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**晋商银行**  
Jinshang Bank

**JINSHANG BANK CO., LTD.\***

**晉商銀行股份有限公司\***

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

**(Stock Code: 2558)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

The board (“**Board**”) of directors (the “**Director(s)**”) of Jinshang Bank Co., Ltd.\* (the “**Bank**”) is pleased to announce the unaudited consolidated interim results of the Bank and its subsidiary for the six months ended June 30, 2025. This announcement, containing the full text of the 2025 interim report of the Bank, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results. The 2025 interim report of the Bank will be published on the websites of the Bank ([www.jshbank.com](http://www.jshbank.com)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) in September 2025, and the printed version will be despatched to the holders of H shares of the Bank who have indicated their intention to receive printed copies of the Bank’s corporate communications.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT

Both the Chinese and English versions of this interim results announcement are available on the websites of the Bank ([www.jshbank.com](http://www.jshbank.com)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). In the event of any discrepancies in interpretations between the English version and Chinese version, the Chinese version shall prevail.

By order of the Board  
**Jinshang Bank Co., Ltd.\***  
**HAO Qiang**  
*Executive Director and Chairwoman*

Taiyuan, August 27, 2025

*As at the date of this announcement, the Board of Directors of the Bank comprises Ms. HAO Qiang, Mr. ZHANG Yunfei and Mr. WANG Qi as executive Directors; Mr. WU Canming, Mr. MA Hongchao, Mr. LIU Chenhang, Mr. LI Yang and Mr. WANG Jianjun as non-executive Directors; Mr. WANG Liyan, Mr. DUAN Qingshan, Mr. SAI Zhiyi, Ms. HU Zhihong and Mr. CHAN Ngai Sang Kenny as independent non-executive Directors.*

\* *Jinshang Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*

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## DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Articles of Association”	the articles of association of the Bank, as amended, supplemented or otherwise modified from time to time
“Bank” or “our Bank”	Jinshang Bank Co., Ltd (晉商銀行股份有限公司), a joint stock company established on October 16, 1998 in the PRC with limited liability pursuant to the relevant PRC laws and regulations, and, if the context requires, includes its predecessors, branches and sub-branches, excluding its subsidiary
“Board” or “Board of Directors”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“China” or “PRC”	the People’s Republic of China
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	ordinary shares issued by the Bank with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“former CBIRC”	former China Banking and Insurance Regulatory Commission* (原中國銀行保險監督管理委員會), whose functions are now exercised by the National Financial Regulatory Administration
“former CBIRC Shanxi Office”	former China Banking and Insurance Regulatory Commission Shanxi Office* (原中國銀行保險監督管理委員會山西監管局), whose functions are now exercised by the Shanxi Supervision Bureau of National Financial Regulatory Administration
“Group”, “we” or “us”	the Bank together with its subsidiary, and, if the context requires, includes its predecessors, branches and sub-branches

## DEFINITIONS

“H Shares”	the ordinary shares issued by the Bank with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PBoC” or “the central bank”	the People’s Bank of China* (中國人民銀行)
“PRC Company Law”	the Company Law of the PRC
“Reporting Period”	the six months ended June 30, 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanxi Supervision Bureau”	Shanxi Supervision Bureau of National Financial Regulatory Administration* (國家金融監督管理總局山西監管局)
“Shareholder(s)”	the holder(s) of the Shares of the Bank
“Shares”	ordinary shares in the share capital of the Bank with a nominal value of RMB1.00 each
“subsidiary(ies)”	has the meaning ascribed to it under Section 2 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supervisor(s)”	the supervisor(s) of the Bank
“%”	per cent

