every effort on "five major areas" of finance, forges new competitive capabilities and builds the Bank into a world-class modern rural commercial bank that is technology-based, industry-oriented and ecological-based. On the basis of maintaining the first place in western China and its leading market position in China, the Bank continuously expands its competitive advantages and strives to make greater contribution to the construction of a new modernized Chongqing and a finance center in western China.

(II) Investment Value and Core Competitiveness

Development strategy of sticking to our own business and clear orientation.

The Bank adheres to the main responsibility and business of supporting “agriculture, rural areas and farmers” and supporting small and micro businesses and serving the real economy, complies with the development trend of the new pattern of double circulations, actively integrates into major strategic deployments such as the Chengdu-Chongqing Economic Circle, the New International Land-Sea Corridor, and rural revitalization, continues to give full play to the “three new momentums”, makes every effort on “five major areas” of finance, strengthens scientific and technological empowerment based on its own resource endowment, builds core competitiveness and strives to realize the reshaping of business system, optimization of asset structure, and transformation of old and new momentums, so as to further deepen reform in an all-around way and promote high-quality and connotative development, and build the Bank into a world-class modern rural commercial bank that is technology-based, industry-oriented and ecological-based.

A corporate culture of realistic, enterprising, innovative and developing.

Since its establishment, the Bank has always maintained the fundament of “benchmark bank culture”, rooted in Chongqing and faced the whole country, been the pioneer, become the first “A + H” share listed bank in western China by overcoming many difficulties, and become the leading rural commercial bank in China. The Bank promotes the work style of “making a clear distinction between public and private interests, being simple and bright, thinking on alternate position, working together in unity and striving for excellence”, and creates an enterprise atmosphere of “want to do things, able to do things, and do things well”.

Scientific, efficient, sustainable and complete management system.

As a local corporation, the Bank has few management levels and short decision-making chain, which plays a key role in the development of adapting to market changes and seeking innovation. The Bank adheres to refined management, integrates it into the corporate culture, establishes the risk management, operation management, technology management, human resource management and financial management system and their abilities, and constantly promotes the management with advanced enterprises as the benchmark, so as to achieve the benefit from management.

Digital and intelligent technology empowerment.

The Bank adheres to the technology drive, starts a new chapter of “digital finance”, builds a structure of “One Meeting, One Head Office, One Company”, realizes the complete integration of business, data, technology and channels, and builds a digital rural commercial bank in an all-round way. Adhering to the “customer-centered” approach, the Bank enhances customer experience, improves employee efficiency, and strengthens overall value creation through digital transformation. The Bank focuses on the four themes of “digital” development, “smart” risk control, “intelligent” outlets and “productive” operation, accelerates the high-quality business development, deepens the construction of high-efficiency risk control, promotes the high-quality transformation of outlets and efficient decision-making in operation and continuously enhances three key capabilities of marketing, risk control, and pricing.

Retail finance with significant advantages and potential.

With the help of three traditional advantages including outlets across the urban and rural areas, team and leading retail and merchant customer base in the city, and by taking customers as the center, the Bank builds an “online, grid-based and digitalized” business system to become a benchmark bank for inclusive finance in the region. The Bank cultivates the underlying gene of digitalized inclusive business, promotes the deep integration of business and technology, and enables data to become the information flow, driving force and decision-making source. By deepening the grid-based management, the Bank establishes product, marketing, benefit and assessment systems oriented to different dimensions and levels such as region, label and scenario. By building the community business scenario as the starting point and the characteristic industries of districts and counties as the entry point, the Bank creates an ecological landscape of inclusive finance scenarios and effectively activates retail customer base. The Bank promotes large retail finance to constantly release potentials and becomes a distinctive feature and the main force of the Bank’s business development, and actively supports and empowers the development of “pension finance” and “inclusive finance”.

Corporate finance with data empowerment and intensive refinement.

By using digitalization to consolidate the foundation and strengthen customer development, the Bank builds a corporate finance digital operation system of “data integration, intelligent selection and top-down structure”, empowering frontline precision marketing. By using the chain-driven transformation of industries to change mindset and integrate resources, the Bank establishes industrial knowledge atlases and industrial brains, draws the “industry map”, and integrates a product matrix of “credit + investment banking + supply chain finance + retail customer service solutions + industrial resource integration and empowerment services”, forming a batch customer acquisition model combining “in-depth single-point cultivation with chain-extension”. By using the circle-driven development of scenarios to deepen services and enhance stickiness, the Bank establishes the core concept of “technology empowers finance, ecology drives innovation”, acts as an industrial resource integrator and ecological scenario operator around scenarios such as technology finance and green finance, builds “one chain one scenario, multiple chains one ecology”, and deeply taps customers’ multi-dimensional value points.

Expertise-driven and value-led financial market business.

The Bank is committed to building itself into a “comprehensive financial market operator” that is best in the western China and top-tier in the national rural commercial banking system, and deeply serves national strategies and regional economic development. The Bank creates a diversified asset investment matrix, focuses on multi-dimensional upgrades in investment research, pricing, strategy and market making, and enhances value creation efficiency. The Bank focuses on the customers’ diversified service needs, promotes the integration of multiple scenarios of “investment, research, sales, custody, underwriting and exchange”, and continuously improves the ability to obtain non-interest income. Leveraging the Group’s advantage of multi-licence synergy, the Bank strengthens cross-market resource integration and builds a multi-field cooperative ecosystem for the financial market.

Financial Summary

(The financial information and indicators of the Group set forth in this interim report is prepared on a consolidated basis in accordance with the International Financial Reporting Standards and expressed in RMB unless otherwise stated)

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Comparison between the period and the same period of last year		For the six months ended 30 June 2023
			Rate of change (%)	Change in amount	
Operating results					
Net interest income	11,744.0	11,081.0	5.98	663.0	12,043.6
Net non-interest income	2,991.8	3,561.1	(15.99)	(570.3)	2,825.5
Among which: Net fee and commission income	779.8	898.6	(13.22)	(119.8)	992.3
Net other non- interest income	2,212.0	2,662.5	(16.92)	(450.5)	1,833.2
Operating income	14,735.8	14,642.1	0.64	93.7	14,869.1
Operating expenses	(4,083.6)	(3,930.4)	3.90	153.2	(4,806.5)
Impairment losses on credit	(1,782.5)	(2,457.4)	(27.46)	(674.9)	(1,845.2)
Impairment losses on other assets	(0.1)	(4.3)	(97.67)	(4.2)	–
Profit before tax	8,869.6	8,250.0	7.51	619.6	8,217.4
Net profit	7,846.9	7,560.7	3.79	286.2	7,120.5
Net profit attributable to shareholders of the Bank	7,698.7	7,358.2	4.63	340.5	6,986.0
Based on per share (RMB/yuan)					
Basic earnings per share ⁽¹⁾	0.67	0.64	0.03	0.03	0.61
Diluted earnings per share ⁽¹⁾	0.67	0.64	0.03	0.03	0.61
Profitability indicators (%)					
Annualised average return on total assets ⁽²⁾	1.01	1.03	(0.02)	0.02	1.03
Annualised weighted average return on net assets ⁽¹⁾	11.90	12.14	(0.24)	0.24	12.54
Net interest spread ⁽³⁾	1.50	1.54	(0.04)	0.04	1.70
Net interest margin ⁽⁴⁾	1.60	1.63	(0.03)	0.03	1.79
Net fee and commission income to operating income	5.29	6.14	(0.85)	0.85	6.67
Cost-to-income ratio ⁽⁵⁾	26.59	25.28	1.31	1.31	31.20

Financial Summary

(Expressed in RMB million, unless otherwise stated)	30 June 2025	31 December 2024	Comparison between the end of the period and the end of last year	31 December 2023
Scale indicators				
Total assets	1,630,571.0	1,515,381.8	7.60	1,441,522.1
Among which: Carrying balance of loans and advances to customers	765,245.0	714,273.0	7.14	676,710.6
Allowances for impairment on loans and advances to customers	(31,699.5)	(30,442.3)	4.13	(29,433.8)
Total liabilities	1,491,275.4	1,381,332.9	7.96	1,317,580.3
Among which: Deposits from customers	1,025,194.9	941,946.2	8.84	896,202.2
Share capital	11,357.0	11,357.0	–	11,357.0
Equity attributable to shareholders of the Bank	137,270.2	132,133.7	3.89	122,173.8
Non-controlling interests	2,025.4	1,915.2	5.75	1,768.0
Total equity	139,295.6	134,048.9	3.91	123,941.8
Based on per share (RMB/yuan)				
Net assets per share attributable to ordinary shareholders of the Bank ⁽⁶⁾	11.56	11.11	0.45	10.23
Assets quality indicators (%)				
Non-performing loan ratio	1.17	1.18	(0.01)	1.19
Provision coverage ratio	355.58	363.44	(7.86)	366.70
Provision-to-loan ratio	4.16	4.28	(0.12)	4.37

Financial Summary

(Expressed in RMB million, unless otherwise stated)	30 June	31 December	Comparison between the end of the period and the end of last year	31 December
	2025	2024		2023
Capital adequacy ratio				
Core Tier 1 capital adequacy ratio ⁽⁷⁾	13.30	14.24	(0.94)	13.53
Tier 1 capital adequacy ratio ⁽⁷⁾	13.93	14.93	(1.00)	14.24
Capital adequacy ratio ⁽⁷⁾	15.11	16.12	(1.01)	15.99
Total equity to total assets ratio	8.54	8.85	(0.31)	8.60
Other indicators (%)				
Loan-to-deposit ratio	74.64	75.83	(1.19)	75.51

Notes:

- (1) Calculated in accordance with the requirements of the “Rules on the Preparation and Submission of Information Disclosed by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share” (Revision 2010) issued by CSRC.
- (2) Average return on total assets represents the net profit for the period (including profit attributable to non-controlling interests) as a percentage of the average balance of total assets as at the beginning and end of the period.
- (3) Calculated as the difference between the average yield on total interest-bearing assets and the average cost rate on total interest-bearing liabilities.
- (4) Calculated by dividing net interest income by average interest-bearing assets.
- (5) Calculated by dividing total operating expenses (excluding taxes and surcharges and other operating cost) by operating income.

- (6) Calculated by dividing shareholders' equity attributable to ordinary shareholders of the Bank after the deduction of other equity instruments as at the end of the period by the total number of ordinary share capital as at the end of the period.
- (7) As of the end of June 2025 and the end of 2024, indicators were calculated in accordance with the "Regulation Governing Capital of Commercial Banks" (《商業銀行資本管理辦法》) and as of the end of 2023, indicators were calculated in accordance with the "Regulation Governing Capital of Commercial Banks (Provisional)" (《商業銀行資本管理辦法(試行)》).

Basis of Preparation of Certain Financial Indicators

Under the IFRSs, the restructuring of the Bank was accounted for as an acquisition of the business from the 39 Rural Credit Unions and Chongqing Rural Credit Cooperative Union (the "CRCU") by the Bank on 27 June 2008 instead of merger accounting due to the fact that there were no same party or parties ultimately controlling the 39 Rural Credit Unions, CRCU and the Bank before and after the restructuring.

Management Discussion and Analysis

I. Overall Operating Analysis

In the first half of 2025, the Bank earnestly implemented various national decisions and arrangements and regulatory requirements, adhered to the market positioning of “serving Sannong, serving small and medium-sized enterprises and serving economy in county area”, and thoroughly built “three new momentums” of digitally-driven, industrial-chain-driven and scenario-driven, significantly enhancing the vitality, momentum and value creation capacity across the Bank and laying a solid foundation for further promoting high-quality development.

The main business developed with growth and improvement. The scale and efficiency continued to grow. The total assets amounted to RMB1,630.571 billion, representing an increase of RMB115.189 billion as compared to the end of the previous year. The deposit balance amounted to RMB1,025.195 billion, representing an increase of RMB83.249 billion as compared to the end of the previous year. The loan balance amounted to RMB765.245 billion, representing an increase of RMB50.972 billion as compared to the end of the previous year. The operating income and net profits recorded RMB14.736 billion and RMB7.847 billion, representing a year-on-year increase of 0.64% and 3.79%, respectively. The quality of loans and cost control had been continuously improved. The non-performing loan ratio was 1.17%, representing a decrease of 0.01 percentage point as compared to the end of the previous year. Capital adequacy ratio was 15.11%. The provision coverage ratio of 355.58% demonstrated strong risk resistance ability. The cost-to-income ratio was 26.59%. The interest payment rate on deposits was 1.52%, representing a year-on-year decrease of 27 basis points. The market image has steadily improved. The Bank's A-share was included in the CSI 300 Index and H-share was included in the MSCI Index. The Bank ranked 112th in the “Global Banks” of The Banker, rising by 7 places as compared to the end of the previous year and recording a historic high, and ranked the first among the national rural commercial banks and the western banks.

Served the local economy to maintain an upward and improving trend. On one hand, the Bank maintained the advantage of “leading in rural areas”. Leveraging its role as the “main bank” in local finance serving rural revitalization, the Bank allocated nearly 70% of its staff, 80% of its outlets and 80% of its self-service machines to county and rural areas, forming a large network layout of “institutions in every township, services in every village and accounts in every household”. The Bank continuously integrated retail, outlets and technology resources, innovated and differentiated financial services, and consolidated its operating advantages in county areas. The Bank has upgraded the Digital Financial Service Platform for Rural Revitalization and carried out whole-village credit granting in 100% of administrative villages in the city. The Bank has explored the establishment of ecological characteristic industrial knowledge maps and industrial brains, launched more than 40 innovative and distinctive credit product and service solutions on a “one county, one product” basis, and supported the development of local ecological characteristic industries according to local conditions. As of the end of June 2025, the balance of agricultural loans reached RMB260.218 billion, and the market shares of deposits and loans in county areas ranked first among peers in Chongqing. **On the other hand, it is accelerating the pace of “catching up in cities”.** The Bank made every effort to properly do the “five major areas” of finance, actively served the development of new quality productive forces and intensively studied the industrial chain to build an industrial map. The balance of science and technology loans was RMB99.805 billion. The Bank made great efforts to develop green finance, with a green credit balance of RMB80.219 billion, representing an increase of RMB12.466 billion as compared with the end of the previous year. The Bank continued to deepen inclusive finance, and created financial scenarios such as “state subsidies” and “cultural tourism”. The balance of credit cards and consumer loans exceeded RMB150 billion, ranking first in Chongqing in terms of incremental scale. The Bank fully implemented the financing coordination work mechanism to support small and micro enterprises, and the balance of inclusive small and micro enterprise loans was RMB147.846 billion, and the financial services supervision and evaluation of small and micro enterprises was rated as the highest “level 1”. The Bank accelerated the construction of the financial service system for the aged, created special products, and linked government departments, chain owner enterprises, chain-affiliated enterprises and institutions to form a pension financial ecology of “multi-party collaboration and linkage and mutual achievement and win-win”. The Bank efficiently served “two overlaps (兩重)” and “two innovations (兩新)”, and supported Chengdu-Chongqing Economic Circle and 159 municipal key projects in 2025, with a loan balance of RMB26.822 billion and a financing balance of RMB58.725 billion for the New International Land-Sea Corridor, representing an increase of RMB4.169 billion as compared with the end of the previous year, and helping Chongqing to build “Six Zones and One Highland (六區一高地)”.

Steadily prevented and controlled financial risks. The Bank continued to deepen comprehensive risk management, implemented new regulatory regulations, promoted the construction of the operational risk management system, improved the credit review and approval management mechanism, and refined the management requirements for full-time approvers. The Bank comprehensively promoted intelligent risk control, proposed a three-year construction plan, strove to realize the comprehensive online credit business and the upgrade and optimization of the comprehensive risk monitoring system. The Bank sorted out its credit products, basically completed the construction of product tree and product quantitative evaluation standard, and promoted the implementation of the system. The Bank created a unified risk view of risk data mart.

Management Discussion and Analysis

Accelerated and expanded reform, transformation and development. The Bank accelerated the promotion of Bank-wide systemic reshaping, the upgrading of mindset transformation and the conversion of old and new momentums, and achieved the orderly connection and rolling advancement of the Bank's short-term, medium-term and long-term strategies through refining and implementing the one-year budget, formulating three-year plans for each business line, and expediting the preparation of the "15th Five-Year" strategic plan. The Bank actively constructed and cultivated three major capabilities of digital customer acquisition, digital risk control and digital post-lending to systematically reshape the business processes; vigorously developed industrial chain finance, systematically carried out industrial chain marketing and industrial chain risk control to comprehensively improve the systematic business development model; expanded and created intensive finance and non-finance comprehensive service ecology and systematically built various ecological scenarios such as community business, technology finance, featured agriculture and cultural tourism to broaden multiple profit models and continuously consolidate and enhance the Bank's core competitiveness. The Bank accelerated the promotion of digital finance, implemented key projects, and continued to advance 40 construction projects since this year, with 10 projects put into operation (including 6 projects partially put into operation). The Bank made greater efforts on the construction of intellectual property rights, applied for more than 200 patents and software copyrights, and participated in the formulation of nearly 50 standards. The Bank accelerated the implementation of AI application and completed the construction of AI middle platform and the implementation of the vertical application of large model.

II. Financial Review

(I) Income Statement Analysis

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Change in amount	Rate of change (%)
Net interest income	11,744.0	11,081.0	663.0	5.98
Net non-interest income	2,991.8	3,561.1	(569.3)	(15.99)
Among which: Net fee and Commission income	779.8	898.6	(118.8)	(13.22)
Net other non- interest income	2,212.0	2,662.5	(450.5)	(16.92)
Operating income	14,735.8	14,642.1	93.7	0.64
Operating expenses	(4,083.6)	(3,930.4)	(153.2)	3.90
Impairment losses on credit	(1,782.5)	(2,457.4)	674.9	(27.46)
Impairment losses on other assets	(0.1)	(4.3)	4.2	(97.67)
Profit before tax	8,869.6	8,250.0	619.6	7.51
Income tax expenses	(1,022.7)	(689.3)	(333.4)	48.37
Net profit	7,846.9	7,560.7	286.2	3.79
Net profit attributable to shareholders of the Bank	7,698.7	7,358.2	340.5	4.63

Management Discussion and Analysis

In the first half of 2025, the Group has deeply built three new momentums of “digitally-driven, industrial-chain-driven and scenario-driven”, actively served the local economy and consolidated the foundation for business development with continuous increase in economies of scale. During the period, the Group recorded an operating income of RMB14.736 billion, representing a year-on-year increase of RMB94 million or 0.64%; recorded a net profit of RMB7.847 billion, representing a year-on-year increase of RMB286 million or 3.79% and recorded the net profit attributable to shareholders of the Bank of RMB7.699 billion, representing a year-on-year increase of RMB341 million or 4.63%.

1. *Net interest income*

The following table sets forth, for the periods indicated, the interest income, interest expense and net interest income of the Group:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Change in amount	Rate of change (%)
Interest income	23,145.1	23,732.1	(587.0)	(2.47)
Interest expenses	(11,401.1)	(12,651.1)	1,250.0	(9.88)
Net interest income	11,744.0	11,081.0	663.0	5.98

In the first half of 2025, the Group recorded a net interest income of RMB11.744 billion, representing a year-on-year increase of RMB663 million or 5.98%. The details are analyzed as follows:

Management Discussion and Analysis

(1) Interest income

In the first half of 2025, the interest income of the Group amounted to RMB23.145 billion, representing a year-on-year decrease of RMB587 million or 2.47%, which was mainly due to the impact of decrease in market interest rates. The details are analyzed as follows:

① Interest Income from Loans and Advances to Customers

The average balance, interest income and annualised average yield for each component of loans and advances to customers of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025			For the six months ended 30 June 2024		
	Average balance	Interest income	Annualised average yield (%)	Average balance	Interest income	Annualised average yield (%)
Corporate loans	394,939.6	7,684.4	3.92	341,614.7	7,212.8	4.25
General short-term loans	58,630.2	960.3	3.30	57,657.4	1,045.1	3.64
Medium and long-term loans	336,309.4	6,724.1	4.03	283,957.3	6,167.7	4.37
Retail loans	294,334.8	5,623.9	3.85	289,386.1	6,326.7	4.40
General short-term loans	116,854.4	2,357.5	4.07	125,423.3	2,733.8	4.38
Medium and long-term loans	177,480.4	3,266.4	3.71	163,962.8	3,592.9	4.41
Discounted bills	47,502.2	210.0	0.89	59,116.0	424.4	1.44
Total loans and advances to customers	736,776.6	13,518.3	3.70	690,116.8	13,963.9	4.07

The interest income from loans and advances to customers amounted to RMB13.518 billion, representing a year-on-year decrease of RMB446 million or 3.19%, which was mainly attributable to the fact that the Group continuously reduced the financing cost of customers, resulting in the decrease in the average yield of loans and advances to customers. The Group continued to increase its support for the real economy, resulting in a year-on-year increase of RMB46.660 billion in the average balance of loans and advances to customers.

② Interest Income from Financial Investments

The average balance, interest income and annualised average yield for each component of financial investments of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025			For the six months ended 30 June 2024		
	Average balance	Interest income	Annualised average yield (%)	Average balance	Interest income	Annualised average yield (%)
Financial assets measured at amortised cost	285,633.1	4,797.6	3.39	308,613.7	5,463.8	3.56
Financial assets measured at fair value through other comprehensive income	251,181.6	2,826.0	2.27	186,418.0	2,353.8	2.54
Total financial investments	536,814.7	7,623.6	2.86	495,031.7	7,817.6	3.18

In the first half of 2025, interest income from financial investments amounted to RMB7.624 billion, representing a year-on-year decrease of RMB194 million or 2.48%, which was due to the decline in the yield of the Group's financial investments as a result of the decrease in the interest rate of the capital market.

Management Discussion and Analysis

③ Interest Income from Balances with Central Bank

The Group's interest income from balances with Central Bank amounted to RMB411 million, representing a year-on-year increase of RMB24 million or 6.26%, mainly due to the fact that the reserve deposits with Central Bank increased driven by the increase in Group's deposits, which resulted in the year-on-year increase of RMB2.133 billion or 4.27% in the average balance in the balances with Central Bank.

④ Interest Income from Due from Banks and Other Financial Institutions

The average balance, interest income and annualised average yield for each component of due from banks and other financial institutions of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025			For the six months ended 30 June 2024		
	Average balance	Interest income	Annualised average yield (%)	Average balance	Interest income	Annualised average yield (%)
Deposits and placements with banks and other financial institutions						
Financial assets held under resale agreements	132,868.0	1,348.6	2.05	105,142.1	1,313.1	2.51
Total due from banks and other financial institutions	25,542.0	243.7	1.92	25,899.4	250.8	1.95
	<u>158,410.0</u>	<u>1,592.3</u>	<u>2.03</u>	<u>131,041.5</u>	<u>1,563.9</u>	<u>2.40</u>

In the first half of 2025, the Group's interest income due from banks and other financial institutions amounted to RMB1.592 billion, representing a year-on-year increase of RMB28 million or 1.82%, which was basically stable.

(2) Interest expense

In the first half of 2025, the interest expense of the Group was RMB11.401 billion, representing a year-on-year decrease of RMB1.250 billion or 9.88%, which was due to the fact that the Group strengthened the management and control of the deposit interest rate, adjusted its liability structure and lowered liability costs. The details are analyzed as follows:

① Interest Expense on Deposits from Customers

The average balance, interest expense and annualised average cost rate for each component of deposits from customers of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025			For the six months ended 30 June 2024		
	Average balance	Interest expense	Annualised average cost rate (%)	Average balance	Interest expense	Annualised average cost rate (%)
Demand deposit	96,947.0	257.6	0.54	92,858.3	313.3	0.68
Time deposit	52,460.0	590.6	2.27	52,364.4	703.4	2.70
Subtotal corporate deposits	149,407.0	848.2	1.14	145,222.7	1,016.7	1.41
Demand deposit	153,262.9	58.0	0.08	144,110.2	144.2	0.20
Time deposit	700,642.4	6,660.0	1.92	632,827.9	7,032.9	2.23
Subtotal personal deposits	853,905.3	6,718.0	1.59	776,938.1	7,177.1	1.86
Total deposits from customers	1,003,312.3	7,566.2	1.52	922,160.8	8,193.8	1.79

In the first half of 2025, the interest expense on deposits from customers amounted to RMB7.566 billion, representing a year-on-year decrease of RMB628 million or 7.66%. The average cost rate on deposits from customers was 1.52%, representing a year-on-year decrease of 27 basis points. As the Group fully leveraged its network, personnel and product advantages to expand channels of deposit source, the average daily scale of deposits from customers continued to grow steadily. At the same time, the Group further strengthened quota management and control of deposits with high interest payment rate, improved the differentiated pricing ability for different types of customers and achieved obvious results in managing interest costs on deposits.

Management Discussion and Analysis

② Interest Expense on Borrowings from Central Bank

In the first half of 2025, interest expense on borrowings from Central Bank amounted to RMB975 million, representing a year-on-year decrease of RMB196 million or 16.71%, which was mainly due to the decrease in cost rate of borrowings from Central Bank.

③ Interest Expense on Due to Banks and Other Financial Institutions

The average balance, interest expense and annualised average cost rate for each component of due to banks and other financial institutions of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025			For the six months ended 30 June 2024		
	Average balance	Interest expense	Annualised average cost rate (%)	Average balance	Interest expense	Annualised average cost rate (%)
Amounts from banks and other financial institutions	71,231.2	680.7	1.93	99,225.9	1,200.6	2.43
Financial assets sold under repurchase agreements	57,943.8	465.7	1.62	64,317.2	603.8	1.89
Total amount due to banks and other financial institutions	129,175.0	1,146.4	1.79	163,543.1	1,804.4	2.22

In the first half of 2025, the Group's interest expense on due to banks and other financial institutions amounted to RMB1.146 billion, representing a year-on-year decrease of RMB658 million or 36.47%. The Group actively adjusted the liability structure, reduced the scale of interbank liability financing and further lowered the overall liabilities cost.

④ Interest Expense on Issued Debt Securities

The average balance, interest expense and annualised average cost rate for each component of issued debt securities of the Group are set forth as follows:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025			For the six months ended 30 June 2024		
	Average balance	Interest expense	Annualised average cost rate (%)	Average balance	Interest expense	Annualised average cost rate (%)
Debt securities payable	13,998.9	201.3	2.90	21,046.2	349.4	3.34
Interbank deposit certificate	157,665.0	1,510.4	1.93	95,450.0	1,131.5	2.38
Total issued debt securities	171,663.9	1,711.7	2.01	116,496.2	1,480.9	2.56

In the first half of 2025, the interest expenses on issued debt securities of the Group amounted to RMB1.712 billion, representing a year-on-year increase of RMB231 million or 15.59%. The Group moderately adjusted the structure of debt securities financing and lowered the cost of debt securities financing based on the change of the market situation and the Group's actual situation.

Management Discussion and Analysis

(3) Net interest spread and net interest margin

The table below sets forth, for the periods indicated, the summary of the average balances of interest-bearing assets and interest-bearing liabilities of the Group, related interest income or interest expense and average yields (for assets) or average costs rate (for liabilities). The analysis below excludes the impact of lease liabilities on the interest expense and average balances:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025			For the six months ended 30 June 2024		
	Average balance	Interest income/expense	Annualised average yield/cost rate (%)	Average balance	Interest income/expense	Annualised average yield/cost rate (%)
Assets						
Loans and advances to customers	736,776.6	13,518.3	3.70	690,116.8	13,963.9	4.07
Financial investment	536,814.7	7,623.6	2.86	495,031.7	7,817.6	3.18
Balances with Central Bank	52,090.4	410.9	1.59	49,957.3	386.7	1.56
Due from banks and other financial institutions	158,410.0	1,592.3	2.03	131,041.5	1,563.9	2.40
Total interest-bearing assets	1,484,091.7	23,145.1	3.14	1,366,147.3	23,732.1	3.49
Liabilities						
Deposits from customers	1,003,312.3	7,566.2	1.52	922,160.8	8,193.8	1.79
Borrowings from Central Bank	101,643.8	974.9	1.93	103,682.8	1,170.5	2.27
Due to banks and other financial institutions	129,175.0	1,146.4	1.79	163,543.1	1,804.4	2.22
Debt securities issued	171,663.9	1,711.7	2.01	116,496.2	1,480.9	2.56
Total interest-bearing liabilities	1,405,795.0	11,399.2	1.64	1,305,882.9	12,649.6	1.95
Net interest income		11,745.9			11,082.5	
Net interest spread⁽¹⁾			1.50			1.54
Net interest margin⁽¹⁾			1.60			1.63

Note: (1) Net interest spread refers to the difference between the average yield of interest-bearing assets and the average cost rate of interest-bearing liabilities. Net interest margin is the ratio of net interest income to the average balance of interest-earning assets.

In the first half of 2025, the Group's net interest spread was 1.50%, representing a year-on-year decrease of 4 basis points, and the net interest margin was 1.60%, representing a year-on-year decrease of 3 basis points, and the decrease was further slowed down. From the perspective of assets, the Group focused on the "five major areas" to consolidate financial services and continuously increased the support for real economy. The Group strengthened its research and judgment on the market interest rate and flexibly allocated the investment scale and direction. Due to the comprehensive impact of the repricing of loans, reducing fees and surrendering profits, and the decline in the market interest rates at the beginning of the year, the yield of assets declined. From the perspective of liabilities, the Group continued to strengthen its management in terms of volume and price of deposits, optimized its deposit structure, enhanced the proactive liability management, further promoted the decline in financing costs of liabilities and alleviated the pressure from the decline in the asset-side price.

The following table sets forth the changes in the Group's interest income and interest expenses due to changes in volume and interest rate. Changes in volume are measured by the movement of the average balance, while changes in the interest rate are measured by the movement of the average interest rate:

(Expressed in RMB million, unless otherwise stated)	Volume factor	Interest rate factor	Changes in amount of interest income and expenses
Assets			
Loans and advances to customers	856.1	(1,301.7)	(445.6)
Financial investments	593.4	(787.4)	(194.0)
Balances with Central Bank	16.8	7.4	24.2
Due from banks and other financial institutions	275.1	(246.7)	28.4
Changes in interest income	1,741.4	(2,328.4)	(587.0)
Liabilities			
Deposits from customers	612.0	(1,239.6)	(627.6)
Borrowings from Central Bank	(19.6)	(176.0)	(195.6)
Due to banks and other financial institutions	(305.0)	(353.0)	(658.0)
Debt securities issued	550.1	(319.3)	230.8
Changes in interest expenses	837.5	(2,087.9)	(1,250.4)
Changes in net interest income	903.9	(240.5)	663.4

Management Discussion and Analysis

The year-on-year increase in the net interest income was mainly due to the fact that the increase of RMB904 million of net interest income was driven by the changes in the average balance of various assets and liabilities, and the decrease of RMB241 million of net interest income was attributable to the changes in the average yield and the cost rate.

2. *Net non-interest income*

In the first half of 2025, the Group achieved the net non-interest income of RMB2.992 billion, representing a year-on-year decrease of RMB569 million or 15.99%, mainly affected by the market condition and expansion of the customer base of the merchants. Net non-interest income accounted for 20.30% of the operating income. The details are analyzed as follows:

(1) Net fee and commission income

The following table sets forth, for the periods indicated, net fee and commission income of the Group:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Change in amount	Rate of change (%)
Subtotal fee and commission income	945.8	1,084.6	(138.8)	(12.80)
Agency and fiduciary service fees	359.2	393.9	(34.7)	(8.81)
Wealth management fees	186.5	181.8	4.7	2.59
Bank card fees	82.2	188.7	(106.5)	(56.44)
Settlement and clearing fees	80.4	86.3	(5.9)	(6.84)
Others	237.5	233.9	3.6	1.54
Fee and commission expense	(166.0)	(186.0)	20.0	(10.75)
Total net fee and commission income	779.8	898.6	(118.8)	(13.22)

Management Discussion and Analysis

In the first half of 2025, the net fee and commission income of the Group amounted to RMB780 million, representing a year-on-year decrease of RMB119 million or 13.22%, which was mainly due to the fact that the Group increased its efforts on expansion of merchant business and enhanced the merchant scenario experience, laying the foundation for scenario-based marketing and community business ecology. The net fee and commission income accounted for 5.29% of the operating income.

Agency and fiduciary service fees amounted to RMB359 million, representing a year-on-year decrease of RMB35 million, which was mainly due to the decrease in the income from underwriting business fees of the Group.

Wealth management fees amounted to RMB187 million, representing a year-on-year increase of RMB5 million. The Group actively established consignment business cooperation with high-quality banks to broaden the scope of channels and expand the service group.

Bank card fees amounted to RMB82 million, representing a year-on-year decrease of RMB107 million. The Group has actively built financial service scenarios, deepened regional grid management, promoted the organic integration of financial business and non-financial business, focused on high-quality customer groups, optimized merchant management and further improved merchant management, consolidating the foundation for business development.

Settlement and clearing fees amounted to RMB80 million and other fee and commission income amounted to RMB238 million, which were basically stable.

Management Discussion and Analysis

(2) Net other non-interest income

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

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Change in amount	Rate of change (%)
Net trading gain	734.7	1,402.9	(668.2)	(47.63)
Net other business gain	75.3	174.9	(99.6)	(56.95)
Share of net profits from associates	29.0	12.0	17.0	141.67
Net gain resulted from derecognition of financial assets at fair value through other comprehensive income	995.6	190.7	804.9	422.08
Net gain resulted from derecognition of financial assets measured at amortised cost	377.4	882.0	(504.6)	(57.21)
Total net other non-interest income	2,212.0	2,662.5	(450.5)	(16.92)

In the first half of 2025, the Group's net other non-interest income amounted to RMB2.212 billion, representing a year-on-year decrease of RMB451 million or 16.92%. The Group gradually expanded the target, scope and frequency of financial investments. However, compared with the same period of the previous year, the market interest rate remained at a low level in the first half of this year, the gains and the trading profit margin from financial assets measured at fair value through profit and loss decreased year-on-year, and the net trading gain was lower than that of the same period of the previous year.

3. *Operating expenses*

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

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Change in amount	Rate of change (%)
Staff costs	2,496.4	2,129.0	367.4	17.26
Salaries, bonuses and allowances	1,585.8	1,530.9	54.9	3.59
Staff benefits, social insurance premiums, housing provident fund	689.4	630.8	58.6	9.29
Others	221.2	(32.7)	253.9	(776.45)
Taxes and surcharges	129.6	188.6	(59.0)	(31.28)
Depreciation and amortisation	385.8	390.1	(4.3)	(1.10)
Other general and administrative costs	1,035.5	1,182.3	(146.8)	(12.42)
Other operating cost	36.3	40.4	(4.1)	(10.15)
Total operating expenses	4,083.6	3,930.4	153.2	3.90

In the first half of 2025, the operating expenses of the Group amounted to RMB4.084 billion, representing a year-on-year increase of RMB153 million or 3.90%. The details are analyzed as follows:

Management Discussion and Analysis

(1) Staff Costs

Staff costs were the largest component of operating expenses of the Group, accounting for 61.13% and 54.17% of its total operating expenses for the first half of 2025 and 2024 respectively.

In the first half of 2025, staff costs amounted to RMB2.496 billion, representing a year-on-year increase of RMB367 million or 17.26%. The Group optimized and adjusted the supplemental medical insurance plan with lower staff costs in the same period of the previous year.

(2) Taxes and Surcharges

Taxes and surcharges mainly relate to revenue generated from loans (interest income), transfer of securities and other financial products and services. In the first half of 2025, taxes and surcharges amounted to RMB130 million, representing a year-on-year decrease of RMB59 million, which was mainly due to the decrease in taxable income of the Group, leading to the decrease in taxes including value-added taxes and surcharges.

(3) Depreciation and Amortization

In the first half of 2025, the depreciation and amortization amounted to RMB386 million, representing a year-on-year decrease of RMB4 million, which was basically stable.

(4) Other General and Administrative Expenses

In the first half of 2025, other general and administrative expenses amounted to RMB1.036 billion, representing a year-on-year decrease of RMB147 million or 12.42%. The Group focused on cost reduction and efficiency improvement, continuously promoted the implementation of the “four-step method” of cost reduction and efficiency improvement and took multiple measures to implement meticulous management.

(5) Other Operating Cost

In the first half of 2025, the Group's other operating cost amounted to RMB36 million, representing a year-on-year decrease of RMB4 million, which was mainly due to the decrease in operating lease cost from the Group's operating lease business.

4. *Impairment loss*

The following table sets forth, for the periods indicated, the impairment loss of the Group:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Change in amount	Rate of change (%)
Impairment loss on credit on loans and advances to customers	1,678.2	2,535.3	(857.1)	(33.81)
Impairment loss on credit on financial investments	23.7	(96.5)	120.2	(124.56)
Impairment losses on other credit	80.6	18.6	62.0	333.33
Impairment losses on other assets	0.1	4.3	(4.2)	(97.67)
Total impairment loss	1,782.6	2,461.7	(679.1)	(27.59)

In the first half of 2025, the Group's impairment losses amounted to RMB1.783 billion, representing a year-on-year decrease of RMB679 million or 27.59%. Among which, the impairment losses on credit on loans and advances to customers decreased by RMB857 million year-on-year, mainly due to the fact that the quality of the Group's assets improved steadily and the Group realized disposal and recovery of large-amount non-performing assets during the period.

Impairment loss on credit on financial investments increased by RMB120 million year-on-year and impairment losses on other credit increased by RMB62 million year-on-year, mainly due to the fact that the Group made forward-looking impairment provision based on the principle of prudence.

Management Discussion and Analysis

5. Income tax expense

The following table sets forth the profit before tax and income tax expense of the Group for the periods indicated:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024	Change in amount	Rate of change (%)
Profit before tax	8,869.6	8,250.0	619.6	7.51
Tax calculated at applicable statutory tax rate	2,215.5	2,063.7	151.8	7.36
Add/(less) the tax effect of the following items:				
Non-deductible expenses	72.8	35.8	37.0	103.35
Deductible/Non-taxable income	(1,237.2)	(1,101.8)	(135.4)	12.29
Others	(28.4)	(308.4)	280.0	(90.79)
Income tax expense	1,022.7	689.3	333.4	48.37

In the first half of 2025, income tax expense amounted to RMB1.023 billion, representing a year-on-year increase of RMB333 million. The effective income tax rate was 11.53%, lower than the statutory tax rate of 25%, which was mainly due to the fact that the Group continued to optimize the investment structure of its business and held certain statutory tax-exempt treasury bonds and local government bonds on the basis of balancing risks and returns, thereby reducing the effective income tax rate.

(II) Analysis on Balance Sheet

1. Assets

The following table sets forth, as at the dates indicated, the composition of the Group's total assets:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024		Change in amount	Rate of change (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Net loans and advances						
to customers	733,545.5	44.99	683,830.7	45.13	49,714.8	7.27
Carrying balance of loans and advances to customers	765,245.0	46.93	714,273.0	47.14	50,972.0	7.14
Allowances for impairment on loans and advances to customers ⁽¹⁾	(31,699.5)	(1.94)	(30,442.3)	(2.01)	(1,257.2)	4.13
Financial investments	651,776.8	39.98	628,003.1	41.44	23,773.7	3.79
Financial assets measured at fair value through profit and loss	106,415.3	6.53	84,554.8	5.58	21,860.5	25.85
Financial assets measured at fair value through other comprehensive income	273,562.2	16.78	246,200.3	16.25	27,361.9	11.11
Financial assets measured at amortised cost	271,799.3	16.67	297,248.0	19.61	(25,448.7)	(8.56)
Cash and balances with						
Central Bank	56,575.2	3.47	51,204.0	3.38	5,371.2	10.49
Deposits and placements with banks and other financial institutions	137,457.6	8.43	111,473.4	7.36	25,984.2	23.31
Financial assets held under resale agreements	29,100.9	1.78	20,937.3	1.38	8,163.6	38.99
Investment in associates	538.7	0.03	509.7	0.03	29.0	5.69
Goodwill	440.1	0.03	440.1	0.03	-	-
Other assets	21,136.2	1.29	18,983.5	1.25	2,152.7	11.34
Total Assets	1,630,571.0	100.00	1,515,381.8	100.00	115,189.2	7.60

Note: (1) Includes only the provision for impairment on loans and advances to customers measured at amortised cost.

Management Discussion and Analysis

As of the end of June 2025, the Group's total assets amounted to RMB1,630.571 billion, representing an increase of RMB115.189 billion or 7.60% as compared to the end of the previous year. The increase in the asset size of the Group was mainly due to the increase in loans and advances to customers with detailed analysis as below:

(1) Loans and Advances to Customers

The following table sets forth, as at the dates indicated, the composition of the Group's loans and advances to customers:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate loans and advances				
Short-term loans	416,345.2	54.41	358,133.4	50.14
Medium and long-term loans	65,959.4	8.62	52,027.6	7.28
	350,385.8	45.79	306,105.8	42.86
Retail loans and advances				
Personal business loans ⁽¹⁾	300,423.6	39.26	292,506.0	40.95
Personal mortgage loans ⁽²⁾	123,846.8	16.18	123,582.8	17.30
Other loans ⁽³⁾	88,712.5	11.59	88,697.5	12.42
	87,864.3	11.49	80,225.7	11.23
Discounted bills				
	48,476.2	6.33	63,633.6	8.91
Total loans and advances to customers				
	765,245.0	100.00	714,273.0	100.00

Notes:

- (1) Personal business loans primarily consist of personal loans for business purposes and personal working capital loans.
- (2) Personal mortgage loans primarily consist of residential mortgage loans and commercial property mortgage loans.
- (3) Other loans primarily consist of individual consumption loans and credit card loans.

Management Discussion and Analysis

As of the end of June 2025, the carrying balance of loans and advances to customers of the Group amounted to RMB765.245 billion, representing an increase of RMB50.972 billion, or 7.14% as compared to the end of the previous year.

The gross amount of corporate loans and advances was RMB416.345 billion, representing an increase of RMB58.212 billion, or 16.25% as compared to the end of the previous year. Among which, short-term loans increased by RMB13.932 billion, and medium-and long-term loans increased by RMB44.280 billion. The Group deeply implemented national and local major strategic deployment, actively supported the construction of the Chengdu-Chongqing Economic Circle and the New International Land-Sea Corridor. The Group has built an industrial chain financial service system, focused on the financial service ecosystem, innovated service models, promoted the development of financial services in characteristic industries, contributed to the construction of green finance reform and innovation pilot zone and accelerated the construction of industrial chains and scenarios such as technology finance and pension finance.

Total retail loans and advances amounted to RMB300.424 billion, representing an increase of RMB7.918 billion or 2.71% over the end of the previous year. The Group optimized service models and promoted the high-quality development of retail business.

Among which, total personal business loans amounted to RMB123.847 billion, representing an increase of RMB264 million or 0.21% over the end of the previous year. The Group deepened the grid layout, improved marketing efficiency with a digital system and integrated into the community business ecosystem to develop personal business loans.

Total personal mortgage loans amounted to RMB88.713 billion, representing an increase of RMB15 million or 0.02% over the end of the previous year, mainly due to the major support for the local citizens' reasonable financing requirement for owner-occupied houses, subject to the regulatory requirements.

Total other loans amounted to RMB87.864 billion, representing an increase of RMB7.639 billion or 9.52% over the end of the previous year. The Group utilized big data to propel improvements in product and service capabilities and created consumption scenarios to promote growth in consumer loans.

Discounted bills amounted to RMB48.476 billion, representing a decrease of RMB15.157 billion or 23.82% as compared to the end of the previous year.

Management Discussion and Analysis

The following table sets forth, as at the dates indicated, the composition of the Group's loans by industry classification:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Loan amount	Percentage (%)	Loan amount	Percentage (%)
Total corporate loans and advances	416,345.2	54.41	358,133.4	50.14
Leasing and commercial services	108,615.3	14.19	93,852.9	13.14
Manufacturing	80,991.7	10.58	76,096.3	10.65
Water conservancy, environmental and public utility management	75,429.9	9.86	65,673.1	9.19
Transportation, warehousing and postal services	38,305.8	5.01	34,806.5	4.87
Wholesale and retail	29,978.6	3.92	21,350.0	2.99
Production and supply of electricity, heating, gas and water	29,869.3	3.90	27,601.5	3.86
Construction	16,629.7	2.17	11,911.1	1.67
Health and social work	6,663.5	0.87	6,828.8	0.96
Real estate	5,796.6	0.76	4,422.4	0.62
Agriculture, forestry, animal husbandry and fishery	4,919.2	0.64	3,893.2	0.55
Others	19,145.6	2.51	11,697.6	1.64
Retail loans and advances	300,423.6	39.26	292,506.0	40.95
Discounted bills	48,476.2	6.33	63,633.6	8.91
Total loans and advances to customers	765,245.0	100.00	714,273.0	100.00

In the first half of 2025, the Group closely followed policy guidance, made solid efforts on the “five major areas” of finance, continuously optimized financial services, increased credit supply and served local economy development. As of the end of June 2025, the balance of the Group's corporate loans invested in leasing and commercial services, manufacturing, water conservancy, environmental and public utility management were RMB108.615 billion, RMB80.992 billion and RMB75.430 billion respectively, accounting for 14.19%, 10.58% and 9.86% of the Group's total loans and advances, respectively.

(2) Financial Investments

The following table sets forth, as at the dates indicated, the composition of the Group's financial investments:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial assets measured at fair value through profit and loss	106,415.3	16.33	84,554.8	13.46
Financial assets measured at fair value through other comprehensive income	273,562.2	41.97	246,200.3	39.20
Financial assets measured at amortised cost	271,799.3	41.70	297,248.0	47.34
Total financial Investments	<u>651,776.8</u>	<u>100.00</u>	<u>628,003.1</u>	<u>100.00</u>

As of the end of June 2025, the financial investments of the Group amounted to RMB651.777 billion, representing an increase of RMB23.774 billion or 3.79% as compared to the end of the previous year. Among which, financial assets measured at fair value through profit and loss amounted to RMB106.415 billion, representing an increase of RMB21.861 billion or 25.85% as compared to the end of the previous year; financial assets measured at fair value through other comprehensive income amounted to RMB273.562 billion, representing an increase of RMB27.362 billion or 11.11% as compared to the end of the previous year. The Group conducted in-depth research and judgment on the investment market, improved the use of various strategies and reasonably arranged financial investment structure.

Management Discussion and Analysis

The following table sets forth, as at the dates indicated, the composition of the Group's financial investments by product type:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Bonds investment	535,492.5	82.16	514,505.2	81.93
Fund	62,674.4	9.62	57,170.0	9.10
Interbank certificates of deposit	48,510.1	7.44	52,466.0	8.35
Others	5,099.8	0.78	3,861.9	0.62
Total financial investments	651,776.8	100.00	628,003.1	100.00

The following table sets forth, as at the dates indicated, the composition of the Group's bonds investment by issuer:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Government bonds	208,316.2	38.89	204,125.5	39.68
Public institutions and quasi-government bonds	172,027.0	32.13	156,884.8	30.49
Financial institution bonds	108,423.8	20.25	107,320.6	20.86
Corporate bonds	46,725.5	8.73	46,174.3	8.97
Total bonds investment	535,492.5	100.00	514,505.2	100.00

The Group optimized the structure of financial investment. As of the end of June 2025, the public institutions and quasi-government bonds increased by RMB15.142 billion as compared to the end of the previous year and government bonds increased by RMB4.191 billion as compared to the end of the previous year.

Management Discussion and Analysis

(3) Cash and balances with Central Bank

As of the end of June 2025, total cash and balances with the Central Bank of the Group amounted to RMB56.575 billion, representing an increase of RMB5.371 billion or 10.49% as compared to the end of the previous year, which was mainly to the increase in reserve deposits of the Group in line with the increase in deposits from customers.

(4) Deposits and placements with banks and other financial institutions

As of the end of June 2025, deposits and placements with banks and other financial institutions of the Group amounted to RMB137.458 billion, representing an increase of RMB25.984 billion or 23.31% as compared to the end of the previous year, which was mainly due to the fact that the Group rationally utilized funds and adjusted its asset structure based on its own business needs.

(5) Financial assets held under resale agreements

As of the end of June 2025, financial assets held under resale agreements of the Group amounted to RMB29.101 billion, representing an increase of RMB8.164 billion or 38.99% as compared to the end of the previous year, which was mainly due to the fact that the Group adjusted its capital utilization structure after comprehensively taking into account the needs of asset-liability and liquidity management.

(6) Investment in associates

As of the end of June 2025, the Group's investment in associates amounted to RMB539 million, representing an increase of RMB29 million or 5.69% as compared to the end of the previous year.

Management Discussion and Analysis

(7) Other assets

As of the end of June 2025, other assets of the Group amounted to RMB21.136 billion, representing an increase of RMB2.153 billion or 11.34% as compared to the end of the previous year. Other assets include fixed assets, deferred income tax assets, right-of-use assets, other receivables and foreclosed assets, etc. Among which, the Group's foreclosed assets was RMB255 million, and the balance of impairment allowances for foreclosed assets was RMB9 million. Foreclosed assets referred to that the Group may obtain the title of the collateral, through legal actions or voluntary delivery of the borrowers, as compensation for the losses on loans and advances and interest receivable, when recovering impaired loans and advances. Please refer to "Other Assets" under Notes to the Financial Statements for details.

2. Liabilities

The following table sets forth, as at the dates indicated, the composition of the Group's total liabilities:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024		Change in amount	Rate of change (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Deposits from customers	1,025,194.9	68.75	941,946.2	68.19	83,248.7	8.84
Deposits and placements from banks and other financial institutions	63,989.5	4.29	64,597.5	4.68	(608.0)	(0.94)
Debt securities issued	184,690.0	12.38	171,657.5	12.43	13,032.5	7.59
Borrowings from Central Bank	98,013.5	6.57	103,007.6	7.46	(4,994.1)	(4.85)
Financial assets sold under repurchase agreements	91,520.0	6.14	71,937.7	5.21	19,582.3	27.22
Other liabilities	27,867.5	1.87	28,186.4	2.03	(318.9)	(1.13)
Total liabilities	1,491,275.4	100.00	1,381,332.9	100.00	109,942.5	7.96

Management Discussion and Analysis

As of the end of June 2025, the total liabilities of the Group amounted to RMB1,491.275 billion, representing an increase of RMB109.943 billion or 7.96% as compared with the end of the previous year. Deposits from customers are the most core liabilities source of the Group. The increase in the scale of the Group's liabilities was mainly attributable to the increase in the deposits from customers with detailed analysis as below:

(1) Deposits from customers

The following table sets forth, as at the dates indicated, the composition of deposits from customers of the Group:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Subtotal corporate deposits	142,950.2	13.94	129,601.7	13.76
Demand deposit	94,883.3	9.25	92,421.9	9.81
Time deposit	48,066.9	4.69	37,179.8	3.95
Subtotal personal deposits	879,193.1	85.76	808,536.7	85.84
Demand deposit	151,613.6	14.79	153,751.7	16.33
Time deposit	727,579.5	70.97	654,785.0	69.51
Pledged deposits	3,046.0	0.30	3,802.1	0.40
Other deposits	5.6	—	5.7	—
Total deposits from customers	1,025,194.9	100.00	941,946.2	100.00

As of the end of June 2025, total deposits from customers amounted to RMB1,025.195 billion, representing an increase of RMB83.249 billion or 8.84% as compared to the end of the previous year. The Group continued to build its product classification management system, actively established a rich scenario ecosystem, empowered business development and explored the deposit potential of customers, resulting in steady growth in deposits from customers.

Management Discussion and Analysis

In terms of customer structure, corporate deposits amounted to RMB142.950 billion, representing an increase of RMB13.349 billion or 10.30% over the end of the previous year, the percentage of deposits from customers recorded an increase of 0.18 percentage point as compared to the end of the previous year; personal deposits amounted to RMB879.193 billion, representing an increase of RMB70.656 billion or 8.74% over the end of the previous year, the percentage of total deposits from customers recorded a decrease of 0.08 percentage point as compared to the end of the previous year.

In terms of term structure, the demand deposits amounted to RMB246.497 billion, representing an increase of RMB323 million or 0.13% over the end of the previous year, and accounted for 24.04% of total deposits from customers. Time deposits amounted to RMB775.646 billion, representing an increase of RMB83.682 billion or 12.09% over the end of the previous year, with the proportion of total deposits from customers of 75.66%.

(2) Deposits and placements from banks and other financial institutions

As of the end of June 2025, the Group's deposits and placements from banks and other financial institutions decreased by RMB608 million or 0.94% as compared with the end of the previous year, which was basically stable.

(3) Debt securities issued

As of the end of June 2025, the Group's debt securities issued increased by RMB13.033 billion or 7.59% as compared with the end of the previous year, which was mainly due to the fact that the Group optimized its debt structure and financing structure and actively reduced the costs of debt financing. The Group has not issued any corporate bonds that are required to be disclosed in accordance with the requirements of the "Rules No. 3 on Contents and Format of Information Disclosure by Companies Publicly Issuing Securities – Contents and Format of Interim Report (Revision 2025)" and the "Administrative Measures on Information Disclosure of Corporate Credit Bonds". For details, please refer to "Debt securities issued" under Notes to the Financial Statements.

(4) Borrowings from Central Bank

As of the end of June 2025, the Group's borrowings from Central Bank decreased by RMB4.994 billion or 4.85% as compared with the end of the previous year, mainly due to the reasonable use of Central Bank's monetary policy tools by the Group.

Management Discussion and Analysis

(5) Financial assets sold under repurchase agreements

As of the end of June 2025, the financial assets sold under repurchase agreements of the Group increased by RMB19.582 billion or 27.22% as compared to the end of the previous year, mainly due to the adjustment of liabilities structure by the Group based on the market condition.

(6) Other liabilities

As of the end of June 2025, other liabilities of the Group amounted to RMB27.868 billion, representing a decrease of RMB319 million or 1.13% as compared with the end of the previous year. Other liabilities include other payables, dividends payable, deferred income, etc.

3. Shareholders' Equity

The following table sets forth, as at the dates indicated, the composition of shareholders' equity of the Group:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024		Change in amount	Rate of change (%)
	Amount	Percentage (%)	Amount	Percentage (%)		
Share capital	11,357.0	8.15	11,357.0	8.47	-	-
Other equity instruments	5,997.6	4.31	5,997.6	4.47	-	-
Capital reserve	20,893.8	15.00	20,892.6	15.59	1.2	0.01
Investment revaluation reserve	3,777.2	2.71	5,011.0	3.74	(1,233.8)	(24.62)
Actuarial change reserve	(863.4)	(0.62)	(863.5)	(0.64)	0.1	(0.01)
Surplus reserve	15,872.2	11.39	15,872.2	11.84	-	-
General risk reserve	21,519.7	15.45	20,379.7	15.20	1,140.0	5.59
Retained earnings	58,716.1	42.16	53,487.1	39.90	5,229.0	9.78
Equity attributable to shareholders of the Bank	137,270.2	98.55	132,133.7	98.57	5,136.5	3.89
Non-controlling interests	2,025.4	1.45	1,915.2	1.43	110.2	5.75
Total shareholders' equity	139,295.6	100.00	134,048.9	100.00	5,246.7	3.91

Management Discussion and Analysis

As of the end of June 2025, total equity of the Group amounted to RMB139.296 billion, representing an increase of RMB5.247 billion as compared to the end of the previous year, mainly attributable to the increase in retained earnings. In particular, investment revaluation reserve decreased by RMB1.234 billion as compared to the end of the previous year, mainly due to the changes in the fair value of financial assets measured at fair value through other comprehensive income invested by the Group; general risk reserve increased by RMB1.140 billion as compared to the end of the previous year, mainly due to provision with an amount of 1.5% of the balance of risk assets at the end of the previous year.

4. *Off-Balance-Sheet Items*

As of the end of June 2025, off-balance-sheet items of the Group mainly include unused credit card limit, acceptances, letters of guarantee issued and letters of credit issued, and their respective balances amounted to RMB29.486 billion, RMB6.370 billion, RMB1.394 billion and RMB1.883 billion, respectively. All the Group's capital expenditure commitments which have been approved but were unnecessary to be presented on the balance sheet were approved but not contracted or unfulfilled contracts with amount of RMB498 million. The operating lease commitments of the Group that are not included in the measurement of lease liabilities were not significant.

(III) Cash Flows Statement Analysis

The following table sets forth, for the periods indicated, the Group's cash flow statement:

(Expressed in RMB million, unless otherwise stated)	For the six months ended 30 June 2025	For the six months ended 30 June 2024
Net cash flow from operating activities	3,435.2	44,993.4
Net cash flow from/(used in) investing activities	3,195.2	(48,294.0)
Net cash flow from financing activities	7,747.2	24,684.3

Net cash inflows from operating activities amounted to RMB3.435 billion, representing a year-on-year decrease of RMB41.558 billion, among which, the cash inflow was RMB129.067 billion, representing a year-on-year increase of RMB24.750 billion, mainly due to a year-on-year increase in the net increase in the deposits from customers and deposits from banks and other financial institutions; and the cash outflow was RMB125.632 billion, representing a year-on-year increase of RMB66.308 billion, mainly due to a year-on-year increase in the net increase in deposits with Central Bank and other financial institutions.

Net cash inflow from investing activities amounted to RMB3.195 billion, representing a year-on-year increase of RMB51.489 billion. In particular, cash inflow amounted to RMB169.164 billion, representing a year-on-year increase of RMB43.510 billion, which was mainly due to the increase in cash received from recovery of investments; cash outflow amounted to RMB165.969 billion, representing a year-on-year decrease of RMB7.979 billion, which was mainly due to the decrease in cash payments on investments.

Net cash inflow from financing activities amounted to RMB7.747 billion, representing a year-on-year decrease of RMB16.937 billion. In particular, cash inflow amounted to RMB112.879 billion representing a year-on-year decrease of RMB24.386 billion, which was mainly due to the decrease in the cash received from the issuance of bonds by the Group; cash outflow amounted to RMB105.132 billion, representing a year-on-year decrease of RMB7.449 billion, which was mainly due to the decrease in the cash paid for repayment of bonds.

(IV) Loan Quality Analysis

1. Breakdown of Loans by the Five-category Classification

The following table sets forth, as at the dates indicated, the distribution of the Group's loans by the five-category loan classification under which NPLs include those classified into substandard, doubtful and loss categories:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Normal	744,985.2	97.35	695,406.9	97.36
Special mention	11,311.8	1.48	10,446.2	1.46
Substandard	3,762.6	0.49	3,625.7	0.51
Doubtful	3,286.0	0.43	3,581.0	0.50
Loss	1,899.4	0.25	1,213.2	0.17
Total loans and advances				
to customers	765,245.0	100.00	714,273.0	100.00
Balance of NPLs	8,948.0		8,419.9	
NPL ratio (%)		1.17		1.18

In the first half of 2025, the Group adhered to the principle of prudent classification, continuously monitored and controlled the asset quality, further intensified efforts on the recovery and disposal of non-performing assets and comprehensively consolidated the asset quality. As of the end of June 2025, balance of NPLs of the Group was RMB8.948 billion, representing an increase of RMB528 million as compared to that of the end of the previous year. The NPL ratio was 1.17%, representing a decrease of 0.01 percentage point as compared to that of the end of the previous year. Among which, the balance of NPLs of urban area and the balance of NPLs of county area accounted for 51.79% and 48.21%, respectively.

Management Discussion and Analysis

2. Concentration of Loans

(1) Concentration by industry and distribution of NPLs

The following table sets forth, as at the dates indicated, the loans and non-performing loans by industry:

(Expressed in RMB million, unless otherwise stated)	30 June 2025				31 December 2024			
	Loan amount	Percentage (%)	Non- performing loan amount	Non- performing loan ratio	Loan amount	Percentage (%)	Non- performing loan amount	Non- performing loan ratio
			Non- performing loan amount	Non- performing loan ratio			Non- performing loan amount	Non- performing loan ratio
Corporate loans and advances								
Manufacturing	416,345.2	54.41	2,832.7	0.68	358,133.4	50.14	3,732.9	1.04
Production and supply of electricity, heating, gas and water	80,991.7	10.58	467.3	0.58	76,096.3	10.65	1,117.9	1.47
Real estate	29,869.3	3.90	32.9	0.11	27,601.5	3.86	10.5	0.04
Leasing and commercial services	5,796.6	0.76	-	-	4,422.4	0.62	-	-
Water conservancy, environment and public utility management	108,615.3	14.19	625.3	0.58	93,852.9	13.14	629.5	0.67
Construction	75,429.9	9.86	76.0	0.10	65,673.1	9.19	236.0	0.36
Wholesale and retail	16,629.7	2.17	232.0	1.40	11,911.1	1.67	248.2	2.08
Others	29,978.6	3.92	539.9	1.80	21,350.0	2.99	543.4	2.55
Retail loans and advances	69,034.1	9.03	859.3	1.24	57,226.1	8.02	947.4	1.66
Discounted bills	300,423.6	39.26	6,114.3	2.04	292,506.0	40.95	4,686.0	1.60
Total loans and advances to customers	48,476.2	6.33	1.0	0.00	63,633.6	8.91	1.0	0.00
	765,245.0	100.00	8,948.0	1.17	714,273.0	100.00	8,419.9	1.18

Since 2025, the Group has fully researched and judged regulatory policies, improved the risk management capacities with the data-driven approach, strictly implemented the guidelines on credit supply, strictly controlled credit access, strengthened post-loan management, and continuously strengthened the risk monitoring of customers in key fields and the key industry. As of the end of June 2025, the non-performing balance and the non-performing ratio of corporate loans of the Group decreased as compared to the end of the previous year. However, due to multiple external uncertainties, insufficiency of effective demand in China, lower-than-expected income of some individual customers and other factors, the asset quality of the Group's retail loans was still under pressure, and the NPL ratio increased as compared to the end of the previous year.

Management Discussion and Analysis

(2) Concentration of borrowers

As of the end of June 2025, the Group's total loans to its largest single borrower accounted for 3.20% of its net capital and total loans to its top ten clients accounted for 20.74% of its net capital. All the Group's loans to top ten largest single borrowers were not NPLs as of the end of June 2025.

① Indicators of concentration

Major Regulatory Indicators	Regulatory standard	30 June 2025	31 December 2024	31 December 2023
Percentage of the loans to largest single client to the net capital (%)	≤10	3.20	3.20	3.72
Percentage of the loans to single group client to the net capital (%)	≤15	7.90	6.75	6.29
Percentage of the loans to top ten clients to the net capital (%)	-	20.74	22.83	22.98

② Top ten largest single borrowers

(Expressed in RMB million, unless otherwise stated)	Industry	30 June 2025	
		Amount	Percentage of total loans and advances (%)
Client A	Transportation, warehousing and postal services	4,782.1	0.62
Client B	Leasing and commercial services	3,812.5	0.50
Client C	Leasing and commercial services	3,725.4	0.49
Client D	Leasing and commercial services	2,998.3	0.39
Client E	Leasing and commercial services	2,982.9	0.39
Client F	Manufacturing	2,802.5	0.37
Client G	Production and supply of electricity, heating, gas and water	2,679.7	0.35
Client H	Transportation, warehousing and postal services	2,454.6	0.32
Client I	Leasing and commercial services	2,435.6	0.32
Client J	Water conservancy, environment and public utility management	2,343.6	0.31

Management Discussion and Analysis

3. Distribution of Loans and NPLs by Product Type

The following table sets forth, for the dates indicated, the loans and NPLs of the Group by product type:

(Expressed in RMB million, unless otherwise stated)	30 June 2025			31 December 2024		
	Loan amount	Non- performing loan amount	Non- performing loan ratio (%)	Loan amount	Non- performing loan amount	Non- performing loan ratio (%)
Corporate loans and advances	416,345.2	2,832.7	0.68	358,133.4	3,732.9	1.04
Short-term loans	65,959.4	876.7	1.33	52,027.6	1,013.1	1.95
Medium and long-term loans	350,385.8	1,956.0	0.56	306,105.8	2,719.8	0.89
Retail loans and advances	300,423.6	6,114.3	2.04	292,506.0	4,686.0	1.60
Personal mortgage loans	88,712.5	1,177.9	1.33	88,697.5	1,018.5	1.15
Personal business and re-employment loans	123,846.8	3,044.1	2.46	123,582.8	2,059.0	1.67
Other loans	87,864.3	1,892.3	2.15	80,225.7	1,608.5	2.00
Discounted bills	48,476.2	1.0	0.00	63,633.6	1.0	0.00
Total loans and advances to customers	765,245.0	8,948.0	1.17	714,273.0	8,419.9	1.18

As of the end of June 2025, the non-performing balance and the non-performing ratio of corporate loans of the Group decreased as compared to the end of the previous year, whereas the non-performing ratio of retail loans increased by 0.44 percentage point to 2.04% as compared to the end of the previous year.

4. Restructured Loans and Advances to Customers

The following table sets forth, for the dates indicated, the Group's restructured loans and advances to customers:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage of the total amount of loans and advances (%)	Amount	Percentage of the total amount of loans and advances (%)
Restructured loans and advances to customers	3,815.3	0.50	3,631.0	0.51

As of the end of June 2025, the balance of restructured loans of the Group was RMB3.815 billion, representing an increase of RMB184 million as compared with the end of the previous year.

Management Discussion and Analysis

5. Overdue Loans and Advances to Customers

The following table sets forth, for the dates indicated, the aging analysis of the Group's overdue loans and advances to customers:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage of the total amount of loans and advances (%)	Amount	Percentage of the total amount of loans and advances (%)
Overdue within 3 months	3,174.2	0.41	2,991.3	0.42
Overdue for 3 months to 1 year	3,892.6	0.51	3,743.3	0.52
Overdue for over 1 year and within 3 years	2,809.4	0.37	1,943.2	0.27
Overdue for more than 3 years	890.5	0.12	773.7	0.11
Total overdue loans and advances to customers	10,766.7	1.41	9,451.5	1.32

As of the end of June 2025, the total overdue loans of the Group amounted to RMB10.767 billion, representing an increase of RMB1.315 billion from the end of the previous year; overdue loans accounted for 1.41%, representing an increase of 0.09 percentage point from the end of the previous year.

6. Changes in Provision for Loans Impairment

The following table sets forth, for the periods indicated, the changes in the Group's provision for loans impairment:

(Expressed in RMB million, unless otherwise stated)	Stage 1	Stage 2	Stage 3	Total
Balance as at 31 December 2024	17,930.6	5,278.8	7,232.9	30,442.3
Transfer:				
To stage 1	544.2	(453.6)	(90.6)	-
To stage 2	(189.3)	248.8	(59.5)	-
To stage 3	(130.4)	(319.3)	449.7	-
Provision for the period	755.4	255.8	708.5	1,719.7
Write-off and others for the period	-	-	(2,249.6)	(2,249.6)
Recovery of loans written-off for the period	-	-	1,787.1	1,787.1
Balance as at 30 June 2025	18,910.5	5,010.5	7,778.5	31,699.5

Management Discussion and Analysis

7. Distribution of Loans by Type of Collateral

The following table sets forth, for the dates indicated, the Group's distribution of loans and advances to customers by type of collateral:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Credit loans	184,179.3	24.07	158,929.8	22.26
Guaranteed loans	225,972.2	29.53	183,530.0	25.69
Collateralised loans	261,733.7	34.20	260,280.2	36.44
Pledged loans	93,359.8	12.20	111,533.0	15.61
Total loans and advances to customers	765,245.0	100.00	714,273.0	100.00

8. Loan Migration Ratios

Items (%)	30 June 2025	31 December 2024	31 December 2023
Migration ratios of normal loans	1.45	1.73	1.43
Migration ratios of special-mentioned loans	22.93	31.39	26.60
Migration ratios of substandard loans	98.90	41.55	51.25
Migration ratios of doubtful loans	60.33	19.75	16.98

Loan migration ratio is calculated according to 1104 statement of the National Financial Regulatory Administration and is the data of the Group.

(V) Segment Information

1. Summary of Geographical Segment

(Expressed in percentage)	30 June 2025		31 December 2024	
	County Area	Urban Area	County Area	Urban Area
Deposits	73.28	26.72	73.53	26.47
Loans	50.72	49.28	48.38	51.62
Assets	53.12	46.88	52.77	47.23
Deposit-loan ratio	51.67	137.65	49.89	147.87

As of the end of June 2025, the Group's deposits in county area accounted for 73.28%, representing a decrease of 0.25 percentage point over the end of the previous year. The loans in county area accounted for 50.72%, representing an increase of 2.34 percentage points over the end of the previous year, and the assets in county area accounted for 53.12%, representing an increase of 0.35 percentage point over the end of the previous year; county-level deposit to loan ratio was 51.67%, representing an increase of 1.78 percentage points over the end of the previous year. Taking root in Chongqing, the Group deeply cultivates the rural economy, continuously increases the loans, insists on improving the county's financial service capabilities, and supports the development of county economy.

Management Discussion and Analysis

2. Summary of Business Segment

(Expressed in RMB million, unless otherwise stated)	30 June 2025		30 June 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate banking business	4,636.4	31.46	4,278.5	29.22
Retail banking business	5,907.1	40.09	6,330.6	43.24
Financial market business	4,134.8	28.06	3,990.8	27.25
Unallocated	57.5	0.39	42.2	0.29
 Total operating income	14,735.8	100.00	14,642.1	100.00

As of the end of June 2025, the Group's operating income of corporate banking business was RMB4.636 billion, accounting for 31.46%, representing a year-on-year increase of 2.24 percentage points; operating income of retail banking business was RMB5.907 billion, accounting for 40.09%, representing a year-on-year decrease of 3.15 percentage points; operating income of financial market business was RMB4.135 billion, accounting for 28.06%, representing a year-on-year increase of 0.81 percentage point. In recent years, the Bank served real economy and continuously increased the efforts to provide financial support for personal and small and micro enterprises.

(VI) Differences between the Financial Statements Prepared in accordance with Chinese Accounting Standards and International Financial Reporting Standards (“IFRS”)

1. *Differences between the Financial Statements prepared in accordance with Chinese Accounting Standards and IFRS*

As a financial institution incorporated in the People's Republic of China, the Group prepares consolidated financial statements of the Bank and its subsidiaries in accordance with the Accounting Standards for Enterprises promulgated by the Ministry of Finance of the People's Republic of China, relevant regulations issued by the CSRC and other regulatory agencies (collectively referred to as "Accounting Standards for Enterprises").

The Group also compiles consolidated financial statements in accordance with the International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board and the disclosure regulations applicable to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. There are some differences between the financial statements in this report and the Group's financial statements prepared in accordance with the Accounting Standards for Enterprises. The differentiated items and amounts are listed below:

(Expressed in RMB million, unless otherwise stated)	Net Assets (Consolidated)		
	30 June 2025	31 December 2024	31 December 2023
In accordance with the Accounting Standards for Enterprises	138,855.5	133,608.8	123,501.7
Differentiated items and amount			
– Goodwill from acquisitions	440.1	440.1	440.1
In accordance with IFRS	139,295.6	134,048.9	123,941.8

Management Discussion and Analysis

2. *Reasons for the Differences between the Financial Statements Prepared in accordance with Chinese Accounting Standards and IFRS*

The Bank was incorporated on 27 June 2008 as a limited company by shares, and the newly incorporated company acquired the assets and liabilities of 38 County/District Rural Credit Cooperative Unions, including the former Chongqing Rural Credit Cooperative (重慶市農村信用合作社), Chongqing Yuzhong District Rural Credit Cooperative Union (重慶市渝中區農村信用合作社聯合社) and Chongqing Wulong Rural Cooperative Bank (重慶武隆農村合作銀行) (the "Acquisition"). The Bank first implemented the Accounting Standards for Enterprises on 1 January 2009 and was not required to recognize the goodwill generated from the Acquisition. The Bank made an initial public offering of overseas listed foreign shares (H shares) on the Hong Kong Stock Exchange on 16 December 2010 and adopted IFRS for the first time in the same year. The goodwill generated from the Acquisition was retrospectively recognized in accordance with the relevant requirements of the first implementation of IFRS.

(VII) Changes in Significant Accounting Policies and Significant Accounting Estimates and Judgments

In determining the carrying amounts of some assets and liabilities and the related profit or loss during the Reporting Period in accordance with its accounting policies, the Group makes estimates and judgments in certain aspects. The Group makes estimates and assumptions based on historical experience and expectations of future events, and reviews them on a regular basis. In addition, the Group needs to make further judgments in respect of the application of accounting policies. The Group's management believes that the estimates and judgments made by the Group reflect appropriately the economic context which the Group was subject to. The major areas affected by the estimates and judgments include expected credit loss measurement, fair value of financial instruments, consolidation of structured entities, and deferred taxes. For changes in material accounting policies during the Reporting Period, please refer to notes to financial statements.

III. Business Overview

(I) Inclusive Finance Business

1. *Personal Deposit and Loan Business*

Personal deposit business. The Bank continued to build a “functional, characteristic and scenario-based” product classification management system, tapped the deposit potential and contribution of key customer groups, and created characteristic deposit products and activities to enhance the customers’ sense of exclusivity and inject strong momentum into precision marketing. As of the end of June 2025, the balance of personal deposits amounted to RMB879.193 billion, representing an increase of RMB70.656 billion or 8.74% over the end of the previous year.

Personal loan business. The Bank completed the restructuring of the product of “Yukuai Pledged Loan” and enhanced the digital service capabilities of the product. The Bank established a data-driven accurate customer acquisition system to improve the marketing accuracy of target customers. The Bank successfully implemented grid marketing and continuously increased the market share of consumer loans. As of the end of June 2025, the loan balance of “Yukuai Zhenhao Loan”, a “10 billion-level” hit product, reached a new high level and amounted to RMB26.784 billion, representing a net increase of RMB2.591 billion as compared with the end of the previous year, which maintained the first place among the similar products in Chongqing.

2. *Bank Card Business*

Debit card business. The Bank continued to enrich collaboration scenarios of Jiangyu debit card sector, improved the product system and promoted the steady growth of debit card business. As of the end of June 2025, the total number of debit cards issued by the Group reached 30,953.5 thousand. Among which, nostalgia series of debit cards issued with the function of subsidizing offsite remittance fees reached an issued number of 12,481 thousand. The total number of social security cards issued by the Bank reached 7,330.5 thousand. Among which, the third-generation of social security cards issued by the Bank amounted to 4,162.6 thousand, ranking the first among interbank institutions in Chongqing.

Management Discussion and Analysis

Credit card business. The Bank actively created a scenario of “state subsidies”, and cooperated with Chongqing Zhongbai Commercial Electrical Appliance Co., Ltd. and JD.COM to carry out the activity of “state subsidies to expand trade-ins and boost consumption” to benefit the people. The Bank made great efforts to promote the scenario of “Cultural Tourism” and successfully created and issued the Jiangyu Cultural Tourism Card. The Bank innovatively created a linkage card-issuing scenario and launched a premium credit card - “Jiangyu Zhenxiang Card”. The Bank collaborated with specialty merchants for Yukuaifu, continued to create a “one district, one characteristic” credit card use scenario, and supported the upgrade of consumption. As of the end of June 2025, the credit balance amounted to RMB16.732 billion.

Merchant business. The Bank created an ecological scenario of communities, centered on home life, centralized office and professional market and other scenarios and strengthened regional grid management, The Bank closely adhered to the core orientation of characteristic industrial chain and industry digitalization, precisely empowered project-based services, promoted the organic integration of financial businesses and non-financial businesses and facilitated the marketing of digital credit products by exploring the information of customer flow, capital flow and commodity flow in merchant consumption scenarios. In the first half of 2025, the total number of merchants of the Bank was 1,558.7 thousand, and the average daily balance of merchants AUM+LUM was RMB243.731 billion.

3. *Wealth Management Business*

Based on the needs of customers from different regions and of difference ages, the Bank continuously introduced the leading and high-quality cooperative institutions, constantly expanded the supply chain, integrated various resources to build a wealth business product library, and met the diversified investment needs of customers. At the same time, the Bank gave full play to the advantages of its organizations, personnel and customer base, and effectively promoted the sales of products by improving the certificate holding rate, the billing rate and the business contribution. As of the end of June 2025, insurance sales recorded a year-on-year increase of more than 40% and sales of precious metals recorded a year-on-year increase of more than 50%.

4. Small and Micro Businesses

The Bank continued to deepen the implementation of the financing coordination work mechanism for supporting small and micro enterprises, further promoted the transformation and upgrading of the finance service model for small and micro enterprises, continuously optimized and improved the credit supply of small and micro enterprises and individual industrial and commercial households, and promoted the high-quality development of small and micro enterprises' businesses.

Promoted targeted services through data-driven customer targeting. The Bank further promoted the whole grid layout, built a digital marketing service system for small and micro enterprises' businesses, screened the target customers in multiple dimensions based on big data analysis, and formed a "white list" of potential customers, thereby achieving big data-enabled intelligent customer targeting. Through the system platform, the Bank pushed customers to branches or account managers to carry out financing connection, realizing the deep integration of "digitalization" and "grid-based operations", creating a "top-down" business model, and promoting the accurate outreach and efficient transformation of target customers.

Created a scenario to acquire customers based on the industrial ecology. The Bank integrated into the community business ecosystem, focused on high-frequency consumption and business scenarios, and constructed "Yukuai Revitalization Loan 2.0". Based on the transaction data in the scenario ecology, the Bank integrated customer behavior data, created "portraits" of the merchants of "Yukuai Life Payment" across multiple dimensions, matched them with corresponding strategic rules, and launched active credit granting in batches. At the same time, the Bank focused on the upstream and downstream of the industrial chain around the "33618" modern manufacturing cluster system in Chongqing, especially science and technology enterprises to carry out "on-chain" marketing services.

As of the end of June 2025, the Bank provided financing services to nearly one-third of "specialized, refined, differential and innovational" small and medium-sized enterprises and one-fifth of high-tech enterprises in Chongqing in the field of inclusive small and micro enterprises, and the number of customers of inclusive small and micro enterprise loans exceeded 210 thousand and the loan balance amounted to RMB147.846 billion, representing an increase of RMB7.917 billion as compared to the end of the previous year and ranking the first in Chongqing.

Management Discussion and Analysis

(II) Corporate Financial Business

1. *Corporate Business*

As of the end of June 2025, the balance of corporate deposit of the Group amounted to RMB142.950 billion, representing an increase of RMB13.349 billion or 10.30% as compared to the end of previous year. The balance of corporate loans was RMB416.345 billion, representing an increase of RMB58.212 billion or 16.25% as compared to the end of previous year.

In terms of supporting the establishment of Chengdu-Chongqing Economic Circle, the Bank seized the strategic opportunity, established a head office-branch linkage follow-up mechanism, introduced special preferential policies to strengthen guidance in assessment areas such as task indicators and progress, and enhanced the efficiency of financial services for major projects. As of the end of June 2025, the Bank supported the Chengdu-Chongqing Economic Circle and a total of 159 municipal key projects in 2025 (newly released project library in 2025), with a loan balance of RM26.822 billion.

In terms of supporting “33618” modern manufacturing industry cluster system, the Bank cooperated with 4,445 customers of “33618” modern manufacturing industry cluster system, representing an increase of 506 as compared to the end of the previous year, and the loan balance amounted to RMB70.216 billion, representing an increase of RMB4.204 billion as compared to the end of the previous year. The Bank provided loans to support 2,154 “specialized, refined, differential, and innovative” enterprises in Chongqing. The loan balance amounted to RMB31.942 billion and the credit coverage ratio was 42.18%.

In terms of supporting the construction of the green finance reform and innovation pilot zone, as of the end of June 2025, the balance of green credit was RMB80.219 billion¹, representing a net increase of RMB12.466 billion or 18.40% as compared to the end of the previous year. The Bank declared RMB751 million for carbon emission reduction support tools during the year, driving carbon emission reduction to 98,900 tonnes. The utilized amount of carbon emission reduction support tools ranked the first in Chongqing.

¹ For the statistical criteria, please refer to the Notice on Adjusting the Special Statistical Contents of Transformation of Green Loans by the Investigation and Statistics Department of the PBOC (Yin Tiao Fa [2025] No. 7).

2. *Institutional business*

Secured central resources, introduced funds from outside Chongqing and strengthened financial support. The Bank actively participated in the bidding for cash management of the central treasury, and introduced a total of RMB25 billion from outside the city for Chongqing.

Implemented the national strategy, served the private economy and stimulated market vitality. The Bank thoroughly implemented the state's strategic plan to support the development of the private economy, deepened channel cooperation, jointly issued the Document No.1 of 2025 with the Chongqing Federation of Industry and Commerce, put forward 18 special policies to support the development of the private economy, and built a new ecology of coordinated development of "government, banks and enterprises". By establishing a normalized communication mechanism, the Bank accurately met the financing needs of private enterprises.

Focused on people's livelihood scenarios, innovated service models, and helped social development. Focusing on scenario building, channel collaboration and customer value enhancement, the Bank actively built an organic ecosystem, focusing on two major areas of people's livelihood of medical care and old-age care. In terms of medical care, the Bank made every effort to promote the intelligent construction of primary medical and health institutions, continuously optimized and promoted the "Yukuai Smart Medicine" system, and improved the efficiency and quality of primary medical services through informatization technology. At the same time, the Bank built an intelligent medical treatment system of "diagnosis and treatment before payment", simplified the medical treatment process, effectively reduced the pressure on patients to advance funds, and further strengthened the ability to acquire customers for medical scenarios. In terms of old-age care, the Bank aligned itself with the national initiative for developing the pension service system, and successfully obtained the qualification to undertake prepayment escrow services for elderly care institutions from Chongqing Civil Affairs Bureau. By standardizing the management of prepayments collected by elderly care institutions, the Bank ensured the safety of funds for the elderly and promoted the healthy development of the pension financial service industry.

3. *Transaction banking business*

Increased the market share of state-owned enterprise treasurers. As of the end of June 2025, the treasurer system signed contracts with a total of 622 customers, covering the SASACs in all administrative regions of Chongqing and a number of municipal key state-owned enterprises and serving 1,549 enterprises. The transaction volume in the first half of 2025 exceeded the transaction volume in whole year of 2024, and the fund supervision platform continued to upgrade, building diversified supervision scenarios and improving the supervision efficiency of state-owned assets.

Management Discussion and Analysis

Built an industrial chain financial service system. The Bank built a four-in-one industrial chain financial service system of “organizational guarantee + deep cultivation of industries + technological empowerment + assessment drive”, deeply integrated into the local industrial layout through differentiated financial products and service models, promoted the scale and branding of local dominant industries, made industrial clusters with ecological characteristics bigger and stronger, and fully supported the deepening of urban-rural integration and the comprehensive revitalization of rural areas. As of the end of June 2025, the Bank had launched 52 featured, standardized and exclusive financial service schemes, such as “Yunyang Flour Industry”, “Chinese Herbal Medicine”, “Three Gorges Citrus” and “Pig Breeding”, and continued to promote the expansion and increment of financial services in featured industries. At the same time, the Bank actively promoted the construction of a supply chain financial service platform, supported the digital, intelligent and ecological development of supply chain finance, and quickly responded to the comprehensive financial needs of customers in the chain, such as payment, settlement and financing.

Helped the construction of the New International Land-Sea Corridor. The Bank continued to implement 17 key tasks of financial support for the construction of the New International Land-Sea Corridor, and strengthened financial services and credit support for enterprises involved in the New International Land-Sea Corridor. As of the end of June 2025, the Bank’s financing balance of the New International Land-Sea Corridor was RMB58.725 billion, representing an increase of RMB4.169 billion as compared to the end of the previous year.

Promoted the green finance and supported “Chongqing enterprises’ overseas expansion”. The Bank supported cross-border financing for green enterprises, and granted green cross-border loans of RMB15 million in total. The Bank actively provided financing support for green enterprises, and granted trade financing of RMB642 million in the first half of 2025, representing a year-on-year increase of 41%. The Bank deepened grid marketing, effectively met the financing demand of “Chongqing enterprises’ overseas expansion” and promoted cross-border financial services to improve quality and efficiency. The Bank granted trade financing of RMB2.738 billion in total in the first half of 2025, representing a year-on-year increase of 6%.

4. *Investment banking business*

The Bank led underwriting of 31 debt financing instruments of non-financial enterprises, with an aggregate underwriting share of RMB5.634 billion.

(III) Financial Market Business

1. *Financial Inter-bank Business*

During the Reporting Period, the Bank steadily improved market influence and brand awareness. The Bank obtained the first-class dealer qualification in open market business and was the only corporate institution in Chongqing that was granted this qualification. The Bank was approved to be a special member of Shanghai Gold Exchange. In the inter-bank local currency market evaluation, the Bank won honorary awards for the active trader of innovative business of the month for many times.

As of the end of June 2025, the investment balance of the Group's bonds amounted to RMB535.493 billion, of which government bonds, public institutions and quasi government bonds amounted to RMB380.343 billion in total, representing an increase of RMB19.333 billion as compared to the end of the previous year. Among which, AAA¹ rated bonds were RMB123.631 billion, representing an increase of RMB4.543 billion as compared to the end of the previous year. Among other bonds, AA+ rated bonds were RMB22.984 billion, representing a decrease of RMB1.9 billion as compared to the end of the previous year. Among other bonds, AA rated bonds were RMB8.196 billion, representing a decrease of RMB1.235 billion as compared to the end of the previous year.

¹ Bond rating: Debt rating is prioritized. If there is no debt rating, the subject rating is used.

Management Discussion and Analysis

As of the end of June 2025, the carrying value of the Group's financial institution bonds amounted to RMB279.319 billion which consisted of debt securities issued by policy banks of RMB169.967 billion, commercial banking debts of RMB84.107 billion, asset securitization products of RMB11.146 billion and bonds issued by other financial institutions of RMB14.099 billion. The breakdown of the top ten financial bonds held is as follows:

Name of debt securities	Nominal value	Annualised interest rate (%)	Unit: RMB million	
			Maturity date	Impairment provision
Debt securities issued by policy banks in 2022	10,470.0	2.97	2032/10/14	-
Debt securities issued by policy banks in 2021	10,439.0	3.66	2031/3/1	-
Debt securities issued by policy banks in 2019	10,000.0	3.48	2029/1/8	-
Debt securities issued by policy banks in 2022	7,741.5	2.90	2032/8/19	-
Debt securities issued by policy banks in 2025	7,206.3	1.57	2035/1/3	-
Debt securities issued by policy banks in 2025	7,111.8	1.80	2035/4/2	-
Debt securities issued by policy banks in 2025	5,730.0	1.78	2035/5/15	-
Debt securities issued by policy banks in 2018	4,290.0	4.88	2028/2/9	-
2023 commercial banking debts	4,030.0	2.59	2026/7/20	-
Debt securities issued by policy banks in 2021	4,023.1	3.41	2031/6/7	-

Note: "Impairment provision" excludes stage 1 impairment provision made in accordance with the expected credit loss model.

2. Asset Management Business

CQRC Wealth Management actively integrated into the Group's construction of the "three new momentums" and built many product brands such as rural revitalization, construction of the Chengdu-Chongqing Economic Circle and the New International Land-Sea Corridor. Focusing on the "five major areas" of finance, the Bank deeply cultivated inclusive finance, adhered to the characteristic development path and created differentiated brand advantages. The scale of inclusive wealth management products accounted for nearly 40%. The Bank made great efforts in digital finance and actively integrated into the Group's digital transformation strategy. Digital technology ran through the operation and management process, covering product operation, investment transaction, sales management, risk prevention and control and other sectors. The Bank explored green finance and technology finance, and invested a total of RMB2.846 billion in environmental protection theme assets such as green bonds and a total of RMB779 million in scientific and technological innovation assets such as science and technology notes. The Bank participated in pension finance. In 2025, the Bank launched Anyi's stable series of "quasi pension" products, and the cumulative issuance scale in the first half of the year exceeded RMB4 billion.

As of the end of 2025, the balance of wealth management products was RMB163.561 billion, representing an increase of RMB25.748 billion or 18.68% as compared to the end of the previous year. There was a total of 123 sales agencies outside the Bank, and the proportion of its scale continued to increase, significantly enhancing its market influence.

3. Asset Custodial Business

During the Reporting Period, the Bank actively applied for securities investment fund custody qualification, and obtained the Reply on the Approval for Securities Investment Fund Custody Qualification of Chongqing Rural Commercial Bank Co., Ltd.* (Zheng Jian Xu Ke [2025] No. 1395) (《關於核准重慶農村商業銀行股份有限公司證券投資基金託管資格的批覆》) (證監許可[2025]1395號) on 3 July 2025. According to the reply, the securities investment fund custody qualification of the Bank has been approved.

The Bank will complete the preparatory work for securities investment fund custody business within 6 months from the date of approval. After obtaining the Operation License of Securities and Futures Business (《經營證券期貨業務許可證》), the Bank will carry out fund custody business in a prudent and compliant manner, perform all duties of the custodian in accordance with the laws, and earnestly safeguard the legitimate rights and interest of the fund unit holders.

Management Discussion and Analysis

(IV) Financial Technology

Continued to increase investment in financial technology, and comprehensively promoted the digital transformation. The Bank actively integrated into the national and local strategies such as the “five major areas” of finance and “digital Chongqing”, maintained a steady increase in investment in financial technology, continued to promote the construction of digital transformation, and efficiently empowered business development. The Bank integrated the scientific and technological resources of the Bank, built a “work synthesis brigade” of financial technology, comprehensively improved the efficiency and quality of demand research and development, strongly supported the innovation of products, processes and services of the Bank, and deepened the level of integration of industry and technology. The Bank continued to deeply cultivate the fields of information security assurance, information infrastructure and technology operation and maintenance, and opened up a new situation in digital operation. As of the end of June 2025, there was more than 700 financial technical personnel in the Bank and Chongqing Yuyin Financial Technology Co., Ltd., and the proportion of technology talents reached 5%, further strengthening and improving the scientific and technological talent echelon that covers the financial capability map.

Focused on consolidating the foundation of data platform and gave full play to the value of digital assets. The Bank established a data empowerment team as the head office-level data capability output hub, empowering all lines to carry out core work such as data governance, data security, data analysis and mining. The Bank carried out in-depth data analysis for customer groups, accurately tapped 18 types of potential customer groups, developed 9 types of customer labels, and empowered digital marketing. The Bank improved the linkage mechanism of “problem list-rectification ledger-system transformation” to improve the efficiency of data governance. The Bank improved the data security assessment process to ensure compliance in conducting businesses. The Bank gathered internal and external data, with over 240 million visits to various external data service interfaces in the first half of the year. The Bank strove to reduce the average cost of each transaction by optimizing and integrating interface calls.

Deepened the construction of the basic support system and systematically improved the level of scientific and technological empowerment. The Bank built an intelligent operation and maintenance center, consolidated the disaster recovery system of “two places and three centers”, and built an intelligent monitoring base of the Bank to achieve a comprehensive leap in the continuous support capability of production systems. The Bank created an efficient technology engine, built four basic platforms covering cloud native and artificial intelligence, realized the leap-forward development of key business system support capabilities, and quickly implemented AI-driven knowledge base, intelligent question and answer and other intelligent agents, efficiently responding to the innovation of scenarios such as distributed new counters, digital employees and AI code assistants. The Bank released the efficiency of science and technology governance, promoted the dual improvement of research and development testing quality and efficiency through process restructuring and resource optimization, and achieved a breakthrough in national technological innovation. The deep integration of intelligent technology and “Finance+” scenarios injected core driving force into the cultivation of new kinetic energy of the Bank.

Effectively optimized online service channels and created high-quality experiences in digital finance. In terms of personal digital channels, the Bank launched the “login-free payment code” function, added the “account manager enterprise WeChat + customer code” and built a 7×24-hour online financial service channel. The Bank upgraded the “one-click loan application” function, and opened the infinite loop of “online application-offline connection” service, greatly improving the financing efficiency. The client startup efficiency of Android, iOS and HarmonyOS systems was improved by more than 60%, achieving a fast start time of 2 seconds, and bringing customers a smooth experience of “instant launch and use”. As of the end of June 2025, the number of mobile banking users of the Group amounted to 15,403.6 thousand, representing a net increase of 353.1 thousand or 2.35%. The transaction amount for the year amounted to RMB798.659 billion, and there were 36,749.8 thousand financial transactions.

In terms of corporate digital channels, the Bank opened up the corporate information flow, the capital flow and the business flow through the treasurer system, direct connection between banks and enterprises, corporate online banking and open platform, helping the Bank to manage its funds as a whole, strengthening the cooperation between banks and enterprises, and empowering the efficient flow of funds in the industrial chain. The Bank officially released the HarmonyOS version of enterprise mobile banking, launched core functions such as payment and collection service, “Enterprise Service+” and enterprise management desk, and provided services such as online QR code scanning payment, WeChat binding and intelligent customer service, realizing the service capability of the whole platform for corporate e-banking. In the first half of 2025, the Bank completed 10 iterative version upgrades, adding and optimizing 57 functions such as Yukuai Housing Mortgage Loan, Account Inquiry, Tax Fast Loan, Piao Fast Discount, Self-service Withdrawal and Loan Renewal, so as to create a more efficient and intelligent digital financial service experience for corporate users. As of the end of June 2025, the number of customers of corporate online banking of the Group amounted to 176.6 thousand, representing a net increase of 4,900 or 2.85%. The transaction amount for the year amounted to RMB540.15 billion, and there were 6,922.9 thousand financial transactions.

Continuously exploited scientific and technological achievements and constructed the core competitiveness of financial technology. The Bank focused on the fields of scientific and technological innovation, basic research, artificial intelligence, risk control decision-making and experience improvement, and took patent and software copyrights as starting points to actively carry out intellectual property protection. As of the end of June 2025, the Bank applied for over 200 patents of all kinds and software copyrights, with more than 120 patents of all kinds and software copyrights granted, including 22 invention patents and 25 software copyrights. Meanwhile, the Bank actively took the lead or participated in standardization work, and continuously promoted the output of standard results that integrate financial technology with business practices. As of the end of June 2025, the Bank took the lead or participated in the formulation of nearly 50 national, industry and group standards, including 2 national standards, 19 industry standards and 28 group standards. Three enterprise standards were included in the list of “leaders” of enterprise standards in the financial field for consecutive years. As the only rural credit institution nationwide invited to participate in the formulation of financial technology development plan for the new stage led by the People’s Bank of China, the Bank contributed to the development of national financial technology, leading to an ongoing expansion of its industry influence.

Management Discussion and Analysis

(V) Financial Business in County Area

The Group always adhered to the market positioning of “serving Sannong, serving small and medium-sized enterprises and serving county-level economy”, conscientiously carried out its responsibility of financial state-owned enterprises, and took “three new momentums” as the engine to continuously make reform and innovation, get stronger and do better in deeply cultivating the county area. By formulating differentiated operation strategies and service measures, the Bank deeply tapped into characteristic industries and customer groups, built characteristic scenarios and ecosystems, promoted the decentralization of services, the concentration of resources and the precision of businesses, and continuously expanded the reach scope of county-area financial services through the increment and expansion, injecting strong financial momentum into the development of county-area economy. As of the end of June 2025, the balance of agricultural loans of the Group amounted to RMB260.218 billion.

1. *Channel Construction*

As of the end of June 2025, the Group had established 5 branches, 26 first-class sub-branches, 127 second-class sub-branches, 1,272 branch offices, and 12 village and township banks in county areas. The Group has deployed 2,402 CRSs, 200 ATMs, 17 multimedia inquiry machines and 2,312 smart integrated counters, and built and put into operation 340 rural convenience financial self-service outlets. The Bank has set up 153 “nearby handling” networks in the county areas, provided 287 pieces of semi-self-service business card-making equipment, and provided 120 sets of portable business card-making equipment, so that people can fully enjoy the convenience brought by the “integrated” service of social services and banks.