\* For identification purposes only

# CORPORATE INFORMATION

## 1 BASIC INFORMATION OF THE COMPANY

Legal Chinese Name	晉商銀行股份有限公司*
Abbreviation in Chinese	晉商銀行
Legal English Name	Jinshang Bank Co., Ltd.
Abbreviation in English	Jinshang Bank
Legal Representative	HAO Qiang <sup>1</sup>
Authorized Representatives	HAO Qiang, WONG Wai Chiu
Company Secretary	WONG Wai Chiu
Registered Address and Address of Headquarters	No. 59 Changfeng Street, Xiaodian District, Taiyuan, Shanxi Province, the PRC
Principal Place of Business in Hong Kong	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong
Tel	(86) 0351-7812583
Fax	(86) 0351-6819503
E-mail	dongban@jshbank.com
Website	www.jshbank.com
Website of the Hong Kong Stock Exchange for publishing the H-share interim report	www.hkexnews.hk

### Notes:

1 According to the Articles of Association, the chairwoman of the Bank is the legal representative.

\* Jinshang Bank Co., Ltd. is not an authorized institution within the meaning of the 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 and/or deposit-taking business in Hong Kong.

## CORPORATE INFORMATION

Initial Registration Date	October 16, 1998
Unified Social Credit Code	911400007011347302
Financial License Institution Number	B0116H214010001
Listing Place of H Shares	The Stock Exchange of Hong Kong Limited
Stock Name	JINSHANG BANK
Stock Code	2558
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
PRC Legal Advisor	Jun He Law Offices 20/F, China Resources Building 8 Jianguomenbei Avenue Dongcheng District Beijing, the PRC
Hong Kong Legal Advisor	Morgan, Lewis & Bockius 19th Floor, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong
Auditor	KPMG Huazhen LLP 8th Floor, KPMG Tower, Oriental Plaza, No. 1 East Changan Ave. Beijing, the PRC  KPMG <i>(Public Interest Entity Auditor registered under the Accounting and Financial Reporting Council Ordinance)</i> 8th Floor, Prince's Building 10 Chater Road Central, Hong Kong

## CORPORATE INFORMATION

### Board Committees

#### Development and Strategy Committee

HAO Qiang (chairperson), ZHANG Yunfei (vice chairperson),  
WU Canming, DUAN Qingshan, HU Zhihong

#### Audit Committee

WANG Liyan (chairperson), SAI Zhiyi (vice chairperson),  
LIU Chenhang, DUAN Qingshan, CHAN Ngai Sang Kenny

#### Risk Management Committee

SAI Zhiyi (chairperson), DUAN Qingshan (vice chairperson),  
ZHANG Yunfei, WANG Jianjun, HU Zhihong

#### Related Parties Transactions Control Committee

SAI Zhiyi (chairperson), DUAN Qingshan (vice chairperson),  
ZHANG Yunfei, WANG Qi, WANG Liyan

#### Nomination, Remuneration and HR Committee

DUAN Qingshan (chairperson), SAI Zhiyi (vice chairperson),  
HAO Qiang, MA Hongchao, HU Zhihong

#### Consumer Rights Protection Committee

HU Zhihong (chairperson), WANG Liyan (vice chairperson),  
LI Yang, SAI Zhiyi

## 2 CORPORATE INFORMATION

JINSHANG BANK CO., LTD. (hereinafter referred to as “**Jinshang Bank**”, 2558.HK), headquartered in Taiyuan, Shanxi, was renamed from Taiyuan Commercial Bank on December 30, 2008 with the approval of former China Banking Regulatory Commission (the “**former CBRC**”). It was officially established on February 28, 2009 and listed on the Hong Kong Stock Exchange on July 18, 2019.

Under the correct leadership of the Provincial Party Committee and the Provincial Government of Shanxi Province, and with the guidance and assistance of regulatory authorities, Jinshang Bank has successively achieved strategic breakthroughs such as introducing strategic investors and listing of H Shares, and gradually embarked on a development path of a modern commercial bank featuring steady development, good performance and controllable risks. By the end of June 2025, the Bank’s total assets, deposit balance and loan balance amounted to RMB388.26 billion, RMB304.08 billion and RMB208.64 billion, respectively, with a capital adequacy ratio of 12.96%, a core tier-one capital adequacy ratio of 10.27% and an allowance coverage ratio of 215.00%, and the main regulatory indicators met the regulatory requirements.