The Bank continued to intensify the construction of county electronic channels. As of the end of June 2025, the Bank had issued a total of 24,443.3 thousand debit cards in county areas, accounting for 78.97%, of which 1,177 thousand were rural revitalization cards. 12,219.4 thousand users activated mobile banking with the Bank, accounting for 79.33%, representing an increase of 273.3 thousand as compared to the end of the previous year.

2. Business Support

The Group paid attention to tapping the regional value, and took customers as the center and the market as the guide to effectively help the development of county-level economy. The Group took multiple measures to promote “national debt to the countryside”. The branches and sub-branches in county-level areas underwrote the net value of national debt of RMB1.155 billion, accounting for 81.39% of the net sales value of the Bank. The Bank further promoted the grid marketing activities of “Party building + finance”, deeply explored the existing local advantageous of “familiarity with people, places and regions”, took various activities such as Party building and joint construction and financial knowledge presentation as the link, smoothed the “channels” of business marketing, and promoted the in-depth penetration of the marketing tentacle to the grassroots level. As of the end of June 2025, the balance of the Group’s personal deposits in county-level areas amounted to RMB691.535 billion, accounting for 78.66% of the personal deposits balance of the Group. The Bank carried out 5,849 grid marketing activities, and 63.6 thousand customers participated in such activities. The Bank actively played the role of “a major bank” of local finance, continued to carry out live broadcasts of “there are good things in rural areas, and Yukuai helps revitalization” to help farmers, and innovatively adopted the form of new media live broadcasts to improve the quality and efficiency of supporting agriculture. In the first half of 2025, the Bank carried out 7 live broadcasts, attracting more than 431.7 thousand person-time audiences, winning 1,649 thousand likes, with the sale quantity of 43,500 pieces of special agricultural and sideline products in total and the sales amount of RMB2.4127 million.

With its emphasis surrounding rural characteristic industries and focusing on the industrial development plan of the “One Main and Two Auxiliaries” in all districts and counties, the Bank supported the development of industries, broadened the channels for increasing income of farmers, and optimized rural industrial structure. The Bank enhanced credit support for the construction of infrastructure such as agricultural product logistics and warehousing, continued to improve the efficiency of logistics and transportation for agricultural product, and promoted the optimization and upgrading of the industry. The Bank focused on the “33618” modern manufacturing industry cluster system, concentrated on the food and agricultural product processing industry, integrated primary industries with tertiary industries, and strove to increase the added value of agricultural products. The Bank focused on the reform of the collective forest tenure system, with a particular emphasis on meeting the funding needs in the fields of forest product processing, under-forest economy, eco-tourism and forest health care.

Management Discussion and Analysis

CQRC Financial Leasing focused on supporting culture and tourism, ecological engineering, rural revitalization, modern agriculture and other projects, innovated products and business models and precisely connected with micro, small and medium-sized entity enterprises and Sannong customers. The balance of leased assets in Chongqing amounted to RMB18.051 billion with the proportion of 77.31% in county areas. In 2025, the amount of newly invested rental projects in Chongqing amounted to RMB4.781 billion, with the proportion of 72.91% in county areas. CQRC Wealth Management took the lead in launching the “rural revitalization” series wealth management products in the industry and created a new model of “wealth management + rural revitalization”, with the number of series products released ranking among the top in the industry, providing rural customers with the caring services of “investing in the wealth management products during the slack season, and providing support with gains from investment for the busy season”. The historical performance compliance rate of series products expired maintained 100%. As at the end of June 2025, the scale of inclusive wealth management products exceeded RMB61 billion, accounting for 37.65%.

(VI) Principal Controlled and Investee Companies

1. *Information on Controlled Subsidiaries*

(1) CQRC Village and Township Bank

CQRC Village and Township Bank is a general name for the village and township banks established by the Bank as the major promoter. The establishment of village and township banks is of great significance for the Bank to practice the Rural Revitalization Strategy, fulfill social responsibility, further broaden and deepen the service to new rural construction. As of the end of the Reporting Period, the Bank has established 12 CQRC Village and Township Banks in 12 counties (districts/cities) across 5 provinces, of which the shareholding ratio is not less than 51% for all, with aggregate registered capital amounting to RMB1.662 billion, total assets amounting to RMB5.092 billion, net assets amounting to RMB1.965 billion, the respective balance of deposits and loans amounting to RMB2.533 billion and RMB4.412 billion, NPL ratio and provision coverage rate of 1.56% and 291.95%, respectively, and net profits amounting to RMB29 million.

(2) CQRC Financial Leasing Co., Ltd.

CQRC Financial Leasing is a controlling subsidiary of the Bank. It was established in December 2014 with a registered capital of RMB2.5 billion. It is mainly engaged in financial leasing business, assign and transfer of finance lease assets, fixed income securities investment business, interbank lending, borrowing from financial institutions, sales and disposals of leased property business, brokerage consulting, and establishment of project companies in domestic bonded districts to conduct leasing business, etc. The Bank held 80% equity interests in CQRC Financial Leasing. As of the end of the Reporting Period, the total assets and net assets of CQRC Financial Leasing were RMB71.34 billion and RMB8.84 billion, respectively, recording a net profit of RMB731 million during the Reporting Period.

(3) CQRC Wealth Management Co., Ltd.

CQRC Wealth Management is a wholly-owned subsidiary of the Bank. It was established in June 2020. It is the first wealth management subsidiary of rural commercial banks in China and corporate banks in western China, with a registered capital of RMB2 billion. It is primarily engaged in public offering of wealth management products to the general public, investment and management of properties entrusted by investors; private placement of wealth management products to qualified investors, investment and management of properties entrusted by investors; wealth management advisory and consulting services; and other businesses approved by the banking supervisory authorities of the State Council. As of the end of the Reporting Period, the total assets and net assets of CQRC Wealth Management were RMB3.128 billion and RMB3.017 billion, respectively, recording a net profit of RMB177 million during the Reporting Period.

2. *Principal Investee Companies*

Chongqing Xiaomi Consumer Finance Co., Ltd. is the second licensed consumer finance company in Chongqing. It was established in May 2020 and is mainly engaged in granting personal consumption loans business. Its registered capital was RMB1.5 billion. The Bank held its 30% equity interests. As of the end of the Reporting Period, the total assets and net assets of Chongqing Xiaomi Consumer Finance Co., Ltd. were RMB23.232 billion and RMB1.796 billion, respectively. During the Reporting Period, the net profit achieved RMB97 million.

IV. Key Issues of Operation Concerns

(I) About Net Interest Margin

During the Reporting Period, the Group's net interest margin decreased by 1BP compared with the previous year and the narrowing of net interest margin has been improved, mainly due to the balanced development of quantity, price and structure.

Looking forward to the second half of the year, it is expected that the interest rate center will still be in the downward channel, and the net interest margin will still face the pressure of narrowing. However, the Group will continue to strengthen the management of asset-liability portfolio and optimize the price guidance mechanism, and strive to maintain the net interest margin at a reasonable level. On the asset side, firstly, the Group will continuously increase the proportion of loans. The Group will closely follow the policy orientation of "five major areas" and continue to give play to its traditional advantages of many outlets, familiar regions and wide contacts by focusing on key strategies such as the construction of the Chengdu-Chongqing Economic Circle and the New International Land-Sea Corridor. The Group will make full use of digital means to strengthen mass customer acquisition, digital operation and industrial chain marketing. The Group will make simultaneous efforts online and offline to achieve the expansion and increment of the loan business. Secondly, the Group will continuously improve the level of differentiated pricing. The Group will constantly strengthen the pricing guidance of stratified and classified customers, strengthen the comparative analysis of the intrinsic value of customers, and match differentiated prices based on customer portraits. Thirdly, the Group will improve the efficiency of the allocation of the fund business. The Group will continue to improve investment and research capabilities, actively seize market opportunities, expand the targets and scope of investment transactions, expand the space of investments and optimize the allocation of financial assets at appropriate times. On the liability side, firstly, the Group will continue to consolidate the leading edge of the quantity and price of deposits. The Group will continuously increase the deposit taking efforts by continuing to rely on the local layout foundation. At the same time, the Group will create scenarios of "financial + non-financial" high-frequency transactions to drive the accumulation of settlement funds, and promote the balance of quantity and price of deposits in combination with limit control and term guidance. Secondly, the Group will further strengthen the management of active liabilities. In combination with the Bank's asset-liability portfolio, the Group will dynamically and flexibly arrange the absorption of active liabilities, continuously optimize the products and term structure of active liabilities, and further improve the cost of liabilities.

(II) About the Growth Rate of Profits

During the Reporting Period, the Group made concerted efforts to increase revenue and reduce expenditure. The net profit increased by RMB286 million on a year-on-year basis, representing an increase of 3.79%, and the operating performance maintained steady growth.

Looking forward to the second half of the year, the Group will strengthen the dynamic balance management of “volume, price, risk and efficiency” in the process of reform, transformation and development, and strive to maintain steady growth in operating performance. Firstly, the Group will expand the scale, closely follow the strategic deployment of Chongqing, and deeply tap into the value of existing customers and actively expand new customers by strengthening the coordination and linkage between the Head Office and branches, so as to jointly promote the steady growth of business scale. Secondly, the Group will stabilize prices, analyze and sort out multi-dimensional portraits of customers in different categories by relying on digital means, and match differentiated prices according to “one price for one group, one price for one household”. At the same time, the Group will improve the evaluation mechanism of customers’ comprehensive contribution and enhance its comprehensive pricing capability. Thirdly, the Group will control risks, strengthen the construction of the digital risk control system, reshape the risk control logic through the industrial chain, optimize the early warning mechanism, proactively identify and prevent asset deterioration, and at the same time increase the collection and disposal efforts to enhance the benefit contribution of non-performing assets. Fourthly, the Group will improve the efficiency, strengthen the refined control of fees, help financial resources to accurately allocate to the front-end businesses, empower the development of businesses and improve the use efficiency of resources.

Management Discussion and Analysis

(III) About Asset Quality

In the first half of 2025, various macro policies have taken effect and made achievements. The national economy continued to maintain a stable and positive development trend. However, due to various factors such as multiple external uncertainties, insufficiency of effective demand in China and lower-than-expected income of some individual customers, the asset quality of the Group's retail loans still faced certain pressures. In the first half of the year, the Group increased its credit supply, continued to optimize its asset structure, strengthened credit risk management and alleviated the pressure from the decline in asset quality. The main indicators remained generally stable.

Firstly, the non-performing loan ratio remained stable with a slight decline. As of the end of June 2025, the Group's non-performing loan ratio was 1.17%, representing a decrease of 0.01 percentage point over the end of the previous year. In the first half of the year, the NPL formation ratio showed a year-on-year decline trend.

Secondly, the percentage of loans of concern maintained stable. As of the end of June 2025, the percentage of loans of concern was 1.48%, representing a slight increase of 0.02 percentage point over the end of the previous year and a 0.25 percentage point lower growth rate as compared with the same period of the previous year.

Thirdly, the risk replenishment capability maintained robust. As of the end of June 2025, the provision coverage ratio of the Group was 355.58% and provision-to-loan ratio was 4.16%, which were basically stable as compared with the end of the previous year.

In particular, the asset quality performance of the Group in the first half of the year is set out as below:

Firstly, the non-performing corporate loans showed a "double reduction". As of the end of June 2025, the non-performing balance and the non-performing ratio of corporate loans were RMB2.833 billion and 0.68%, representing a decrease of RMB0.9 billion or 0.36 percentage point over the end of the previous year, and the quality of assets maintained a positive trend.

Secondly, retail loans still face the pressure from the generation of non-performing loans, but the overall risk was under control. As of the end of June 2025, the non-performing ratio of retail loans of the Group was 2.04%, representing an increase of 0.44 percentage point over the end of the previous year. However, in terms of the generation of non-performing loans, the amount of new non-performing loans in the first half of the year decreased year-on-year. Meanwhile, there were sufficient secondary repayment sources for retail loans of the Group. Secured loans accounted for 85.56% of the non-performing loans, of which, mortgaged and pledged loans accounted for 75.53% of the non-performing retail loans. The collateral value covered 1.74 times of the principal of loans, with good risk mitigation capabilities.

Thirdly, the proportion of overdue loans increased slightly as compared with the end of the previous year. As of the end of June 2025, the percentage of the Group's overdue loans was 1.41%, representing an increase of 0.09 percentage point over the end of the previous year. Retail loans accounted for a relatively high proportion in overdue loans, mainly because the recovery in income of some individual customers fell short of expectation, leading to an increase of overdue retail loans.

Looking forward to the second half of the year, with the continuous release of macro-economic policy effects, the endogenous momentum for economic growth continued to strengthen, and the domestic economy will continuously maintain its positive momentum. The Group will closely follow the policy orientation, make efforts on the “five major areas” of finance, update digital risk control engine through “three new momentums” of digitally-driven, industrial-chain-driven and scenario-driven and innovate digital and intelligent risk control means, constantly promoting the steady development of all business of the Bank. Meanwhile, the Group will enhance the risk monitoring and evaluation of key sectors and major customers, carry out classification and management dynamically according to substantive risks, complete the management on the classification of financial assets during the transitional period of new regulations, accurately reflect asset quality and make forward-looking impairment provisions, and take several measures to strengthen the collection and disposal of the existing non-performing assets. On the whole, it is expected that the quality of the assets of the Group will remain stable with positive momentum, and relevant indicators will remain controllable and maintain a good level.

V. Risk Management

In the first half of 2025, the Group has adhered to seeking progress while maintaining stability, focused on the “five major areas” of finance and constructed “three new momentums”, constantly improved the capacity and efficiency of risk management and actively responded to external risk situation and changes in industry trend. The Group set the unified risk appetite across the Group, transmitted the risk appetite to various business activities through risk limit, risk strategy and process and promoted operating institutions through performance evaluation and management and supervision to adjust their operating activities according to the risk status of the Group. During the Reporting Period, the Group focused on the implementation of following risk management work:

Optimized the management system and consolidated the foundation of the whole-process risk control. The Bank amended nearly ten risk management systems, formulated annual credit supply guidelines, established a pre-review consultation and forward-looking examination mechanism for the credit extension business, and strengthened risk front-end control. The Bank improved the credit product management system, built a product tree and started the system construction to create a closed-loop management. The Bank built a unified risk control standard framework for personal online credit product model strategy, laying a foundation for improving the quality of digital risk control of products. The Bank implemented new regulatory regulations, promoted the construction of the operational risk management system, and promoted the implementation of the system and the application of three tools.

Management Discussion and Analysis

Strengthened monitoring and analysis and focused on preventing and controlling risks in key areas. The Bank strictly implemented risk preference and limit control, and strengthened risk target constraints. The Bank carried out risk screening in key areas and properly made risk pre-judgment. The Bank steadily promoted the mechanism of asset quality screening normalization, carried out special analysis on small and micro enterprise loans, and implemented refined management of overdue loans. The Bank conducted a retrospective review of credit products and reviewed the operation experience. The Bank updated model parameters, carried out attribution analysis, and steadily improved the implementation level of the expected credit loss method. The Bank optimized the forward-looking monitoring mechanism of liquidity indicators and pushed the advancement of the risk prevention and control checkpoints. The Bank carried out various risk assessments and analyses in multiple dimensions and frequency, ensuring the stable operation of the Bank.

Focused on digital-driven and improved the digital level of risk control. In alignment with the new capital regulations, the Bank completed the launch of the main functions of the capital management system. The Bank continued to optimize the functions of important systems in the credit field, improved the accuracy and coverage of risk identification and anti-fraud, and strengthened the prevention and control of credit risks. The Bank completed the commissioning of the market risk management system and enriched the management tools. The Bank steadily promoted the optimization of system construction such as liquidity and interest rate risk of bank books, and enhanced its functionality and flexibility. The Bank steadily promoted the whole life cycle management of model risks and made phased progress in system construction. The Bank actively explored the application of artificial intelligence in the field of risk management.

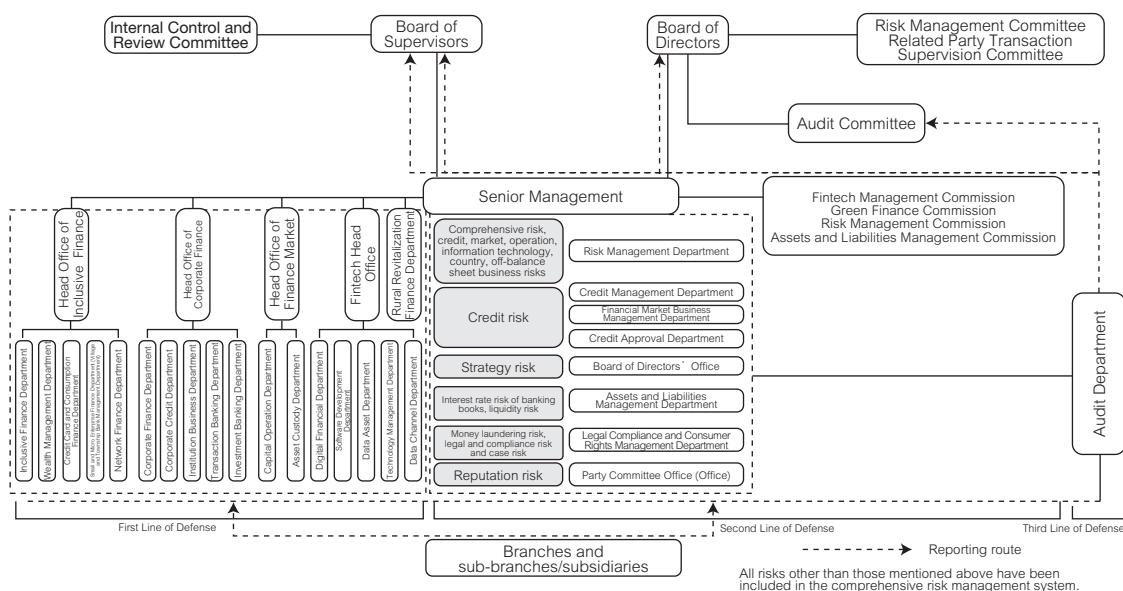
(I) Risk Management Structure

The Board of Directors assumed the ultimate responsibility for comprehensive risk management, set up a risk management committee to perform responsibilities related to comprehensive risk management with the Board's authorization, reviewed the risk appetite statement of the Group on a regular basis and transmitted it through appropriate policies. The senior management assumed the responsibilities for implementing comprehensive risk management, implementing the risk strategy formulated by the Board, and setting up risk management commission to make collective decisions on major matters related to risk management. The Board of Supervisors assumed the responsibilities for overseeing comprehensive risk management, supervising and inspecting the due diligence performance of the Board of Directors and senior management in respect of risk management and supervising their rectification.

The headquarter's risk management department is the leading department of comprehensive risk management, and is responsible for leading the implementation of comprehensive risk management system and timely reporting to the senior management on the Group's comprehensive risks and various major risks. Each department of the headquarter assumed direct responsibility for the risk management of the line and the department, and managed various risks of the Bank including credit risk, market risk, liquidity risk, and operational risk in accordance with the division of responsibilities. The audit department of the headquarter is responsible for performing internal audits on relevant performance of duties. Each branch is responsible for the daily management of comprehensive risks of the branch. Each subsidiary institution has established the risk appetite and risk management policy that is appropriate to the business nature, scale and complexity of its business, focused on its main business and high-quality development, improved the "three lines of defense" mechanism of its own risk management and reported risks to the promoter according to the prescribed route and frequency.

Risk Management Structure

The Bank's comprehensive risk management structure consists of the Board of Directors, the Board of Supervisors, senior management and special committees authorized by it, the headquarters' risk management department, other relevant functional departments, the audit department and branches and sub-branches and subsidiaries.



(II) Credit Risk Management

Credit risk refers to the risk of losses of banking business arising from the failure of the borrower or the counterparty of the Bank to fulfill relevant obligations as per the contract for various reasons.

Management Discussion and Analysis

In the first half of 2025, the Group actively implemented national policy guidance, increased credit supply, continuously optimized its asset structure, and contributed to the high-quality development of the local economy. At the same time, the Group continued to improve its credit risk management capabilities, and its overall asset quality remained stable. Firstly, the Group consolidated the foundation of credit risk management, improved the internal management system and made the management system more perfect. Secondly, the Group further improved the credit product management system. Focusing on the full life cycle management of credit products, the Group optimized the credit product management mechanism of the Bank, built a unified credit product tree across the Bank and enhanced management capabilities. Thirdly, the Group updated credit allocation guidelines, established a project foresight mechanism, controlled project risk in advance and enhanced the efficiency of credit approval. Fourthly, the Group improved the intelligent risk management system, empowered the credit risk management, advanced the integration and optimization of early-warning signals, expanded intelligent post-loan functions and perfected the construction of the risk alert system. Fifthly, the Group continued to carry out risk assessment and monitoring, conducted risk investigation in key areas, urged business institutions to implement the normalization mechanism of asset quality investigation and implemented dynamic management of risk classification. Sixthly, the Group regularly conducted stress tests related to credit risk and assessed its risk level under various stress scenarios. Seventhly, the Group strictly controlled the concentration risk, carried out the large-amount risk exposure management and continuously optimized the functions of the system. As of the end of June 2025, the relevant indicators of large-amount risk exposure of the Group were better than the regulatory standards.

(III) Market Risk Management

Market risk refers to the risk of losses from on-balance-sheet and off-balance-sheet businesses of the Group arising from adverse changes in the market price (such as interest rate, exchange rate, stock price and commodity price, etc.). The market risks faced by the Group primarily include interest rate risk and exchange rate risk. The purpose of market risk management is to control potential market risk losses through identification, measurement, evaluation, monitoring and other measures to the extent that the Group can bear, thus achieving reasonable balance between risks and returns.

The Group has established a complete market risk management system, forming a market risk management organizational structure that separates the front, middle and back offices, and clarified the responsibilities, division of labor and reporting routes of the Board of Directors, the Board of Supervisors, senior management, special committees and relevant departments, so as to ensure the compliance and effectiveness of market risk management. The Group proactively managed the interest rate risk and exchange rate risk in accordance with the regulatory requirements and based on the actual operation and management, and formulated a management system for market risks through regulations on authorization, credit extension and risk appetite and risk limit, monitoring and reporting.

During the Reporting Period, the Group continuously improved proactive market risk management capabilities and steadily advanced various management work. Taking into account the business expansion and risk control, the Group formulated an annual market risk appetite and limit plan. The market risk management system has been put into operation and applied to enhance management information support. Relying on the system, the Group properly conducted daily valuation and measurement monitoring, and conducted analysis with different frequencies on a regular basis. The Group formulated stress test scenarios for the market risk on an annual basis, assessed the impact of extreme scenarios on capital through sensitivity analysis, scenario analysis and other methods and conducted tests on a quarter basis. The results of the stress tests showed that the overall market risk was controllable. The Group strengthened the research and judgement of interest rates and exchange rates, and regularly conducted analysis on national and international economic fundamentals and financial data to improve the foresight of market risk analysis. According to the Measures for the Administration of Market Risks of Commercial Banks (《商業銀行市場風險管理辦法》), the Group sorted out the changes in new regulations and formulated the management optimization plan.

1. *Trading Book Interest Rate Risk Management*

The Group continued to strengthen the trading book interest rate risk management and conducted risk assessment mainly through sensitivity analysis and scenario analysis. The Group has established a relatively complete limit management system, mainly including risk limit and stop-loss limit. The Group monitors the valuation and quota implementation of the bond business of trading books on a daily basis. During the Reporting Period, no limit was triggered.

2. *Exchange Rate Risk Management*

Exchange rate risk primarily results from mismatches in the currency denomination of the Group's assets and liabilities and currency position mismatches caused by currency mismatched between capitals and foreign exchange transactions. The Group mainly adopts foreign exchange exposure analysis, sensitivity analysis and other means to measure exchange rate risk. The Group is mainly engaged in the Renminbi business with certain transactions related to USD, Euro and HKD, but seldom conducts transactions in other currencies. Transactions in foreign currencies are mainly the Group's self-operated and agency spot business, self-operated and agency swaps business and agency forward business.

The Group will continuously pay attention to global economic situation and policies, strengthen the study and judgment on the trend of foreign exchange rate and reasonably allocate local and foreign currency assets. The Group will strengthen its management capability of its exposure to foreign exchange risks and the management standard of foreign exchange assets and liabilities by enhancing the dynamic management of the deposits and loans of foreign exchange and arranging the utilization of foreign exchange capital reasonably, so as to maintain the exchange rate risk at the reasonable level.

Management Discussion and Analysis

As of the end of June 2025, the position of foreign currencies on the Group's balance sheet denominated in RMB is as follows:

(Expressed in RMB million)	US dollars RMB	HK dollars RMB equivalent	Other currencies RMB equivalent	Total
Net position as at 30 June 2025	<u>122,131.6</u>	<u>3,664.2</u>	<u>189.1</u>	<u>25.4</u> <u>126,010.3</u>
Net position as at 31 December 2024	<u>121,887.4</u>	<u>721.3</u>	<u>187.0</u>	<u>25.4</u> <u>122,821.1</u>

3. Exchange Rate Sensitivity Analysis

The following table illustrates the exchange rate sensitivity analysis of the Group on the assumption that the RMB spot and forward exchange rate against USD in the market moves and not considering any risk management actions the management may take to mitigate exchange rate risk:

Exchange rate changes (Expressed in RMB million)	30 June 2025 Impact on net profit	31 December 2024 Impact on net profit
5% appreciation	<u>(137.4)</u>	<u>(27.0)</u>
5% depreciation	<u>137.4</u>	<u>27.0</u>

IV Banking book interest rate risk management

Banking book interest rate risk refers to risks of losses in economic value and overall income of the banking book arising from adverse changes in interest rate level, term structure and other factors. The Group's banking book interest rate risk arises from the mismatches between the repricing periods of assets and liabilities as well as the inconsistent changes in their pricing basis.

The Group has incorporated banking book interest rate risk into its comprehensive risk management framework and established a banking book interest rate risk management system that is appropriate to the Group's risk profile and business complexity. The Group measured and monitored its banking book interest rate risk primarily by adopting methods such as repricing gap analysis, sensitivity analysis and scenario analysis and managed its banking book interest rate risk by strengthening limit management, adjusting asset-liability structure and optimizing internal and external pricing strategies.

Management Discussion and Analysis

The structure of the Group's interest rate risk gap on the contract re-pricing date or maturity date (whichever was earlier) is as follows:

(Expressed in RMB million)	Within 3 months	3 months -1 year	1-5 years	Over 5 years	Non-interest bearing	Total
Interest rate gap as at 30 June 2025	<u>(273,069.3)</u>	<u>(5,851.5)</u>	<u>156,426.3</u>	<u>202,464.8</u>	<u>46,040.0</u>	<u>126,010.3</u>
Interest rate gap as at 31 December 2024	<u>(174,763.7)</u>	<u>(99,031.5)</u>	<u>164,970.2</u>	<u>195,895.7</u>	<u>35,750.4</u>	<u>122,821.1</u>

As of the end of June 2025, the Group's accumulated gaps of interest rate risk for all maturities amounted to RMB126.01 billion, representing an increase of RMB3.19 billion over the end of the previous year.

The following table illustrates the interest rate sensitivity analysis of the Group on the assumption that the overall interest rate in the market moves in parallel and not considering any risk management actions the management may take to mitigate interest rate risk:

(Expressed in RMB million)	30 June 2025		31 December 2024	
	Impact on net profit	Impact on other comprehensive income	Impact on net profit	Impact on other comprehensive income
Increase in 100 basis points	<u>(483.8)</u>	<u>(7,911.0)</u>	<u>(57.2)</u>	<u>(4,199.4)</u>
Decrease in 100 basis points	<u>483.8</u>	<u>8,626.2</u>	<u>57.2</u>	<u>4,439.5</u>

Management Discussion and Analysis

(V) Liquidity Risk Management

Liquidity risk refers to the risk of inability in getting sufficient funds at reasonable costs in a timely manner to meet the due liabilities or other obligations for payments or other capital needs required for the conduction of normal business. The objective of liquidity risk management of the Group is to meet the liquidity needs of asset, liability and off-balance sheet activities and meet its payment obligation to external parties on a timely basis, to maintain stable operation with overall security, to protect the interests of depositors, and to effectively balance fund profitability and overall security during the normal operation or at a stressed condition through the development of a scientific and comprehensive liquidity risk management mechanism and the implementation of effective identification, measurement, monitoring and reporting measures on liquidity risk.

The Board of Directors of the Group is ultimately responsible for liquidity risk management. The Assets and Liabilities Management Commission and Risk Management Commission under senior management are responsible for establishing policies and strategies relating to the Group's overall management of liquidity risk. The Assets and Liabilities Management Department, the Risk Management Department, the Capital Operation Department, the Transaction Banking Department and other related departments cooperated with each other to form an organizational structure of liquidity risk management with division of work and cooperation, clear responsibilities and efficient operation.

The Group ensured safety of the payment through continuous monitoring and management of positions across the Bank. The Group, leveraging its unremitting efforts in strengthening liquidity risk monitoring as well as the application of the FTP, a system for internal fund transfer pricing, had improved the management of internal fund allocation under the system. The Group updated liquidity risk pressure tests scenarios annually and carried out liquidity risk pressure tests quarterly to examine the ability of the Group to withstand risks under extreme pressure. The results showed that the management of liquidity risks under pressure, though more difficult, was controllable.

During the Reporting Period, the PBOC implemented its moderately loose monetary policy, strengthened counter-cyclical adjustment and maintained sufficient liquidity. The Group adhered to the prudent and compliant operation philosophy, continued to optimize the asset-liability structure, formulated and implemented the liquidity risk preference and limit control plan for 2025, continuously carried out calculation of the indicators of forward-looking liquidity risks in combination with the external environment and internal business change needs, deployed in advance and dynamically adjusted the management strategies for liquidity risks, and promoted the indicators of liquidity risks to meet the standards continuously. The Group enhanced the construction and upgrading of the information management system, and promoted the implementation of refined liquidity management. During the Reporting Period, the Group maintained a good liquidity level and all the main indicators reflecting the liquidity status of the Group met the regulatory requirements.

Management Discussion and Analysis

The Group appraised the liquidity risk conditions by means of liquidity gap analysis. As of the end of June 2025, the liquidity gap analysis of the Group is as follows:

(Expressed in RMB million)	Undiscounted contractual cash flows categorised by contractual maturities							
	Overdue/ Undated	Within 1 month	3 months	1-3 months	-12 months	1-5 years	Over 5 years	
	On demand	month	1-3 months	-12 months	1-5 years	years	Total	
Net position of assets and liabilities as at 30 June 2025	56,730.0	(217,690.8)	(62,475.8)	(67,608.1)	(281,412.2)	349,493.6	613,899.4	390,936.1
Net position of assets and liabilities as at 31 December 2024	52,409.8	(229,080.0)	(101,555.5)	(168,882.5)	(81,762.1)	345,788.3	563,524.0	380,442.0

The Group measured and disclosed its liquidity ratio, net stable funding ratio and liquidity coverage ratio in accordance with the relevant requirements of Methods for Liquidity Risk Management in Commercial Banks (《商業銀行流動性風險管理辦法》) (CBIRC Order 2018 No. 3).

Liquidity ratio is calculated by dividing current assets by current liabilities. As of the end of June 2025, the liquidity ratio of the Group is as follows:

Liquidity ratio (%)	30 June 2025	31 December 2024	31 December 2023
RMB	100.66	93.99	91.42
Foreign currency	29.72	53.58	87.62

Management Discussion and Analysis

Net stable funding ratio is calculated by dividing available stable funding by the required stable funding. It is used to evaluate whether commercial banks have sufficient and stable funding sources to meet the needs of stable funding from various assets and off-balance sheet risk exposures. As of the end of June 2025, the net stable funding ratio of the Group is as follows:

(Expressed in RMB million)	30 June 2025	31 March 2025
Available stable funding	1,083,009.33	1,114,870.30
Required stable funding	840,439.85	848,839.06
Net stable funding ratio (%)	128.86	131.34

As of the end of June 2025, the liquidity coverage ratio of the Group is as follows:

(Expressed in RMB million)	30 June 2025
Qualified and high-quality liquid assets	173,592.10
Net cash outflows in future 30 days	40,081.47
Liquidity coverage rate (%)	433.10

The qualified and high-quality liquid assets mean various assets which can be cashed quickly in the financial market through sale or mortgage (pledge) without loss or with minimal loss in the pressure scenarios set by the liquidity coverage ratio. The net cash outflow in future 30 days means the differences between the expected total cash outflow and the expected total cash inflow in the future 30 days in the pressure scenarios set by the liquidity coverage ratio. The expected total cash outflow is the sum of the products of the balance of the relevant liabilities and off-balance-sheet items and its expected churn rate or extraction rate in the pressure scenarios set by the liquidity coverage ratio. The expected total cash inflow is the sum of the products of the balance of the relevant on and off-balance-sheet contractual receivables and its expected inflow rate in the pressure scenarios set by the liquidity coverage ratio. The expected total cash inflow which can be included shall not exceed 75% of the expected total cash outflow.

(VI) Operational Risk Management

Operational risk refers to the risk of loss due to errors in internal procedures, personnel and scientific and technological information systems or external events. Adhering to the principle of comprehensiveness and prudence and based on a comprehensive risk management system, the Group implements an operational risk management strategy that matches the asset size and business complexity in compliance with the overall risk appetite.

During the Reporting Period, the Group continued to strengthen its operational risk management, and the overall operational risk remained under control. The Group improved its operational risk management system and advanced the improvement and refinement of the operational risk management policies, process, tools and system, etc. The Group deepened the application of fundamental management tools of operational risk, carried out daily monitoring of key risk indicators of operational risks, timely warned of risk changes, strengthened the collection of loss data, promoted the sharing of risk information, strengthened data cross-verification, and improved the quality of loss data. The Group optimized its operational risk stress test and adopted a multi-scenario comprehensive simulation approach to quantitatively analyze the impact of operational risk losses on capital and profitability. The stress test results showed that operational risk was controllable. The Group conducted multiple risk investigations, organized special inspections on safety hazards, etc., deepened the investigation of case risks and special investigations on employee behavior and strengthened risk prevention in key areas. The Group has formulated the drill program in a coordinated manner, strengthened collaboration among risk, technology and business departments, rationally planned the drill program for the business continuity throughout the year, deeply integrated information system drills and key business drills and verified the effectiveness and completeness of the emergency response plan.

(VII) Reputation Risk Management

Reputation risk refers to the risk of negative evaluation of the Group by the stakeholders, the public and the media due to the Group's operations, management and other actions or external events, thereby damaging the brand value of the Group, adversely affecting the normal operation of the Group, or even affecting the stability of the market value of the Group and social stability.

During the Reporting Period, the Group established and improved the reputation risk management mechanism, and further strengthened the classified management of reputation risks, customer emergency and complaint handling, emergency handling of sudden public opinion, information release process management, and standardized management of publicity work, etc. At the same time, the Group continued to properly monitor and deal with the public opinion, actively and effectively prevented reputation risks and responded to negative public opinion events, and actively maintained the Bank's good market image to achieve the overall goal of reputation risk management.

Management Discussion and Analysis

(VIII) Information Technology Risk Management

Information technology risks refer to operational, legal, and reputational risks arising from the use of information technology due to natural factors, human factors, technical loopholes, and management defects.

During the Reporting Period, the Group continued to improve the information technology risk management system and enhance the efficiency of information technology risk management, without any major information technology risk emergency. The Group implemented operation and maintenance management and control, strengthened the 7×24 hours operation and maintenance on-duty management, strove to maintain network security at important points such as New Year's Day and Spring Festival, and effectively maintained the stable operation of important businesses. The Group strictly monitored risks, strengthened risk indicator threshold management in accordance with regulatory requirements and management practices, conducted regular information technology risk monitoring, and ensured early detection, early warning and early resolution of problems through comparative analysis, special seminars, etc., to comprehensively improve the accuracy and effectiveness of information technology risk prevention and control. The Group implemented risk assessment, applied the expert team review mechanism to implement the risk assessment links before the construction of important information system projects, carried out information technology outsourcing risk management assessment, fully identified the shortcomings in the information technology outsourcing risk management and continuously improved risk control measures to enhance the information technology outsourcing risk management level of the Group.

(IX) Money Laundering Risk Management

The Group adhered to the risk-oriented principle, strictly implemented anti-money laundering laws and regulations and various regulatory provisions, and constantly enhanced the forward-looking, scientificity, integrality and effectiveness of anti-money laundering work.

During the Reporting Period, the Group formulated the opinions on anti-money laundering work in 2025, conducted trainings on the new Anti-Money Laundering Law at all level and publicized the new Anti-Money Laundering Law, improving the public's ability to identify and respond to risks. The Group formulated a work plan, carried out special training on beneficial owners' information and guided the stock market entities in the jurisdiction to file beneficial owners' information in batches and in an orderly manner to fulfill the obligation to identify beneficial owners. The Group conducted risk screening on high-risk business areas, conducted special anti-money laundering inspections by means of "off-site + on-site" to find out potential risks from point to area, and steadily promoted the transformation of anti-money laundering duty performance based on risks.

(X) Internal Audit

The Group has established a sound internal audit system according to laws and regulations. The internal audit team works under the leadership of the Party Committee and the Board, and is accountable to and reports to the Party Committee and the Board. The Articles of Association clearly stated that the Board was responsible for establishing and maintaining an effective internal audit system to ensure that internal audit had sufficient independence. The internal audit departments were equipped with designated audit personnel, which was in compliance with the regulatory requirements.

During the Reporting Period, the internal audit focused on the main responsibility and business, deepened the reform and innovation, and continued to improve the quality and efficiency of audit supervision. The Group carried out audit supervision around major decisions, state-owned enterprise reforms, regulatory policies and strategy of the headquarter, and vigorously and effectively promoted the implementation of the superior policy and the strategy of the Bank. The Bank improved the audit efficiency by digital drive, iteratively optimized the audit system, increased the early warning models, optimized the analysis model, and continued to carry out research-based audit to improve the foresight, accuracy and practicality of audits. The Bank focused on consolidating joint efforts, actively explored the effective paths for the integration of various types of supervision, and promoted the transformation of achievements into an endless cycle of governance, adding new momentum to the high-quality development of the Bank.

(XI) Related Party Transactions

During the Reporting Period, in accordance with the requirements for listed banks, the Bank continued to improve its management of related party transaction. The Bank strengthened the management of the list of related parties. It communicated with shareholders, directors, supervisors and senior management and other persons about the importance and principles of related party transaction management, regularly collected information on related parties, conducted dynamic management and timely update of the list, and strengthened identification of related parties, thereby laying a solid foundation for related party transaction management. The Bank strictly examined and approved related party transactions, controlled the compliance risks of related party transactions, standardized the implementation of the review and disclosure standards of related party transactions, and performed the obligation of filing or submitting transactions in a timely manner. The Bank strengthened the concentration management and control of related party transactions, and regularly monitored its concentration indicators to prevent concentration risk. During the Reporting Period, all relevant indicators met the regulatory requirements.

Management Discussion and Analysis

1. Related party transactions during the ordinary course of business

During the Reporting Period, the Bank conducted related party transactions by following the regulatory requirements and the Administrative Measures for the Related Party Transactions (《關聯交易管理辦法》) of the Bank, and the related party transactions were priced fairly and in line with the interests of the Bank and shareholders as a whole.

(1) In accordance with the relevant regulations of the regulatory authority of the banking industry, a total of 11 significant related party transactions were approved during the Reporting Period. The credit balance was RMB29.753 billion as at the end of the Reporting Period, with details as follows:

Unit: RMB0'000

No.	Name of related party	Transaction type	Credit balance	Percentage of net capital (%)
1	Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) and group members	Group credit	1,304,596.86	9.82
2	CQRC Financial Leasing Co., Ltd.	Single credit of legal person	623,250.00	4.69
3	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) and group members	Group credit	472,752.93	3.56
4	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and group members	Group credit	465,063.15	3.50
5	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	Single credit of legal person	450,022.93	3.39
6	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	Change in single credit of legal person	450,022.93	3.39
7	Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司)	Single credit of legal person	412,056.05	3.10
8	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	Change in single credit of legal person	286,758.20	2.16
9	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	Change in single credit of legal person	286,758.20	2.16
10	Chongqing Airport Group Co., Ltd. (重慶機場集團有限公司)	Single credit of legal person	109,600.07	0.83
11	Chongqing Railway Investment Group Company Limited (重慶鐵路投資集團有限公司)	Change in single credit of legal person	13,580.00	0.10

Notes: The single credit of legal person extended to Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司), Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司), Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and Chongqing Railway Investment Group Company Limited (重慶鐵路投資集團有限公司) and their group members was included in the scope of relevant group credits.

Management Discussion and Analysis

(2) In accordance with the relevant regulations of the Shanghai Stock Exchange, during the Reporting Period, related party transactions that occurred between the Bank and related parties under the relevant regulations of the Shanghai Stock Exchange considered by the Board or general meetings are as follows:

The 53rd meeting and the 56th meeting of the fifth session of the Board of Directors of the Bank and the 2024 annual general meeting of the Bank considered and approved “the resolution in relation to the related party transactions with Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) and its related parties”, “the resolution in relation to the related party transactions with Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) and its related parties” and “the resolution in relation to the related party transactions with Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) and its related parties” on 25 March 2025, 25 April 2025 and 21 May 2025 respectively, agreeing on the group comprehensive credit limit of RMB19.0 billion to Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) with a credit period of 1 year, the group comprehensive credit limit of RMB19.0 billion to Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) with a credit period of 1 year and the group comprehensive credit limit of RMB19.4 billion to Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) with a credit period of 1 year. For details, please refer to the “Announcement on Related Party Transactions of Chongqing Rural Commercial Bank Co., Ltd.” (Announcement No.: 2025-011, 2025-019) published by the Bank on the website of the Shanghai Stock Exchange.

Management Discussion and Analysis

2. *Related party transactions in connection with purchase or sale of assets or equity interests*

During the Reporting Period, the Bank was not involved in significant related party transaction in connection with purchase or sale of assets or equity interest.

3. *Related party transactions in connection with joint external investment*

During the Reporting Period, the Bank was not involved in significant related party transaction in connection with joint external investment.

4. *Claims, Debt Transactions with Related Parties*

During the Reporting Period, the Bank was not involved in significant claims or debt transactions of a non-operating nature with related parties.

5. *Business transactions with related finance companies*

During the Reporting Period, there was no finance company controlled by the Bank. The Bank was not involved in significant related party transactions in connection with deposits, loans, credit or other financial business with related finance companies.

6. *Other significant related party transactions*

During the Reporting Period, apart from the transactions mentioned above, the Bank did not have any other significant related party transactions that met the requirements of the securities regulatory authorities.

VI. Capital Management

The Group implemented comprehensive capital management, including the formulation of capital management policies, capital planning, capital adequacy ratio management plans, capital measurement, internal capital adequacy assessment, capital allocation and capital assessment management. The goal of the Group's capital management is to mainly accumulate internal capital, with external capital as supplement, to effectively balance capital supply and demand, to strengthen capital restrictions and guidance to the business, so as to maintain a capital level that is consistently higher than regulatory requirements, and to reserve a certain room for margin and buffer as security.

In the first half of 2025, the Group continued to promote the refinement of capital management, formulated and implemented the capital planning for 2025-2027, rationally arranged risk-weighted asset limits, adjusted business structure, improved capital utilization efficiency, maintained continuous growth of capital, further consolidated capital strength of the Bank, and constantly enhanced the service capability for real economy. The Group coordinated and promoted the construction of the second pillar and established an Internal Capital Adequacy Assessment Process (ICAAP). The Group conducted an internal capital adequacy assessment annually. By identifying and assessing the primary risks, the Group prepared for potential capital shortfalls in combination with stress tests results and through capital planning. During the Reporting Period, the capital indicators performed well, providing a strong guarantee for the Group's stable business development and strategic implementation.

(I) Capital Adequacy Ratio

The Group has calculated the core tier 1 capital adequacy ratios, tier 1 capital adequacy ratios, and capital adequacy ratios in accordance with the Regulation Governing Capital of Commercial Banks (《商業銀行資本管理辦法》) and relevant provisions, among which, the credit risk was measured at weight method, the market risk was measured at simplified standard method and the operational risk was measured at standard method. The calculation range of capital adequacy ratio includes all branches of the Bank, its subsidiary village and township banks, CQRC Financial Leasing and CQRC Wealth Management.

As at the end of June 2025, the Group's capital adequacy ratio was 15.11%, representing a decrease of 1.01 percentage points from the end of the previous year; the core tier 1 capital adequacy ratio and the tier 1 capital adequacy ratio were 13.30% and 13.93%, respectively, representing a decrease of 0.94 percentage point and 1.00 percentage point respectively from the end of the previous year. The capital adequacy ratio at each tier of the Group decreased from the end of the previous year, which was mainly due to the fact that shareholder dividends were fully offset against core tier-one capital in the second quarter, the asset size of the Group grew steadily and the growth rate of net capital was lower than that of risk-weighted assets.

Management Discussion and Analysis

The following table sets forth, for the dates indicated, the relevant information about the Group's and the Bank's capital adequacy ratio:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	The Group	The Bank	The Group	The Bank
Core tier 1 capital, net	131,680.1	116,201.2	126,455.9	112,123.4
Net tier 1 capital	137,826.0	122,198.8	132,591.9	118,121.1
Net capital	149,546.6	132,783.5	143,120.0	127,600.0
Risk-weighted assets	989,717.1	916,520.9	888,052.6	820,287.5
Include: Credit risk weighted assets	925,340.6	857,355.7	830,354.1	767,797.8
Market risk weighted assets	12,602.0	12,599.4	5,924.0	5,923.9
Operational risk weighted assets	51,774.5	46,565.8	51,774.5	46,565.8
Core tier 1 capital adequacy ratio (%)	13.30	12.68	14.24	13.67
Tier 1 capital adequacy ratio (%)	13.93	13.33	14.93	14.40
Capital adequacy ratio (%)	15.11	14.49	16.12	15.56

Capital Adequacy Ratio of the Group

	30 June 2025	31 December 2024
(Expressed in RMB million, unless otherwise stated)		
Core tier 1 capital	132,384.7	127,174.0
Portion of paid-in capital that may be included	11,357.0	11,357.0
Portion of capital reserve that may be included	20,893.8	20,892.6
Surplus reserve and general risk reserve	37,391.9	36,251.9
Retained earnings	58,716.1	53,487.1
Non-controlling interests	1,112.1	1,037.9
Others	2,913.8	4,147.5
Core tier 1 capital deductible items	(704.6)	(718.1)
Goodwill, net of relevant deferred tax liabilities	(440.1)	(440.1)
Other intangible assets (excluding land use rights), net of relevant deferred tax liabilities	(267.1)	(283.2)
Total of others that should be deducted from core tier 1 capital	2.6	5.2
Core tier 1 capital, net	131,680.1	126,455.9
Other tier 1 capital	6,145.9	6,136.0
Undated capital bonds	5,997.6	5,997.6
Non-controlling interests	148.3	138.4
Net tier 1 capital	137,826.0	132,591.9
Tier 2 capital	11,720.6	10,528.1
Tier 2 capital instruments and related premium that may be included	—	—
Excessive loss allowances	11,424.0	10,251.3
Non-controlling interests	296.6	276.8
Net capital	149,546.6	143,120.0
Total risk-weighted assets	989,717.1	888,052.6
Core tier 1 capital adequacy ratio (%)	13.30	14.24
Tier 1 capital adequacy ratio (%)	13.93	14.93
Capital adequacy ratio (%)	15.11	16.12

Management Discussion and Analysis

The following table shows, for the dates indicated, the credit risk exposures of the Group as measured by weighting method:

(Expressed in RMB million, unless otherwise stated)	30 June 2025		31 December 2024	
	Risk exposure	Unmitigated risk exposure	Risk exposure	Unmitigated risk exposure
On-balance sheet credit risk	1,602,447.9	1,569,615.1	1,503,484.9	1,461,019.5
Off-balance sheet credit risk	45,983.3	24,582.0	48,854.1	26,837.7
Counterparty credit risk	8,777.2	8,777.2	1,509.7	1,509.7
Total	1,657,208.4	1,602,974.3	1,553,848.7	1,489,366.9

(II) Leverage Ratio

The Group calculates the leverage ratio in accordance with the Regulation Governing Capital of Commercial Banks and relevant requirements.

As at the end of June 2025, the Group's leverage ratio was 8.22%, representing a decrease of 0.26 percentage point from the end of the previous year, mainly because the growth rate of net tier 1 capital was lower than the growth rate of on-balance sheet and off-balance sheet assets.

The following table sets forth, for the dates indicated, the relevant information about the Group's leverage ratio:

	30 June 2025	31 December 2024
<u>(Expressed in RMB million, unless otherwise stated)</u>		
Tier 1 capital, net	137,826.0	132,591.9
The balance of assets on and off-balance sheet after adjustments	1,676,694.4	1,563,557.2
Leverage ratio (%)	8.22	8.48

According to the requirements of the Regulation Governing Capital of Commercial Banks (《商業銀行資本管理辦法》), more details of the regulatory consolidation, key prudential regulatory indicators, the main characteristics of the capital instrument and the leverage ratio of the Reporting Period will be further disclosed in the "investor relations – capital supervision" column on the website of the Bank (www.cqrcb.com).

VII. Outlook

(I) Industry Pattern and Trend

In the first half of 2025, China's economic operation was generally stable and showed a steady improvement, with a year-on-year increase of 5.3% in GDP, a year-on-year increase of 6.4% in the added value of industrial enterprises above designated size, a year-on-year increase of 5% in the total retail sales of social consumer goods and a year-on-year increase of 2.8% in the investment in fixed assets. The new economic momentum has grown and new progress has been made in high-quality development. In the same period, Chongqing's regional economy showed a good trend of recovery, and the quality and efficiency of development continued to improve. Chongqing's total output value recorded RMB1.59 trillion, representing a year-on-year increase of 5%. In the first half of the year, the cultivation of Chongqing's new quality productive forces was accelerated, the added value of industrial enterprises above designated size increased by 5.6% on a year-on-year basis, and pillar industries such as intelligent networked new energy vehicles and new generation electronics manufacturing maintained rapid growth. The construction of the Chengdu-Chongqing Economic Circle and the New International Land-Sea Corridor was steadily advanced. The consumer market continued to recover, and the total retail sales of social consumer goods increased by 4.5% on a year-on-year basis. Chongqing will accelerate the layout of new tracks of Future industries, iteratively upgrade the "33618" modern manufacturing industry cluster system, fully stimulate the new vitality in investment and consumption fields, and release new kinetic energy for high-quality development through reform and innovation.

Management Discussion and Analysis

(II) Development Strategy and Operating Plan of the Company

In the next stage, the Bank will deeply build “three new momentums” of digitally-driven, industrial-chain-driven and scenario-driven by taking comprehensive deepening of reform as the main line, make every effort to properly do the “five major areas” in finance, and create a world-class modern rural commercial bank that is technology-based, industry-oriented, and ecological-based.

Technology-based banks are characterized by focusing on a digital-driven approach, making decisions based on data and normalized digital operation, empowering employees and decision-makers at all levels with technology, improving the scientific decision-making level of the Bank, better serving external customers and creating business value.

Industry-oriented banks are characterized by serving the real economy and comprehensively understanding industries, deeply cultivating industries and integrating industries by gradually building industry maps and industrial brains. Industry-oriented banks acquire customers in batches, stabilize stocks, expand increments and control risks through comprehensive services in the industrial chain, and empower the development of industries with professional financial solutions and non-financial value-added services.

Ecological-based banks are characterized by deeply implementing scenario-driven initiatives, properly serving as resource integrators and scenario operators, connecting multiple industrial chain scenarios into a larger service ecosystem, creating a multi-point profitable ecological business model, enhancing customer stickiness, and achieving value symbiosis between banks and customers.

Corporate Governance

I. Overview of Corporate Governance

During the Reporting Period, the Bank convened a total of 1 general meeting, at which 15 proposals were considered and approved and 3 reports were reviewed. The Bank convened 7 meetings of the Board of Directors (73 proposals were considered and approved and 38 reports were heard or reviewed), 22 meetings of the Special Committees of the Board of Directors (including 4 meetings of the Strategic Development Committee, 3 meetings of the Audit Committee, 5 meetings of the Related Party Transaction Supervision Committee, 4 meetings of the Risk Management Committee, 1 meeting of the Remuneration Committee, 2 meetings of Nomination Committee, 2 meetings of Consumer Rights Protection Committee and 1 meeting of the Sannong Financial Service Committee, at which 53 proposals were considered and 27 reports were reviewed), 5 meetings of the Board of Supervisors (22 proposals were considered and 9 reports were heard) and 4 meetings of the Special Committees of the Board of Supervisors (9 proposals were considered and no reports were heard).

The Bank has strictly complied with the principles and code provisions of Part 2 of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules and also complied with most of the recommended best practices therein. During the Reporting Period, the legal action which the directors may face is basically covered in the internal risk management and control scope of the Bank. The Bank purchased the “liability insurance for directors, supervisors and senior management” for all directors.

The Bank also strictly complied with the requirements under the relevant laws and regulations, and the Hong Kong Listing Rules in respect of management of inside information. There is no significant difference between the corporate governance of the Bank and that as required by the laws including the Company Law of the People’s Republic of China and administrative regulations and the relevant requirements to the corporate governance for listed company of the CSRC and Hong Kong Stock Exchange.

The Bank will continue to review and enhance its corporate governance to ensure that it will continue to meet the requirements of the Corporate Governance Code and the rising expectations of shareholders and investors.

II. Securities Transactions by Directors and Supervisors

The Bank has adopted, in respect of securities transactions by directors and supervisors, the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Hong Kong Listing Rules. Having made specific enquiries with all directors and supervisors, all directors and supervisors confirmed that they have complied with the Model Code for the half year ended 30 June 2025.

III. Amendments to the Articles of Association

During the Reporting Period, the Bank did not make any amendments to the Articles of Association.

IV. Information on Directors, Supervisors, Senior Management, Employees and Institutes

(I) Basic Information on Directors, Supervisors and Senior Management

1. Information on existing directors, supervisors and senior management

(1) Directors:

Name	Position	Gender	Age	Term of office ¹
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	Male	57	July 2023 –
Hu Chun	Non-executive Director	Female	53	October 2022 –
Yin Xianglin	Non-executive Director	Male	43	December 2020 –
Peng Yulong	Non-executive Director	Male	46	December 2024 –
Zhang Qiaoyun	Independent Non-executive Director	Male	62	December 2018 –
Lee Ming Hau	Independent Non-executive Director	Male	47	June 2019 –
Li Jiaming	Independent Non-executive Director	Male	59	December 2020 –
Bi Qian	Independent Non-executive Director	Female	56	December 2020 –

¹ The term of office of directors shown in this table was the term approved by the regulatory authority of the banking industry.

(2) Supervisors²:

Name	Position	Gender	Age	Term of office
Huang Qingqing	Shareholder Representative Supervisor	Female	41	October 2020 –
Zhang Jinruo	External Supervisor	Male	45	October 2020 –
Hu Yuancong	External Supervisor	Male	51	October 2020 –
Zhang Yingyi	External Supervisor	Male	52	October 2020 –
Zheng Yi	Employee Representative Supervisor	Male	60	November 2011 –
Le Xiaoming	Employee Representative Supervisor	Male	49	June 2019 –
Zhou Wei	Employee Representative Supervisor	Female	48	November 2021 –

(3) Senior Management:

Name	Position	Gender	Age	Term of office ³
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	Male	57	March 2023 –
Zhou Guohua	Member of the Party Committee, Vice President	Male	59	October 2023 –
Tan Bin	Member of the Party Committee, Vice President	Male	50	December 2023 –
Zhang Jin	Member of the Party Committee, Vice President	Male	53	March 2024 –
Tang Li	Member of the Party Committee, Vice President	Female	49	December 2024 –

² The resolution in relation to the cancellation of the establishment of the Board of Supervisors has been considered and approved by the Board of the Bank in June 2025. The adjustment will be subject to the approval of the shareholders at the general meeting of the Bank to be held in due course and shall take effect upon the date of approval on the amended Articles of Association by the National Financial Regulatory Administration Chongqing Office. Prior to that, Supervisors of the Bank shall still perform duties in accordance with relevant requirements.

³ The term of office of the president and vice president shown in this table was the time appointed or nominated by superior departments.

Corporate Governance

2. Changes in directors, supervisors and senior management

(1) Engagement and resignation:

Due to work adjustment, Mr. Zhang Peizong ceased to be the vice president, the Secretary to the Board, the executive director of the Bank and a member of relevant special committees of the Board of the Bank since January 2025.

Ms. Tang Li has served as a member of the Party Committee of the Bank since December 2024 and was appointed as the vice president of the Bank by the Board in December 2024 and obtained the qualification approval for appointment as the vice president from National Financial Regulatory Administration Chongqing Office and officially performed her duty in May 2025.

(2) Change in information:

During the Reporting Period, there were no changes in the information relating to the directors, supervisors and senior management that are required to be disclosed pursuant to Rule 13.51B of the Hong Kong Listing Rules.

3. Particulars of changes in shareholdings of directors, supervisors and senior management

(1) Changes in shareholdings of existing directors, supervisors and senior management:

Unit: Share						
Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Increase/ (Decrease) in the number of shares	Reasons for change	
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	75,400	75,400	-	-	
Yin Xianglin	Non-executive Director	2,900	2,900	-	-	
Zhou Guohua	Member of the Party Committee, Vice President	10,000	10,000	-	-	

(2) Changes in shareholdings of outgoing directors, supervisors and senior management:

Unit: Share					
Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Increase/ (Decrease) in the number of shares	Reasons for change
Zhang Peizong	Member of the Party Committee, Vice President, Secretary to the Board, Executive Director	39,300	39,300	-	-

(II) Basic Information of Employees and Institutions

1. Employees

As of the end of June 2025, the Group had 14,219 regular employees, among which, the Bank had 13,800 employees and subsidiaries had 419 employees.

Number of regular employees of the Bank 13,800

Position Structure

Business development	10,189
Technology information	575
Risk control	1,002
Operation and comprehensive management	2,034

Age Structure

30 and below	1,428
31-40	6,547
41-50	3,294
51 and above	2,531

Academic Background Structure

Master's degree and above	1,146
Bachelor's degree	10,308
College's degree and below	2,346

Note: In addition, the Bank had 379 dispatch workers, 207 internally retired employees and 7,985 retired employees.

2. Employee Remuneration Policy

The Bank adheres to the principle of combining remuneration management with enterprise strategic goals and linking it to operating performance, and establishes a stable, fair and efficient remuneration allocation system according to relevant national regulations, regulatory requirements and corporate governance procedures. The Bank constantly optimized the distribution mechanism of compensation resources with value creation as the core, adhered to the market and benefit orientation, strengthened the tilt of compensation resources to grassroots, front-desk marketing and front-line employees, and fully mobilized the enthusiasm of all kinds of employees at all levels to promote the development of businesses and enhance the operating efficiency. While giving full play to the role of compensation incentives, the Bank established a mechanism of deferred payment and recourse deduction of performance pay according to regulatory requirements and operation and management needs, promoting the balance between risks and incentives.

3. Overview of human resources management

In the first half of 2025, the Bank actively promoted the talent systematic project of “selection, education, management and employment”, providing talent support and intellectual guarantee for the construction of “three new momentums”.

Optimized organizational structure. The Bank optimized the establishment of the Party building department of the Head Office and promoted the deep integration of Party building and business. The Bank reorganized the rural revitalization department to help build industrial clusters with ecological characteristics. The Bank adjusted the establishment of institutional business structure and promoted the transformation of institutional business from scale-driven to value-driven.

Strengthened cadres and talents. The Bank adhered to Party management of cadres and Party management of talent, promoted horse racing competition and guided cadres to actively take on responsibilities. The Bank built the brand of “Yueqi Xincheng Shuxiang Rural Commercial (閩啟新程書香農商)”, promoted the quality improvement of all employees, and increased the proportion of employees with bachelor degree or above to 83%.

Carried forward work style. The Bank practiced the work style of “making a clear distinction between public and private interests, being simple and bright, thinking on alternate position, working together in unity and striving for excellence”, carried out the publicity and promotion of “praising ‘good colleagues around us’”, and educated and guided employees to devote themselves to the work practice of building “three new momentums”.

Conducted diversified trainings. The Bank broadened training channels, optimized the mobile entrance and architecture of online learning platforms, enhanced the construction of online learning resources and launched a variety of online courses. The Bank carried out special topic trainings on elite employees, credit, wealth and other topics in a centralized manner.

4. The distribution of branches

Operating outlets are the primary distribution channels of the Bank. As of the end of June 2025, the Bank had 1,733 branches, including the Head Office and the business department, 7 branches, 35 first-class sub-branches, 157 second-class sub-branches, and 1,532 branch offices. The network of branches and sub-branches covers all the 38 administrative districts and counties with 1,428 distribution outlets in the county area of Chongqing and 303 outlets in the city's urban area. The Bank has put the construction of distribution channels into its medium and long-term strategic development plan and stepped up optimising the layout of outlets and restructuring to improve its service coverage, service capabilities and operational efficiency.

The Bank provided customers with more convenient and efficient financial self-services through establishment of self-service banks and release of self-service machines. As of the end of June 2025, the Bank established 51 24-hour self-service banking centers with 6,281 self-service equipment (including: 2,912 smart counters, 3,089 CRSs, 263 ATMs, and 17 self-service inquiry machines), and the proportion of machine to outlet was 3.62:1. The Bank continued to deepen the basic financial services in rural areas, promoted the service coverage expansion and supported rural revitalization. 347 convenient rural financial service centers had been established and put into use. The Bank effectively strengthened financial supply in rural areas and solved the problem of financial service for people in remote rural areas.

Name	Address	Number of outlet	Number of staff	Assets size (RMB100 million)
Head Office and Business Department	No. 36 Jinshamen Road, Jiangbei District, Chongqing City	2	1,682	3,734.69
Yuzhong Branch	No. 142 Xinhua Road, Yuzhong District, Chongqing City	9	142	213.96
Dadukou Branch	1-3, 1-4-1-1, Block 1; 1-4-1-2, 1-4-2-2, Block 1, 11 Tianchenhuafu, Chunhui Road Street, Dadukou District, Chongqing City	13	151	143.54
Jiangbei Branch	1-1, No. 10, Yanghe East Road, Jiangbei District, Chongqing City	28	269	297.49
Shapingba Branch	Annex 37, 38, 39, No. 118 Xiaoyanggong Bridge, Shapingba District, Chongqing City	28	267	280.39
Jiulongpo Branch	Annex 1, No. 2 Xijiao Road, Yang Jia Ping, Jiulongpo District, Chongqing City	40	299	376.65
Kexuecheng Branch	No. 28, Xiyong Avenue, High-tech Zone, Chongqing City	16	137	187.40
Nan'an Branch	No. 24 Jiangnan Avenue, Nanping, Nan'an District, Chongqing City	30	307	265.87

Corporate Governance

Name	Address	Number of outlet	Number of staff	Assets size (RMB100 million)
Beibei Branch	No. 20 Beixia West Road, Beibei District, Chongqing City	27	245	286.28
Yubei Branch	1-1, Block 1, No. 91 Shuanglong Avenue, Shuanglonghu Street, Yubei District, Chongqing City	37	286	332.29
Liangjiang Branch	No. 21, 23, 25 Jintong Road, New North Zone, Chongqing City	17	228	310.99
Ba'nan Branch	No. 145 Longzhou Avenue, Ba'nan District, Chongqing City	56	353	370.08
Wansheng Branch	No. 36 Wandong North Road, Wansheng District, Chongqing City	13	124	90.84
Fuling Branch	Block 1, Hongfu Building No. 55 Xinghua Middle Road, Fuling District, Chongqing City	72	403	410.81
Changshou Branch	No. 13 Xiangyang Road, Fengcheng Street Office, Changshou District, Chongqing City	44	305	282.33
Jiangjin Branch	Annex 6, 7, No. 183, Xijiang Avenue, Shengquan Street, Jiangjin District, Chongqing City	83	468	563.37
Hechuan Branch	No. 2 Jiuchang Road, Hechuan District, Chongqing City	88	539	634.06
Yongchuan Branch	No. 399, Honghe Middle Road, Yongchuan District, Chongqing City	55	337	341.78
Nanchuan Branch	No. 24 Jinfo Avenue, Nanchuan District, Chongqing City	40	267	217.79
Qijiang Branch	No. 34 Jiulong Avenue, Wenlong Street, Qijiang District, Chongqing City	42	281	244.52
Tongnan Branch	No. 4, Xingtong Avenue, Guilin Street Office, Tongnan District, Chongqing City	39	249	220.54
Tongliang Branch	No. 102 Zhongxing Road, Bachuan Street, Tongliang District, Chongqing City	50	328	298.74
Dazu Branch	Annex 1, No. 227 Middle Section of Wuxing Avenue, Tangxiang Street, Dazu District, Chongqing City	38	279	253.42
Rongchang Branch	No. 106 Haitang Avenue, Changzhou Street, Rongchang District, Chongqing City	36	265	218.16
Bishan Branch	No. 4 Bitong Road, Bicheng Street, Bishan District, Chongqing City	40	308	297.79
Wanzhou Branch	No. 91 Taibai Road, Wanzhou District, Chongqing City	91	601	617.57
Liangping Branch	No. 1, Block 26, Minghao Commercial Area, Liangshan Street, Liangping District, Chongqing City	44	321	315.19

Name	Address	Number of outlet	Number of staff	Assets size (RMB100 million)
Chengkou Branch	No. 30 South Street, Gecheng Town, Chengkou County, Chongqing City	25	150	83.64
Fengdu Branch	No. 187 2nd Shangye Road, Sanhe Street, Fengdu County, Chongqing City	47	306	288.88
Dianjiang Branch	No. 371 Renmin East Road, Guixi Street, Dianjiang County, Chongqing City	47	292	248.59
Zhong County Branch	No. 49 Ba Wang Road, Zhongzhou Town, Zhong County, Chongqing City	60	354	300.86
Kaizhou Branch	(Shimin Plaza) Kaizhou Avenue, Hanfeng Street Office, Kaizhou District, Chongqing City	63	444	554.85
Yunyang Branch	No. 1335 Yunjiang Avenue, Qinglong Street, Yunyang County, Chongqing City	68	429	411.31
Fengjie Branch	No. 32 Gongping Lane, Yufu Street, Fengjie County, Chongqing City	46	322	267.73
Wushan Branch	No. 258 Guangdong Middle Road, Wushan County, Chongqing City	31	231	143.33
Wuxi Branch	Unit 1-1, No. 7 Yanghe Garden, No. 25 Binhe Zhilu, Boyang Street, Wuxi County, Chongqing City	38	259	153.64
Qianjiang Branch	No. 217 Jiefang Road, Chengdong Street, Qianjiang District, Chongqing City	35	264	147.20
Wulong Branch	No. 36 Furong Middle Road, Furong Street, Wulong District, Chongqing City	34	246	176.22
Shizhu Branch	Annex 6, No. 10 Wanshou Avenue, Nanbin Street, Shizhu Tujia Autonomous County, Chongqing City	33	205	192.27
Xiushan Branch	No. 35, Yuxiu Avenue, Zhonghe Street, Xiushan Tujia and Miao Autonomous County, Chongqing City	34	235	161.69
Youyang Branch	No. 6, Middle Section of Taohuayuan Avenue, Taohuayuan Street, Youyang Tujia and Miao Autonomous County, Chongqing City	46	281	210.18
Pengshui Branch	Annex 4, No. 2 Shizui Street, Hanjia Street, Pengshui Miao and Tujia Autonomous County, Chongqing City	46	288	174.68
Qujing Branch	No. 460, Qilin West Road, Qilin District, Qujing City, Yunnan Province	2	53	55.94
Total		1,733	13,800	15,377.52

V. Implementation of Dividends Distribution

1. The Bank implemented the interim profit distribution plan in 2024. According to the resolution passed at the 2024 first extraordinary general meeting of the Bank held on 16 December 2024, the interim cash dividend of RMB0.1944 per share (tax inclusive) for 2024 will be distributed to all shareholders with a total of RMB2.208 billion (tax inclusive) distributed, based on the total share capital of 11.357 billion shares. Specifically: cash dividend of RMB1.719 billion (tax inclusive) was distributed for A shares on 23 January 2025; cash dividend of RMB489 million (tax inclusive) was distributed for H shares in HKD on 23 January 2025.

According to the resolution passed at the 2024 annual general meeting of the Bank held on 21 May 2025, a final cash dividend of RMB0.1102 per share (tax inclusive) for 2024 was distributed to all shareholders with a total of RMB1.252 billion (tax inclusive) distributed, based on the total share capital of 11.357 billion shares. Specifically: cash dividend of RMB975 million (tax inclusive) was distributed for A shares on 27 June 2025; cash dividend of RMB277 million (tax inclusive) was distributed for H shares in HKD on 27 June 2025. A cash dividend of RMB0.3046 per share (tax inclusive) for the whole year was distributed to all the shareholders with an aggregate amount of RMB3.459 billion (tax inclusive).

2. The dividend distribution of the Bank in the past three years is as follows:

Year	Dividends for 10 shares (RMB, tax inclusive)	Total cash dividends (RMB100 million, tax inclusive)	As a percentage of net profit attributable to shareholders of the listed company (%)
2024	3.046	34.59	30.05
2023	2.885	32.76	30.05
2022	2.714	30.82	30.00

VI. Interim Profit Distribution or Proposal for Capitalisation of Capital Reserve

The resolution in relation to the interim profit distribution arrangement of Chongqing Rural Commercial Bank Co., Ltd. for 2025 was considered and approved at the 2024 annual general meeting of the Bank, which authorized the Board of Directors to formulate and implement the specific interim profit distribution plan under the conditions for profit distribution. The Board of Directors of the Bank shall, within the authorization scope, implement the specific interim profit distribution plan for 2025 in due course. For details including the amount, the record date, period for closure of register of members, expected payment date, taxation and tax reduction and exemption in relation to the 2025 interim dividend distribution, please refer to the upcoming announcements issued by the Bank.

No capitalisation of the capital reserve to share capital is proposed by the Bank during the 2025 interim period.

VII. Incentive Measures

During the Reporting Period, the Bank had no equity incentive plan, employee stock ownership plan or other employee incentives.

VIII. Evaluation on the “Improving Quality, Increasing Efficiency and Enhancing Returns” Action Plan

In order to thoroughly implement the spirits of the 20th National Congress of the CPC, Central Economic Work Conference and the Central Financial Work Conference, enforce the requirements of the Opinions on Further Improving the Quality of Listed Companies issued by the State Council, promote the high-quality development and improvement of investment value of the Company, and effectively protect the legitimate rights and interest of investors, especially small and medium-sized investors, the Bank disclosed the “Improving Quality, Increasing Efficiency and Enhancing Returns” Action Plan on the website of the Shanghai Stock Exchange on 7 March 2025. In the first half of 2025, the Company has actively implemented all work, and the implementation of the action plan is as follows:

(I) Focused on Major Strategy and Enhanced the Quality and Efficiency of Serving the Real Economy

The Bank actively implemented the major national strategies, fully integrated into the “No.1 Project” of the construction of the Chengdu-Chongqing Economic Circle, carried out the activity of “opening competition mechanism to select the best candidates” to support the construction of the Chengdu-Chongqing Economic Circle and Western Financial Center, and actively provided diversified services such as credit facility, bonds, investment banking, financial leasing and wealth management for key projects. As of the end of June 2025, the Bank had supported the Chengdu-Chongqing Economic Circle and 159 municipal key projects in 2025, with a loan balance of RMB26.822 billion. The Bank fully integrated into the construction of the “Belt and Road Initiative” and the New International Land-Sea Corridor. As of the end of June 2025, the financing balance of the New International Land-Sea Corridor was RMB58.725 billion, representing an increase of RMB4.169 billion compared with the end of the previous year. The Bank fully integrated into the “33618” modern manufacturing industry cluster system in Chongqing, focused on the upstream and downstream of the industrial chain to carry out “on-chain” financial services, helped to upgrade the industrial base and modernize the industrial chain, and fully served the construction of an important national advanced manufacturing center. The Bank fully integrated into the rural revitalization strategy, upgraded the “Financial Service Management Platform for Rural Revitalization”, undertook and promoted the “Chongqing Rural Assets Intelligent Management” system, carried out the whole village credit extension in 100% of administrative villages in Chongqing, built an ecological characteristic industry knowledge map and industrial brain, innovated characteristic credit product service plans for “One County, One Product”, and supported the development of local characteristic industries according to local conditions.

(II) Focused on “Five Major Areas” and Supported the Development of New Quality Productive Forces

The Bank gave full play to its resource endowments and advantages, deeply built the “three new momentums”, and made every effort on the “five major areas” of finance.

In terms of the technology finance, the Bank conducted in-depth research on the industrial chain to build an industrial map, created exclusive services, created exclusive products and established exclusive institutions, and constantly improved the product matrix and optimized the service model. As of the end of June 2025, the balance of science and technology loans was RMB99.805 billion. **In terms of the green finance**, the Bank implemented digital empowerment for precise services, carried out industrial chain collaboration to improve quality and efficiency, and conducted scenario-based innovation to create value. As of the end of June 2025, the balance of green credit was RMB80.219 billion, representing an increase of RMB12.466 billion compared with the end of the previous year. **In terms of the inclusive finance**, the Bank deeply cultivated in the county-area and rural markets, made good use of the huge network of “institution in every township, service in every village, and account in every household”, and built an “online, gridded and digital” business system. The Bank created the ecological map of inclusive finance scenarios by taking the construction of community business scenarios as the starting point and the characteristic industries of districts and counties as the breakthrough point. As of the end of June 2025, the loan balance of the “10 billion-level” fist product “Yukuai Zhenhao Loan” reached a new high of RMB26.784 billion, maintaining the first place in Chongqing for similar products. The supervision and evaluation of financial services for small and micro enterprises was rated as the highest “Level 1”. **In terms of the pension finance**, the Bank improved the aging financial service system and actively promoted the aging transformation of hall services, self-service terminals and payment services. The Bank created special products, and linked government departments, chain owner enterprises, chain-affiliated enterprises and institutions to form a pension financial ecology of “multi-party collaboration and linkage and mutual achievement and win-win”. In 2025, CQRC Wealth Management launched Anyi’s stable series of “similar pension” products, and the cumulative issuance scale in the first half of the year exceeded RMB4 billion. **In terms of the digital finance**, the Bank deeply integrated into the overall construction of “Digital Chongqing”, and actively explored the application of cutting-edge technologies such as big data and artificial intelligence. As of the end of June 2025, the Bank had applied for more than 200 patents and software copyrights, and participated in the formulation of nearly 50 standards. Internally, the Bank strengthened the empowerment of science and technology, continued to promote the implementation of key digital transformation projects, enriched the digital marketing, management and risk control tools of the Bank, and steadily promoted system reconstruction, process reengineering and mechanism reshaping.

(III) Focused on Corporate Governance and Protected the Legitimate Rights and Interest of Investors

Adhered to the guidance of party building. The Bank implemented the system of “Dual Entry and Cross Appointment” between the members of Party Committee leading group and members of the Board and management, dynamically improved and implemented the “two lists” for matters to be researched and determined by Party organizations and the Party Committee and requiring pre-study and discussion, and carried out the “Three Important and One Major” decision-making mechanism, ensuring that the Party Committee shall play the leadership role of direction control, overall management and guarantee of implementation.

Stabilized the equity structure. The Bank strengthened the daily monitoring on changes in equity and shareholder pledge, regularly evaluated major shareholders, and conducted penetration management of shareholders. The Bank strove to attract high-quality domestic and overseas investors to develop an equity structure with joint participation, mutual checks and balances and efficient operation.

Reinforced the construction of the Board. The Bank placed great emphasis on the organizational construction of the Board. The structure of executive directors, non-executive directors and independent directors is reasonable, with a high degree of professionalism and diversity. The Bank established a special meeting mechanism for independent directors. The independent directors possessed extensive backgrounds in finance or accounting and provided independent opinions on major operational decisions.

Strengthened the responsibilities of “key minorities”. The Bank implemented corporate governance processes in strict accordance with laws, regulations and regulatory policies, consolidated the responsibilities of the “key minorities” such as substantial shareholders, directors, supervisors and senior management, effectively conducted performance evaluations and improved the performance capabilities of all directors, supervisors and senior management and relevant personnel.

(IV) Focused on Value Return and Actively Conveyed Corporate Value

Enhanced investor relations management. The Bank continuously enhanced communication and exchanges with investors by making full use of results presentation, investor survey meetings, brokerage strategy meetings and featured research activities on rural revitalization by branches and sub-branches. The Bank maintained communications and interactions with investors through the SSE e-interactive platform, investor hotline, email and other means and responded to their inquiries in a proactive and timely manner

Improved the quality of information disclosure. The Bank fulfilled the information disclosure obligation in accordance with laws and regulations, closely monitored the market concerns and the business highlights of the Bank and enhanced the initiative and effectiveness of information disclosure. The Bank comprehensively utilized visual tools such as the performance chart to present the operation performance of the Bank in a clearer and more intuitive manner.

Steadily improved investment returns. The profit distribution policy of the Bank remained consistent and stable. The cash dividend payout ratio for 2024 was more than 30% of the net profit attributable to shareholders of listed companies in the corresponding year, creating stable returns for all shareholders. The Board was authorized at the Bank's 2024 annual general meeting to formulate and implement the 2025 interim dividend distribution plan subject to fulfillment of the conditions of profit distribution, so as to continuously enhance investors' sense of gain.

Environmental and Social Responsibilities

The Bank and its subsidiaries are not the key pollutant discharge units announced by the environmental protection department, and there was no environmental violation information during the Reporting Period.

I. Develop Green Finance

The Bank thoroughly implemented the spirit of the Guiding Opinions on Effectively Completing the “Five Major Areas” of Finance (Guo Ban Fa [2025] No. 8), firmly adhered to the path of ecological priority, economy and intensification, green and low-carbon high-quality development, and actively contributed financial strength to the construction of Chongqing’s green financial reform and innovation pilot zone, industrial transformation and upgrading and green and low-carbon development.

Precise efforts were made in green credit. With reference to the new Catalog of Projects Supported by Green Finance issued by the People’s Bank of China, the Bank conducted green financial training for corporate financial lines of the Bank, and guided branches and sub-branches to increase financial support for green industries. As of the end of June 2025, the balance of green credit was RMB80.219 billion, representing an increase of RMB12.466 billion or 18.40% as compared to the end of the previous year.

The application of carbon emission reduction was vigorously promoted. As of the end of June 2025, the Bank had declared RMB751 million of carbon reduction support tools this year, driving the annual carbon reduction of 98.9 thousand tons, and focused on supporting green and low-carbon projects such as Shizhu Wanbao Wind Power (石柱萬寶風電) and Wanzhou Xintian Photovoltaic Power Generation (萬州新田光伏發電). The amount of carbon reduction support tools applied ranked first in Chongqing.

Initial transformation loans helped to reduce carbon. In accordance with the Notice of Chongqing Branch of the People’s Bank of China on Properly Conducting the Monitoring of the Indicators for the Transformation Loans of the Comprehensive Evaluation System of the “885” Project (Yu Yin Fa [2025] No. 19) and related requirements, the Bank formulated the implementation plan for the transformation loans to support the green and low-carbon transformation of high-carbon industries. As of the end of June 2025, the Bank had issued a total of RMB408 million of transformation loans to support the green and low-carbon transformation of high-carbon production enterprises such as non-ferrous metals copper and aluminum enterprises and the green and low-carbon development of agricultural breeding field.

The first carbon footprint linked loan was implemented. The Bank implemented the first carbon footprint linked loan in Chongqing, further enriching its carbon financial product matrix. This product is oriented to industrial enterprises, and the loan interest rate is linked to the enterprise’s “product carbon footprint”, fluctuating with the change of “product carbon footprint”. This product can not only meet the fund demands of enterprises, but also encourage and guide enterprises to control and reduce carbon, and save financing costs for enterprises.

II. Promote Rural Revitalization

The Bank aggregated the advantages of retail, outlets and scientific and technological strength and used a “specialized, digital, distinctive, and comprehensive” service model to empower rural reform, promote the extension of the agricultural industry chain, improve the credit extension coverage of farmers, and help the construction of rural revitalization demonstration zones with urban-rural integration.

Built a professional mechanism to promote financial services to become deeper and more practical. The Bank adhered to the Party’s overall leadership over the work related to “Sannong”, issued the opinions on financial support to promote the comprehensive rural revitalization with the No.1 Document of the Bank, and clearly defined seven tasks and measures to promote the integrated development of urban and rural areas and the comprehensive rural revitalization. The Bank thoroughly implemented the fixed-point contact, special class work, assessment and incentive and other mechanisms, optimized and integrated the responsibilities of the original rural revitalization finance department and other departments, established the rural revitalization department, and explored and implemented the new service model of “digital empowerment – industrial integration – scene infiltration” to help consolidate poverty alleviation achievements, develop rural industries, and increase farmers’ income and wealth. As of the end of June 2025, the balance of the Group’s agricultural loans amounted to RMB260.218 billion.

Built a digital platform and deepened the construction of rural credit system. “Empowerment” by the digital platform. The Bank upgraded the “Digital Financial Service Platform for Rural Revitalization”, realized standardization of data collection, refinement of rating model and differentiation of credit extension strategies, and efficiently promoted the filing, rating and credit extension of farmers, with a total of 3.1 million-person times of filings. “Increment” of whole village credit extension. By relying on the digital platform and intelligent tools, the Bank carried out the whole village credit extension in 100% of administrative villages in Chongqing, and pre-granted credit of RMB24.2 billion to 1.46 million farmers through the batch credit extension service mode. “Co-construction” of grass-roots governance. Under the guidance of the Municipal Agriculture and Rural Committee, the Bank undertook to promote the “Chongqing Rural Assets Intelligent Management” system, empowering the digitization of grassroots governance such as collective asset management, rural property rights transfer and democratic decision-making supervision. The Bank collected big data to provide accurate portraits of farmers and agricultural operators, and deepened the construction of the rural credit system.

Upgraded featured services and empowered featured industries to improve quality and efficiency. The Bank explored the construction of ecological characteristic industry knowledge map and industrial brain, and promoted the rural industrial service from “single breakthrough” to “chain leap” with the industrial chain marketing idea of “One County, One Product, One Laboratory, One Leading Enterprise” and “Financial + Non-financial” two-wheel driven. The Bank supported the development of local characteristic industries according to local conditions, with over 40 innovative characteristic credit product service schemes of “One County, One Product”, including 9 service schemes such as Live Pig Mortgage Loan and Wulong Goat Industrial Loan launched in the first half of 2025. At the same time, the Bank made full use of the decentralization advantages of more than 100 rural revitalization institutions, conducted in-depth research on industrial customer groups, accurately met customer needs, and strongly supported the development of wealth-creating industries.

Environmental and Social Responsibilities

Enhanced the comprehensive experience and realized the tangible benefits of benefiting farmers and benefiting the people. The Bank, in conjunction with the Chongqing Municipal Agriculture and Rural Committee, held the first Chongqing New Farmers' Entrepreneurship Financing Ability Competition of the "Rural Commercial Bank Cup", which promoted the ability improvement, financing achievement and high-quality employment through competition, attracting more than 120 projects from 34 districts and counties to participate in the competition. The Bank built an industrial technology exchange platform, established a database of more than 150 agricultural experts, unblocked cross-regional agricultural technology mutual assistance channels, and carried out agricultural technology activities in the countryside. At the same time, the Bank continued to promote activities such as live broadcast goods-bringing helping farms, going to beautiful countryside and integral mall special zone, so as to improve the quality and efficiency of multi-dimensional, wide-coverage and deep-penetration "agriculture, rural areas and farmers" financial services.

III. Protection of Consumer Rights and Interests

The Bank continued to improve the working mechanisms for consumer protection assessment, consumer protection review and complaint handling, and fully implemented the requirements for protection of consumer rights and interests.

The Board of the Bank assumes the ultimate responsibility for the protection of consumer rights and interests, and the Consumer Rights and Interests Protection Committee of the Board was established to coordinate and formulate work plans. The Bank regularly carried out financial knowledge publicity and education through WeChat pictures and texts and short videos. During the Reporting Period, the Bank conducted more than 2,980 publicity activities with more than 1.579 million person-time audiences. The Bank continuously optimized the mechanism for resolving complaints and disputes and strengthened the complaint tracing and rectifying. During the Reporting Period, the Bank accepted a total of 956 consumer complaints, involving 12 business categories including RMB savings, loans and bank cards, 9 complaint channels including business sites, middle and back office business channels and third-party channels, and 12 complaint reasons including service attitude, business system, systems and procedures. The Head Office and the business department as well as 42 branches and sub-branches of the Bank were involved, including 41 branches and sub-branches in Chongqing and 1 branch in Yunnan.

Major Events

I. Performances of Undertakings

During the Reporting Period, the Bank and its Shareholders, directors, supervisors and senior management strictly fulfilled various obligations and responsibilities undertaken in the Prospectus for Initial Public Offering disclosed on 20 September 2019 and the Announcement on the Listing of the Shares under Initial Public Offering disclosed on 28 October 2019.

Undertaking background	Type of undertaking	Undertaking party	Contents of the undertaking	Effective date of undertaking	Duration of undertaking
Undertakings in relation to the initial public offer	Limited sales	Chongqing Yufu Capital Operation Group Company Limited (重庆渝富资本运营集团有限公司), Chongqing City Construction Investment (Group) Company Limited (重庆市城市建设投资集团有限公司), Chongqing Development and Real Estate Management Company Limited (重庆发展置业管理有限公司) and Loncin Holdings Co., Ltd. (隆鑫控股有限公司) ¹	<p>Within 36 months from the listing of the shares issued by Chongqing Rural Commercial Bank, the company shall not transfer or entrust others to manage the domestic shares issued by Chongqing Rural Commercial Bank directly or indirectly held by the company before the initial public offering of A shares, and the part of those shares held by the company will not be repurchased by Chongqing Rural Commercial Bank.</p> <p>Shareholders' intention to hold shares and undertakings in relation to reducing their holdings:</p> <ol style="list-style-type: none"> 1. Within 6 months from the listing date of shares issued by Chongqing Rural Commercial Bank, if the closing price of A shares of Chongqing Rural Commercial Bank is lower than the issue price for 20 consecutive trading days, or the closing price is lower than the issue price as at the end of the 6-month period upon the listing (if the day is not a trading day, it will be the first trading day after that day), the lock-up period of the shares of Chongqing Rural Commercial Bank held by it will be automatically extended for another 6 months on the basis of 36 months. If Chongqing Rural Commercial Bank has any ex-rights and ex-dividend events such as dividend distribution, bonus shares of issue, and capitalisation of capital reserves after the issuance and listing, the issue price will be adjusted by ex-rights and ex-dividend. 2. Within 2 years after the expiry of the above lock-up period (including the extended lock-up period), if it reduces its holdings in Chongqing Rural Commercial Bank's A shares which were directly or indirectly held by it before this issuance of Chongqing Rural Commercial Bank (excluding A shares newly purchased from the public market after this issuance of Chongqing Rural Commercial Bank), the reduction price shall not be lower than the issue price of the issuance. If Chongqing Rural Commercial Bank has any ex-rights and ex-dividend events such as dividend distribution, bonus shares of issue, and capitalisation of capital reserves after the issuance and listing, the issue price will be adjusted by ex-rights and ex- dividend. 3. After the expiry of the lock-up period (including the extended lock-up period) of the shares of Chongqing Rural Commercial Bank held by it, when it reduces its holdings of Chongqing Rural Commercial Bank's A shares, it will notify Chongqing Rural Commercial Bank in writing of the intention to reduce its holdings and the amount of its proposed reduction and Chongqing Rural Commercial Bank shall perform the announcement obligation (if required) in accordance with the rules in force at that time. After 3 trading days from the date of the announcement of Chongqing Rural Commercial Bank, it can reduce its holdings of Chongqing Rural Commercial Bank's A shares. 	29 October 2019	29 October 2019 - 29 April 2025

¹ 522 million shares and 48 million shares of the Bank held by Loncin Holdings Co., Ltd. (隆鑫控股有限公司) were judicially transferred by Chongqing No. 5 Intermediate People's Court to Chongqing Development Investment Co., Ltd. (重庆发展投资有限公司) and Chongqing Land Properties Group Co., Ltd. (重庆市地產集團有限公司) respectively. The transferee, Chongqing Development Investment Co., Ltd. (重庆发展投资有限公司) and Chongqing Land Properties Group Co., Ltd. (重庆市地產集團有限公司) will continue to fulfill the above commitments regarding such transferred shares.

Major Events

Undertaking background	Type of undertaking	Undertaking party	Contents of the undertaking	Effective date of undertaking	Duration of undertaking
Undertakings in relation to the initial public offer	Limited sales of shares	Individuals of the Bank who hold more than 50,000 internal employee shares of the Bank	The shares of Chongqing Rural Commercial Bank that I hold will not be transferred within 3 years from the listing date of the A shares of Chongqing Rural Commercial Bank. After the expiry of the above 3-year lock-up period, the shares of Chongqing Rural Commercial Bank sold by me in each year shall not exceed 15% of my total shareholdings in Chongqing Rural Commercial Bank. The total number of shares of the Chongqing Rural Commercial Bank transferred by me within 5 years from the expiry of the above 3-year lock-up period shall not exceed 50% of my total shareholdings in Chongqing Rural Commercial Bank.	29 October 2019	29 October 2019 – 29 October 2027
Undertakings in relation to the initial public offer	Shareholding reduction	Domestic Shareholders holding over 1% of shares of the Bank ¹	The company will comply with Several Provisions on the Reduction of Shares Held by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company (《上市公司股東、董事監高減持股份的若干規定》) issued by the CSRC, and relevant requirements under the Rules Governing the Listing of Stocks (《股票上市規則》) and the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) issued by the Shanghai Stock Exchange. ²	29 October 2019	29 October 2019 – permanent

¹ Prior to the initial public offering of A Shares of the Bank, domestic Shareholders holding over 1% of shares of the Bank include Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司), Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司), Loncin Holdings Co., Ltd. (隆鑫控股有限公司), Chongqing Casin Group Co., Ltd. (重慶財信企業集團有限公司), Beijing Jiuding Real Estate Development Co., Ltd. (北京九鼎房地產開發有限責任公司), Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司), Chongqing Yerui Property Development Co., Ltd. (重慶業瑞房地產開發有限公司), Jiangsu Huaxi Group Co., Ltd. (江蘇華西集團有限公司), Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司), Panhua Group Co., Ltd. (攀華集團有限公司), Chongqing Guanghua Holding (Group) Co., Ltd. (重慶光華控股(集團)有限公司) and Chongqing Jinyuan Times Shopping Mall Co., Ltd. (重慶金源時代購物廣場有限公司).

² On 24 May 2024, the Several Provisions on the Reduction of Shares Held by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company (《上市公司股東、董事監高減持股份的若干規定》) issued by the CSRC was replaced by the Provisional Measures for the Management of Reduction of Shareholding by Shareholders of Listed Companies (《上市公司股東減持股份管理暫行辦法》), and on 24 May 2024, the Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies (《上海證券交易所上市公司股東及董事、監事、高級管理人員減持股份實施細則》) was replaced by the Guidelines for Self-regulation of Listed Companies on the Shanghai Stock Exchange No. 15 – the Reduction of Shareholdings by Shareholders, Directors, Supervisors and Senior Management (《上海證券交易所上市公司自律監管指引第15號—股東及董事、監事、高級管理人員減持股份》). The shareholding reduction by shareholders will comply with new regulatory rules.

Major Events

Undertaking background	Type of undertaking	Undertaking party	Contents of the undertaking	Effective date of undertaking	Duration of undertaking
Undertakings in relation to the initial public offer	Resolution of horizontal competition	Chongqing Yufu Capital Operation Group Company Limited (重庆渝富资本运营集团有限公司)	<p>1. The existing main business of the company and its subsidiaries (including wholly-owned, holding subsidiaries and enterprises that the company has actual controls over them) does not involve commercial banking business, and has no horizontal competition with Chongqing Rural Commercial Bank.</p> <p>2. During the period of the company as a substantial shareholder of Chongqing Rural Commercial Bank, the company and its subsidiaries (including wholly-owned, holding subsidiaries and enterprises that the company has actual controls over them) will not, directly or indirectly, engage in business activities that compete with or may compete with the main business of Chongqing Rural Commercial Bank in any way. The company will supervise its subsidiaries in accordance with this undertaking and exercise necessary rights to ensure them to comply with this undertaking.</p> <p>3. Notwithstanding Articles 1 and 2 above, considering that the company is a wholly state-owned company whose establishment has been approved by Chongqing Municipal People's Government and engaged in comprehensive investment and management of state-owned asset and carries out businesses including financial businesses such as investment in securities companies, banks and insurance companies, and manages relevant financial assets, the company and the enterprises controlled by the company may invest in enterprises engaged in commercial banking business, to the extent authorized by Chongqing Municipal People's Government, in any form permitted by laws and regulations (including but not limited to sole proprietorship, joint venture, cooperative operation and direct or indirect ownership of shares or other interests in other companies or enterprises). As at the date of giving the undertakings, the company invested in Bank of Chongqing Co., Ltd. and held 13.02% of shares of the bank, in addition to investment in Chongqing Rural Commercial Bank Co., Ltd.</p> <p>4. The company undertakes to fairly treat the commercial banks in which the company and the enterprises controlled by the company invest, and will not grant or provide to any commercial banks, government approval, authorization, license or business opportunities obtained or possibly obtained by the company and the enterprises controlled by the company for carrying out commercial banking business, or use the status as a major shareholder of Chongqing Rural Commercial Bank or the information obtained with such status, to make any decision or judgment which is adverse to Chongqing Rural Commercial Bank but beneficial to other commercial banks in which the company or the enterprises controlled by the company invest, and will make efforts to avoid the occurrence of such event. In exercising the rights of a shareholder of Chongqing Rural Commercial Bank, the company will act in the best interests of Chongqing Rural Commercial Bank as if the Chongqing Rural Commercial Bank is the sole commercial bank in which the company invests, and the business judgment of the company as a shareholder of Chongqing Rural Commercial Bank to seek the best interests for Chongqing Rural Commercial Bank will not be affected as a result of the investment of the company and the enterprises controlled by the company in other commercial banks.</p> <p>5. The company warrants that it will strictly comply with relevant rules and regulations of CSRC and the stock exchange where Chongqing Rural Commercial Bank is listed, the Articles of Association of Chongqing Rural Commercial Bank, measures for management of related party transactions and other corporate management policies, exercise the rights of a shareholder and perform obligations of a shareholder equally with other shareholders, and will not use the status as a major shareholder to seek improper advantage, or damage the legitimate rights and interests of Chongqing Rural Commercial Bank and other shareholders.</p>	20 September 2019	20 September 2019 – permanent

Major Events

II. Misappropriation of the Funds by Controlling Shareholder or Other Related Parties

During the Reporting Period, the Bank had no misappropriation of the Bank's funds by controlling shareholders or other related parties for non-operating purposes.

III. Appointment and Removal of Accounting Firms

As considered and approved by the 2024 annual general meeting of the Bank, the Bank appointed KPMG Huazhen LLP and KPMG as external auditors of the Bank for 2025 which will be responsible for providing relevant services pursuant to PRC and international auditing standards, respectively. The term of the appointment is one year. For details, please refer to documents of the 2024 annual general meeting of the Bank and relevant resolution announcements.

IV. Matters Relating to Insolvency or Restructuring

During the Reporting Period, the Bank had no matters relating to insolvency or restructuring.

V. Material Legal Proceedings and Arbitrations

During the Reporting Period, there were no material legal proceedings or arbitrations which had substantial impact on the operating activities of the Group.

As of the end of the Reporting Period, pending legal proceedings in which the Group was a defendant or a third party involved an amount of RMB10.5292 million. In the view of the Bank, these will not have any material effect on the Bank's operating activities.

VI. Penalties Imposed on the Bank and Directors, Supervisors and Senior Management of the Bank

During the Reporting Period, none of the Bank or its directors, supervisors and senior management was investigated or subject to compulsory measures in accordance with the law, subject to criminal penalties, investigated by the CSRC or subject to administrative penalties, significant administrative penalties by other competent authorities, subject to detention measures by disciplinary inspection and supervision authorities and affecting the performance of their duties, subject to disciplinary punishment by the stock exchanges, or subject to compulsory measures by other competent authorities and affecting the performance of their duties.

VII. Integrity

During the Reporting Period, the Bank did not exist the situations of refusing the execution of effective court judgments or unsettling significant due debts.

VIII. Material Related Party Transactions

During the Reporting Period, for details of material related party transactions of the Bank, please refer to the section headed “Management Discussion and Analysis – V. Risk Management – (XI) Related Party Transactions” of this report.

IX. Material Contracts and their Performance

During the Reporting Period, the Bank did not have any major custody, contracting or leasing of the assets of other companies or other custody, contracting or leasing of the assets of the Bank. The guarantee business is the daily business of the Bank. During the Reporting Period, except for the financial guarantee business within the business scope approved by the regulatory authorities, the Bank had no other major guarantee matters that needed to be disclosed.

X. Acquisition and Disposal of Assets and Merger of Enterprises

During the Reporting Period, the Bank had no material acquisition and disposal of assets and merger of enterprises.

As of 30 June 2025, the Bank had no significant investments that are required to be disclosed pursuant to Paragraph 32(4A) of Appendix D2 to the Hong Kong Listing Rules.

XI. Review

The interim condensed consolidated financial information for the six months ended 30 June 2025 prepared by the Bank in accordance with International Financial Reporting Standards has been reviewed by KPMG, which has issued unqualified review report.

The unaudited interim report of the Bank for the six months ended 30 June 2025 has been reviewed by the Audit Committee of the Board of Directors and the Board of Directors.

This report was prepared in Chinese and English respectively. In case of any ambiguity in the understanding of the Chinese and English versions of the report, the Chinese version shall prevail.

Changes in Shares and Particulars of Shareholders

I. Changes in Share Capital

(I) Changes in Shares

	31 December 2024		Change for the Reporting Period	30 June 2025		<i>Unit: share</i>
	Number of shares	Percentage (%)		Number of shares	Percentage (%)	
I. Shares with selling restrictions						
1. State-owned shares	5,963,705	0.05	0	5,963,705	0.05	
2. Shares held by state-owned legal persons	-	-	-	-	-	
3. Shares held by other domestic investors	0	0.00	0	0	0.00	
Among which: Shares held by domestic non-state-owned legal persons	5,963,705	0.05	0	5,963,705	0.05	
Shares held by domestic natural persons	0	0.00	0	0	0.00	
4. Shares held by foreign investors	5,963,705	0.05	0	5,963,705	0.05	
II. Tradable shares without selling restrictions						
1. RMB-denominated ordinary shares	11,351,036,295	99.95	0	11,351,036,295	99.95	
2. Domestic listed foreign shares	8,837,700,254	77.82	0	8,837,700,254	77.82	
3. Overseas listed foreign share	-	-	-	-	-	
4. Others	2,513,336,041	22.13	0	2,513,336,041	22.13	
III. Total ordinary shares	11,357,000,000	100.00	-	11,357,000,000	100.00	

(II) Explanation of Changes in Shares

During the Reporting Period, there was no change in the total share capital of the Bank, and shares with selling restrictions remained unchanged.

II. Particulars of Shareholders

(I) Total Number of Shareholders

As at the end of the Reporting Period, the total number of shareholders of the Bank was 124,514 holders. Of which, 123,409 were shareholders of A shares and 1,105 were shareholders of H shares. As of 31 July 2025 (i.e. the end of the previous month on the publication date of the Bank's A-share interim report), the total number of shareholders of the Bank was 125,825 holders. Of which, 124,727 were shareholders of A shares and 1,098 were shareholders of H shares.

Changes in Shares and Particulars of Shareholders

(II) Shareholdings of the Top Ten Shareholders

1. Particulars of shareholdings of the top ten shareholders

Name of shareholder (Full name)	Particulars of shareholdings of the top ten shareholders				Unit: share			
	Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Type of shares	Pledged or frozen	Condition of shares	Number of shares	Nature of shareholder
HKSCC Nominees Limited	516,000	2,506,825,531	22.07	H shares		Unknown		Overseas legal person
Chongqing Yufu Capital Operation Group Company Limited (重庆渝富资本运营集团有限公司)	0	988,000,000	8.70	A shares		-		State-owned legal person
Chongqing City Construction Investment (Group) Company Limited (重庆市城市建设投资(集团)有限公司)	0	797,087,430	7.02	A shares		-		State-owned legal person
Chongqing Development and Real Estate Management Company Limited (重庆发展置业管理有限公司)	0	589,084,181	5.19	A shares		-		State-owned legal person
Chongqing Water Conservancy Investment Group Co., Ltd. (重庆市水利投资(集团)有限公司)	0	566,714,256	4.99	A shares		-		State-owned legal person
Chongqing Development Investment Co., Ltd. (重庆发展投资有限公司)	52,000,000	522,000,000	4.60	A shares		-		State-owned legal person
	0	23,814,000	0.21	H shares				
Hong Kong Securities Clearing Company Limited	(54,302,673)	378,854,629	3.34	A shares		Unknown		Overseas legal person
Chongqing Water Group Co., Ltd. (重庆水务集团股份有限公司)	0	125,000,000	1.10	A shares		-		State-owned legal person
Chongqing Casin Group Co., Ltd. (重庆财信企业集团有限公司)	(47,500,000)	112,500,000	0.99	A shares	Pledged, judicial freezing	112,500,000		Domestic non-state-owned legal person
Industrial and Commercial Bank of China - Huatai Bairui CSI 300 Trading Index Securities Investment Open-ended Fund (华泰柏瑞沪深300交易型开放式指数证券投资基金)	109,161,648	109,161,648	0.96	A shares		-		Others
Statement on specific repurchase accounts of top ten shareholders	Nil							
Statement on aforesaid shareholder's entrusted voting rights, trusted voting rights and abandoned voting rights	Nil							
Statement on the related relations or concerted actions among the shareholders above	HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited; Chongqing Development and Real Estate Management Company Limited (重庆发展置业管理有限公司) is the person acting-in-concert with Chongqing Development Investment Co., Ltd. (重庆发展投资有限公司); Chongqing Water Conservancy Investment Group Co., Ltd. (重庆市水利投资(集团)有限公司) and Chongqing Water Group Co., Ltd. (重庆水务集团股份有限公司) are the persons acting-in-concert with Chongqing Yufu Capital Operation Group Company Limited (重庆渝富资本运营集团有限公司).							
Statement on preference shareholders with resumed voting right and their number of shares held	Nil							

Changes in Shares and Particulars of Shareholders

Notes:

- (1) The number of shares held by HKSCC Nominees Limited refers to the total number of H shares of the Bank held by all institutional and individual investors who maintained an account with it as at the end of the Reporting Period, which includes the H shares of the Bank held by Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) as set out in the above table.
- (2) The number of shares held by Hong Kong Securities Clearing Company Limited represents the total number of A shares of the Bank (northbound shares under Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong and overseas.
- (3) The shares held by above shareholders are shares without selling restrictions.
- (4) As at the record date of the 2024 annual general meeting, the total number of shares of the Bank pledged by the shareholders who have pledged 50% or above of A shares they held was 358,389,900 in total, and such shareholders held a total of 395,279,238 shares, representing 3.48% of the total share capital of the Bank. The Bank restricted the voting rights of the above shareholders at general meetings in accordance with the Articles of Association. The above shareholders did not assign directors to the Bank.
- (5) The top ten shareholders did not participate in securities margin trading and refinancing business during the Reporting Period.

Changes in Shares and Particulars of Shareholders

2. Number of shares held by and selling restriction of the top ten shareholders with selling restrictions

Details of approved tradable shares with selling restrictions						Unit: share
No.	Name of Shareholder with selling restrictions	Number of shares held with selling restrictions	Time available for trading	Additional number of approved tradable shares	Selling restrictions	
1	Zhang Li	145,090	Release in batches: October 2025: 13,190 shares; October 2027: 131,900 shares;	0	72 months and 96 months from the date of the Bank's listing, respectively	
2	Chen Kaiming	129,470	Release in batches: October 2025: 11,770 shares; October 2027: 117,700 shares;	0	72 months and 96 months from the date of the Bank's listing, respectively	
3	Xu Min	85,965	Release in batches: October 2025: 7,815 shares; October 2027: 78,150 shares;	0	72 months and 96 months from the date of the Bank's listing, respectively	
4	Zhu Jingmei	75,625	Release in batches: October 2025: 6,875 shares; October 2027: 68,750 shares;	0	72 months and 96 months from the date of the Bank's listing, respectively	
5	Wang Shaoji	72,710	Release in batches: October 2025: 6,610 shares; October 2027: 66,100 shares;	0	72 months and 96 months from the date of the Bank's listing, respectively	
6	Luo Jing	72,215	Release in batches: October 2025: 6,565 shares; October 2027: 65,650 shares;	0	72 months and 96 months from the date of the Bank's listing, respectively	
7	Xu Xiaohong	68,750	Release in batches: October 2025: 6,250 shares; October 2027: 62,500 shares;	0	72 months and 96 months from the date of the Bank's listing, respectively	
8	Zeng Lifeng	66,000	Release in batches: October 2025: 6,000 shares; October 2027: 60,000 shares;	0	72 months and 96 months from the date of the Bank's listing, respectively	

Changes in Shares and Particulars of Shareholders

No.	Name of Shareholder with selling restrictions	Number of shares held with selling restrictions	Details of approved tradable shares with selling restrictions		Additional number of approved tradable shares	Selling restrictions
			Time available for trading			
9	Yang Hongkun	62,590	Release in batches: October 2025: 5,690 shares; October 2027: 56,900 shares;		0	72 months and 96 months from the date of the Bank's listing, respectively
10	Liang Shuang	61,875	Release in batches: October 2025: 5,625 shares; October 2027: 56,250 shares;		0	72 months and 96 months from the date of the Bank's listing, respectively
Statement on the related relations or concerted actions among the shareholders			Not aware of related relations or concerted actions existing among the shareholders above			

(III) Explanation of the Absence of Controlling Shareholders and Actual Controllers of the Company

The shareholding structure of the Bank is diversified and no controlling shareholders and actual controller existed. As of the end of the Reporting Period, the Bank does not have any shareholders whose voting rights in respect of their shares are sufficient to make a material influence to resolutions approved at general meetings. The Bank does not have any person who can actually control the Bank through investment relations, agreements or other arrangements.

Changes in Shares and Particulars of Shareholders

(VI) Particulars of Major Shareholders

1. Major shareholders holding more than 5% of the shares

(1) Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) was established in February 2004 with a registered capital of RMB10 billion. It is a state-owned assets operation company organized under the approval of Chongqing Municipal Government and mainly engaged in the acquisition and disposal of assets and relevant property investment, investment advisory, financial consultancy, consultancy and agency for corporate reorganizations and mergers, custody of enterprises and assets under the authority of the municipal government.

As at the end of the Reporting Period, Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) held 988,000,000 A shares of the Bank, representing 8.70% of the total share capital of the Bank, and has delegated Hu Chun, a director, to the Bank (performing duties until the date of approval of the qualification of the new director by the regulatory authorities). Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) and Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司), Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司), Chongqing Agriculture Investment Group Company Limited (重慶市農業投資集團有限公司), Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司), Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)有限公司), Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司) and Chongqing River & Holiday Hotel Management Co., Ltd. (重慶兩江假日酒店管理有限公司), all being related parties and the parties acting in concert of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), jointly held 1,809,861,341 shares of the Bank, representing 15.94% of the total share capital of the Bank. The shares of the Bank have not been pledged by Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司).

(2) Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) was established in February 1993 with a registered capital of RMB20 billion. It is a state-owned large group specializing in urban construction, development, investment and operation.

As at the end of the Reporting Period, Chongqing City Construction Investment (Group) Company Co., Ltd. (重慶市城市建設投資(集團)有限公司) held 797,087,430 A shares of the Bank, representing 7.02% of the total share capital of the Bank. Chongqing City Construction Investment (Group) Company Co., Ltd. (重慶市城市建設投資(集團)有限公司) and its related party, Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司) jointly held 827,087,430 shares of the Bank, representing 7.28% of the total share capital of the Bank. The shares of the Bank have not been pledged.

Changes in Shares and Particulars of Shareholders

(3) Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) was established in December 2002 with a registered capital of RMB5.287 billion. It is a wholly-owned controlling subsidiary of Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司). It was responsible for coordinating the full-chain operation and management of business and parking space assets of municipal public rental housing and was engaged in operational asset investment and operation management, as well as financial equity investment.

Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) was established in August 2018 with a registered capital of RMB20 billion. It is a solely state-owned enterprise established under the approval of the Chongqing Municipal People's Government and carries out the investment and financing, industrial cultivation, equity operation, capital operation, value management, etc.

As at the end of the Reporting Period, Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) held 589,084,181 A shares of the Bank, representing 5.19% of the total share capital of the Bank, and has delegated Yin Xianglin, a director, to the Bank (performing duties until the date of approval of the qualification of the new director by the regulatory authorities). Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) held 545,814,000 shares of the Bank, representing 4.81% of the total share capital of the Bank. Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司) and Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) jointly held 1,134,898,181 shares of the Bank, representing 9.99% of the total share capital of the Bank. The shares of the Bank have not been pledged.

2. Other major shareholders under regulations

(1) Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) was established in November 1987 with a registered capital of RMB3,894 million. It is an A-share listed company. Its business segments include: jewellery and fashion, business management, cultural catering, food and beverage, Chinese fashion watches, beauty and health, and real estates with composite functions.

As at the end of the Reporting Period, Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) held 150,549,000 H shares of the Bank, representing 1.33% of the total share capital of the Bank. Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) and its related parties have delegated Peng Yulong, a director, to the Bank as a major shareholder of the Bank. Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) and its related parties Fosun International Limited, Fidelidade-Companhia de Seguros, S.A., Shanghai Fosun High Technology (Group) Co., Ltd., Peak Reinsurance Company Limited, Fosun Hani Securities Limited, Hong Kong Xinmao Investment Co., Limited (香港鑫茂投資有限公司) and Hainan Mining Co., Ltd. jointly held 340,719,000 H shares of the Bank, representing 3.00% of the total share capital of the Bank. 150,549,000 H shares of the Bank held by Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) have been pledged.

Changes in Shares and Particulars of Shareholders

(2) Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司) was established in May 2001 with a registered capital of RMB0.1 billion, and is engaged in private fund equity investment, investment management, asset management and other activities. Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司) has delegated Huang Qingqing, a supervisor, to the Bank as a major shareholder.

As at the end of the Reporting Period, Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司) held 57,423,332 A shares of the Bank, representing 0.51% of the total share capital of the Bank. The shares of the Bank have not been pledged.

Name of shareholder	Controlling shareholder	Actual controller	Ultimate beneficiary
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司)	Chongqing SASAC	Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	Chongqing SASAC	Chongqing SASAC	Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	Chongqing SASAC	Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	Chongqing SASAC	Chongqing SASAC	Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司)	Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司)	Guo Guangchang	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司)
Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)	Xiamen Huishangcheng Trade Co., Ltd. (廈門匯尚成貿易有限公司)	Zhou Yongwei, Zhou Shaoxiong and Zhou Shaoming	Xiamen Huishanghong Equity Investment Co., Ltd. (廈門市匯尚泓股權投資有限公司)

Changes in Shares and Particulars of Shareholders

(V) Substantial Interests and Short Positions

As at the end of the Reporting Period, to the knowledge of the Bank, the following individuals (other than the directors, supervisors and chief executives) had an interest and short position in the shares of the Bank which would fall to be disclosed to the Bank and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong, or interests and short positions in the shares of the Bank as recorded in the register required to be kept by the Bank under Section 336 of the Securities and Futures Ordinance of Hong Kong:

A Shares

Name of shareholder	Capacity	Number of shares held ⁽⁸⁾	Unit: share	
			Percentage of the total share capital of the A shares (%)	Percentage of the total share capital of the Bank (%)
Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) ⁽¹⁾	Interest of controlled corporations	1,796,615,341(L)	20.32	15.82
Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司)	Beneficial Owner	988,000,000(L)	11.17	8.70
Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司)	Beneficial Owner	797,087,430(L)	9.01	7.02
Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司) ⁽³⁾	Interest of controlled corporations ⁽²⁾	30,000,000(L)	0.34	0.26
Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司)	Interest of controlled corporations	691,714,256(L)	7.82	6.09
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司)	Beneficial Owner	566,714,256(L)	6.41	4.99
Chongqing Development and Real Estate Management Company Limited (重慶發展置業管理有限公司)	Beneficial Owner	522,000,000(L)	5.90	4.60
	Interest of controlled corporations ⁽⁴⁾	589,084,181(L)	6.66	5.19
	Beneficial Owner	589,084,181(L)	6.66	5.19

Changes in Shares and Particulars of Shareholders

H Shares

Name of shareholder	Capacity	Number of shares held ⁽⁸⁾	Unit: share	
			Percentage of the H shares (%)	Percentage of the total share capital of the Bank (%)
Guo Guangchang ^{(5) (6)}	Interest of controlled corporations	340,719,000 (L)	13.56	3.00
Fosun International Holdings Ltd. ^{(5) (6)}	Interest of controlled corporations	340,719,000 (L)	13.56	3.00
Fosun Holdings Limited ^{(5) (6)}	Interest of controlled corporations	340,719,000 (L)	13.56	3.00
Fosun International Limited ^{(5) (6)}	Interest of controlled corporations	340,719,000 (L)	13.56	3.00
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) ⁽⁶⁾	Beneficial Owner	150,549,000 (L)	5.99	1.33
JPMorgan Chase & Co. ⁽⁷⁾	Beneficial Owner	21,951,336 (L)	0.87	0.19
		16,559,984 (S)	0.66	0.15
	Investment Manager	85,194,000 (L)	3.39	0.75
	Person having a security interest in shares	4,791,172 (L)	0.19	0.04
	Approved Lending Agent	65,012,380 (P)	2.59	0.57

Notes:

(1) Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) held 100% equity interest in Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司), 100% equity interest in China Silian Sensors Group Co., Ltd. (中國四聯儀器儀表集團有限公司), 80% equity interest in Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司), 50% equity interest in Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司), 86.15% equity interest in Chongqing Cultural and Tourism Group Co., Ltd. (重慶文化旅遊集團有限公司), 40% equity interest in Chongqing Agriculture Investment Group Company Limited (重慶市農業投資集團有限公司) and 10.65% equity interest in Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司); and indirectly held 37.97% equity interest in Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司) through China Silian Sensors Group Co., Ltd. (中國四聯儀器儀表集團有限公司) and Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司). Therefore, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) directly and indirectly held 48.62% equity interest in Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司) in aggregate (for detail about the ongoing changes in shareholders' equity in Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), please refer to the announcement (No. 2025-026) disclosed by the Bank on the Shanghai Stock Exchange on 4 June 2025. As of the end of the Reporting Period, the relevant equity transfer has not yet been completed); indirectly held 100% equity interest in Chongqing Water Conservancy

Changes in Shares and Particulars of Shareholders

Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) and 88.56% equity interest in Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) through Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司), respectively; and indirectly held 100% equity interest in Chongqing River & Holiday Hotel Management Co., Ltd. (重慶兩江假日酒店管理有限公司) through Chongqing Cultural and Tourism Group Co., Ltd. (重慶文化旅遊集團有限公司). Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司) held a long position in 988,000,000 A shares of the Bank. Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司) held a long position in 10,000,000 A shares of the Bank. Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) held a long position in 566,714,256 A shares of the Bank. Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) held a long position in 125,000,000 A shares of the Bank. Chongqing Sanxia Financing Guarantee Group Corporation (重慶三峽融資擔保集團股份有限公司) held a long position in 15,000,454 A shares of the Bank. Chongqing River & Holiday Hotel Management Co., Ltd. (重慶兩江假日酒店管理有限公司) held a long position in 2,000,000 A shares of the Bank and Chongqing Agriculture Investment Group Company Limited (重慶市農業投資集團有限公司) held a long position in 89,900,631 A shares of the Bank. Therefore, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) was deemed to be interested in a long position of a total of 1,796,615,341 A shares of the Bank, representing 20.32% of A shares. In addition, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) also indirectly held a long position in 13,246,000 H shares of the Bank (representing 0.53% of H shares) through Chongqing Yufu (Hong Kong) Co., Ltd. (重慶渝富(香港)有限公司), a wholly-owned subsidiary of Chongqing Yufu Capital Operation Group Company Limited (重慶渝富資本運營集團有限公司). In conclusion, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) held a total of 1,809,861,341 shares of the Bank through other corporations controlled by it, representing 15.94% of total share capital of the Bank. In addition, Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) is wholly controlled by Chongqing SASAC.

- (2) Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) held 63.19% equity interest in Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司), therefore, it was deemed to be interested in a long position in 30,000,000 A Shares of the Bank held by Chongqing Yukaifa Co., Ltd. (重慶渝開發股份有限公司). In addition, Chongqing City Construction Investment (Group) Company Limited (重慶市城市建設投資(集團)有限公司) is wholly controlled by Chongqing SASAC.
- (3) Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司) held 100% equity interest in Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) and 38.52% equity interest in Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司); indirectly held 50.04% equity interest in Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) through Chongqing Derun Environment Co., Ltd. (重慶德潤環境有限公司). Therefore, Chongqing Water & Environment Holdings Group Ltd. (重慶水務環境控股集團有限公司) directly and indirectly held a total of 88.56% equity interest in Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司), and was deemed to be interested in a long position in 691,714,256 A Shares of the Bank held by Chongqing Water Conservancy Investment Group Co., Ltd. (重慶市水利投資(集團)有限公司) and Chongqing Water Group Co., Ltd. (重慶水務集團股份有限公司) in aggregate.

Changes in Shares and Particulars of Shareholders

- (4) Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) was deemed to be interested in a long position in 589,084,181 A Shares of the Bank held by its wholly-owned holding subsidiary, Chongqing Development and Real Estate Management Co., Ltd. (重慶發展置業管理有限公司). In addition, Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) is wholly controlled by Chongqing SASAC.
- (5) Guo Guangchang holds 85.29% equity interests in Fosun International Holdings Ltd. Fosun International Holdings Ltd. holds 100% equity interests in Fosun Holdings Limited. Fosun Holdings Limited holds 71.05% equity interests in Fosun International Limited. Therefore, Guo Guangchang, Fosun International Holdings Ltd. and Fosun Holdings Limited are all deemed to be interested in the shares of the Bank held by Fosun International Limited and various corporations controlled by it. Guo Guangchang holds jointly a long position in 340,719,000 H shares of the Bank through Fosun International Limited and other corporations controlled by it.
- (6) According to Notice of Disclosure of Corporate Substantial Shareholders' Interests filed by Guo Guangchang, Fosun International Holdings Ltd. and Fosun International Limited on 13 October 2020, the long position of 340,719,000 H shares of the Bank that they are deemed to hold, compose of a long position of 150,549,000 H shares of the Bank directly held by Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司). Fosun International Limited holds 100% equity interests in Shanghai Fosun High Technology (Group) Co., Ltd. and Shanghai Fosun High Technology (Group) Co., Ltd. directly and indirectly (through its subsidiary) holds 68.59% equity interests in Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司) in total, therefore, Guo Guangchang, Fosun International Holdings Ltd., Fosun Holdings Limited and Fosun International Limited are all deemed to be interested in a long position in 150,549,000 H shares of the Bank held by Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. (上海豫園旅遊商城(集團)股份有限公司).
- (7) JPMorgan Chase & Co. was deemed to hold a long position in 176,948,888 H shares, a short position in 16,559,984 H shares and a lending pool of 65,012,380 H shares of the Bank by virtue of its control over several corporations. Among which, a long position in 17,077,000 H shares and a short position in 6,436,000 H shares were held through non-listed derivatives.
- (8) (L) – Long position; (S) – Short position; and (P) – lending pool.

Changes in Shares and Particulars of Shareholders

(VI) Directors', Supervisors' and the Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Bank

As of the end of the Reporting Period, the interests of the directors, supervisors and the chief executive of the Bank and their associates in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong) as recorded in the register required to be kept under Section 352 of the Securities and Futures Ordinance of Hong Kong or as otherwise notified to the Bank and Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules were as follows:

Name	Position	Capacity	Number of A shares held (Share)	Percentage of the A shares (%)	Percentage of the total share capital (%)
Sui Jun	Deputy Secretary to the Party Committee, President, Executive Director	Beneficial Owner	75,400	0.00085	0.00066
Yin Xianglin	Non-executive Director	Beneficial Owner	2,900	0.00003	0.00003

Note: The above number of shares refers to long position.

Save as disclosed above, none of the directors, supervisors, or the chief executive of the Bank or their associates held any interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations as of the end of the Reporting Period.

III. Issue, Repurchase, Sale and Redemption of Securities

During the Reporting Period, the Bank has not issued new ordinary shares or publicly issued any corporate bonds listed on the stock exchange and has not newly issued or redeemed any financial bonds in the national interbank bond market. Save as disclosed herein, the Bank and its subsidiaries have not repurchased, sold or redeemed any shares and bonds (including sales of treasury shares of the Bank) during the Reporting period. As of the end of the Reporting Period, the Bank did not hold any treasury shares.

Report on Review of Interim Financial Report

To the board of directors of Chongqing Rural Commercial Bank Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 132 to 250, which comprises the interim condensed consolidated statement of financial position of Chongqing Rural Commercial Bank Co., Ltd. (the "Bank") and its subsidiaries (collectively the "Group") as of 30 June 2025 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months ended at 30 June 2025, and the notes to the interim condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34 Interim Financial Reporting.

Our responsibility is to express a conclusion, based on our review, on the interim financial report 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, as issued by the International Auditing and Assurance Standards Board. A review of the interim financial information 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.

Report on Review of Interim Financial Report (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at 30 June 2025 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 August 2025

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

		Six months ended 30 June	
	Notes	2025 (Unaudited)	2024 (Unaudited)
Interest income		23,145,086	23,732,093
Interest expense		(11,401,049)	(12,651,056)
Net interest income	5	<u>11,744,037</u>	<u>11,081,037</u>
Fee and commission income		945,812	1,084,614
Fee and commission expense		(166,043)	(186,014)
Net fee and commission income	6	<u>779,769</u>	<u>898,600</u>
Net trading gains	7	734,693	1,402,893
Share of profits of associates		29,046	11,971
Other operating income, net	8	75,283	174,988
Net gains on derecognition of financial assets measured at fair value through other comprehensive income		995,583	190,652
Net gains on derecognition of financial assets measured at amortised cost		<u>377,444</u>	<u>882,025</u>
Operating income		14,735,855	14,642,166
Operating expenses	9	(4,083,621)	(3,930,459)
Credit impairment losses	10	(1,782,524)	(2,457,359)
Impairment losses on other assets		<u>(118)</u>	<u>(4,334)</u>
Profit before tax		8,869,592	8,250,014
Income tax expense	11	<u>(1,022,678)</u>	<u>(689,320)</u>
Profit for the period		<u>7,846,914</u>	<u>7,560,694</u>
Attributable to:			
– Shareholders of the Bank		7,698,743	7,358,215
– Non-controlling interests		148,171	202,479
Earnings per share (Expressed in Renminbi (“RMB”) Yuan per share)			
Basic and diluted	12	<u>0.67</u>	<u>0.64</u>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit for the period	<u>7,846,914</u>	<u>7,560,694</u>
Other comprehensive income, after tax:		
Items that will not be reclassified to profit or loss:		
– Changes in remeasurement of defined benefit plans	53	(91,389)
– Changes in fair value of equity instruments measured at fair value through other comprehensive income	24,330	(93,241)
Items that may be reclassified:		
– Changes in fair value of debt instruments measured at fair value through other comprehensive income	(1,265,850)	1,775,451
– Credit impairment losses of debt instrument measured at fair value through other comprehensive income	7,740	50,928
Other comprehensive income for the period (net of tax)	<u>(1,233,727)</u>	<u>1,641,749</u>
Total comprehensive income for the period	<u>6,613,187</u>	<u>9,202,443</u>
Total comprehensive income attributable to:		
Shareholders of the Bank	6,465,010	8,999,943
Non-controlling interests	148,177	202,500

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Cash and balances with central bank	14	56,575,244	51,204,006
Deposits with banks and other financial institutions	15	41,400,915	21,032,927
Placements with banks and other financial institutions	16	96,056,686	90,440,520
Derivative financial assets	17	259,128	5,295
Financial assets held under resale agreements	18	29,100,889	20,937,314
Loans and advances to customers	19	733,545,482	683,830,682
Financial investments:	20		
– Financial assets measured at fair value through profit or loss		106,415,336	84,554,813
– Financial assets measured at fair value through other comprehensive income		273,562,216	246,200,311
– Financial assets measured at amortised cost		271,799,308	297,248,006
Investments in associates	21(2)	538,728	509,682
Property and equipment	22	4,637,041	4,397,996
Right-of-use assets	23	196,092	170,349
Goodwill	24	440,129	440,129
Deferred tax assets	25	12,919,178	11,705,083
Other assets	26	3,124,696	2,704,686
Total assets		1,630,571,068	1,515,381,799
Liabilities			
Borrowings from central bank	27	98,013,534	103,007,638
Deposits from banks and other financial institutions	28	2,345,635	3,031,742
Placements from banks and other financial institutions	29	61,643,825	61,565,758
Financial liabilities measured at fair value through profit or loss	30	11,706,089	9,878,249
Derivative financial liabilities	17	18,715	3,140
Financial assets sold under repurchase agreements	31	91,519,966	71,937,669
Deposits from customers	32	1,025,194,943	941,946,157
Accrued staff costs	33	5,482,081	6,110,069
Debt securities issued	34	184,689,992	171,657,542
Income tax payable		755,081	642,907
Lease liabilities		176,000	146,181
Other liabilities	35	9,729,593	11,405,831
Total liabilities		1,491,275,454	1,381,332,883

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Equity			
Share capital	36	11,357,000	11,357,000
Other equity instruments	37	5,997,648	5,997,648
Capital reserve	38	20,893,824	20,892,772
Investment revaluation reserve	39	3,777,240	5,011,026
Actuarial changes reserve		(863,423)	(863,476)
Surplus reserve	40	15,872,212	15,872,212
General reserve	41	21,519,733	20,379,718
Retained earnings	42	<u>58,716,000</u>	<u>53,486,813</u>
Equity attributable shareholders of the Bank		137,270,234	132,133,713
Non-controlling interests		<u>2,025,380</u>	<u>1,915,203</u>
Total equity		<u>139,295,614</u>	<u>134,048,916</u>
Total equity and liabilities		<u>1,630,571,068</u>	<u>1,515,381,799</u>

The condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 August 2025.

SUI JUN
*EXECUTIVE DIRECTOR
AND PRESIDENT*

ZHANG JIN
*HEAD OF ACCOUNTING
DEPARTMENT*

(COMPANY CHOP)

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 (Unaudited)

(Amounts in thousands of Renminbi, unless otherwise stated)

Notes	Attributable to shareholders of the Bank										Non-controlling interests	Total
	Share capital	Other equity instrument	Capital reserve	Investment revaluation reserve	Actuarial changes reserve	Surplus reserve	General reserve	Retained earnings	Subtotal			
As at 1 January 2025	11,357,000	5,997,648	20,892,772	5,011,026	(863,476)	15,872,212	20,379,718	53,486,813	132,133,713	1,915,203	134,048,916	
Profit for the period	-	-	-	-	-	-	-	7,698,743	7,698,743	148,171	7,846,914	
Other comprehensive income	-	-	-	(1,233,786)	53	-	-	-	(1,233,733)	6	(1,233,727)	
Total comprehensive income for the period	-	-	-	(1,233,786)	53	-	-	7,698,743	6,465,010	148,177	6,613,187	
Acquisition of subsidiary with non-controlling interests	38	-	-	1,052	-	-	-	-	1,052	(8,000)	(6,948)	
Appropriation to general reserve	41	-	-	-	-	-	-	1,140,015	(1,140,015)	-	-	-
Dividends paid to ordinary equity holders	13	-	-	-	-	-	-	(1,251,541)	(1,251,541)	(30,000)	(1,281,541)	
Dividends paid to other equity instrument holders	13	-	-	-	-	-	-	(78,000)	(78,000)	-	(78,000)	
As at 30 June 2025	11,357,000	5,997,648	20,893,824	3,777,240	(863,423)	15,872,212	21,519,733	58,716,000	137,270,234	2,025,380	139,295,614	

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2024 (Unaudited)

(Amounts in thousands of Renminbi, unless otherwise stated)

Notes	Attributable to shareholders of the Bank										Total
	Share capital	Other equity instrument	Capital reserve	Investment revaluation reserve	Actuarial changes reserve	Surplus reserve	General reserve	Retained earnings	Subtotal	Non-controlling interests	
As at 1 January 2024	11,357,000	5,997,648	20,895,218	694,926	(719,314)	14,822,232	19,117,715	50,008,344	122,173,769	1,767,981	123,941,750
Profit for the period	-	-	-	-	-	-	-	7,358,215	7,358,215	202,479	7,560,694
Other comprehensive income	-	-	-	1,733,138	(91,410)	-	-	-	1,641,728	21	1,641,749
Total comprehensive income for the period	-	-	-	1,733,138	(91,410)	-	-	7,358,215	8,999,943	202,500	9,202,443
Acquisition of subsidiary with non-controlling interests	38	-	-	(7,440)	-	-	-	-	(7,440)	(82,000)	(89,440)
Appropriation to general reserve	41	-	-	-	-	-	1,238,531	(1,238,531)	-	-	-
Dividends paid to ordinary equity holders	13	-	-	-	-	-	-	(3,276,495)	(3,276,495)	-	(3,276,495)
Dividends paid to other equity instrument holders	13	-	-	-	-	-	-	(78,000)	(78,000)	-	(78,000)
As at 30 June 2024	11,357,000	5,997,648	20,887,778	2,428,064	(810,724)	14,822,232	20,356,246	52,773,533	127,811,777	1,888,481	129,700,258

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2024 (Audited)

(Amounts in thousands of Renminbi, unless otherwise stated)

Notes	Attributable to shareholders of the Bank										Total
	Share capital	Other equity instrument	Capital reserve	Investment revaluation reserve	Actuarial changes reserve	Surplus reserve	General reserve	Retained earnings	Subtotal	Non-controlling interests	
As at 1 January 2024	11,357,000	5,997,648	20,895,218	694,926	(719,314)	14,822,232	19,117,715	50,008,344	122,173,769	1,767,981	123,941,750
Profit for the year	-	-	-	-	-	-	-	11,512,747	11,512,747	276,332	11,789,079
Other comprehensive income	-	-	-	4,316,100	(144,162)	-	-	-	4,171,938	(110)	4,171,828
Total comprehensive income for the year	-	-	-	4,316,100	(144,162)	-	-	11,512,747	15,684,685	276,222	15,960,907
Acquisition of subsidiary with non-controlling interests	38	-	-	(2,446)	-	-	-	-	(2,446)	(99,000)	(101,446)
Appropriation to surplus reserve	40	-	-	-	-	1,049,980	-	(1,049,980)	-	-	-
Appropriation to general reserve	41	-	-	-	-	-	1,262,003	(1,262,003)	-	-	-
Dividends paid to ordinary equity holders	13	-	-	-	-	-	-	(5,484,295)	(5,484,295)	(30,000)	(5,514,295)
Dividends paid to other equity instrument holders	13	-	-	-	-	-	-	(238,000)	(238,000)	-	(238,000)
As at 31 December 2024	11,357,000	5,997,648	20,892,772	5,011,026	(863,476)	15,872,212	20,379,718	53,486,813	132,133,713	1,915,203	134,048,916

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Operating activities		
Profit before tax	8,869,592	8,250,014
Adjustments for:		
Depreciation and amortisation	422,094	430,466
Credit impairment losses	1,782,524	2,457,359
Impairment losses on other assets	118	4,334
Interest income arising from investment securities	(7,623,588)	(7,817,570)
Interest expense arising from debt securities issued	1,711,680	1,480,851
Net gains on disposal of investment securities	(2,265,308)	(1,722,378)
Net gains on investments in associates	(29,046)	(11,971)
Dividend income from investment securities	(24,448)	(25,619)
Net gains on disposal of property, equipment and other assets	(5,244)	(12,073)
Fair value losses	339,585	272,278
Foreign exchange losses/(gains)	<u>22,119</u>	<u>(9,859)</u>
Operating cash flows before movements in working capital	<u>3,200,078</u>	<u>3,295,832</u>
Net change in operating assets and operating liabilities:		
Increase in balances with central bank, deposits with banks and other financial institutions	(26,411,017)	(3,666,674)
Decrease in placements with banks and other financial institutions	960,871	6,597,897
Decrease in financial assets held under resale agreements	–	191,499
(Increase)/decrease in financial assets held for trading purpose	(19,825,256)	39,504,360
Increase in loans and advances to customers	(50,884,336)	(30,575,981)
Decrease in borrowings from central bank	(5,277,914)	(1,465,141)
Increase in placements from banks and other financial institutions	59,962	6,092,106
Increase in financial assets sold under repurchase agreements	19,619,734	23,962,574
Increase in deposits from customers, deposits from banks and other financial institutions	87,991,750	8,478,780
Increase/(decrease) in financial liabilities measured at fair value through profit or loss	1,827,840	(728,222)
Increase in other operating assets	(2,076,258)	(2,365,953)
Decrease in other operating liabilities	<u>(4,036,868)</u>	<u>(2,994,025)</u>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2025

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Cash from operating activities		5,148,586	46,327,052
Income tax paid		(1,713,357)	(1,333,692)
Net cash generated from operating activities		3,435,229	44,993,360
Investing activities			
Cash received from disposal and redemption of investment securities		160,283,073	116,967,973
Interest income received from investment securities		8,835,639	8,626,858
Cash received from disposal of property, equipment and other assets		19,613	33,599
Dividends income from investment securities		24,448	25,619
Cash received from other investing activities		1,052	—
Cash paid for purchase of investment securities		(165,348,823)	(173,739,279)
Cash paid for purchase of property, equipment and other assets		(619,756)	(201,320)
Cash paid for acquisition of subsidiary with non-controlling interests		—	(7,440)
Net cash generated/(used in) from investing activities		3,195,246	(48,293,990)
Financing activities			
Cash received from debt securities issued		112,878,770	137,264,437
Repayments of debt securities issued		(101,500,000)	(108,650,000)
Dividends paid to shareholders of the Bank		(3,512,381)	(3,319,502)
Dividends paid to subsidiary with non-controlling interests shareholders of the Bank		(30,000)	—
Interest paid on debt securities issued		(58,000)	(386,700)
Cash paid in other financing activities		(31,238)	(223,916)
Net cash from financing activities		7,747,151	24,684,319
Net increase in cash and cash equivalents			
Cash and cash equivalents as at 1 January		14,377,626	21,383,689
Effect of foreign exchange rate changes		39,978,403	43,210,418
		(7,368)	4,037
Cash and cash equivalents as at 30 June	43	54,348,661	64,598,144
Net cash from operating activities include:			
Interest received		15,421,285	15,798,700
Interest paid		(14,852,051)	(14,642,827)
Net interest received from operating activities		569,234	1,155,873

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

(Amounts in thousands of Renminbi, unless otherwise stated)

1 GENERAL INFORMATION

Chongqing Rural Commercial Bank Co., Ltd. (the “Bank”) is a joint-stock commercial bank incorporated in the People’s Republic of China (the “PRC”) on 27 June 2008. Prior to its incorporation, the business acquired by the Bank (the “Business”) was carried out by 38 rural credit cooperative unions and Chongqing Wulong Rural Cooperative Bank in Chongqing of the PRC (collectively, the “39 Rural Credit Unions”). All of them were managed by the Chongqing Rural Credit Cooperative Union (the “CRCCU”) at the municipal level of Chongqing, the PRC.

Pursuant to the promoters’ agreement among the promoters of the Bank, the Bank acquired all the assets and liabilities of the 39 Rural Credit Unions and the CRCCU on 27 June 2008, and the Business was transferred to the Bank.

The Bank was listed on the Stock Exchange of Hong Kong Limited on 16 December 2010 and was listed on Shanghai Stock Exchange on 29 October 2019.

The Bank has financial services certificate No. B0335H250000001 issued by the China’s National Financial Regulatory Administration (the former “China Banking and Insurance Regulatory Commission”, hereinafter referred to as “NFRA”), and a corporate legal person business license with a unified social credit code 91500000676129728J issued by the Chongqing Administration of Industry and Commerce.

The principal activities of the Bank and its subsidiaries (together referred to as the “Group”) comprise provision of banking services, which includes deposit taking, loan lending, payment and settlement services, wealth management, financial leasing and other services as approved by NFRA.

2 BASIS OF PREPARATION

The unaudited interim condensed 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 with all applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. The principal accounting policies and methods of computation used in preparing the interim condensed consolidated financial statements are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial statement should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024, which have been audited.

(1) Standards and amendments effective in 2025 relevant to and adopted by the Group

In the current reporting period, the Group has adopted the following amendment issued by the International Accounting Standards Board ("IASB"), that is mandatorily effective for the current reporting period.

Notes

Amendments to IAS 21	Lack of exchangeability	(i)
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(i) Description of this amendment was disclosed in the Group's consolidated financial statements for the year ended 31 December 2024. The adoption of this amendment does not have a significant impact on the financial position or comprehensive income of the Group.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(2) Standards and amendments relevant to the Group that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Group

The Group has not adopted the following new or amended standards issued by the IASB and the International Financial Reporting Interpretations Committee, that have been issued but are not yet effective.

		Effective for annual periods beginning on or after	Notes
(1)	Amendments to IFRS 7 and IFRS 9	Classification and measurement of financial assets	1 January 2026 (i)
(2)	Amendments to IFRS 7 and IFRS 9	Contracts referencing nature-dependent electricity	1 January 2026 (i)
(3)	Annual improvements to IFRS Accounting Standards	Volume 11	1 January 2026 (i)
(4)	IFRS 18	Presentation and disclosure in financial statements	1 January 2027 (ii)
(5)	IFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027 (i)
(6)	Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an Investor and Its associate or joint venture	The effective date has now been deferred. (i)

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(2) Standards and amendments relevant to the Group that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Group *(Continued)*

- (i) Descriptions of these standards and amendments were disclosed in the Group's consolidated financial statements for the year ended 31 December 2024. The Group anticipates that the adoption of these standards and amendments will not have a significant impact on the Group's financial information.
- (ii) IFRS 18: Presentation and Disclosure in Financial Statements

Descriptions of this standard was disclosed in the Group's consolidated financial statements for the year ended 31 December 2024. The Group has not completed its assessment of the impact on the Group's consolidated financial statements of adopting IFRS 18.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In preparing these interim condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the uncertainties of significant judgments and estimates made by management in applying the Group's accounting policies were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2024.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

5 NET INTEREST INCOME

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Interest income		
Loans and advances to customers	13,518,209	13,963,851
Including: Corporate loans and advances	7,684,394	7,212,761
Personal loans and advances	5,623,855	6,326,732
Discounted bills	209,960	424,358
Financial investments	7,623,588	7,817,570
Including: Financial assets measured at amortised cost	4,797,560	5,463,793
Financial assets measured at fair value through other comprehensive income	2,826,028	2,353,777
Placements with banks and other financial institutions	1,048,249	1,219,244
Balances with central bank	410,949	386,743
Deposits with banks and other financial institutions	300,387	93,877
Financial assets held under resale agreements	243,704	250,808
Subtotal	23,145,086	23,732,093
Interest expense		
Deposits from customers	(7,566,154)	(8,193,838)
Debt securities issued	(1,711,680)	(1,480,851)
Borrowings from central bank	(974,930)	(1,170,486)
Placements from banks and other financial institutions	(657,183)	(739,791)
Financial assets sold under repurchase agreements	(465,716)	(603,759)
Deposits from banks and other financial institutions	(23,475)	(460,810)
Lease liabilities	(1,911)	(1,521)
Subtotal	(11,401,049)	(12,651,056)
Net interest income	11,744,037	11,081,037
Included in interest income		
Interest income on listed investments	7,623,588	7,765,022
Interest income on unlisted investments	—	52,548
Total	7,623,588	7,817,570

Listed investments mainly include securities traded in the interbank bond market in Mainland China and securities listed on the stock exchange.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

6 NET FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Fee and commission income		
Agency and fiduciary service fees	359,166	393,919
Wealth management fees	186,487	181,809
Bank card fees	82,237	188,666
Settlement and clearing fees	80,350	86,260
Others	237,572	233,960
Subtotal	945,812	1,084,614
Fee and commission expense		
Bank card fees	(126,593)	(147,609)
Settlement and clearing fees	(19,203)	(17,594)
Others	(20,247)	(20,811)
Subtotal	(166,043)	(186,014)
Total	779,769	898,600

7 NET TRADING GAINS

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Net gains on financial assets measured at fair value through profit or loss	745,839	1,411,065
Net losses on financial liabilities measured at fair value through profit or loss	(236,595)	(419)
Net gains/(losses) on derivative financial instruments	225,449	(7,753)
Total	734,693	1,402,893

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

8 OTHER OPERATING INCOME, NET

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Government grants	6,596	92,308
Rental income	64,861	62,520
Net gains on disposal of property, equipment and other assets	5,244	12,029
Foreign exchange (losses)/gains	(22,119)	9,859
Penalty and compensation income	2,017	2,228
Others, net	18,684	(3,956)
 Total	 75,283	 174,988

9 OPERATING EXPENSES

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Staff costs	(1)	2,496,404	2,128,998
General operating and administrative expenses		994,385	1,120,731
Depreciation and amortisation		385,763	390,062
Tax and surcharges		129,617	188,625
Costs of operating lease business		36,331	40,404
Others		41,121	61,639
 Total		 4,083,621	 3,930,459

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

9 OPERATING EXPENSES (Continued)

(1) Staff costs

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Salaries, bonuses and allowances		1,585,781	1,530,860
Social insurance		459,226	392,036
Housing funds		186,016	189,074
Enterprise annuity		91,164	92,124
Labour union fees and staff education expenses		70,974	55,658
Staff welfare		44,252	49,746
Supplementary retirement benefits	33(1)	57,431	(182,650)
Early retirement benefits	33(2)	1,560	2,150
Total		2,496,404	2,128,998

10 CREDIT IMPAIRMENT LOSSES

		Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Loans and advances to customers:			
Measured at amortised cost		1,719,688	2,534,949
Measured at fair value through other comprehensive income		(41,459)	309
Financial investments:			
Financial assets measured at amortised cost		(28,142)	(164,074)
Financial assets measured at fair value through other comprehensive income		51,779	67,595
Deposits with banks and other financial institutions		55,071	4,752
Financial assets held under resale agreements		38,488	102,817
Other assets		23,504	58,835
Placements with banks and other financial institutions measured at amortised cost		21,324	(49,688)
Loan commitments		(57,729)	(98,136)
Total		1,782,524	2,457,359

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

11 INCOME TAX EXPENSE

(1) Income tax expense

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Income tax expense comprises:			
Current income tax			
– PRC Enterprise Income Tax		1,825,531	1,747,091
Deferred tax	25(2)	(802,853)	(1,057,771)
Total		1,022,678	689,320

(2) Reconciliation between income tax expense and profit before tax per the interim condensed consolidated income statement:

The tax charges for the six months ended 30 June 2025 and 30 June 2024 can be reconciled to the profit per the interim condensed consolidated income statement as follows:

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Profit before tax		8,869,592	8,250,014
Tax calculated at applicable statutory tax rate of 25%		2,217,398	2,062,504
Difference of income tax calculated at subsidiaries' applicable statutory tax rate of 15%		(1,925)	1,174
Tax effect of non-taxable income and tax reduction	(a)	(1,217,673)	(1,082,272)
Tax effect of expenses not deductible for tax purpose	(b)	72,787	35,813
Tax effect of perpetual bonds interest expense		(19,500)	(19,500)
Impact of changes in tax rates on prior-period deferred tax assets		–	(336,092)
Others		(28,409)	27,693
Income tax expense		1,022,678	689,320

(a) Interest income from government bonds and local government bonds is not subject to income tax; and interest income from railway construction bonds is subject to income tax levied at half in accordance with the relevant PRC tax regulations.

(b) Non-deductible expenses mainly include staff costs and entertainment expenses in excess of deduction allowed under the relevant PRC tax regulations.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

12 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Earnings:		
Profit for the period attributable to shareholders of the Bank	7,698,743	7,358,215
Less: profit for the period attributable to other equity instrument holders of the Bank	(78,000)	(78,000)
Profit for the period attributable to ordinary equity holders of the Bank	<u>7,620,743</u>	<u>7,280,215</u>
Number of shares:		
Weighted average number of shares in issue (thousand)	<u>11,357,000</u>	<u>11,357,000</u>
Basic and diluted earnings per share (RMB Yuan)	<u>0.67</u>	<u>0.64</u>

There was no potential dilutive ordinary share outstanding for the six months ended 30 June 2025 and the six months ended 30 June 2024. Accordingly, diluted earnings per share was the same as basic earnings per share.

13 DIVIDENDS

	Six months ended 30 June	
Notes	2025 (Unaudited)	2024 (Unaudited)
Dividend recognised as distribution during the period		
Cash dividend related to 2024	(1) 1,251,541	–
Cash dividend related to 2023	(2) –	3,276,495
Interest on perpetual bonds declared and paid	(3) 78,000	78,000

- (1) A dividend of RMB11.02 cents per share (tax inclusive) in respect of the year ended 31 December 2024 with a total of RMB1,252 million has been proposed by the Board of Directors on 25 March 2025 and was approved by the shareholders in the 2024 annual general meeting on 21 May 2025.
- (2) A dividend of RMB28.55 cents per share (tax inclusive) in respect of the year ended 31 December 2023 with a total of RMB3,276 million has been proposed by the Board of Directors on 28 March 2024 and was approved by the shareholders in the 2023 annual general meeting on 28 May 2024.
- (3) As at 26 April 2025 and 26 April 2024, the Bank distributed the interest of perpetual bonds amounting to RMB78 million respectively.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

14 CASH AND BALANCES WITH CENTRAL BANK

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Cash		2,535,133	3,004,558
Statutory reserve deposits with central bank	(1)	50,466,136	46,632,482
Surplus reserve deposits with central bank	(2)	3,216,069	947,780
Other deposits with central bank	(3)	357,906	619,186
Total		56,575,244	51,204,006

(1) The Group places statutory reserve deposits with The People's Bank of China ("PBOC"). These statutory reserve deposits are not available for the Group's daily operations.

The Bank's statutory reserve deposits rates as at the balance sheet date are as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
– RMB statutory reserve deposits rates	5.00%	5.00%
– Foreign currency statutory reserve deposits rates	4.00%	4.00%

Statutory reserve deposits rates of the Bank's subsidiaries are subject to relevant PBOC requirements.

(2) The surplus reserve deposits are maintained with PBOC for clearing purposes.

(3) The majority of other deposits with central bank are fiscal deposits placed with PBOC. Fiscal deposits refer to funds from fiscal institutions and deposited with PBOC in accordance with regulations, which cannot be used for daily business operations. Fiscal deposits placed with PBOC are non-interest bearing.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

15 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Deposits with:		
Domestic banks	40,568,652	19,620,654
Overseas banks	469,473	521,815
Other domestic financial institutions	467,042	939,639
Subtotal	41,505,167	21,082,108
Expected credit loss ("ECL") allowances	(104,252)	(49,181)
Carrying amount	<u>41,400,915</u>	<u>21,032,927</u>

- (1) As at 30 June 2025, deposits with other financial institutions in mainland China of the Group and the Bank included RMB291.37 million security deposits. There were restrictions on the Group and the Bank's ability to use these deposits (As at 31 December 2024: RMB285.25 million security deposits for the Group and the Bank).
- (2) As at 30 June 2025 and 31 December 2024, the carrying amount of deposits with banks and other financial institutions of the Group and the Bank were both classified to Stage 1 which their provision measured at an amount equivalent to the ECL for the next 12 months, and neither the carrying amount nor the ECLs of deposits with banks and other financial institutions of the Group and the Bank were transferred among Stages. For the amount of the provision for deposits with banks and other financial institutions of the Group and the Bank for the period/year and the basis for determining whether credit risk has significantly increased, refer to Note 49(1).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

16 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Placements with:		
Domestic banks	720,084	–
Other domestic financial institutions	94,739,419	90,791,448
Overseas banks	969,435	–
Subtotal	96,428,938	90,791,448
ECL allowances	(372,252)	(350,928)
Total	96,056,686	90,440,520

(1) As at 30 June 2025 and 31 December 2024, the carrying amount of placements with banks and other financial institutions of the Group and the Bank were both classified to Stage 1 which their provision measured at an amount equivalent to the ECL for the next 12 months, and neither the carrying amount nor the ECLs of placements with banks and other financial institutions of the Group and the Bank were transferred among Stages. For the amount of the provision for placements with banks and other financial institutions of the Group and the Bank for the period/year and the basis for determining whether credit risk has significantly increased, refer to Note 49(1).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

17 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

	As at 30 June 2025 (Unaudited)			As at 31 December 2024 (Audited)		
	Contract/ Nominal amount	Fair Value		Contract/ Nominal amount	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Currency derivatives						
Foreign exchange swap	4,774,500	17,382	(10,236)	35,654	354	(329)
Currency forward	-	-	-	461,211	1,200	(2,683)
Gold swap	2,725,717	239,026	(8,479)	-	-	-
Credit risk mitigation	125,000	2,720	-	552,000	3,626	(13)
Interest derivatives						
Interest swap	-	-	-	230,000	115	(115)
Total	<u>7,625,217</u>	<u>259,128</u>	<u>(18,715)</u>	<u>1,278,865</u>	<u>5,295</u>	<u>(3,140)</u>

The nominal amount of derivative financial instruments only provides a basis for comparison with the fair value of the assets or liabilities recognized in the balance sheet, and does not represent the future cash flow or current fair value, and therefore does not reflect the credit risk or market risk faced by the Group.

The Group manages foreign exchange risk by implementing the foreign exchange net position limit. The Group monitors the trading volume and balance of its business in various currencies on a daily basis, matches assets and liabilities in different currencies through foreign exchange transactions, and manages the portfolios and structural positions of assets and liabilities in foreign currency with the appropriate derivative financial instruments. As the portfolios managed by foreign currency derivatives were constantly changing and the gains and losses arising from the underlying foreign currency derivatives and from exchange rate fluctuations of the assets or liabilities in foreign currency have been recognized in foreign exchange gains and losses, the Group does not adopt hedge accounting for this type of business.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

18 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Analysed by collateral type:		
Debt securities	29,275,532	21,073,469
ECL allowances	(174,643)	(136,155)
Carrying amount	<u>29,100,889</u>	<u>20,937,314</u>

(1) As at 30 June 2025 and 31 December 2024, the carrying amount of financial assets held under resale agreements of the Group and the Bank were both classified to Stage 1 which their provision measured at an amount equivalent to the ECL for the next 12 months, and neither the carrying amount nor the ECLs of financial assets held under resale agreements of the Group and the Bank were transferred among Stages. For the amount of the provision for financial assets held under resale agreements of the Group and the Bank for the year and the basis for determining whether credit risk has significantly increased, refer to Note 49(1).

19 LOANS AND ADVANCES TO CUSTOMERS

(1) Analysis of loans and advances to customers

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Gross amount of loans and advances to customers measured at amortised cost		716,768,810	650,639,379
ECL allowances		(31,699,487)	(30,442,333)
Carrying amount of loans and advances measured at amortised cost	(a)	685,069,323	620,197,046
Carrying amount of loans and advances measured at fair value through other comprehensive income		48,476,159	63,633,636
Total		<u>733,545,482</u>	<u>683,830,682</u>

As at the balance sheet date, certain discounted bills were pledged as collaterals in repurchase agreement transactions, refer to Note 47(5).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(1) Analysis of loans and advances to customers (Continued)

(a) Carrying amount of loans and advances measured at amortised cost

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Corporate loans and advances	412,529,044	355,799,604
Trade financing	3,816,189	2,333,813
Subtotal	416,345,233	358,133,417
Personal loans and advances		
– Loans to private business	123,846,776	123,582,801
– Mortgages	88,712,537	88,697,511
– Personal consumption loan	71,067,582	63,543,140
– Credit cards	16,796,682	16,682,510
Subtotal	300,423,577	292,505,962
ECL allowances	(31,699,487)	(30,442,333)
Carrying amount of loans and advances measured at amortised cost	685,069,323	620,197,046

(2) Loans and advances to customers analysed by security type

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Unsecured loans	184,179,220	158,929,799
Guaranteed loans	225,972,230	183,530,014
Collateralised and other secured loans		
Including: Collateralised loans	261,733,699	260,280,243
Pledged loans	93,359,820	111,532,959
Total	765,244,969	714,273,015

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(3) Loans and advances to customers analysed by industry

	As at 30 June 2025 (Unaudited)		As at 31 December 2024 (Audited)	
	Amount	%	Amount	%
Leasing and commercial services	108,615,337	14.19	93,852,861	13.14
Manufacturing	80,991,716	10.58	76,096,261	10.65
Water conservancy, environment and public facilities management	75,429,891	9.86	65,673,063	9.19
Transportation, logistics and postal services	38,305,832	5.01	34,806,458	4.87
Retail and wholesale	29,978,566	3.92	21,350,021	2.99
Production and supply of electricity, heating, gas and water	29,869,323	3.90	27,601,542	3.86
Construction	16,629,708	2.17	11,911,143	1.67
Sanitation and social work	6,663,496	0.87	6,828,821	0.96
Real estate	5,796,631	0.76	4,422,446	0.62
Agriculture, forestry, animal husbandry, fishery	4,919,219	0.64	3,893,247	0.55
Culture, sports and entertainment	4,288,444	0.56	2,571,439	0.36
Education	4,093,205	0.53	3,235,156	0.45
Information transmission, software and information technology services	3,690,345	0.48	1,735,238	0.24
Financial business	1,964,149	0.26	630,352	0.09
Others	5,109,371	0.68	3,525,369	0.50
Subtotal of corporate loans and advances	416,345,233	54.41	358,133,417	50.14
Personal loans and advances	300,423,577	39.26	292,505,962	40.95
Discounted bills	48,476,159	6.33	63,633,636	8.91
Total	765,244,969	100.00	714,273,015	100.00

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(4) Overdue loans analysed by security type and overdue period

	As at 30 June 2025 (Unaudited)					Total
	Overdue within three months (including three months)	Overdue between three months and one year (including one year)	Overdue between one year and three years (including three years)	Overdue over three years		
Unsecured loans	705,110	841,757	488,743	89,257	2,124,867	
Guaranteed loans	309,556	442,903	222,786	604,865	1,580,110	
Collateralised loans	2,137,356	2,523,511	2,029,314	195,162	6,885,343	
Pledged loans	22,084	84,438	68,574	1,264	176,360	
Total	3,174,106	3,892,609	2,809,417	890,548	10,766,680	

	As at 31 December 2024 (Audited)					Total
	Overdue within three months (including three months)	Overdue between three months and one year (including one year)	Overdue between one year and three years (including three years)	Overdue over three years		
Unsecured loans	571,401	848,828	373,046	58,598	1,851,873	
Guaranteed loans	414,589	357,578	111,927	623,243	1,507,337	
Collateralised loans	1,877,631	2,534,022	1,392,178	90,614	5,894,445	
Pledged loans	127,688	2,833	66,066	1,264	197,851	
Total	2,991,309	3,743,261	1,943,217	773,719	9,451,506	

Overdue loans refer to all or part of the principal or interest overdue for more than one day.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(5) Loans and advances to customers analysed by credit risk and ECL

(a) Movements of ECL allowances on loans and advances to customers measured at amortised cost

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	17,930,552	5,278,837	7,232,944	30,442,333
Transfer:				
to stage 1	544,234	(453,605)	(90,629)	-
to stage 2	(189,319)	248,841	(59,522)	-
to stage 3	(130,340)	(319,318)	449,658	-
Additions during the period	755,404	255,741	708,543	1,719,688
Written-off and transfers out during the period	-	-	(2,249,614)	(2,249,614)
Recoveries during the period	-	-	1,787,080	1,787,080
As at 30 June 2025	<u>18,910,531</u>	<u>5,010,496</u>	<u>7,778,460</u>	<u>31,699,487</u>
Year ended 31 December 2024 (Audited)				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	17,125,680	5,416,324	6,891,885	29,433,889
Transfer:				
to stage 1	1,586,023	(1,135,411)	(450,612)	-
to stage 2	(324,719)	564,244	(239,525)	-
to stage 3	(443,874)	(1,258,491)	1,702,365	-
(Reverse)/additions during the year	(12,558)	1,692,171	3,805,559	5,485,172
Written-off and transfers out during the year	-	-	(5,805,234)	(5,805,234)
Recoveries during the year	-	-	1,328,506	1,328,506
As at 31 December 2024	<u>17,930,552</u>	<u>5,278,837</u>	<u>7,232,944</u>	<u>30,442,333</u>

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (Continued)

(5) Loans and advances to customers analysed by credit risk and ECL (Continued)

(b) Movements of ECL allowances on loans and advances to customers measured at fair value through other comprehensive income

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	158,251	–	1,000	159,251
Transfer:				
to stage 1	–	–	–	–
to stage 2	–	–	–	–
to stage 3	–	–	–	–
Reverse during the period	(41,459)	–	–	(41,459)
As at 30 June 2025	116,792	–	1,000	117,792
Year ended 31 December 2024 (Audited)				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	118,085	–	1,000	119,085
Transfer:				
to stage 1	–	–	–	–
to stage 2	–	–	–	–
to stage 3	–	–	–	–
Additions during the year	40,166	–	–	40,166
As at 31 December 2024	158,251	–	1,000	159,251

ECL allowances on loans and advances to customers measured at fair value through other comprehensive income are recognized in other comprehensive income. Impairment losses are recognized in profit or loss for the current period and does not influence the carrying amount of the financial asset in the balance sheet.

For the ECL allowances on loans and advances to customers measured at fair value through other comprehensive income held by the Group and the Bank and the basis for evaluating whether the credit risk has increased significantly, refer to Note 49(1).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

20 FINANCIAL INVESTMENTS

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Financial assets measured at fair value through profit or loss	(1)	106,415,336	84,554,813
Financial assets measured at fair value through other comprehensive income	(2)	273,562,216	246,200,311
– Debt instruments		271,551,879	244,824,694
– Equity instruments		2,010,337	1,375,617
Financial assets measured at amortised cost	(3)	271,799,308	297,248,006
Total		651,776,860	628,003,130

(1) Financial assets measured at fair value through profit or loss

By nature

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Funds		62,674,410	57,169,951
Interbank certificates of deposit		22,656,502	10,086,339
Debt securities	(a)	18,036,427	14,941,035
Investment in wealth management products (“WMPs”)		1,401,062	848,009
Trust plans		687,780	323,667
Asset management plans		648,954	856,652
Others Investments		310,201	329,160
Total		106,415,336	84,554,813
Analysed as:			
Listed outside Hong Kong		40,994,174	25,347,579
Unlisted		65,421,162	59,207,234
Total		106,415,336	84,554,813

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

20 FINANCIAL INVESTMENTS (Continued)

(1) Financial assets measured at fair value through profit or loss (Continued)

(a) Debt securities analysed by type of issuers

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Debt securities issued by:		
Financial institution bonds	7,971,495	6,635,036
Corporate bonds	4,595,733	7,092,014
Public sector and quasi-government bonds	3,918,182	929,873
Government bonds	1,551,017	284,112
Total	18,036,427	14,941,035

Bond investments in financial assets measured at fair value through profit or loss are all traded in bond market in mainland China.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

20 FINANCIAL INVESTMENTS (Continued)

(2) Financial assets measured at fair value through other comprehensive income

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Debt instruments:			
Public sector and quasi-government bonds		109,309,871	95,423,805
Financial institution bonds		75,437,242	72,147,405
Government bonds		40,492,309	26,246,259
Interbank certificates of deposit		25,853,575	40,499,007
Corporate bonds		20,458,882	10,508,218
Subtotal	(a)	271,551,879	244,824,694
Equity instruments:			
Corporations		1,912,287	1,290,668
Banks and other financial institutions		98,050	84,949
Subtotal		2,010,337	1,375,617
Total		273,562,216	246,200,311
Analysed as:			
Listed outside Hong Kong	(b)	272,787,160	245,425,255
Unlisted		775,056	775,056
Total		273,562,216	246,200,311

(a) As at balance sheet date, part of the financial assets measured at fair value through other comprehensive income were pledged as collaterals for repurchase and other transactions, see Note 47(5).

(b) Debt instruments measured at fair value through other comprehensive income presented as “Listed outside Hong Kong” are traded in bond market in mainland China; equity instruments presented as “Listed outside Hong Kong” are all listed in mainland China.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

20 FINANCIAL INVESTMENTS (Continued)

(2) Financial assets measured at fair value through other comprehensive income (Continued)

(c) Movements of ECL allowances on financial assets measured at fair value through other comprehensive income

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	351,592	13,020	-	364,612
Transfer:				
to stage 1	13,020	(13,020)	-	-
to stage 2	-	-	-	-
to stage 3	-	-	-	-
Charge	51,779	-	-	51,779
As at 30 June 2025	416,391	-	-	416,391
Year ended 31 December 2024 (Audited)				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	162,094	-	-	162,094
Transfer:				
to stage 1	-	-	-	-
to stage 2	(2,622)	2,622	-	-
to stage 3	-	-	-	-
Charge	192,120	10,398	-	202,518
As at 31 December 2024	351,592	13,020	-	364,612

ECL allowances on debt instruments measured at fair value through other comprehensive income are recognised in other comprehensive income. Impairment losses are recognised in profit or loss for the current period and does not influence the carrying amount of the financial asset in the balance sheet.

For the ECL allowances on debt instruments measured at fair value through other comprehensive income held by the Group and the basis for evaluating whether the credit risk has increased significantly, see Note 49(1).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

20 FINANCIAL INVESTMENTS (Continued)

(3) Financial assets measured at amortised cost

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Debt securities (analysed by type of issuers):		
Government bonds	166,606,338	177,959,666
Public sector and quasi-government bonds	58,803,886	60,535,879
Financial institution bonds	25,075,215	28,608,846
Corporate bonds	<u>21,841,433</u>	<u>28,812,822</u>
Subtotal	272,326,872	295,917,213
Trust plans	2,538,135	2,538,135
Interbank deposit certificates	<u>–</u>	<u>1,886,499</u>
Gross balances	274,865,007	300,341,847
ECL Allowances	(a) (3,065,699)	(3,093,841)
Net balances	<u>271,799,308</u>	<u>297,248,006</u>
Analysed as:		
Listed outside Hong Kong	266,127,791	291,573,966
Listed in Hong Kong	144,402	145,047
Unlisted	<u>5,527,115</u>	<u>5,528,993</u>
Total	<u>271,799,308</u>	<u>297,248,006</u>

As at the balance sheet date, certain financial assets measured at amortised cost were pledged as collaterals in repurchase and other transactions, see Note 47(5).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

20 FINANCIAL INVESTMENTS (Continued)

(3) Financial assets measured at amortised cost (Continued)

(a) Movements of ECL allowances on financial assets measured at amortised cost

	Six months ended 30 June 2025 (Unaudited)				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		
As at 1 January 2025	655,667	28,888	2,409,286		3,093,841
Transfer:					
to stage 1	13,136	(13,136)		–	–
to stage 2	–	–		–	–
to stage 3	–	–		–	–
(Reverse)/charge	(109,475)	(6,006)	87,339		(28,142)
As at 30 June 2025	559,328	9,746	2,496,625		3,065,699
Year ended 31 December 2024 (Audited)					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL		Total
As at 1 January 2024	709,660	42,554	2,150,060		2,902,274
Transfer:					
to stage 1	17,156	(17,156)		–	–
to stage 2	(6,255)	6,255		–	–
to stage 3	–	–		–	–
(Reverse)/charge	(64,894)	(2,765)	259,226		191,567
As at 31 December 2024	655,667	28,888	2,409,286		3,093,841

For the ECL allowances on financial assets measured at amortised cost held by the Group and the basis for evaluating whether the credit risk has increased significantly, see Note 49(1).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

21 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES

(1) Investments in subsidiaries

As at 30 June 2025, details of the Bank's subsidiaries are set out below:

Name of entity	Date of incorporation	Nature of entity	Place of Incorporation/ Principal place of operation	Paid-in capital (RMB, million)	Proportion of equity interest (%)	Proportion in the general meeting (%)	Principal activities
Jiangsu Zhangjiagang CQRC Village and Township Bank Co., Ltd.	23/04/2010	Joint stock company	Jiangsu	200	90.00	90.00	Banking
Sichuan Dazhu CQRC Village and Township Bank Co., Ltd.	12/11/2010	Joint stock company	Sichuan	100	91.00	91.00	Banking
Yunnan Dali CQRC Village and Township Bank Co., Ltd.	14/12/2010	Limited liability company	Yunnan	200	100.00	100.00	Banking
Yunnan Xiangyun CQRC Village and Township Bank Co., Ltd.	04/12/2012	Limited liability company	Yunnan	100	100.00	100.00	Banking
Yunnan Hegeng CQRC Village and Township Bank Co., Ltd.	09/01/2013	Limited liability company	Yunnan	100	100.00	100.00	Banking
Guangxi Luzhai CQRC Village and Township Bank Co., Ltd.	09/01/2013	Limited liability company	Guangxi	100	100.00	100.00	Banking
Fujian Shaxian CQRC Village and Township Bank Co., Ltd.	04/02/2013	Limited liability company	Fujian	100	100.00	100.00	Banking
Fujian Fu'an CQRC Village and Township Bank Co., Ltd.	05/02/2013	Limited liability company	Fujian	200	95.00	95.00	Banking
Yunnan Shangri-La CQRC Village and Township Bank Co., Ltd.	23/04/2013	Limited liability company	Yunnan	62	100.00	100.00	Banking
Fujian Pingtan CQRC Village and Township Bank Co., Ltd.	09/08/2013	Limited liability company	Fujian	100	93.50	93.50	Banking
CQRC Financial Leasing Co., Ltd.	19/12/2014	Limited liability company	Chongqing	2,500	80.00	80.00	Financial Leasing
Fujian Shishi CQRC Village and Township Bank Co., Ltd.	02/09/2015	Limited liability company	Fujian	200	91.00	91.00	Banking
Yunnan Xishan CQRC Village and Township Bank Co., Ltd.	05/01/2016	Limited liability company	Yunnan	200	100.00	100.00	Banking
CQRC Wealth Management Co., Ltd.	28/06/2020	Limited liability company	Chongqing	2,000	100.00	100.00	Wealth Management

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

21 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES *(Continued)*

(1) Investments in subsidiaries *(Continued)*

For the six months ended 30 June 2025, the Bank acquired additional interests from non-controlling shareholders of its subsidiaries Fujian Fuan CQRC Village and Township Bank Co., Ltd., resulting in increases in long-term equity investment by RMB7 million. The proportion of equity and voting rights in the Board of Directors increased by 4%.

In addition to the above matters, for the six months ended 30 June 2025, there was no change in the proportion of equity interest or voting rights the Bank held in its subsidiaries.

All the 14 subsidiaries above were sponsored to establish by the Bank. As at 30 June 2025 and 31 December 2024, the amount of non-controlling interests of each subsidiary of the Bank, individually or collectively, was insignificant to the Group and hence not disclosed further.

There was no significant restriction on the Bank's or its subsidiaries' ability to access or use its assets and settle its liabilities.

The Group performed impairment tests on investments in subsidiaries and associates. The recoverable amount of the subsidiaries and associates is determined based on the discounted future cash flows of the subsidiaries and associates. The cash flow projections are based on financial forecasts approved by management of the subsidiaries and associates. The average growth rates, discount rate, and other assumptions adopted to forecast cash flows respectively reflect the specific risks associated with them.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

21 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES (Continued)

(2) Investments in associates

Name of entity	Date of incorporation	Nature of entity	Place of Incorporation/ Principal place of operation	Paid-in capital (RMB, million)	Proportion of equity interest (%)	Proportion in the general meeting (%)	Proportion of voting rights	Principal activities
Chongqing Xiaomi Consumer Finance Co., Ltd.	29/05/2020	Limited liability	Chongqing company	1,500	30.00	30.00	30.00	Consumer Finance

Details of the Group's interests in associates are as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Carrying amount:		
Non-listed	509,682	477,343
Proportion of the Group in consolidated income and other comprehensive income after deducting profit distribution	29,046	32,339
	<u>538,728</u>	<u>509,682</u>

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

21 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND STRUCTURED ENTITIES *(Continued)*

(2) Investments in associates *(Continued)*

The key financial information of Chongqing Xiaomi Consumer Finance Co., Ltd. is as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Total assets	23,232,147	21,680,068
Profit for the period/year	96,819	115,350

Investment income enjoyed by the Group is recognised according to the financial position of Chongqing Xiaomi Consumer Finance Co., Ltd. as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Net assets of associates	1,795,760	1,698,941
Share of entity interest	30.00%	30.00%
Shares of net assets of the Group in associates	538,728	509,682

There was no significant restriction on the associate's ability to remit funds to the Group in the form of cash dividends, or to repay loans or prepayments to the Group.

As at 30 June 2025, the Bank believes that there was no need to make provisions for impairment of investments in associates (As at 31 December 2024: Nil).

(3) The Group also consolidated structured entities as disclosed in Note 46 Structured Entities.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

22 PROPERTY AND EQUIPMENT

	Buildings	Electronic equipment	Motor vehicles	Furniture and Fixtures	Construction in progress	Total
Cost						
As at 1 January 2024	7,996,548	1,710,722	87,264	1,639,205	296,642	11,730,381
Additions	34,943	140,634	-	27,084	212,595	415,256
Transferred in/(out)	131,712	1,530	-	3,342	(136,584)	-
Reductions	(85,577)	(62,294)	(7,303)	(57,640)	(47,479)	(260,293)
As at 31 December 2024 (Audited)	8,077,626	1,790,592	79,961	1,611,991	325,174	11,885,344
Additions	8,748	42,582	-	499,301	46,801	597,432
Transferred in/(out)	11,481	-	-	214	(11,695)	-
Reductions	(8,257)	(16,612)	(1,112)	(5,786)	(12,457)	(44,224)
As at 30 June 2025 (Unaudited)	8,089,598	1,816,562	78,849	2,105,720	347,823	12,438,552
Accumulated depreciation						
As at 1 January 2024	(4,683,584)	(1,319,459)	(67,198)	(824,168)	-	(6,894,409)
Charge for the year	(425,395)	(160,745)	(4,887)	(133,825)	-	(724,852)
Reductions	66,730	60,058	7,084	55,868	-	189,740
As at 31 December 2024 (Audited)	(5,042,249)	(1,420,146)	(65,001)	(902,125)	-	(7,429,521)
Charge for the period	(209,268)	(75,807)	(2,323)	(56,839)	-	(344,237)
Reductions	7,160	16,238	1,078	5,598	-	30,074
As at 30 June 2025 (Unaudited)	(5,244,357)	(1,479,715)	(66,246)	(953,366)	-	(7,743,684)
Allowance for impairment losses						
As at 1 January 2024	-	-	-	-	-	-
Impairment loss	-	-	-	(57,827)	-	(57,827)
As at 31 December 2024 (Audited)	-	-	-	(57,827)	-	(57,827)
Impairment loss	-	-	-	-	-	-
As at 30 June 2025 (Unaudited)	-	-	-	(57,827)	-	(57,827)
Carrying amount						
As at 30 June 2025 (Unaudited)	2,845,241	336,847	12,603	1,094,527	347,823	4,637,041
As at 31 December 2024 (Audited)	3,035,377	370,446	14,960	652,039	325,174	4,397,996

As at 30 June 2025, the Group had no significant amount of temporarily idle assets (As at 31 December 2024: Nil).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

22 PROPERTY AND EQUIPMENT *(Continued)*

According to relevant laws and regulations, the legal title of fixed assets previously held by the predecessor entity are to be transferred to the Bank, subsequent to the Bank's transformation into a joint stock company. As at 30 June 2025, the registration transfer process of certain properties have not been completed. Management believes that the incomplete registration transfer process does not affect the Bank's right to inherit these assets or adversely affect the Bank's operations.

As at 30 June 2025, the carrying amount of furniture and fixtures leased out through operating leases in the course of the Group's leasing business was RMB995 million (As at 31 December 2024: RMB538 million).

23 RIGHT-OF-USE ASSETS

As at 30 June 2025, the right-of-use assets recognized by the Group mainly include operation buildings, and are mainly used for daily business. Depreciation expense for the six months ended 30 June 2025 amounted to RMB33 million (For the year ended 31 December 2024: RMB67 million), and the accumulated depreciation as at 30 June 2025 amounted to RMB144 million (As at 31 December 2024: RMB156 million).

24 GOODWILL

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Cost and carrying amount	440,129	440,129

As at 30 June 2025, based on assessment performed by the Bank, there was no impairment for the goodwill (As at 31 December 2024: Nil).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

25 DEFERRED TAXATION

(1) Recognised deferred tax assets and liabilities which have not been offset:

	As at 30 June 2025 (Unaudited)				
	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	Net balance
ECL allowances	51,218,403	12,797,218	–	–	12,797,218
Accrued and unpaid staff costs	2,811,978	701,474	–	–	701,474
Retirement benefits	1,198,566	299,642	–	–	299,642
Provision	291,036	72,759	–	–	72,759
Government grants	64,672	16,168	–	–	16,168
Adjustments of book value of assets and liabilities on the date of establishment	22,211	5,553	(146,056)	(36,514)	(30,961)
Changes in fair value of financial instruments	826,560	206,640	(4,502,108)	(1,125,527)	(918,887)
Depreciation expense and others	450,725	112,681	(523,664)	(130,916)	(18,235)
Total	56,884,151	14,212,135	(5,171,828)	(1,292,957)	12,919,178

	As at 31 December 2024 (Audited)				
	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities	Net balance
ECL allowances	48,134,793	12,027,035	–	–	12,027,035
Accrued and unpaid staff costs	3,401,856	848,878	(52,812)	(13,203)	835,675
Retirement benefits	1,212,464	303,116	–	–	303,116
Provision	353,851	88,463	–	–	88,463
Government grants	67,858	16,965	–	–	16,965
Adjustments of book value of assets and liabilities on the date of establishment	32,926	8,232	(149,448)	(37,362)	(29,130)
Changes in fair value of financial instruments	120,804	30,201	(6,157,532)	(1,539,383)	(1,509,182)
Depreciation expense and others	472,069	118,018	(583,503)	(145,877)	(27,859)
Total	53,796,621	13,440,908	(6,943,295)	(1,735,825)	11,705,083

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

25 DEFERRED TAXATION (Continued)

(2) The followings are the major deferred tax assets and liabilities recognised and movements thereon:

	Six months ended 30 June 2025 (Unaudited)			
	1 January 2025	Recognised in profit or loss	Recognised in equity	30 June 2025
Deferred tax				
– ECL allowances	12,027,035	772,763	(2,580)	12,797,218
– Accrued and unpaid staff costs	835,675	(134,201)	–	701,474
– Retirement benefits	303,116	(3,456)	(18)	299,642
– Provision	88,463	(15,704)	–	72,759
– Government grants	16,965	(797)	–	16,168
– Adjustment of book value of assets and liabilities on the date of establishment	(29,130)	(1,831)	–	(30,961)
– Changes in fair value of financial instruments	(1,509,182)	176,455	413,840	(918,887)
– Depreciation expense and others	(27,859)	9,624	–	(18,235)
Total	11,705,083	802,853	411,242	12,919,178
Year ended 31 December 2024 (Audited)				
	1 January 2024	Recognised in profit or loss	Recognised in equity	31 December 2024
Deferred tax				
– ECL allowances	10,601,703	1,486,003	(60,671)	12,027,035
– Accrued and unpaid staff costs	736,752	98,923	–	835,675
– Retirement benefits	260,234	(5,347)	48,229	303,116
– Provision	126,093	(37,630)	–	88,463
– Government grants	17,614	(649)	–	16,965
– Adjustment of book value of assets and liabilities on the date of establishment	(24,754)	(4,376)	–	(29,130)
– Changes in fair value of financial instruments	(139,302)	8,148	(1,378,028)	(1,509,182)
– Depreciation expense and others	(36,554)	8,695	–	(27,859)
Total	11,541,786	1,553,767	(1,390,470)	11,705,083

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

26 OTHER ASSETS

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Other receivables	(1)	1,049,260	1,012,777
Pre-paid tax		832,725	782,146
Items in process of clearing and settlement		357,148	–
Land use rights		308,926	315,629
Intangible assets	(2)	267,126	283,216
Interest receivable	(3)	20,341	20,611
Foreclosed assets	(4)	246,627	246,745
Others		42,543	43,562
Total		3,124,696	2,704,686

(1) The amounts mainly represent receivables from suppliers, decoration fees of leased assets, temporary payments of other receivables, deferred expenditure.

(2) Intangible assets are mainly computer software which are amortised from 1 year to 10 years.

As at 30 June 2025, the proportion of the carrying amount of intangible assets arising from the Group's internal research and development projects to the total year-end carrying amount of intangible assets was not significant (As at 31 December 2024: Nil).

(3) Interest receivable

As at 30 June 2025 and 31 December 2024, the Group included the interests on financial instruments, accrued using the effective interest rate method, in the carrying amounts of the corresponding financial instruments, and recorded the interests on related financial instruments that had become due and receivable but not yet been received as at the balance sheet date in interest receivable under other assets.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

26 OTHER ASSETS (Continued)

(4) Foreclosed assets

Analysed by type

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Land use rights and buildings	255,448	255,448
Allowance for impairment losses	(8,821)	(8,703)
Total	246,627	246,745

27 BORROWINGS FROM CENTRAL BANK

As at 30 June 2025, borrowings from central bank mainly contain the medium-term lending facilities from PBOC, PBOC special refinancing and refinancing for supporting agricultural and small companies. As at 30 June 2025, the principal of the Bank's medium-term lending facilities from PBOC amounted to RMB45,800 million (As at 31 December 2024: RMB51,300 million).

28 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Analysed by location and type of counterparties:		
Deposits from domestic banks	32,832	12,040
Deposits from other domestic financial institutions	2,312,803	3,019,702
Total	2,345,635	3,031,742

Deposits from banks and other financial institutions are interest bearing at prevailing market rate.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

29 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Analysed by location and type of counterparties:		
Placements from domestic banks	61,041,488	59,926,197
Placements from other domestic financial institutions	602,337	1,639,561
Total	<u>61,643,825</u>	<u>61,565,758</u>

30 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Shares of combined structured entities belong to third party holders	<u>11,706,089</u>	<u>9,878,249</u>

31 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Analysed by collateral type:		
– Debt securities	71,289,301	53,944,284
– Bills	20,230,665	17,993,385
Total	<u>91,519,966</u>	<u>71,937,669</u>

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

32 DEPOSITS FROM CUSTOMERS

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Demand deposits			
Corporate customers		94,883,307	92,421,924
Individual customers		151,613,621	153,751,668
Time deposits			
Corporate customers		48,066,905	37,179,836
Individual customers		727,579,469	654,784,965
Pledged deposits	(1)	3,046,045	3,802,052
Others (Including outward remittance and remittance outstanding)		5,596	5,712
Total		1,025,194,943	941,946,157

(1) Analysed by products for which pledged deposits are required:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Bank acceptances	1,492,265	2,397,915
Loans and receivables	924,149	904,954
Letters of credit	268,199	181,557
Letters of guarantee	29,682	47,836
Others	331,750	269,790
Total	3,046,045	3,802,052

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

33 ACCRUED STAFF COSTS

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Salaries, bonuses and allowances		2,427,656	3,055,477
Supplementary retirement benefits	(1)	2,611,348	2,602,887
Labor union fees and staff education expenses		396,327	397,285
Early retirement benefits	(2)	46,750	54,420
Total		5,482,081	6,110,069

(1) Supplementary retirement benefits

The Group sponsors defined benefit plans for qualified employees. The defined benefit plans include supplementary retirement benefits. Supplemental retirement benefits include supplemental pensions and medical benefits.

The plans mainly expose the Group to actuarial risks such as: interest rate risk, longevity risk and employee benefit risk.

- Interest risk: A decrease in the bond interest rate will increase the plan liability.
- Longevity risk: Present value of the defined benefit plan liability is calculated with reference to the best estimate of the mortality or survival ages of the participants both during and after their employment. An increase in life expectancy of the participants will increase the plan's liability.
- Employee benefit risk: Present value of the defined benefit plan liabilities are calculated with reference to the future benefits of the participants. As such, an increase in the benefit of the participants will increase the plan's liability.

The Group's obligation in respect of the supplementary retirement benefits at the end of the reporting period was calculated using the projected accumulated unit credit method by Willis Towers Watson, an external independent actuary.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

33 ACCRUED STAFF COSTS (Continued)

(1) Supplementary retirement benefits (Continued)

The principal assumptions used for the purpose of actuarial valuation for supplementary retirement benefits were as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Discount rate – supplementary retirement benefits	2.00%	2.00%
Discount rate – early retirement benefits	1.50%	1.25%
Annual growth rate of enterprise annuity payment	6.00%	6.00%
Annual average medical expense inflation rate	7.00%	7.00%
Expected increase rate of cost of living for beneficiaries	4.50%	4.50%
Mortality rate	China Insurance Industry Experience Mortality Table 2010 – 2013	

Amounts recognised in comprehensive income in respect of the supplementary retirement benefits are as follows:

	Six months ended 30 June	
	Notes 2025 (Unaudited)	2024 (Unaudited)
Service cost:		
– Current service cost	31,871	26,960
– Past service cost	(a) –	(241,660)
Net interest expense	25,560	32,050
Components of supplementary retirement benefit costs recognised in profit or loss	57,431	(182,650)
Remeasurement of the net defined benefit liability:	(a)	
– Actuarial (gains)/losses resulting from experience adjustments	(71)	60
– Actuarial losses arising from changes in actuarial assumptions	–	121,931
Components of supplementary retirement benefit costs recognised in other comprehensive income	(71)	121,991
Total	57,360	(60,659)

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

33 ACCRUED STAFF COSTS (Continued)

(1) Supplementary retirement benefits (Continued)

Movements in present value of the supplementary retirement benefits in the current period/year were as follows:

	Notes	Six months ended 30 June 2025	Year ended 31 December 2024
		(Unaudited)	(Audited)
Defined benefit obligation at the Beginning of the period/year		2,602,887	2,619,070
Interest cost		25,560	63,010
Losses/(gains) arising from remeasurement of the defined benefit liability	(a)		
– Actuarial gains resulting from experience adjustments		(71)	(184,809)
– Actuarial losses arising from changes in actuarial assumptions		–	377,310
Current service cost		31,871	55,470
Past service cost	(a)	–	(240,660)
Benefits paid		(48,899)	(86,504)
Defined benefit obligation at the end of the period/year		2,611,348	2,602,887

(a) The changes resulting from the plan amendments recognized in profit or loss in past service cost and the remeasurement of the net liabilities of the defined benefit plans are mainly caused by the changes in defined benefit plans, experience adjustments and actuarial assumptions.

(2) Early retirement benefits

Early retirement benefits include basic salary and allowances paid monthly/annually, social insurance premiums and housing funds, annuities and supplemental medical benefits in excess of the statutory level paid by the government-mandated basic medical program to original and new retired staffs until they reach their normal retirement age. As early retired staffs no longer bring economic benefits to the Group, the accounting treatment of the Group's early retirement benefits provided to early retired staffs is in accordance with termination benefits.

For the six months ended 30 June 2025, the Group incurred RMB2 million (year ended 31 December 2024: RMB3 million) and paid RMB9 million (year ended 31 December 2024: RMB24 million) in respect of the early retirement benefits plan.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

34 DEBT SECURITIES ISSUED

(1) Debt securities issued analysed by type:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Interbank certificates of deposit issued	170,393,853	157,504,687
Bonds issued	<u>14,296,139</u>	<u>14,152,855</u>
Total	<u>184,689,992</u>	<u>171,657,542</u>

(2) Movements of debt securities issued:

	Notes	Six months ended 30 June 2025 (Unaudited)				
		Beginning Balance	Issued during the period	Paid during the period	Interest and Amortisation	Ending Balance
Interbank certificates of deposit issued	(a)	157,504,687	112,878,770	(101,500,000)	1,510,396	170,393,853
Bonds issued	(b)	<u>14,152,855</u>	<u>—</u>	<u>(58,000)</u>	<u>201,284</u>	<u>14,296,139</u>
Total		<u>171,657,542</u>	<u>112,878,770</u>	<u>(101,558,000)</u>	<u>1,711,680</u>	<u>184,689,992</u>

	Notes	Year ended 31 December 2024 (Audited)				
		Beginning Balance	Issued during the year	Paid during the year	Interest and Amortisation	Ending Balance
Interbank certificates of deposit issued	(a)	97,247,336	294,183,097	(236,580,000)	2,654,254	157,504,687
Bonds issued	(b)	<u>22,332,056</u>	<u>—</u>	<u>(8,733,200)</u>	<u>553,999</u>	<u>14,152,855</u>
Total		<u>119,579,392</u>	<u>294,183,097</u>	<u>(245,313,200)</u>	<u>3,208,253</u>	<u>171,657,542</u>

As at 30 June 2025, none of the above debt securities issued are in default (As at 31 December 2024: None in default).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

34 DEBT SECURITIES ISSUED (Continued)

(2) Movements of debt securities issued: (Continued)

- (a) As at 30 June 2025, there were 114 outstanding interbank deposit certificates issued by the Group and the Bank with maximum maturity of 365 days. (As at 31 December 2024: there were 137 outstanding interbank deposit certificates issued by the Group and the Bank with maximum maturity of 365 days.)
- (b) As at the balance sheet date, details of bonds issued by the Group are shown as follows:

		As at 30 June 2025	As at 31 December 2024
	Notes	(Unaudited)	(Audited)
Fixed rate financial bond maturing in July 2025	(i)	5,144,082	5,071,152
Fixed rate green financial bond maturing in December 2025	(ii)	2,033,552	2,003,632
Fixed rate financial bond for “agriculture, rural areas and farmers” maturing in April 2026	(iii)	2,010,302	2,039,429
Fixed rate financial bond for maturing in September 2026	(iv)	5,108,203	5,038,642
Total		14,296,139	14,152,855

- (i) On 5 July 2022, the Bank issued a three-year fixed rate financial bond, with a coupon rate of 2.93%, payable annually.
- (ii) On 6 December 2022, the Bank issued a three-year fixed rate green financial bond, with a coupon rate of 3.00%, payable annually.
- (iii) On 24 April 2023, the Bank issued a three-year fixed rate financial bond for “agriculture, rural areas and farmers”, with a coupon rate of 2.90%, payable annually.
- (iv) On 19 September 2023, the Bank issued a three-year fixed rate financial bond, with a coupon rate of 2.80%, payable annually.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

35 OTHER LIABILITIES

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Other payables	(1)	7,648,820	7,445,040
Notes payable		1,105,991	797,429
Tax payable (excluding corporate income tax payable)	(2)	456,876	361,738
Provision	(3)	291,099	353,902
Deferred income	(4)	145,147	175,283
Dividends payable		68,193	2,251,033
Contract liabilities		13,467	21,406
Total		9,729,593	11,405,831

(1) Other payables

	Notes	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Leasing business related payables		5,312,151	4,812,112
Payables from providing agency services		856,403	1,495,101
Items in process of clearing and settlement		488,267	156,852
Accrued expenses		295,037	281,667
Long term loans	(a)	29,752	29,752
Others		667,210	669,556
Total		7,648,820	7,445,040

(a) The amount represents special-purpose loans from International Fund for Agriculture Development ("IFAD") to support petty loans in the PRC.

As at 30 June 2025 and 31 December 2024, the loans bear a fixed interest rate of 0.75% per annum. As at 30 June 2025, these loans have 18 years to maturity with similar terms with related loans granted to customers.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

35 OTHER LIABILITIES (Continued)

(2) Tax payable (excluding corporate income tax payable)

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Value added tax	395,763	323,437
Urban maintenance and construction tax	21,952	17,919
Individual income tax	17,425	5,223
Others	21,736	15,159
 Total	 456,876	 361,738

(3) Provision

	As at 30 June 2025 Notes (Unaudited)	As at 31 December 2024 (Audited)
ECL allowances for loan commitments	(a) 195,559	253,288
Others	95,540	100,614
 Total	 291,099	 353,902

(a) ECL allowances for loan commitments

	Six months ended 30 June 2025 (Unaudited)			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2025	237,529	1,359	14,400	253,288
Transfer:				
to stage 1	1,991	(627)	(1,364)	-
to stage 2	(58)	92	(34)	-
to stage 3	(56)	(491)	547	-
(Reverse)/charge	(61,963)	1,275	2,959	(57,729)
 As at 30 June 2025	 177,443	 1,608	 16,508	 195,559

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

35 OTHER LIABILITIES (Continued)

(3) Provision (Continued)

(a) ECL allowances for loan commitments (Continued)

	Year ended 31 December 2024 (Audited)			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
As at 1 January 2024	344,802	53,743	9,278	407,823
Transfer:				
to stage 1	1,477	(542)	(935)	–
to stage 2	(41)	43	(2)	–
to stage 3	(117)	(232)	349	–
(Reverse)/charge	(108,592)	(51,653)	5,710	(154,535)
As at 31 December 2024	237,529	1,359	14,400	253,288

(4) Deferred income

Deferred income mainly represents deferred financial leasing income and government grants, for which the income will be amortised and recognised over the periods necessary to match them with the related costs.

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Deferred leasing income	79,713	108,532
Government grants	65,434	66,751
Total	145,147	175,283

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

36 SHARE CAPITAL

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Listed domestically (A shares), with par value of RMB1.00 per share	8,843,664	8,843,664
Listed overseas (H shares), with par value of RMB1.00 per share	2,513,336	2,513,336
Share capital	<u>11,357,000</u>	<u>11,357,000</u>

37 OTHER EQUITY INSTRUMENTS

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Perpetual bonds	<u>5,997,648</u>	<u>5,997,648</u>

(1) Perpetual bonds outstanding at the end of the period:

Financial instruments issued	Issue date	Accounting classification	Original interest	Issue price (Yuan)	shares (in millions)	Amount in RMB (in millions)	Maturity	Conversion conditions	Conversion status
2021 Perpetual bond in RMB	24/08/2021	Equity	4.00%	100	40	4,000	No fixed maturity date	N/A	N/A
2022 Perpetual bond in RMB	28/04/2022	Equity	3.90%	100	20	2,000	No fixed maturity date	N/A	N/A
Less: Issuance costs						(2)			
Carrying amount						<u>5,998</u>			

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

37 OTHER EQUITY INSTRUMENTS (Continued)

(2) Main clauses

The Bank issued perpetual bond with the amount of RMB4 billion in the national interbank bond market on 24 August 2021. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 4.00%.

The Bank issued perpetual bond with the amount of RMB2 billion in the national interbank bond market on 28 April 2022. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.90%.

The perpetual bonds will continue to be outstanding so long as the Bank's business continues to operate. The bonds have set forth terms regarding the Bank's redemption with pre-conditions, by which the Bank is entitled to redeem the bonds after five years since the issue date in whole or in part on the annual interest payment date (including the interest payment date of the fifth year after the issue date). If, after the issuance, the perpetual bonds no longer qualify as additional tier-one capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations, the Bank may redeem the whole but not part of the perpetual bonds.

The claims in respect of the perpetual bonds are subordinated to the claims of depositors, general creditors, and subordinated indebtedness that rank senior to the perpetual bonds; and will rank in priority to all classes of equity shares held by the Bank's shareholders and rank pari passu with the claims in respect of any other additional tier-one capital instruments of the Bank that rank pari passu with the perpetual bonds.

Upon the occurrence of a Non-Viability Triggering Event, the Bank has the right to write down in whole or in part, without the need for the consent of the holders of the bonds. The bonds are written down according to the proportion of their outstanding par value in the total outstanding par value of all other tier-one capital instruments with the same trigger event.

The distributions on the perpetual bonds are non-cumulative, and the Bank shall have the right to cancel, in whole or in part, distributions on the bonds and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. Cancellation of any distributions on the bonds, no matter in whole or in part, will not impose any other restriction on the Bank, except in relation to dividend distributions to ordinary shares.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

37 OTHER EQUITY INSTRUMENTS (Continued)

(3) Statement of changes in perpetual bonds outstanding at the end of the period:

Financial instruments issued	Beginning Balance		Increased during the period		Ending Balance	
	Amount (In millions)	Book value (In thousand Yuan)	Amount (In millions)	Book value (In thousand Yuan)	Amount (In millions)	Book value (In thousand Yuan)
2021 perpetual bonds in RMB	40	3,998,338	-	-	40	3,998,338
2022 perpetual bonds in RMB	20	1,999,310	-	-	20	1,999,310
Total	60	5,997,648	-	-	60	5,997,648

(4) Equity attributable to equity instrument holders

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Total equity attributable to equity holders of the parent company	137,270,234	132,133,713
Equity attributable to ordinary equity holders of the parent company	131,272,586	126,136,065
Equity attributable to other equity holders of the parent company	5,997,648	5,997,648
Total equity attributable to non-controlling interests	2,025,380	1,915,203
Equity attributable to non-controlling interests of ordinary shares	2,025,380	1,915,203

Dividends paid to other equity instrument holders by the Bank, please refer to Note 42.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

38 CAPITAL RESERVE

The Bank issued shares at a premium. Share premium was recorded in capital reserve after deducting direct issuance costs which mainly included underwriting fees and professional fees. Where the Bank acquired equity interests from non-controlling shareholders, which is assessed as equity transactions. The difference between fair value of any considerations paid and the relevant share acquired of the carrying amount of net assets of the subsidiary was recorded in capital reserve.

The acquisition of additional interests from the non-controlling shareholders of its subsidiaries is equity transaction. The capital premium of discount amount was charged to capital reserve.

Capital reserve of the Bank included premium of RMB910 million from the placement of ordinary shares in 2010, premium of RMB7,706 million from the initial public offering of overseas listed foreign shares on the Hong Kong Stock Exchange in 2010, premium of RMB3,291 million from the placement of ordinary shares in 2017, and premium of RMB8,531 million from the initial public offering of A shares on the Shanghai Stock Exchange in 2019. Equity premium excluding direct issue costs is included in capital reserve. Direct issue costs mainly include underwriting fees and professional agency service fees.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

39 INVESTMENT REVALUATION RESERVE

	Pre-tax amount	Tax impact	Net-of-tax amount
As at 1 January 2024	926,568	(231,642)	694,926
Fair value gains for the year			
Amount reclassified to profit or loss upon disposal of financial assets measured at fair value through other comprehensive income	5,694,615	(1,423,653)	4,270,962
Amount that cannot be reclassified to profit or loss upon disposal of financial assets measured at fair value through other comprehensive income	60,184	(15,046)	45,138
As at 31 December 2024 (Audited)	6,681,367	(1,670,341)	5,011,026
Fair value (losses)/gains for the period			
Amount reclassified to profit or loss upon disposal of financial assets measured at fair value through other comprehensive income	(1,677,489)	419,373	(1,258,116)
Amount that cannot be reclassified to profit or loss upon disposal of financial assets measured at fair value through other comprehensive income	32,440	(8,110)	24,330
As at 30 June 2025 (Unaudited)	5,036,318	(1,259,078)	3,777,240

40 SURPLUS RESERVE

Under the relevant PRC Laws, the Bank and its subsidiaries are required to appropriate 10% of its net profit to a non-distributable statutory surplus reserve. Appropriation to statutory surplus reserve may cease when the balance of such reserves has reached 50% of the share capital.

After making the appropriation to the statutory surplus reserve, the Bank may also appropriate its profit for the year determined under the Generally Accepted Accounting Principles of the PRC ("PRC GAAP") to the discretionary surplus reserve upon approval by the shareholders in the general meetings. The discretionary surplus reserve may be used to offset accumulated loss of the Bank, if any, and may be converted into capital.

For the six months ended 30 June 2025, the Bank did not make any appropriation to statutory surplus reserve (For the six months ended 30 June 2024: Nil). For the six months ended 30 June 2025, the Bank did not make any appropriation to discretionary surplus reserve (For the six months ended 30 June 2024: Nil).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

41 GENERAL RESERVE

Pursuant to the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance of the PRC, in addition to the allowances for impairment losses, the Bank is required to establish and maintain a general reserve within equity to address potential unidentified impairment losses. The general reserve should not be less than 1.5% of the aggregate amount of risk assets as defined by the above measures.

For the six months ended 30 June 2025, the Bank transferred RMB1,090 million to general reserve pursuant to the regulatory requirement (six months ended 30 June 2024: RMB1,073 million).

The Group's general reserve also includes other general reserve made by the Bank's subsidiaries in accordance with the applicable regulations of their respective industries.

42 RETAINED EARNINGS

The movements of retained earnings of the Group are set out below:

	Six months ended 30 June 2025 (Unaudited)	Year ended 31 December 2024 (Audited)
Retained earnings at the Beginning of the period/year	53,486,813	50,008,344
Profit for the period/year	7,698,743	11,512,747
Appropriation to surplus reserve	–	(1,049,980)
Appropriation to general reserve	(1,140,015)	(1,262,003)
Dividends paid to ordinary equity holders	(1,251,541)	(5,484,295)
Dividends paid to other equity instrument holders	(78,000)	(238,000)
Retained earnings at the end of the period/year	<u>58,716,000</u>	<u>53,486,813</u>

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

43 CASH AND CASH EQUIVALENTS

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents include the following balances with an original maturity of less than three months:

	Six months ended 30 June 2025 (Unaudited)	Year ended 31 December 2024 (Audited)
Cash	2,535,133	3,004,558
Surplus reserve deposits with central bank	3,216,069	947,780
Deposits with banks and other financial institutions	7,872,890	10,486,670
Placements with banks and other financial institutions	11,456,126	4,469,449
Financial assets held under resale agreements	29,268,443	21,069,946
 Total	 54,348,661	 39,978,403

44 SEGMENT ANALYSIS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the board of directors and relevant management committees (chief operating decision maker) for the purposes of allocating resources to segments and assessing their performance. The Group operates mainly in Chongqing, the PRC. Majority of its customers and non-current assets are located in Chongqing, the PRC. The Group's chief operating decision maker reviews financial information based on business activities for the purpose of allocating resources and performance assessment.

The measurement of segment assets and liabilities, segment income and results is based on the Group's accounting policies in accordance with accounting rules and financial regulations applicable to PRC enterprises. There is no significant difference between the segment accounting policies and the policies applied in preparing the consolidated financial statements.

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

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

44 SEGMENT ANALYSIS *(Continued)*

Corporate banking

The corporate banking segment provides financial products and services to corporations, government agencies and financial institutions. The products and services include current account, deposits, overdraft, loans, trade related products, other types of credit services and foreign currency services.

Personal banking

The personal banking segment provides financial products and services to individual customers. The products and services include personal loans, deposit products, card business, personal wealth management services and other types of personal intermediary services.

Financial market operations

The Group's financial market operations segment conducts money market or repurchase transactions. The operating results of this segment include the impact of profit or loss on internal fund surpluses or shortages between segments due to interest-bearing assets and interest-bearing liabilities.

Unallocated

Unallocated include other businesses not included in the above reporting segments or businesses that cannot be allocated on a reasonable basis, including equity investment businesses and income tax expense.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

44 SEGMENT ANALYSIS (Continued)

	Six months ended 30 June 2025 (Unaudited)					
	Corporate banking	Personal banking	Financial market operations	Segment total	Unallocated	Total
External interest income	7,952,876	5,976,282	9,215,928	23,145,086	-	23,145,086
External interest expense	(844,382)	(6,723,380)	(3,833,287)	(11,401,049)	-	(11,401,049)
Inter-segment interest (expense)/income	(2,782,304)	6,448,993	(3,666,689)	-	-	-
Net interest income	4,326,190	5,701,895	1,715,952	11,744,037	-	11,744,037
Fee and commission income	252,570	340,866	352,376	945,812	-	945,812
Fee and commission expense	(6,334)	(139,563)	(20,146)	(166,043)	-	(166,043)
Net fee and commission income	246,236	201,303	332,230	779,769	-	779,769
Net trading gains	-	-	734,693	734,693	-	734,693
Share of profits of associates	-	-	-	-	29,046	29,046
Other operating income, net	63,975	3,874	(21,068)	46,781	28,502	75,283
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	-	-	995,583	995,583	-	995,583
Net gains on derecognition of financial assets measured at amortised cost	-	-	377,444	377,444	-	377,444
Operating income	4,636,401	5,907,072	4,134,834	14,678,307	57,548	14,735,855
Operating expenses	(1,179,527)	(1,990,100)	(913,994)	(4,083,621)	-	(4,083,621)
Credit impairment losses	(656,212)	(967,783)	(158,529)	(1,782,524)	-	(1,782,524)
Impairment losses on other assets	(118)	-	-	(118)	-	(118)
Profit before tax	2,800,544	2,949,189	3,062,311	8,812,044	57,548	8,869,592
Income tax expense	-	-	-	-	(1,022,678)	(1,022,678)
Profit for the period	2,800,544	2,949,189	3,062,311	8,812,044	(965,130)	7,846,914
Depreciation and amortisation included in operating expenses	147,755	187,998	86,341	422,094	-	422,094
Capital expenditure	179,012	302,031	138,713	619,756	-	619,756

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

44 SEGMENT ANALYSIS (Continued)

	As at 30 June 2025 (Unaudited)					
	Corporate banking	Personal banking	Financial market operations	Segment total	Unallocated	Total
Segment assets	404,243,407	288,826,924	918,176,950	1,611,247,281	19,323,787	1,630,571,068
Segment liabilities	154,436,255	882,754,621	451,888,404	1,489,079,280	2,196,174	1,491,275,454
Supplementary information						
- Credit commitments	9,646,622	29,485,584	-	39,132,206	-	39,132,206

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

44 SEGMENT ANALYSIS (Continued)

	Six months ended 30 June 2024 (Unaudited)					
	Corporate banking	Personal banking	Financial market operations	Segment total	Unallocated	Total
External interest income	7,691,550	6,659,043	9,381,500	23,732,093	-	23,732,093
External interest expense	(945,784)	(7,181,761)	(4,523,511)	(12,651,056)	-	(12,651,056)
Inter-segment interest (expense)/income	(2,765,348)	6,506,824	(3,741,476)	-	-	-
Net interest income	3,980,418	5,984,106	1,116,513	11,081,037	-	11,081,037
Fee and commission income	223,740	465,264	395,610	1,084,614	-	1,084,614
Fee and commission expense	(6,070)	(161,260)	(18,684)	(186,014)	-	(186,014)
Net fee and commission income	217,670	304,004	376,926	898,600	-	898,600
Net trading gains	-	-	1,402,893	1,402,893	-	1,402,893
Share of profits of associates	-	-	-	-	11,971	11,971
Other operating income, net	80,396	42,564	21,754	144,714	30,274	174,988
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	-	-	190,652	190,652	-	190,652
Net gains on derecognition of financial assets measured at amortised cost	-	-	882,025	882,025	-	882,025
Operating income	4,278,484	6,330,674	3,990,763	14,599,921	42,245	14,642,166
Operating expenses	(1,148,318)	(1,844,852)	(937,289)	(3,930,459)	-	(3,930,459)
Credit impairment losses	(1,329,193)	(1,172,344)	44,178	(2,457,359)	-	(2,457,359)
Impairment losses on other assets	(4,334)	-	-	(4,334)	-	(4,334)
Profit before tax	1,796,639	3,313,478	3,097,652	8,207,769	42,245	8,250,014
Income tax expense	-	-	-	-	(689,320)	(689,320)
Profit for the period	1,796,639	3,313,478	3,097,652	8,207,769	(647,075)	7,560,694
Depreciation and amortisation included in operating expenses	154,364	183,085	93,017	430,466	-	430,466
Capital expenditure	58,817	94,495	48,008	201,320	-	201,320

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

44 SEGMENT ANALYSIS (Continued)

	As at 30 June 2024 (Unaudited)					
	Corporate banking	Personal banking	Financial market operations	Segment total	Unallocated	Total
Segment assets	361,159,057	280,013,636	850,734,156	1,491,906,849	18,404,274	1,510,311,123
Segment liabilities	141,713,466	811,359,507	425,295,051	1,378,368,024	2,242,841	1,380,610,865
Supplementary information - Credit commitments	14,451,069	28,802,267	-	43,253,336	-	43,253,336

There was no significant transactions with a single external customer that the Group mainly relied on.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

45 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(1) Information about subsidiaries of the Bank

Information about subsidiaries of the Bank is disclosed in Note 21(1).

(2) Information about associates of the Bank

Information about insignificant associates of the Bank is disclosed in Note 21(2).

(3) Related parties with no controlling relationship

There are certain related party transactions between the Bank and related parties with no controlling relationship. The conditions and prices of these transactions are determined on the basis of market price and normal business procedure or contractual terms. They are assessed based on transaction type and approved by corresponding decision-making authority.

Principal shareholders identified as related parties of the Bank

The names and share of equity interests of shareholders with more than 5% (including 5%) shares of the Bank, or shareholders who hold less than 5% of the total shares or capital but have significant influence on the Bank's operation and management are as follows:

Name of shareholders	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Chongqing Yufu Capital Operation Group Co., Ltd. (“Yufu Group”) 重庆渝富资本运营集团有限公司	8.70%	8.70%
Chongqing City Construction Investment (Group) Co., Ltd. （“City Investment Group”） 重庆市城市建设投资(集团)有限公司	7.02%	7.02%
Chongqing Development and Real Estate Management Co., Ltd. （“Development and Real Estate Company”） 重庆发展置业管理有限公司	5.19%	5.19%
Chongqing Development Investment Co., Ltd. （“Development Investment Company”） 重庆发展投资有限公司	4.81%	4.35%
Shanghai Yuyuan Tourist Mart (Group) Co., Ltd. 上海豫园旅游商城(集团)股份有限公司	1.33%	1.33%
Xiamen Huishanghong Equity Investment Co., Ltd. 厦门市汇尚泓股权投资有限公司	0.51%	0.51%

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

45 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Related party transactions

The amounts of significant transactions, significant transaction balances and significant off-balance sheet items between the Group and its related parties as at the balance sheet date were as follows:

	Yufu Group and its affiliates	City Group and its affiliates	Investment Company and its affiliates	Development and Real Estate Company and its affiliates	Other related legal entities	Related personnel	Total	Proportion in amount/ balance of similar transactions
Significant transactions for the six months ended								
30 June 2025 (Unaudited):								
Interest income	326,437	74,738	93,216	309	1,212	495,912	2.14%	
Interest expense	(64,105)	(2,048)	(8,236)	(8,782)	(6,304)	(89,475)	0.78%	
Fee and commission income	180	114	15	11	4	324	0.03%	
Net trading gains/(losses)	14,849	(18,959)	-	55,076	-	50,966	6.94%	
Operating expenses	(18,640)	(808)	(116,935)	(57,216)	(53)	(193,652)	4.74%	
Other comprehensive income	7,004	(1,099)	(2,195)	89,838	-	93,548	(7.58%)	
Significant transaction balances as at 30 June 2025 (Unaudited):								
Deposits with banks and other financial institutions	1,006,850	2	-	639,211	-	1,646,063	3.97%	
Placements with banks and other financial institutions	-	-	1,505,310	500,305	-	2,005,615	2.08%	
Loans and advances to customers	21,693,263	3,606,574	5,812,551	10,008	52,012	31,174,408	4.07%	
Financial assets measured at fair value through profit or loss	1,345,161	301,245	-	1,098,998	-	2,745,404	2.58%	
Financial assets measured at fair value through other comprehensive income	2,392,330	236,942	1,404,873	-	-	4,034,145	1.47%	
Financial assets measured at amortised cost	242,093	665,520	151,071	-	-	1,058,684	0.39%	
Deposits from banks and other financial institutions	(245,948)	(4)	-	(411,053)	-	(657,005)	28.01%	
Deposits from customers	(5,642,981)	(289,935)	(891,348)	(881,516)	(132,445)	(7,838,225)	0.76%	
Debt securities issued	(5,220,000)	-	-	(300,000)	-	(5,520,000)	2.99%	
Significant off-balance sheet items as at 30 June 2025 (Unaudited):								
Unutilised credit card facilities	-	-	-	-	78,583	78,583	0.27%	
Acceptances	2,696	-	-	-	-	2,696	0.04%	
Letters of guarantee	82,304	400,000	678	-	-	482,982	34.64%	
Entrusted lending arrangements	47,000	-	-	-	-	47,000	1.57%	
The balance of the loan guaranteed by related guaranteed companies	9,342,741	-	208,513	-	-	9,551,254	1.25%	
The balance of financial investments guaranteed by related companies	570,000	-	-	-	-	570,000	0.09%	
Related parties' investment in WMPs issued by the Group	20,647	-	-	-	138,327	158,974	0.10%	

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

45 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(4) Related party transactions (Continued)

	Yufu Group and its affiliates	City Group and its affiliates	Investment Company and its affiliates	Development and Real Estate Company and its affiliates	Other related legal entities	Related personnel	Total	Proportion in amount/ balance of similar transactions
Significant transactions for the six months ended 30 June 2024 (Unaudited):								
Interest income								
Interest income	182,674	68,851	69,097	3,436	938	324,996	1.37%	
Interest expense	(42,022)	(2,973)	(9,958)	(77,766)	(2,235)	(134,954)	1.07%	
Fee and commission income	7,568	3	74	14	4	7,663	0.71%	
Net trading gains/(losses)	3,749	(48,557)	1,115	(7,432)	-	(51,125)	(3.64%)	
Operating expenses	-	-	-	(25,542)	-	(25,542)	0.65%	
Other comprehensive income	26,023	3,334	24,845	(109,922)	-	(55,720)	(3.39%)	
Significant transaction balances as at 31 December 2024: (Audited):								
Deposits with banks and other financial institutions	-	2	-	620,959	-	620,961	2.95%	
Derivative financial assets	-	-	51	-	-	51	0.96%	
Loans and advances to customers	10,342,953	3,270,150	5,390,389	-	42,688	19,046,180	2.67%	
Financial assets measured at fair value through profit or loss	934,213	320,204	-	848,009	-	2,102,426	2.49%	
Financial assets measured at fair value through other comprehensive income	1,650,786	234,768	1,314,696	416,547	-	3,616,797	1.47%	
Financial assets measured at amortised cost	246,146	657,100	153,567	-	-	1,056,813	0.35%	
Deposits from banks and other financial institutions	(497,920)	(3)	-	(740)	-	(498,663)	16.45%	
Placements from banks and other financial institutions	(502,838)	(100,568)	-	-	-	(603,406)	0.98%	
Derivative financial liabilities	-	-	(51)	-	-	(51)	1.62%	
Deposits from customers	(4,010,641)	(272,274)	(1,716,901)	(611,298)	(128,968)	(6,740,082)	0.72%	
Debt securities issued	-	-	-	(400,000)	-	(400,000)	0.23%	
Significant off-balance sheet items as at 31 December 2024: (Audited):								
Unutilised credit card facilities	-	-	-	-	206,257	206,257	0.72%	
Letters of guarantee	35,000	400,000	21,726	-	-	456,726	31.70%	
The balance of the loan guaranteed by related guaranteed companies	6,534,447	-	224,706	-	-	6,759,153	0.95%	
The balance of financial investments guaranteed by related companies	690,000	-	-	-	-	690,000	0.11%	
Related parties' investment in WMPs issued by the Group	10,000	-	-	-	148,706	158,706	0.12%	

The above transactions with related parties were conducted on normal commercial terms and in the normal course of business and were priced in accordance with the principles of transactions with independent third parties.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

45 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(5) Key management personnel remuneration

Key management personnel are those persons in the Group who have the authority and responsibility to plan, direct and control the activities of the Bank or the Group.

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Paid remuneration (before tax)	965	1,029
Retirement plan contributions	349	358
Others	98	94
Total	1,412	1,481

Key management personnel remuneration refers to paid remuneration to directors and key management personnel in the current year approved in accordance with internal and external management requirements, including basic annual salary and advance performance salary for the six months ended 30 June 2025 that was paid in accordance with external regulatory requirements.

Certain key management personnel's final emoluments for the six months ended 30 June 2025 have not been finalised on report date as required by relevant authorities. Management of the Group believes that difference in emoluments will not have significant impact on the consolidated financial statements of the Group for the six months ended 30 June 2025.

For the six months ended 30 June 2025, both the loans made to key management personnel and their relatives, and the corresponding interest income were not significant.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

45 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(6) Transactions between the Bank and its subsidiaries

Amounts of significant transactions between the Bank and its subsidiaries during the reporting period were as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Interest income	78,974	91,082
Interest expense	(1,725)	(1,089)

For the six months ended 30 June 2025 and 2024, transactions between the Bank and its subsidiaries other than the transactions above were not significant.

Amounts of significant transaction balances between the Bank and its subsidiaries as at the balance sheet date were as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Deposits with banks and other financial institutions	883,564	1,168,053
Placements with banks and other financial institutions	6,261,279	5,629,670
Deposits from banks and other financial institutions	(883,100)	(1,174,182)

For the six months ended 30 June 2025 and the year ended 31 December 2024, outstanding balances between the Bank and its subsidiaries other than the balances above were not significant.

All intra-group transactions and balances have been offset when preparing the consolidated financial statements.

As at 30 June 2025 and 31 December 2024, the principal balance of WMPs issued by the Bank's subsidiary and purchased by the Bank amounted to RMB5,784 million and RMB3,772 million.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

45 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (Continued)

(7) Transactions between the Group and its associates

Amounts of significant transaction balances between the Bank and its associates as at the balance sheet date were as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Placements with banks and other financial institutions	500,305	504,176
Deposits from banks and other financial institutions	(408,448)	(122,411)

(8) Transactions with enterprise annuity plan

In addition to contributions to the Group's enterprise annuity fund, no related party transactions have been made during the reporting period.

46 STRUCTURED ENTITIES

(1) Rights and interests in unconsolidated structured entities initiated and established by the Group

Structured entities initiated and established by the Group that are not included in the scope of the consolidated financial statements mainly comprise wealth management products ("WMPs") issued by the Group. The nature and purpose of these structured entities are mainly to manage investors' assets and receive management fees, which are financed by issuing investment products to investors. The Group's rights and interests in these unconsolidated structured entities mainly consists of holding investments directly or receiving income from management fees through the management of these structured entities.

As at 30 June 2025, the overall size of outstanding unconsolidated WMPs initiated and established by the Group was RMB152,142 million (As at 31 December 2024: RMB129,670 million). The management fee income received by the Group from the aforesaid WMPs amounted to RMB186 million for the six months ended 30 June 2025 (For the six months ended 30 June 2024: RMB182 million).

There was no contractual liquidity arrangement, guarantee or other commitment among or between the Group, WMP vehicles or any third parties that could increase the level of the Group's risk from or reduce its interest in WMP vehicles disclosed above for the six months ended 30 June 2025 and the year ended 31 December 2024. The Group is not required to absorb any loss incurred by WMPs before other parties.

The WMPs issued by the Group did not cause losses to the interests of the Group, nor did they encounter financial difficulties for the six months ended 30 June 2025 and the year ended 31 December 2024.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

46 STRUCTURED ENTITIES (Continued)

(2) Unconsolidated structured entities held by the Group

The Group invests in a number of other unconsolidated structured entities which are issued or managed by other entities for investment return, and records trading gains or losses and interest income therefrom. As at 30 June 2025 and 31 December 2024, the Group's maximum risk exposure from these unconsolidated structured entities is summarized in the table below.

	As at 30 June 2025 (Unaudited)				
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost		Total
Asset-backed securities	315,398	1,051,233	9,778,526	11,145,157	
Funds	61,496,960	–	–	61,496,960	
Asset management plans and trust plans	1,336,734	–	41,511	1,378,245	
Investments in WMPs	1,401,062	–	–	1,401,062	
Other investments	8,956	767,056	–	776,012	
Total	64,559,110	1,818,289	9,820,037	76,197,436	

	As at 31 December 2024 (Audited)				
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost		Total
Asset-backed securities	256,901	865,034	12,828,426	13,950,361	
Funds	55,766,866	–	–	55,766,866	
Asset management plans and trust plans	1,180,319	–	128,849	1,309,168	
Investments in WMPs	848,009	–	–	848,009	
Other investments	8,956	767,056	–	776,012	
Total	58,061,051	1,632,090	12,957,275	72,650,416	

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

46 STRUCTURED ENTITIES *(Continued)*

(2) Unconsolidated structured entities held by the Group *(Continued)*

The underlying assets of trust plans and asset-backed securities primarily include trust loans and credit assets. The underlying assets of funds, asset management plans and WMPs primarily include interbank assets and bonds. Asset-backed securities were all issued by financial institutions. Other investments were primarily foreclosed assets acquired in connection with debt restructuring.

(3) Consolidated structured entities

The Group managed or invested in several structured entities, including funds, asset management plans, trust plans, WMPs and asset-backed securities. The Group mainly assesses its overall economic interests (including the expected return from direct ownership and management fee) in the structured entities and its decision-making rights covered through its involvement in the decisions on the establishment of the structured entities and relevant contract arrangements. If the Group has power over a structured entity and variable returns and the ability to use that power to affect its returns from the structured entity through arrangements such as investment contracts, then the Group believes that it has control over the structured entity and include it in the consolidated financial statements. If the Group has no substantive power over principal activities of a structured entity, or enjoys immaterial economic interests and thus acts as an agent rather than a principal, the Group does not need to include it in the consolidated financial statements.

The Group's consolidated structured entities included certain funds, asset management plans and certain WMPs issued by CQRC Wealth Management Co., Ltd., held by the Group. As at 30 June 2025, the Group's consolidated structured entities amounted to RMB29,534 million (As at 31 December 2024: RMB25,807 million). The group included these investments and corresponding liabilities in the corresponding financial assets and financial liabilities based on their nature according to the accounting policies of the Group.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

47 CONTINGENT LIABILITIES AND COMMITMENTS

(1) Legal proceedings

The Group has certain legal proceedings in its normal business. As at 30 June 2025, the Group made a provision of RMB1.31 million in accordance with court judgement or advice of legal counsel (As at 31 December 2024, the carrying amount of contingent liabilities estimated based on court judgment or advice of legal counsel was not significant). As final results of these lawsuits are uncertain, management of the Group believes final results of these lawsuits will not have a material impact on the financial position or operations of the Group after consulting with legal counsel.

(2) Capital commitments

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Approved but not contracted or provided for	498,289	429,723

(3) Loan commitments

Loan commitments include unutilised credit card facilities, issued acceptances, financial guarantees and letters of credit.

The amount of credit card facilities represents the amount when unutilised credit card facilities are fully drawn. Acceptances represent commitments of the Group to pay acceptances issued by customers. The Group expects most acceptances to be settled simultaneously with reimbursements from customers. The amounts of guarantees and letters of credit represent the maximum potential loss that would be recognised if counterparties failed to completely perform as contracted.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

47 CONTINGENT LIABILITIES AND COMMITMENTS *(Continued)*

(3) Loan commitments *(Continued)*

As credit card facilities may not be utilised before expiration, the amounts set out in the following table do not represent expected future cash outflows.

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Unutilised credit card facilities	29,485,584	28,583,019
Acceptances	6,369,657	6,538,581
Letters of credit issued	1,882,820	1,047,910
Letters of guarantee	1,394,145	1,440,792
 Total	 39,132,206	 37,610,302

The Group grants loan commitments to specific customers. The directors of the Group are of the opinion that such commitments are conditional and revocable and are therefore not included in the commitment's disclosure above.

Credit risk weighted amount of loan commitments

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Loan commitments	26,028,804	27,469,109

Credit risk-weighted amount of loan commitments are calculated in accordance with guidelines issued by NFRA based on, among other things, the counterparty's credit worthiness and maturity. Contingent liabilities and loan commitments are subject to risk weights ranging from 0% to 100%.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

47 CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

(4) Operating lease commitments

As at the balance sheet date, the Group's operating lease commitments not recognized as lease liabilities were not significant.

(5) Collaterals

Assets pledged as collaterals

The carrying amounts of assets pledged by the Group as collaterals and respective liabilities were as follows:

	As at 30 June 2025 (Unaudited)		As at 31 December 2024 (Audited)	
	Collaterals	Liabilities	Collaterals	Liabilities
Bonds	192,155,682	173,102,933	181,066,451	160,450,736
Bills	20,230,872	20,230,665	18,110,798	17,993,385
Total	212,386,554	193,333,598	199,177,249	178,444,121

Collaterals accepted

As part of the repurchase agreements, the Group has accepted collateral that is allowed to sell or repledge in the absence of default by their owners. As at 30 June 2025, the fair value of collateral accepted by the Group mentioned above amounted to RMB756 million. On 31 December 2024, the Group did not hold any collateral that could be sold or reused for security without any default by the collateral owner. As at 30 June 2025, the Group had sold or re-pledged, but was obligated to return all the collateral mentioned above. These transactions are conducted under standard terms in the normal course of business.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

47 CONTINGENT LIABILITIES AND COMMITMENTS *(Continued)*

(6) Bond underwriting commitments and redemption obligations

The Group's and the Bank's irrevocable bond underwriting commitments amounted to RMB171 million (As at 31 December 2024: Nil) as at the balance sheet date.

As an underwriting agent of PRC government bonds, the Group has the obligation to buy back if bond holders decided to redeem the bonds before maturity. The redemption price is the principal value of the Bonds plus unpaid interest till redemption date. Accrued interest payables to the bond holders are calculated in accordance with relevant requirements set by Ministry of Finance or PBOC. The redemption price may be different from the fair value of similar instruments traded at the redemption date.

The redemption obligations of the Group for government bonds sold but not yet matured as at the balance sheet date based on their principal value were as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Redemption obligations	8,957,631	7,907,447

48 TRANSFER OF FINANCIAL ASSETS

(1) Credit asset securitisation

During securitisation transactions, the Group sells assets to special purpose trusts from whom the asset-backed securities are subsequently sold to investors. The Group may hold some asset-backed securities in these businesses, thus reserving part of risks and rewards of transferred credit assets. The Group analyses and judges whether to derecognize relevant credit assets based on degree of risk and reward retention.

As at 30 June 2025 and 31 December 2024, the Group has no outstanding balance of credit asset securitization business.

(2) Transfer of credit assets

For the six months ended 30 June 2025, the Group disposed loans with carrying amount of RMB3.94 million (For the six months ended 30 June 2024, the Group has no disposed non-performing loans) by transferring them to third parties. The Group analyzed whether to derecognize related credit assets based on degree of risk and reward retention. The Group has derecognized relevant credit assets after assessment.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

48 TRANSFER OF FINANCIAL ASSETS (Continued)

(3) Repurchase agreements

In daily operating activities, the Group entered repurchase agreements with certain counterparties. The Group sold debt securities and bills to certain counterparties and were subject to the simultaneous agreements with commitments to repurchase at specified future dates and prices. As stipulated in the repurchase agreements, there is no transfer of the legal ownership of these debt securities and bills to the counterparties during the covered period. However, the Group is not allowed to sell or pledge these securities during the covered period unless both parties mutually agree with such arrangement. Accordingly, the Group has determined that it retains substantially all the risks and rewards of these debt securities and therefore has not derecognised from the consolidated financial statements but regarded as “collateral” for the secured lending from the counterparties.

(4) Securities lending transactions

For debt securities lent to counterparties under securities lending agreements, the counterparties are allowed to sell or repledge these securities in the absence of default by the Group, but have an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized them. As at 30 June 2025, the carrying amount of debt securities lent to counterparties was RMB21,580 million (As at 31 December 2024: RMB23,160 million).

49 FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks in its operating activities, including:

- Credit risk
- Market risk
- Liquidity risk

The primary risk management purpose of the Group is to maintain risk within acceptable parameters and satisfy the regulatory requirements.

The Group has designed risk management policies and has set up controls to identify, analyse, monitor and report risks by means of relevant and up-to-date information systems. The Group regularly reviews its risk management policies and systems to address changes in markets, products and emerging best practice.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

Risk Management Framework

The Board of Directors sets out a risk management committee. The risk management committee is responsible for setting the overall risk management and internal control strategies of the Group and the Bank, monitoring credit risk, market risk, liquidity risk and operation risk, periodically assessing the overall risk position, risk acceptance and management capabilities, and making recommendations and suggestions on risk management and internal control of the Group and the Bank.

Following the risk management strategies sets by the risk management committee, the Risk Management Department of the Group formulates and implements relevant risk management policies and procedures to monitor the risk arising from financial instruments of the Group.

(1) *Credit risk*

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations. Credit risk can also arise from operational failures that result in an unauthorised or inappropriate advance, commitment or investment of funds. The major credit risk of the Group comes from loans and advances to customers and other on-balance sheet and off-balance sheet credit risk exposures.

The Bank measures and manages the quality of financial assets containing both on-balance sheet and off-balance sheet credit risk exposures, in accordance with the Rules on Risk Classification of Financial Assets of Commercial Banks, Guidelines on Risk Classification of Credit Assets of Rural Cooperative Financial Institutions and other relevant regulatory requirements. The Bank has established a complete risk classification management system and clarified the responsibilities for risk classification management; The bank has formulated internal risk classification management policies, which specifies the risk classification methodology for each type of financial assets and the risk classification management process of "preliminary classification, determination and approval". Financial assets are classified by their risk level into the five categories of Normal, Special-Mention, Substandard, Doubtful, and Loss, with the latter three collectively referred to as non-performing assets.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

The core definition of the five categories are defined as follows:

Normal:	The debtor is able to fulfill the contract without objective evidence that the principal, interest, or income cannot be paid in full and on time.
Special-mention:	The debtor is currently capable of paying the principal, interests, and income notwithstanding a number of factors that might adversely affect its capacity to meet its contractual obligations.
Substandard:	The debtor is incapable of paying the principal, interests, or income in full or the financial assets have undergone credit impairment.
Doubtful:	The debtor is incapable of paying the principal, interests, or income in full and the financial assets have undergone significant credit impairment.
Loss:	None or only a minimum fraction of the financial assets can be recovered after exhausting all available options.

The Group implements the “Measures for Management of Bad Debt Verification of Financial Enterprises” issued by Ministry of Finance. For those claims that have taken necessary measures and implemented necessary procedures and are still unable to recover, they will be written off after approval if complying with the conditions for the recognition of bad debts. For the six months ended 30 June 2025, the Group wrote off non-performing loans of RMB2,219.58 million (For the six months ended 30 June 2024: RMB2,478.19 million).

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

Loans and advances to customers

The Group exercises standardised credit management procedures, including credit investigation and proposals, credit limit review, loan disbursement, post lending monitoring, and non-performing loans management. The Group enhances its credit risk management by strict access and standard credit management procedures; strengthening customer investigation, lending approval and post lending monitoring; enhancing risk mitigation effect of loans through collateral; accelerating disposal process of non-performing loans and continuously upgrade of Credit Management System.

Due from banks and other financial institutions

The Group adopts a Group-to-Group principle for credit to financial institutions. The Group sets credit lines for financial institutions and single financial institution that has financial transactions with the Group.

Bonds and other notes

The Group manages the credit risk exposure of bonds and other notes by controlling the scale of investment, setting the list of granting entities, rating access, Group-to-Group credit, and post-investment management.

Other financial assets

Other financial assets mainly include asset management products, debt financing plans, funds, trust plans, wealth management plans issued by other banks, etc. The Group implements a rating system for cooperating with financial institutions and sets credit lines for the ultimate financing party of the asset management products and debt financing plans, and conducts subsequent risk management on a regular basis.

Loan commitments

The main purpose of the loan commitments is to ensure that customers receive the funds they need. The letters of guarantee, acceptances and letters of credit issued are an irrevocable undertaking of the Group, that is, the Group undertakes to pay on behalf of its customer to the third party or to perform the payment on behalf of customers upon their failure to perform under the terms of the contract. There is a possibility that customer violates the terms of the contract and the Group needs to perform the payment on behalf of its customers. Risks arising from financial guarantees are similar to those associated with loans and advances. These transactions are, therefore, subject to the same risk management procedures and policies.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(a) ECL Measurement

Portfolio segmentation of credit risk exposures

For measurement of ECL, portfolio segmentation is based on similar credit risk characteristics. In performing the portfolio segmentation of credit assets, the Group considers product types, customer types, industry, customer size, risk mitigation method and market distribution. The Group retests and revises the rationality of portfolio segmentation of credit risk exposures every year.

Financial Instrument Stages

The Group decide the stage of each financial instrument and estimate the ECL based on whether a significant increase in credit risk has occurred since initial recognition or whether a financial asset is considered to be credit-impaired. The major definitions of three stages of financial instruments are set out below.

- Stage 1: Financial instruments with no significant increase in credit risk after initial recognition. ECL losses in the next 12 months is recognised.
- Stage 2: There are significant increase in credit risk since initial recognition, but no objective evidence of impairment of the financial instrument. Lifetime ECL of financial instruments is recognised.
- Stage 3: Financial instruments show objective evidence of impairment as at the balance sheet date. Lifetime ECL of financial instruments is recognised.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(a) ECL Measurement *(Continued)*

Significant Increase in Credit Risk

The Group sufficiently considers available and valid information in order to decide the stage of financial assets, which reflects the significant increase in credit risk, including the forward-looking information. The major factors considered include internal and external credit grading, repayment ability, operation capacity, contract terms of the loan, repayment behaviors, etc. The Group evaluates the change in default risk on reporting date and initial recognition of one financial instrument or a portfolio of financial instruments that shares the similar credit risk features.

The Group sets a series of quantitative and qualitative criteria to determine whether there are significant changes in credit risk of financial instruments since initial recognition. The following factors are mainly considered:

- Interest or principal paid by debtors is overdue for more than 30 days but less than 90 days;
- A significant decrease in debtor's credit rating compared to that of initial recognition;
- Significant adverse changes in the debtor's operations or financial situation;
- Other objective evidence indicating there are significant changes in credit risk.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(a) ECL Measurement *(Continued)*

Definition on Default and Credit-impaired Assets

The Group determined whether the assets were credit impaired based on a series of quantitative and qualitative standards such as credit ratings, and the risk profile changes of the debtor. The Group defines a financial instrument as in default when it meets one or more of the following criteria. In order to evaluate whether a financial asset is credit impaired, the Group considers the following criteria:

- Credit rating grade is D;
- Significant financial difficulty of the borrower or issuer;
- Breach of contract term, such as a default or delinquency in interest or principal payments for over 90 days;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Group would not otherwise consider;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for financial assets because of financial difficulties;
- Other objective evidence indicating there is an impairment of the financial asset.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(a) ECL Measurement *(Continued)*

Parameters in Measuring ECL

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), defined as follows:

The PD represents the likelihood of a borrower breaching the contractual terms or defaulting on its financial obligation over a specific time, either the next 12 months, or the remaining lifetime of the obligation.

The LGD refers to the extent of loss on a defaulted exposure, which is the ratio of the expected loss in the total amount of a loan. The Group's LGD is calculated in line with recovery amount according to different types of guarantees.

The EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

The Group measures ECL of credit-impaired financial assets with large amount and high risk with discounted cash flow modelling approach. The ECL of financial assets using the discounted cash flow modelling approach is measured based on the difference between the book value and the present value of estimated future cash flows discounted at a certain discount rate.

The Group reviews assumptions related to ECL model periodically, including but not limited to changes in PD and LGD.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(a) ECL Measurement *(Continued)*

Forward-looking Information

The Group incorporates forward-looking information when assessing measuring ECL.

The Group has performed historical analysis and identified the key economic indicators impacting credit risk and ECL for each portfolio, mainly including growth rate of Gross Domestic Product (the “GDP”) in Chongqing Province, M2, urban residents’ per capita disposable income, etc, to calculate the forward-looking impact of the macro-economic environment on ECL. The Group regularly forecasts these economic indicators and provides the best estimate of economic conditions for the next future year.

The Group has established forecast model along with time series data collection of the above key economic indicators from Wind China Macro and Industry Database and internal data. On this basis, combined with the experience of experts, a certain proportion of the predicted value of the model is used as the forecast value of future key economic indicators and the weights of the three scenarios, optimistic, baseline and pessimistic are determined.

Similar to other economic projections, there is a high degree of inherent uncertainty in the estimation of expected values and likelihood of occurrence, so actual results may differ from forecasts. The Group updates the expected values of macroeconomic indicators periodically. The Group believes that these projections reflect the Group’s best estimate of possible outcomes to determine that the scenarios selected are appropriate to represent possible scenarios.

For the six months ended 30 June 2025, the forecast value range of the Group’s baseline scenario for the year-on-year growth rate of Chongqing’s gross product (GDP) is 4.4% – 6.6%. The Group fully considered the uncertainty of internal and external economic environment when evaluating the forecast information used in the ECL model, and then made careful adjustments to the macroeconomic forecast.

Combined with expert judgement, the Group set the weighting of multiple scenarios based on the principle of taking the baseline scenario as the main and the rest scenarios as a supplement. The weight of the baseline scenario of the Group as at 30 June 2025 is slightly higher than the weights of other scenarios.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(a) ECL Measurement *(Continued)*

Sensitivity Analysis

ECL are sensitive to the parameters used in the model, the macro-economic variables of the forecast, the weight probabilities in the three scenarios, and other factors considered in the application of expert judgement. Changes in these inputs, assumptions, models, and judgements will have an impact on the significant increase in credit risk and the measurement of ECL.

As at 30 June 2025, the Group's credit impairment provision would increase by RMB488 million, assuming that the weighting of the optimistic scenario is reduced by 10% while the weighting of the baseline scenario is increased by 10%. The Group's credit impairment provision would decrease by RMB1,027 million, if the weighting of the pessimistic scenario is reduced by 10%, and the weight of baseline scenario is increased by 10%.

As at 31 December 2024, the Group's credit impairment provision would increase by RMB608 million, assuming that the weighting of the optimistic scenario is reduced by 10% while the weighting of the baseline scenario is increased by 10%. The Group's credit impairment provision would decrease by RMB1,191 million, if the weighting of the pessimistic scenario is reduced by 10%, and the weight of baseline scenario is increased by 10%.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(b) Maximum exposure to credit risk

As at the balance sheet date, the maximum exposure to credit risk of the Group without considering any collateral held or other credit enhancements are as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Balances with central bank	54,040,111	48,199,448
Deposits with banks and other financial institutions	41,400,915	21,032,927
Placements with banks and other financial institutions	96,056,686	90,440,520
Derivative financial assets	259,128	5,295
Financial assets held under resale agreements	29,100,889	20,937,314
Loans and advances to customers	733,545,482	683,830,682
Financial investments		
– Financial assets measured at fair value through profit or loss	106,415,336	84,554,813
– Financial assets measured at fair value through other comprehensive income	273,562,216	246,200,311
– Financial assets measured at amortised cost	271,799,308	297,248,006
Other financial assets	1,426,749	1,034,786
Subtotal	1,607,606,820	1,493,484,102
Off-balance sheet loan commitments	38,936,647	37,357,014
Total	<u>1,646,543,467</u>	<u>1,530,841,116</u>

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(b) Maximum exposure to credit risk (Continued)

The Group conducts internal stratified management of asset risk characteristics according to the quality status of assets. Financial assets included in the ECL are further classified into “Risk level 1”, “Risk level 2”, “Risk level 3” and “Default” within each stage according to internal rating scales and overdue days, the results of this layered management are used by the Bank for internal credit risk management purposes. “Risk level 1” means that the asset quality is good, and the rating is high, or there is no overdue situation, or there is no reason to suspect that the asset is expected to default; “Risk level 2” means medium rating, or although there is a certain overdue situation, the asset quality is good or there may be factors that have an adverse effect, but there is no sufficient reason to suspect that the asset is expected to default. “Risk level 3” means that the rating is low or the overdue situation is more serious, which means that there are factors that have a significantly adverse effect on the asset default, but there is no event indicating that the default has occurred. The criteria for “Default” is consistent with definition of credit impairment that has occurred.

Maximum exposure to credit risk of loans and advances to customers measured at amortised cost analysed by internal stratified management:

	As at 30 June 2025 (Unaudited)			
	Stage 1	Stage 2	Stage 3	Total
Credit rating				
Risk level 1	565,257,466	3,740,369	–	568,997,835
Risk level 2	125,318,751	11,060,532	–	136,379,283
Risk level 3	–	2,239,604	–	2,239,604
Default	–	–	9,152,088	9,152,088
Gross carrying amount	690,576,217	17,040,505	9,152,088	716,768,810
ECL allowance	(18,910,531)	(5,010,496)	(7,778,460)	(31,699,487)
Carrying amount	671,665,686	12,030,009	1,373,628	685,069,323

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(b) Maximum exposure to credit risk (Continued)

	As at 31 December 2024 (Audited)			
	Stage 1	Stage 2	Stage 3	Total
Credit rating				
Risk level 1	524,590,950	4,113,438	–	528,704,388
Risk level 2	101,514,111	8,592,704	–	110,106,815
Risk level 3	–	3,144,018	–	3,144,018
Default	–	–	8,684,158	8,684,158
Gross carrying amount	626,105,061	15,850,160	8,684,158	650,639,379
ECL allowance	(17,930,552)	(5,278,837)	(7,232,944)	(30,442,333)
Carrying amount	608,174,509	10,571,323	1,451,214	620,197,046

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(c) Analysis of credit quality on financial assets

As at 30 June 2025, the Group's credit risk stages of financial instruments included in impairment assessment are as follows:

	As at 30 June 2025 (Unaudited)							
	Book value				ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Financial assets measured at amortised cost</i>								
Balances with central bank	54,040,111	-	-	54,040,111	-	-	-	-
Deposits with banks and other financial institutions	41,505,167	-	-	41,505,167	(104,252)	-	-	(104,252)
Placements with banks and other financial institutions	96,428,938	-	-	96,428,938	(372,252)	-	-	(372,252)
Financial assets held under resale agreements	29,275,532	-	-	29,275,532	(174,643)	-	-	(174,643)
Loans and advances to customers	690,576,217	17,040,505	9,152,088	716,768,810	(18,910,531)	(5,010,496)	(7,778,460)	(31,699,487)
Financial assets measured at amortised cost	271,911,291	415,581	2,538,135	274,865,007	(559,328)	(9,746)	(2,496,625)	(3,065,699)
Other financial assets	1,435,393	25,552	268,354	1,729,299	(42,351)	(9,028)	(251,171)	(302,550)
Total	1,185,172,649	17,481,638	11,958,577	1,214,612,864	(20,163,357)	(5,029,270)	(10,526,256)	(35,718,883)
<i>Financial assets measured at fair value through other comprehensive income</i>								
Loans and advances to customers	48,475,159	-	1,000	48,476,159	(116,792)	-	(1,000)	(117,792)
Financial assets measured at fair value through other comprehensive income	271,551,879	-	-	271,551,879	(416,391)	-	-	(416,391)
Total	320,027,038	-	1,000	320,028,038	(533,183)	-	(1,000)	(534,183)
Loan commitments	39,022,273	25,958	83,975	39,132,206	(177,443)	(1,608)	(16,508)	(195,559)

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(c) Analysis of credit quality on financial assets (Continued)

As at 31 December 2024, the Group's credit risk stages of financial instruments included in impairment assessment are as follows:

	As at 31 December 2024 (Audited)							
	Book value				ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<i>Financial assets measured at amortised cost</i>								
Balances with central bank	48,199,448	-	-	48,199,448	-	-	-	-
Deposits with banks and other financial institutions	21,082,108	-	-	21,082,108	(49,181)	-	-	(49,181)
Placements with banks and other financial	90,791,448	-	-	90,791,448	(350,928)	-	-	(350,928)
Financial assets held under resale agreements	21,073,469	-	-	21,073,469	(136,155)	-	-	(136,155)
Loans and advances to customers	626,105,061	15,850,160	8,684,158	650,639,379	(17,930,552)	(5,278,837)	(7,232,944)	(30,442,333)
Financial assets measured at amortised cost	296,925,281	878,431	2,538,135	300,341,847	(655,667)	(28,888)	(2,409,286)	(3,093,841)
Other financial assets	1,044,109	24,500	242,376	1,310,985	(44,197)	(7,572)	(224,430)	(276,199)
Total	1,105,220,924	16,753,091	11,464,669	1,133,438,684	(19,166,680)	(5,315,297)	(9,866,660)	(34,348,637)
<i>Financial assets measured at fair value through other comprehensive income</i>								
Loans and advances to customers	63,632,636	-	1,000	63,633,636	(158,251)	-	(1,000)	(159,251)
Financial assets measured at fair value through other comprehensive income	244,517,847	306,847	-	244,824,694	(351,592)	(13,020)	-	(364,612)
Total	308,150,483	306,847	1,000	308,458,330	(509,843)	(13,020)	(1,000)	(523,863)
Loan commitments	37,520,041	16,968	73,293	37,610,302	(237,529)	(1,359)	(14,400)	(253,288)

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(d) Concentration risk

If counterparties are concentrated in a particular industry or region, or share certain economic characteristics, their credit risk will generally increase accordingly. Meanwhile, different industries and regions have their own unique characteristics of economic development, and therefore the credit risk of different industries and regions is different.

(i) Loans and advances to customers

The industry concentration risk of loans and advances to customers refers to Note 19(3).

(ii) Bonds and other investments

The Group uses credit ratings to monitor the credit risk positions of its debt investment portfolio. The ratings can refer to the rating evaluated by the rating agencies recognised by PBOC.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(d) Concentration risk *(Continued)*

(ii) Bonds and other investments *(Continued)*

As at the balance sheet date, the gross carrying amounts of bonds and other investments by investment ratings were as follows:

	As at 30 June 2025 (Unaudited)				
	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost			Total
	through profit or loss	income	amortised cost		
Debt securities:					
AAA	7,467,818	95,184,610	101,575,341	204,227,769	
AA	1,141,749	841,384	4,604,926	6,588,059	
Unrated debt securities and others:					
Public sector and quasi-government bonds	3,918,182	109,309,871	57,668,856	170,896,909	
Government bonds	1,373,500	18,464,778	85,927,803	105,766,081	
Funds	62,674,410	–	–	62,674,410	
Interbank deposit certificates	22,656,502	25,853,575	–	48,510,077	
Corporate bonds	4,053,710	17,325,435	13,122,582	34,501,727	
Financial institutions bonds	81,468	4,572,226	9,427,364	14,081,058	
Trust and asset management plans	1,336,734	–	2,538,135	3,874,869	
Wealth management products	1,401,062	–	–	1,401,062	
Others	310,201	–	–	310,201	
Total	106,415,336	271,551,879	274,865,007	652,832,222	

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(1) Credit risk (Continued)

(d) Concentration risk (Continued)

(ii) Bonds and other investments (Continued)

	As at 31 December 2024 (Audited)				
	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Total	
Debt securities:					
AAA	6,066,197	78,294,824	95,843,675	180,204,696	
AA	1,737,743	663,182	6,070,123	8,471,048	
Unrated debt securities and others:					
Public sector and quasi-government bonds	929,873	95,423,805	59,423,033	155,776,711	
Government bonds	263,251	16,909,811	106,892,950	124,066,012	
Funds	57,169,951	–	–	57,169,951	
Interbank deposit certificates	10,086,339	40,499,007	1,886,499	52,471,845	
Corporate bonds	5,943,971	8,101,223	18,281,205	32,326,399	
Financial institutions bonds	–	4,932,842	9,406,227	14,339,069	
Trust and asset management plans	1,180,319	–	2,538,135	3,718,454	
Wealth management products	848,009	–	–	848,009	
Others	329,160	–	–	329,160	
Total	84,554,813	244,824,694	300,341,847	629,721,354	

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(e) Restructured loans and advances

According to the latest regulation of loan risk classification which released by NFRA, restructured loans and advances are financial assets made by commercial banks in favor of the debtor's adjustment of debt contracts or the provision of refinancing for the debtor's existing debts, to encourage the debtor to repay debts due to financial difficulties. As at 30 June 2025, the restructured loans and advances which meet above definition amounted to RMB3,815 million (As at 31 December 2024: RMB3,631 million).

(f) Credit-impaired loans and advances

The portions covered and not covered by collaterals held are as follows:

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Portion covered	6,049,159	5,119,228
Portion not covered	3,103,929	3,565,930
Total	<u>9,153,088</u>	<u>8,685,158</u>

(g) Modification of contractual cash flows

To achieve maximum collection, the Group may occasionally modify loan contract terms due to commercial negotiations or borrower financial difficulties. Such modifications include loan extensions, payment holidays, and grace periods for repayment. The Group has established specific restructuring policies and operational procedures for loans where management judges that customers are likely to continue repayments, with ongoing reviews of these policies. Loan restructurings are most common in medium-to-long term loan management.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(1) Credit risk *(Continued)*

(g) Modification of contractual cash flows *(Continued)*

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the subsequent performance of modified assets. If the Group determines that the credit risk has significantly improved after modified, the relevant assets are transferred from Stage 3 or Stage 2 to Stage 1, and the impairment allowance of these assets will be measured on the basis of 12 months ECL instead of the lifetime ECL. Assets must meet specific criteria through at least six consecutive months of observation before being reclassified.

The Group employs specialized models to continuously monitor whether financial assets with modified contract terms subsequently demonstrate significant credit risk deterioration.

(2) Market risk

Market risk is the risk of loss, in respect of the Group's on and off-balance sheet activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, and stock prices.

The Group is primarily exposed to interest rate risk arising from the structural interest rate risk from commercial banking business and the risk of its capital trading position. Interest rate risk originates from multiple businesses and largely arises from mismatches between the re-pricing dates of assets and liabilities.

The Group's foreign currency risk is the risk of loss in respect of its foreign currency exposures, arising from transactions taken on foreign currency denominated assets and liabilities, which results from movements in foreign exchange rates.

(a) Interest rate risk

The Group's interest rate risk arises from the mismatches between contractual maturities or re-pricing dates of interest-generating assets and interest-bearing liabilities, as well as the inconsistent variations in the benchmark interest rate on which the assets and liabilities are based.

The Group continuously monitor the macro-economic factors that may impact on PBOC benchmark interest rates. The Group optimize internal and external pricing strategy according to market changes, use pricing tools such as Funds Transfer Pricing (FTP) to guide and adjust the repricing period of business portfolio, and strengthen interest rate risk management through limit management system.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(a) Interest rate risk (Continued)

(i) Analysis of repricing date structure

The tables below summarise the contractual repricing or maturity date, whichever is earlier, of the Group's financial assets and liabilities.

	As at 30 June 2025 (Unaudited)					Total
	Non-interest bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Financial assets						
Cash and balances with central bank	2,936,437	53,638,807	-	-	-	56,575,244
Deposits with banks and other financial institutions	291,010	19,978,101	20,794,744	337,060	-	41,400,915
Placements with banks and other financial institutions	400,720	36,378,434	48,361,699	10,915,833	-	96,056,686
Derivative financial assets	259,128	-	-	-	-	259,128
Financial assets held under resale agreements	7,089	29,093,800	-	-	-	29,100,889
Loans and advances to customers (Note i)	1,832,480	106,251,857	522,946,467	86,836,677	15,678,001	733,545,482
Financial investments (Note ii)	74,138,718	65,923,720	71,997,393	252,889,182	186,827,847	651,776,860
Other financial assets	1,426,749	-	-	-	-	1,426,749
Total financial assets	81,292,331	311,264,719	664,100,303	350,978,752	202,505,848	1,610,141,953
Financial liabilities						
Borrowings from central bank	580,291	19,574,325	77,858,918	-	-	98,013,534
Deposits from banks and other financial institutions	12,553	2,333,082	-	-	-	2,345,635
Placements from banks and other financial institutions	372,059	25,083,600	32,008,617	4,179,549	-	61,643,825
Financial liabilities measured at fair value through profit or loss	11,706,089	-	-	-	-	11,706,089
Derivative financial liabilities	18,715	-	-	-	-	18,715
Financial assets sold under repurchase agreements	59,866	76,645,079	14,815,021	-	-	91,519,966
Deposits from customers	13,412,671	347,084,836	479,431,258	185,266,172	6	1,025,194,943
Debt securities issued	296,826	113,590,302	65,803,209	4,999,655	-	184,689,992
Lease liabilities	-	22,816	34,804	107,112	11,268	176,000
Other financial liabilities	8,793,252	-	-	-	29,752	8,823,004
Total financial liabilities	35,252,322	584,334,040	669,951,827	194,552,488	41,026	1,484,131,703
Interest rate risk gap	46,040,009	(273,069,321)	(5,851,524)	156,426,264	202,464,822	126,010,250

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(a) Interest rate risk (Continued)

(i) Analysis of repricing date structure (Continued)

	As at 31 December 2024 (Audited)					Total
	Non-interest bearing	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Financial assets						
Cash and balances with central bank	3,667,566	47,536,440	-	-	-	51,204,006
Deposits with banks and other financial institutions	92,472	10,811,182	9,845,413	283,860	-	21,032,927
Placements with banks and other financial institutions	789,036	30,416,268	53,757,703	5,477,513	-	90,440,520
Derivative financial assets	5,295	-	-	-	-	5,295
Financial assets held under resale agreements	3,524	20,933,790	-	-	-	20,937,314
Loans and advances to customers (Note i)	1,783,748	359,784,177	219,632,546	88,466,016	14,164,195	683,830,682
Financial investments (Note ii)	68,475,365	44,727,196	90,244,627	242,787,186	181,768,756	628,003,130
Other financial assets	1,034,786	-	-	-	-	1,034,786
Total financial assets	75,851,792	514,209,053	373,480,289	337,014,575	195,932,951	1,496,488,660
Financial liabilities						
Borrowings from central bank	296,481	16,143,802	86,567,355	-	-	103,007,638
Deposits from banks and other financial institutions	6,266	1,025,476	2,000,000	-	-	3,031,742
Placements from banks and other financial institutions	353,954	12,616,550	43,804,000	4,791,254	-	61,565,758
Financial liabilities measured at fair value through profit or loss	9,878,249	-	-	-	-	9,878,249
Derivative financial liabilities	3,140	-	-	-	-	3,140
Financial assets sold under repurchase agreements	97,304	64,450,007	7,390,358	-	-	71,937,669
Deposits from customers	18,848,007	581,748,628	181,151,799	160,197,720	3	941,946,157
Debt securities issued	154,238	12,925,929	151,578,153	6,999,222	-	171,657,542
Lease liabilities	-	62,377	20,116	56,155	7,533	146,181
Other financial liabilities	10,463,750	-	-	-	-	29,752
Total financial liabilities	40,101,389	688,972,769	472,511,781	172,044,351	37,288	1,373,667,578
Interest rate risk gap	35,750,403	(174,763,716)	(99,031,492)	164,970,224	195,895,663	122,821,082

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(2) Market risk *(Continued)*

(a) Interest rate risk *(Continued)*

(i) Analysis of repricing date structure *(Continued)*

Note i For loans and advances to customers, the “3 months or less” category includes overdue amounts as at 30 June 2025 and 31 December 2024 net of allowances for impairment losses. Overdue amounts represent loans of which the whole or part of the principals or interests were overdue.

Note ii Financial investments comprise financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

(ii) Interest rate sensitivity analysis

The following table illustrates the potential impact after taxation of a parallel upward or downward shift of 100 basis points of the yields of all the currencies on the net profit and comprehensive income, based on the structure of interest-earning assets and interest-bearing liabilities as at the balance sheet date.

	As at 30 June 2025 (Unaudited)		As at 31 December 2024 (Audited)	
	Net profit	Other comprehensive income	Net profit	Other comprehensive income
+100 basis points	(483,801)	(7,911,010)	(57,229)	(4,199,403)
- 100 basis points	483,801	8,626,177	57,229	4,439,505

Given the nature of demand deposits, their interest rate fluctuations are less volatile than those of other products; therefore the impact of yield curves movement on interest expenses related to demand deposits has been excluded.

The impact on net profits reflects the effect of certain interest rate changes on the net profits of financial assets and financial liabilities held at the end of the period/year and expected to be repriced or matured within the next year.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(2) Market risk *(Continued)*

(a) Interest rate risk *(Continued)*

(ii) Interest rate sensitivity analysis *(Continued)*

The impact on other comprehensive income reflects the effect of certain interest rate changes on fair value of debt instruments measured at fair value through other comprehensive income held at the end of the period/year, whose fair value changes are recorded as an element of other comprehensive income.

The above interest rate sensitivity analysis assumes that all assets and liabilities repriced or matured within three months and three months to one year are to be repriced or matured in the middle of the relevant period, and the yield curve moves in parallel with the change of interest rate, does not incorporate actions that would be taken by management to mitigate the impact of interest rate risk. As the actual situation and assumptions maybe different, the actual changes in the Group's net interest income and equity caused by the increase or decrease in interest rates may be different from the results of this sensitivity analysis.

(b) Foreign currency risk

Foreign currency risk is the risk of loss, which results from negative movements in foreign exchange rates. The Group conducts its businesses mainly in RMB, with certain transactions denominated in USD, HKD and to a lesser extent in other currencies. The Group's foreign currency transactions mainly involve foreign currency treasury business, deposits, loans and advances, foreign exchanges and derivatives. The Group's foreign currency risk mainly arises from currency mismatch between foreign currency assets and liabilities and currency derivatives.

The Group controls foreign currency risk by setting relevant limits, taking the initiative to adjust the structure of foreign currency assets for a proper matching of currency structure of assets and liabilities, and applying appropriate exchange rate financial derivatives to manage foreign currency asset and liability portfolios and structural positions. Meanwhile, the Group conducts foreign currency sensitivity analysis on a regular basis.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(b) Foreign currency risk (Continued)

(i) Exposure to foreign currency risk

As at the balance sheet date, the exposure to foreign currency risk are as follows:

	As at 30 June 2025 (Unaudited)				Total
	RMB	USD RMB equivalent	HKD RMB equivalent	Other currencies RMB equivalent	
Financial assets					
Cash and balances with central bank	56,514,184	59,468	264	1,328	56,575,244
Deposits with banks and other financial institutions	40,742,996	412,673	189,892	55,354	41,400,915
Placements with banks and other financial institutions	90,013,289	6,043,397	-	-	96,056,686
Derivative financial assets	242,154	16,974	-	-	259,128
Financial assets held under resale agreements	29,100,889	-	-	-	29,100,889
Loans and advances to customers	732,924,233	621,249	-	-	733,545,482
Financial investments (Note i)	651,100,332	676,528	-	-	651,776,860
Other financial assets	1,426,749	-	-	-	1,426,749
Total financial assets	1,602,064,826	7,830,289	190,156	56,682	1,610,141,953
Financial liabilities					
Borrowings from central bank	98,013,534	-	-	-	98,013,534
Deposits from banks and other financial institutions	2,345,635	-	-	-	2,345,635
Placements from banks and other financial institutions	58,267,849	3,375,976	-	-	61,643,825
Financial liabilities measured at fair value through profit or loss	11,706,089	-	-	-	11,706,089
Derivative financial liabilities	18,321	394	-	-	18,715
Financial assets sold under repurchase agreements	91,519,966	-	-	-	91,519,966
Deposits from customers	1,024,409,021	753,524	1,074	31,324	1,025,194,943
Debt securities issued	184,689,992	-	-	-	184,689,992
Lease liabilities	176,000	-	-	-	176,000
Other financial liabilities	8,786,833	36,156	-	15	8,823,004
Total financial liabilities	1,479,933,240	4,166,050	1,074	31,339	1,484,131,703
Net position	122,131,586	3,664,239	189,082	25,343	126,010,250
Loan commitments	38,881,071	89,060	-	162,075	39,132,206

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(2) Market risk (Continued)

(b) Foreign currency risk (Continued)

(i) Exposure to foreign currency risk (Continued)

	As at 31 December 2024 (Audited)				
	RMB	USD RMB equivalent	HKD RMB equivalent	Other currencies RMB equivalent	Total
Financial assets					
Cash and balances with central bank	51,164,570	39,022	414	–	51,204,006
Deposits with banks and other financial institutions	20,332,663	439,728	197,306	63,230	21,032,927
Placements with banks and other financial institutions	89,851,725	588,795	–	–	90,440,520
Derivative financial assets	3,776	1,519	–	–	5,295
Financial assets held under resale agreements	20,937,314	–	–	–	20,937,314
Loans and advances to customers	683,421,414	409,268	–	–	683,830,682
Financial investments (Note i)	627,611,723	391,407	–	–	628,003,130
Other financial assets	1,034,786	–	–	–	1,034,786
Total financial assets	1,494,357,971	1,869,739	197,720	63,230	1,496,488,660
Financial liabilities					
Borrowings from central bank	103,007,638	–	–	–	103,007,638
Deposits from banks and other financial institutions	3,031,742	–	–	–	3,031,742
Placements from banks and other financial institutions	60,899,925	665,833	–	–	61,565,758
Financial liabilities measured at fair value through profit or loss	9,878,249	–	–	–	9,878,249
Derivative financial liabilities	146	331	2,663	–	3,140
Financial assets sold under repurchase agreements	71,937,669	–	–	–	71,937,669
Deposits from customers	941,453,420	447,214	8,065	37,458	941,946,157
Debt securities issued	171,657,542	–	–	–	171,657,542
Lease liabilities	146,181	–	–	–	146,181
Other financial liabilities	10,458,076	35,090	–	336	10,493,502
Total financial liabilities	1,372,470,588	1,148,468	10,728	37,794	1,373,667,578
Net position	121,887,383	721,271	186,992	25,436	122,821,082
Loan commitments	37,526,153	82,587	–	1,562	37,610,302

Note i Financial investments comprise financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(2) Market risk *(Continued)*

(b) Foreign currency risk *(Continued)*

(ii) Foreign currency sensitivity analysis

The table below indicates the potential effect of an appreciation or depreciation of RMB spot and forward exchange rate against USD by 5% on net profit.

	Sensitivity of net profit and equity	
	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Unaudited)
RMB 5% appreciation	(137,409)	(27,048)
RMB 5% depreciation	137,409	27,048

The impact on the net profit arises from the effects of movement in RMB exchange rate on the net positions of foreign monetary assets and liabilities. Changes in foreign exchange rate will not affect other comprehensive income.

The effect on the net profit is based on the assumption that the Group's net foreign currency at the end of the reporting period remains unchanged. The Group mitigates its foreign currency risk through active management of its foreign currency exposures, based on the management expectation of future foreign currency movements, and therefore the above sensitivity analysis may differ to the actual situation.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT *(Continued)*

(3) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from cash flow or maturity mismatches of assets and liabilities.

The Asset and Liability Management Committee of the Group mapped out the index management system of the ratios of asset and liability structure, based on the principles of liquidity, safety, and profitability; determines annual target values of these indexes in accordance with regulatory requirement and business plan; and allocates the tasks to branches for implementation.

The Group established the supervision system of indexes of asset and liability management, the liquidity reverse system, and relevant emergency management measures, to reduce the liquidity risk of the Group. The Group worked out the regulatory indicators of liquidity in accordance with the requirement of the regulator, and reported to the regulator periodically.

The assets which can be used for repaying debt and paying for the outstanding credit commitments contain cash and balances with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets measured at fair value through profit or loss, and so forth. In normal operation, majority of deposits will not be withdrawn immediately on the maturity date. Therefore, the Group will retain this part of cash flow.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk (Continued)

(a) Maturity analysis

The table below summarises the maturity analysis of financial assets and liabilities by remaining contractual maturities at the end of the reporting period.

	As at 30 June 2025 (Unaudited)							
	Overdue/ undated	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets								
Cash and balances with central bank	50,801,234	5,751,202	-	22,808	-	-	-	56,575,244
Deposits with banks and other financial institutions	-	8,058,255	5,492,042	6,560,055	20,951,769	338,794	-	41,400,915
Placements with banks and other financial institutions	-	-	14,274,728	22,401,878	48,457,863	10,922,217	-	96,056,686
Derivative financial assets	-	-	12,079	222,591	21,738	2,720	-	259,128
Financial assets held under resale agreements	-	-	29,100,889	-	-	-	-	29,100,889
Loans and advances to customers	2,709,557	-	28,215,757	33,380,775	234,124,036	200,481,301	234,634,056	733,545,482
Financial investments (Note 1)	2,362,049	43,907,467	16,574,611	29,571,101	81,520,257	278,779,052	199,062,323	651,776,860
Other financial assets	20,341	1,406,408	-	-	-	-	-	1,426,749
Total financial assets	55,893,181	59,123,332	93,670,106	92,159,208	385,075,663	490,524,084	433,696,379	1,610,141,953
Financial liabilities								
Borrowings from central bank	-	-	2,067,938	17,525,057	78,420,539	-	-	98,013,534
Deposits from banks and other financial institutions	-	1,334,069	-	1,011,566	-	-	-	2,345,635
Placements from banks and other financial institutions	-	-	6,977,862	18,253,078	32,205,601	4,207,284	-	61,643,825
Financial liabilities measured at fair value through profit or loss	-	5,267,345	1,075,454	765,909	4,597,381	-	-	11,706,089
Derivative financial liabilities	-	-	394	915	17,406	-	-	18,715
Financial assets sold under repurchase agreements	-	-	73,738,531	2,934,050	14,847,385	-	-	91,519,966
Deposits from customers	-	267,619,803	26,983,757	54,755,162	486,863,504	188,972,710	7	1,025,194,943
Debt securities issued	-	-	46,341,805	67,392,588	65,847,396	5,108,203	-	184,689,992
Lease liabilities	-	-	15,295	7,521	34,804	107,112	11,268	176,000
Other financial liabilities	-	2,593,001	764,547	416,210	1,219,031	3,332,099	498,116	8,823,004
Total financial liabilities	-	276,814,218	157,965,583	163,062,056	684,053,047	201,727,408	509,391	1,484,131,703
Net position	55,893,181	(217,690,886)	(64,295,477)	(70,902,848)	(298,977,384)	288,796,676	433,186,988	126,010,250

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk (Continued)

(a) Maturity analysis (Continued)

	As at 31 December 2024 (Audited)							
	Overdue/ undated	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets								
Cash and balances with central bank	47,228,520	3,952,338	-	23,148	-	-	-	51,204,006
Deposits with banks and other financial institutions	-	8,636,864	1,531,334	652,453	9,928,135	284,141	-	21,032,927
Placements with banks and other financial institutions	-	-	10,261,571	20,512,250	54,185,451	5,481,248	-	90,440,520
Derivative financial assets	-	-	118	1,650	2,508	1,019	-	5,295
Financial assets held under resale agreements	-	-	20,937,314	-	-	-	-	20,937,314
Loans and advances to customers	2,568,624	-	38,297,029	38,196,544	211,962,731	188,917,530	203,888,224	683,830,682
Financial investments (Note i)	1,833,626	36,419,015	5,091,419	19,188,740	97,396,914	271,073,035	197,000,381	628,003,130
Other financial assets	20,613	1,014,173	-	-	-	-	-	1,034,786
Total financial assets	51,651,383	50,022,390	76,118,785	78,574,785	373,475,739	465,756,973	400,888,605	1,496,488,660
Financial liabilities								
Borrowings from central bank	-	-	3,618,123	12,596,920	86,792,595	-	-	103,007,638
Deposits from banks and other financial institutions	-	1,026,093	-	-	2,005,649	-	-	3,031,742
Placements from banks and other financial institutions	-	-	5,491,801	7,207,708	44,047,803	4,818,446	-	61,565,758
Financial liabilities measured at fair value through profit or loss	-	4,395,322	-	353,339	4,718,586	411,002	-	9,878,249
Derivative financial liabilities	-	-	2,779	96	265	-	-	3,140
Financial assets sold under repurchase agreements	-	-	64,442,895	68,618	7,426,156	-	-	71,937,669
Deposits from customers	-	268,632,900	100,452,031	223,265,496	183,904,191	165,691,536	3	941,946,157
Debt securities issued	-	-	5,666,477	7,259,452	151,653,542	7,078,071	-	171,657,542
Lease liabilities	-	-	61,826	551	20,116	56,155	7,533	146,181
Other financial liabilities	-	5,048,060	191,410	425,753	845,192	3,449,886	533,201	10,493,502
Total financial liabilities	-	279,102,375	179,927,342	251,177,933	481,414,095	181,505,096	540,737	1,373,667,578
Net position	51,651,383	(229,079,985)	(103,808,557)	(172,603,148)	(107,938,356)	284,251,877	400,347,868	122,821,082

Note i Financial investments comprise financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk (Continued)

(b) Analysis of the undiscounted contractual cash flows

The tables below presents the cash flows of financial assets and financial liabilities by remaining contractual maturities at the end of each reporting period. The Group's actual cash flows on these instruments may vary significantly from this analysis.

	As at 30 June 2025 (Unaudited)							
	Overdue/ undated	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets								
Cash and balances with central bank	50,801,234	5,751,202	-	22,808	-	-	-	56,575,244
Deposits with banks and other financial institutions	-	8,058,255	5,496,418	6,582,024	21,176,057	346,871	-	41,659,625
Placements with banks and other financial institutions	-	-	14,289,841	22,488,118	49,078,109	11,253,363	-	97,109,431
Financial assets held under resale agreements	-	-	29,103,586	-	-	-	-	29,103,586
Loans and advances to customers	3,546,366	-	28,937,333	34,833,452	247,075,565	233,040,920	391,388,668	938,822,304
Financial investments (Note 1)	2,362,049	43,907,467	17,894,402	32,171,588	92,330,478	315,128,046	223,020,471	726,814,501
Other financial assets	20,341	1,406,408	-	-	-	-	-	1,426,749
Total financial assets	56,729,990	59,123,332	95,721,580	96,097,990	409,660,209	559,769,200	614,409,139	1,891,511,440
Financial liabilities								
Borrowings from central bank	-	-	2,217,039	17,685,793	78,979,417	-	-	98,882,249
Deposits from banks and other financial institutions	-	1,334,069	-	1,015,917	-	-	-	2,349,986
Placements from banks and other financial institutions	-	-	6,986,795	18,320,935	32,564,299	4,353,056	-	62,225,085
Financial liabilities measured at fair value through profit or loss	-	5,267,345	1,075,454	765,909	4,597,381	-	-	11,706,089
Financial assets sold under repurchase agreements	-	-	73,745,096	2,941,300	14,920,669	-	-	91,607,065
Deposits from customers	-	267,619,803	27,005,879	54,920,304	492,406,036	197,230,076	8	1,039,182,106
Debt securities issued	-	-	46,386,892	67,631,836	66,347,990	5,248,203	-	185,614,921
Lease liabilities	-	-	15,634	7,848	37,563	112,168	11,629	184,842
Other financial liabilities	-	2,593,001	764,547	416,210	1,219,031	3,332,099	498,116	8,823,004
Total financial liabilities	-	276,814,218	158,197,336	163,706,052	691,072,386	210,275,602	509,753	1,500,575,347
Net position	56,729,990	(217,690,886)	(62,475,756)	(67,608,062)	(281,412,177)	349,493,598	613,899,386	390,936,093
Derivative financial instruments								
Settled by total amount								
- Total inflows	-	-	1,826,854	3,508,716	2,393,175	2,720	-	7,731,465
- Total outflows	-	-	(1,815,169)	(3,287,040)	(2,388,843)	-	-	(7,491,052)
Total derivative financial instruments	-	-	11,685	221,676	4,332	2,720	-	240,413
Loan commitments	1,026,832	29,485,584	2,232,474	2,675,705	2,396,257	1,284,862	30,492	39,132,206

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

49 FINANCIAL RISK MANAGEMENT (Continued)

(3) Liquidity risk (Continued)

(b) Analysis of the undiscounted contractual cash flows (Continued)

	As at 31 December 2024 (Audited)							Total
	Overdue/ undated	On demand	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Financial assets								
Cash and balances with central bank	47,228,520	3,952,338	-	23,148	-	-	-	51,204,006
Deposits with banks and other financial institutions	-	8,636,864	1,531,520	654,444	10,041,313	290,472	-	21,154,613
Placements with banks and other financial institutions	-	-	10,270,103	20,588,030	54,823,910	5,670,699	-	91,352,742
Financial assets held under resale agreements	-	-	20,941,031	-	-	-	-	20,941,031
Loans and advances to customers	3,326,994	-	39,510,754	40,167,263	231,752,194	220,192,023	344,174,850	879,124,078
Financial investments (Note i)	1,833,626	36,419,015	6,405,663	21,809,439	108,496,588	308,580,160	219,890,423	703,434,914
Other financial assets	20,613	1,014,173	-	-	-	-	-	1,034,786
Total financial assets	52,409,753	50,022,390	78,659,071	83,242,324	405,114,005	534,733,354	564,065,273	1,768,246,170
Financial liabilities								
Borrowings from central bank	-	-	3,781,097	12,759,100	87,769,528	-	-	104,309,725
Deposits from banks and other financial institutions	-	1,026,093	-	-	2,027,130	-	-	3,053,223
Placements from banks and other financial institutions	-	-	5,496,804	7,242,633	44,645,567	5,027,724	-	62,412,728
Financial liabilities measured at fair value through profit or loss	-	4,395,322	-	353,339	4,718,586	411,002	-	9,878,249
Financial assets sold under repurchase agreements	-	-	64,453,940	68,820	7,463,401	-	-	71,986,161
Deposits from customers	-	268,632,900	100,559,162	223,984,070	185,868,103	172,719,515	4	951,763,754
Debt securities issued	-	-	5,670,000	7,290,000	153,516,153	7,276,071	-	173,752,224
Lease liabilities	-	-	62,151	1,147	22,440	60,866	7,989	154,593
Other financial liabilities	-	5,048,060	191,410	425,753	845,192	3,449,886	533,201	10,493,502
Total financial liabilities	-	279,102,375	180,214,564	252,124,862	486,876,100	188,945,064	541,194	1,387,804,159
Net position	52,409,753	(229,079,985)	(101,555,493)	(168,882,538)	(81,762,095)	345,788,290	563,524,079	380,442,011
Derivative financial instruments								
Settled by total amount								
- Total inflows	-	-	252,617	10,755	234,626	1,019	-	499,017
- Total outflows	-	-	(255,277)	(9,201)	(232,383)	-	-	(496,861)
Net position	-	-	(96)	-	(19)	-	-	(115)
Total derivative financial instruments	-	-	(2,756)	1,554	2,224	1,019	-	2,041
Loan commitments	756,772	28,583,019	1,698,407	2,607,619	2,624,035	1,309,958	30,492	37,610,302

Note i Financial investments comprise financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

50 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(1) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) active market for identical assets or liabilities.
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In estimating fair value of an asset or a liability, the Group uses market-observable data to the extent it is available such as the market price of listed equity securities on exchanges. Where Level 1 inputs are not available, fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models, including discounted cash flow analysis, using prices from observable current market transactions for similar instruments to the extent available.

The main valuation techniques used by the Group is the discounted cash flow model for financial instruments. The main inputs used in discounted cash flow model include recent transaction prices, interest rates and counterparty credit spreads, as appropriate. If these parameters used are substantively based on observable market data and/or obtainable from active open market, the instruments are classified as Level 2.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

50 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(1) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

The following tables give the three levels of the fair value hierarchies about carrying amount of the Group's financial instruments measured at fair value:

	As at 30 June 2025 (Unaudited)			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
Assets				
Derivative financial assets	–	259,128	–	259,128
Loans and advances to customers	–	–	48,476,159	48,476,159
Financial assets measured at fair value through profit or loss				
– Debt securities	–	18,036,427	–	18,036,427
– Funds	42,186,140	20,488,270	–	62,674,410
– Asset management plans and trust plans	1,033,664	–	303,070	1,336,734
– Interbank certificates of deposit	–	22,656,502	–	22,656,502
– Wealth management products	686,657	714,405	–	1,401,062
– Other investments	301,245	–	8,956	310,201
Financial assets measured at fair value through other comprehensive income				
– Debt securities	–	245,698,304	–	245,698,304
– Interbank certificates of deposit	–	25,853,575	–	25,853,575
– Equity instruments	1,235,281	–	775,056	2,010,337
Total assets measured at fair value on a recurring basis	<u>45,442,987</u>	<u>333,706,611</u>	<u>49,563,241</u>	<u>428,712,839</u>
Liabilities				
Placements from banks and other financial institutions	–	(2,941,493)	–	(2,941,493)
Financial liabilities measured at fair value through profit or loss	(5,267,345)	(6,438,744)	–	(11,706,089)
Derivative financial liabilities	–	(18,715)	–	(18,715)
Total liabilities measured at fair value on a recurring basis	<u>(5,267,345)</u>	<u>(9,398,952)</u>	<u>–</u>	<u>(14,666,297)</u>

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

50 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(1) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

	As at 31 December 2024 (Audited)			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
Assets				
Derivative financial assets	–	5,295	–	5,295
Loans and advances to customers	–	–	63,633,636	63,633,636
Financial assets measured at fair value through profit or loss				
– Debt securities	–	14,941,035	–	14,941,035
– Funds	34,914,102	22,255,849	–	57,169,951
– Asset management plans and trust plans	1,156,803	–	23,516	1,180,319
– Interbank deposit certificates	–	10,086,339	–	10,086,339
– Wealth management products	324,594	523,415	–	848,009
– Other investments	320,204	–	8,956	329,160
Financial assets measured at fair value through other comprehensive income				
– Debt securities	–	204,325,687	–	204,325,687
– Interbank deposit certificates	–	40,499,007	–	40,499,007
– Equity instruments:	600,561	–	775,056	1,375,617
Total assets measured at fair value on a recurring basis	37,316,264	292,636,627	64,441,164	394,394,055
Liabilities				
Financial liabilities measured at fair value through profit or loss				
– Derivative financial liabilities	(4,395,322)	(5,482,927)	–	(9,878,249)
Derivative financial liabilities	–	(3,140)	–	(3,140)
Total liabilities measured at fair value on a recurring basis	(4,395,322)	(5,486,067)	–	(9,881,389)

There were no significant transfers of the Group's financial assets and liabilities between all levels during the reporting period.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

50 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(1) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

(a) Level 1 fair value measurement

If there is a reliable quoted price in an active market (such as an authorized stock exchange or an active open-end fund manager), the closing price or redemption price in the active market on the last trading day before balance sheet date shall be used as fair value.

(b) Level 2 fair value measurement

Financial instruments of the Group that are classified as level 2 mainly include debt securities, interbank deposit certificates, open-ended funds with fixed open term and WMPs.

The fair value of debt securities and interbank deposit certificates are determined using valuation results provided by the securities clearing institutions and exchanges. The fair value of open-ended funds with fixed open term and WMPs are based on net value per unit provided by managers. Observable inputs that reflect market conditions were adopted by relevant institutions in the valuation process.

(c) Level 3 fair value measurement

The Group has developed relevant processes to determine the appropriate valuation techniques and inputs used in continuous level 3 fair value measurement, and regularly review the relevant processes and the appropriateness of the determination of fair value.

Financial instruments of the Group that are classified as level 3 mainly include discounted bills, asset management plans, trust plans and unlisted foreclosed equity. Their fair values are based on net asset provided by third parties or fair values of underlying assets (mainly include bonds traded in inter-bank bond market and money market financial instruments), or calculated using discounted cash flows with unobservable inputs including risk adjusted discount rate.

The above assumptions and methods provide a unified basis for calculation of fair value of the Group's assets and liabilities. However, since other institutions may use different methods and assumptions, the fair values disclosed by different financial institutions may not be completely comparable.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

50 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(2) Reconciliation from the opening balances to the ending balances for fair value measurement in level 3 of the fair value hierarchy

For the six months ended 30 June 2025 (Unaudited)

	Total gains and losses during the period			Additions and settlements		For asset held and liabilities assumed at the end of the period, unrealised gains or losses recognised in profit or loss during the period	
	As at 1 January 2025	Recognised		Purchases	Settlements	As at 30 June 2025	
		Recognised in other comprehensive income	in other comprehensive income				
Assets							
Loans and advances to customers							
- Loans and advances measured at fair value through other comprehensive income	63,633,636	209,960	(26,123)	58,260,077	(73,601,391)	48,476,159	-
Financial assets measured at fair value through profit or loss							
- Asset management plans and trust plans	23,516	(64,118)	-	343,672	-	303,070	(64,118)
- Other investments	8,956	-	-	-	-	8,956	-
Financial assets measured at fair value through other comprehensive income							
- Unlisted equity securities	775,056	-	-	-	-	775,056	-
Total	64,441,164	145,842	(26,123)	58,603,749	(73,601,391)	49,563,241	(64,118)

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

50 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(2) Reconciliation from the opening balances to the ending balances for fair value measurement in level 3 of the fair value hierarchy (Continued)

For the year ended 31 December 2024 (Audited)

			Total gains and losses during the year		Additions and settlements		For asset held and liabilities assumed at the end of the year, unrealised gains or losses recognised in profit or loss during the year	
	As at 1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	Purchases	Settlements			
			As at 31 December 2024					
Assets								
Derivative instruments								
- Derivative financial assets	1,511	(709)	-	-	(802)	-	-	
Loans and advances to customers								
- Loans and advances measured at fair value through other comprehensive income	58,006,784	799,453	37,897	160,242,832	(155,453,330)	63,633,636	-	
Financial assets measured at fair value through profit or loss								
- Asset management plans and trust plans	274,640	(247,580)	-	-	(3,544)	23,516	(247,782)	
- Other investments	10,051	2,378	-	-	(3,473)	8,956	(1,095)	
Financial assets measured at fair value through other comprehensive income								
- Unlisted equity securities	768,052	-	6,730	274	-	775,056	-	
Total	59,061,038	553,542	44,627	160,243,106	(155,461,149)	64,441,164	(248,877)	

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

50 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

(3) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not measured at their fair values. Financial assets and liabilities for which the carrying amounts approximate their fair values, such as balances with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, borrowings from central bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements and Deposits from customers are not included in the table below.

	As at 30 June 2025 (Unaudited)		As at 31 December 2024 (Audited)	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets measured at amortised cost	271,799,308	289,837,931	297,248,006	318,104,431
Financial liabilities				
Debt securities issued	184,689,992	184,838,977	171,657,542	172,087,632

Fair values of these financial assets and financial liabilities not measured at fair value are determined as follows:

- Fair values of investments in debt securities, interbank deposit certificates and debt securities issued are measured based on the quotes provided by the securities clearing institutions. Observable inputs that reflect market conditions are used by quotation institutions when preparing the quotation.
- There is no quoted price of market or referable organisations for trust plans and debt financing plans included in financial assets measured at amortised cost. Therefore, fair values of those investments are determined by using the discounted cash flow method with credit risk adjusted yield curve of relevant investments at the end of the reporting period.

Notes to the Interim Condensed Consolidated Financial Statements (Continued)

(Amounts in thousands of Renminbi, unless otherwise stated)

51 CAPITAL MANAGEMENT

The goal of the Group's capital management is to mainly accumulate internal capital, with external capital as supplement, to effectively balance capital supply and demand, to strengthen capital restrictions and guidance to the business, so as to maintain a capital level that is consistently higher than regulatory requirements, and to reserve a certain room for margin and buffer as security.

The Group calculate capital adequacy ratios in accordance with the Administrative Measures on the Capital of Commercial Banks issued by NFRA. The credit risk was measured at weight method, the market risk was measured at simplified standard method and the operational risk was measured at standard method. As at 30 June 2025 and 31 December 2024, the Group is in compliance with these legal and regulatory requirements.

More details of capital management, please refer to the 2025 interim Pillar 3 Report published in the "investor relations – capital supervision" column on the website of the Bank.

	As at 30 June 2025 (Unaudited)	As at 31 December 2024 (Audited)
Net core tier-one capital	131,680,036	126,455,855
Net tier-one capital	137,825,965	132,591,896
Net capital base	149,546,486	143,119,967

52 EVENTS AFTER THE REPORTING PERIOD

The bank intends to implement the interim dividends distribution proposal. The specific plan will be announced and implemented after fulfilling the corporate governance procedures.

In addition to the above matters, the Group and the Bank have no significant events after the reporting period.

Unreviewed Supplementary Financial Information

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

LIQUIDITY RATIO (EXPRESSED IN PERCENTAGE)

The Group

	As at 30 June 2025	As at 31 December 2024
RMB current assets to RMB current liabilities	100.66	93.99
Foreign currency current assets to foreign currency current liabilities	29.72	53.58

LIQUIDITY COVERAGE RATIO (EXPRESSED IN PERCENTAGE)

The Group

	As at 30 June 2025	As at 31 December 2024
Liquidity coverage ratio	433.10	562.36

Unreviewed Supplementary Financial Information (Continued)

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

CURRENCY CONCENTRATIONS

The Group

	Equivalent in Renminbi			
	USD	HKD	Others	Total
As at 30 June 2025				
Spot assets	7,310.9	190.6	56.6	7,558.1
Spot liabilities	(3,818.9)	(189.4)	(2,970.1)	(6,978.4)
Forward purchases	1,020.0	–	2,938.7	3,958.7
Forward sales	(3,795.3)	–	–	(3,795.3)
Net position	<u>716.7</u>	<u>1.2</u>	<u>25.2</u>	<u>743.1</u>
As at 31 December 2024				
Spot assets	1,627.1	198.2	63.5	1,888.8
Spot liabilities	(924.6)	(199.3)	(37.8)	(1,161.7)
Forward purchases	122.3	253.3	–	375.6
Forward sales	(122.1)	–	–	(122.1)
Net position	<u>702.7</u>	<u>252.2</u>	<u>25.7</u>	<u>980.6</u>

Unreviewed Supplementary Financial Information (Continued)

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

INTERNATIONAL CLAIMS

The Group is principally engaged in business operations within Mainland China, the Group's international claims are the sum of cross-border claims in all currencies and local claims in foreign currencies.

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

International claims are disclosed based on different countries or regions. A country or region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfer. Risk transfer is 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.

	Banks and other financial institutions	Non-bank private sectors	Total
As at 30 June 2025			
Asia Pacific	6,577.4	1,311.9	7,889.3
– of which attributed to Hong Kong	1,195.7	–	1,195.7
North America	148.2	–	148.2
Europe	16.5	–	16.5
Total	6,742.1	1,311.9	8,054.0
 As at 31 December 2024			
Asia Pacific	1,127.9	807.9	1,935.8
– of which attributed to Hong Kong	320.0	–	320.0
North America	188.6	–	188.6
Europe	16.2	–	16.2
Total	1,332.7	807.9	2,140.6

Unreviewed Supplementary Financial Information (Continued)

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

SUMMARY OF INFORMATION ON GEOGRAPHICAL SEGMENTS

When information is prepared based on the geographical segments, total operating income is allocated in accordance with the locations of branches recording the income. The table below sets forth the total operating income attributable to county area branches and urban area branches for the periods indicated.

	As at 30 June 2025			As at 30 June 2024		
	Country Area ⁽¹⁾	Urban Area	Total	Country Area ⁽¹⁾	Urban Area	Total
Net interest income	6,004.8	5,739.2	11,744.0	1,676.5	9,404.5	11,081.0
Net fee and commission income	412.2	367.6	779.8	352.2	546.4	898.6
Net trading gains	-	734.7	734.7	-	1,402.9	1,402.9
Share of profits of associates	-	29.0	29.0	-	12.0	12.0
Other operating income, net	9.8	65.5	75.3	12.4	162.6	175.0
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	-	995.6	995.6	-	190.7	190.7
Net gains on derecognition of financial assets measured at amortised cost	-	377.4	377.4	-	882.0	882.0
Total operating income	6,426.8	8,309.0	14,735.8	2,041.1	12,601.1	14,642.2
Internal transfer of income and expenses	-	-	-	4,892.4	(4,892.4)	-
Income after adjustment	<u>6,426.8</u>	<u>8,309.0</u>	<u>14,735.8</u>	<u>6,933.5</u>	<u>7,708.7</u>	<u>14,642.2</u>

(1) County Area refers to regions other than Urban Area of Chongqing City. The information of County Area also includes the information of the twelve village and township bank subsidiaries and the information of Qujing Branch.

Unreviewed Supplementary Financial Information (Continued)

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

ABSTRACT OF GEOGRAPHICAL SEGMENTS

(Expressed in percentage)	As at 30 June 2025		As at 31 December 2024	
	Country Area	Urban Area	Country Area	Urban Area
Deposits	73.28	26.72	73.53	26.47
Loans	50.72	49.28	48.38	51.62
Assets	53.12	46.88	52.77	47.23
Loan-deposit ratio	51.67	137.65	49.89	147.87

(Expressed in percentage)	As at 30 June 2025		As at 31 December 2024	
	Country Area	Urban Area	Country Area	Urban Area
Return on average total assets	0.71	1.32	0.76	0.85
Net fee and commission income to operating income	6.41	4.42	5.25	6.14
Cost-to-income ratio	31.25	23.41	33.74	30.71

CAPITAL ADEQUACY RATION

The Group calculated the following core tier-one capital adequacy ratio, tier-one capital adequacy ratio and capital adequacy ratio in accordance with the Administrative Measures on the Capital of Commercial Banks and relevant requirements promulgated by regulator.

	As at 30 June 2025	As at 31 December 2024
Core tier-one capital adequacy ratio	13.30%	14.24%
Tier-one capital adequacy ratio	13.93%	14.93%
Capital adequacy ratio	15.11%	16.12%
Components of capital base		
Core tier-one capital:		
Share capital	11,357,000	11,357,000
Valid portion of capital reserve	20,893,824	20,892,772
Surplus reserve and general reserve	37,391,945	36,251,930
Retained earnings	58,716,000	53,486,813
Valid portion of non-controlling interests	1,112,110	1,037,946
Others	2,913,817	4,147,550

Unreviewed Supplementary Financial Information (Continued)

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

CAPITAL ADEQUACY RATION *(Continued)*

	As at 30 June 2025	As at 31 December 2024
Total core tier-one capital	132,384,696	127,174,011
Deductions:		
Goodwill	(440,129)	(440,129)
Other intangible assets	(267,126)	(283,217)
Other deductible items from core tier-one capital	<u>2,595</u>	<u>5,190</u>
Net core tier-one capital	<u>131,680,036</u>	<u>126,455,855</u>
Other tier-one capital:		
Other equity instruments	5,997,648	5,997,648
Non-controlling interests	<u>148,281</u>	<u>138,393</u>
Net tier-one capital	<u>137,825,965</u>	<u>132,591,896</u>
Tier-two capital:		
Surplus provision for impairment	11,423,958	10,251,285
Valid portion of non-controlling interests	<u>296,563</u>	<u>276,786</u>
Net capital base	<u>149,546,486</u>	<u>143,119,967</u>
Risk-weighted assets:		
Credit risk-weighted assets	925,340,589	830,354,125
Market risk-weighted assets	12,602,036	5,923,987
Operational risk-weighted assets	51,774,504	51,774,504