Since its establishment, by adhering to the “customer-centric” service concept, Jinshang Bank has expanded its outlet services into 11 prefecture-level cities in Shanxi Province. With 153 outlets under its supervision, the Bank established a small enterprises financial service center, invested in the establishment of Qingxu Jinshang Village and Township Bank Co., Ltd., and initiated the establishment of the first consumer finance company in Shanxi Province – Jinshang Consumer Finance Co., Ltd. On March 14, 2025, Shanxi Supervision Bureau issued the approval document (Jin Jin Guan Fu [2025] No. 25), formally granting consent for the Bank to acquire Qingxu Jinshang Village and Township Bank Co., Ltd. and to simultaneously establish Qingxu Gengyang West Street Sub-branch of Jinshang Bank (晉商銀行清徐梗陽西街支行)\* On June 27, 2025, Shanxi Supervision Bureau issued the Approval on the Dissolution of Qingxu Jinshang Village and Township Bank Co., Ltd. (Jin Jin Guan Fu [2025] No. 110) and the Approval on the Opening of Qingxu Gengyang West Street Sub-branch of Jinshang Bank (Jin Jin Guan Fu [2025] No. 111). On July 6, 2025, Qingxu Gengyang West Street Sub-branch of Jinshang Bank Co., Ltd. officially commenced operations. In addition, electronic channels such as online banking, mobile banking, and WeChat banking have been steadily promoted, forming an “integrated online and offline” financial service pattern.

Jinshang Bank has been widely recognized by the Provincial Party Committee and the Provincial Government of Shanxi Province, and all sectors of society for its excellent business performance and quality financial services. It has been successively named the “Most Competitive National Brand among China’s City Commercial Banks (中國城商行最具競爭力民族品牌)”, “Most Competitive Small-and Medium-sized Bank in China (中國最具競爭力中小銀行)”, “Meritorious Enterprise in Shanxi Province (山西省功勳企業)” and “Most Popular Bank in Shanxi (山西老百姓最喜愛的銀行)”, and won the “May 1st Labor Award in Shanxi Province (山西省五一勞動獎狀)”. According to the “Top 1000 World Banks 2025 (2025年全球銀行1000強)” ranking released by The Banker, a UK-based publication, the Bank ranked 394th, ascending 19 positions compared to the previous year.

### **Jinshang Bank continues to promote the development strategy planning goals for 2021-2025**

Strategic Vision: Pursuing safe development, and building an excellent listed Bank in the region.

Regional positioning: Rooted in Sanjin, serving Shanxi.

Market positioning: Serving the local economy, serving micro and small and medium enterprises, serving urban and rural residents.

Business positioning: Strengthening corporate business, refining retails, optimizing inclusive finance, and specializing in the financial market.

## SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

For the six months ended June 30,

	2025	2024	Rate of change (%)
	(Expressed in millions of RMB, unless otherwise stated)		
<b>Results of operations</b>			
Interest income	5,602.6	5,997.3	(6.6)
Interest expense	(3,571.1)	(3,778.5)	(5.5)
<b>Net interest income</b>	<b>2,031.5</b>	<b>2,218.8</b>	<b>(8.4)</b>
Fee and commission income	294.2	331.3	(11.2)
Fee and commission expense	(35.3)	(40.9)	(13.7)
<b>Net fee and commission income</b>	<b>258.9</b>	<b>290.4</b>	<b>(10.8)</b>
Net trading gains	(74.0)	(98.9)	(25.2)
Net gains arising from investment securities	509.5	352.5	44.5
Other operating income <sup>(1)</sup>	9.8	23.9	(59.0)
<b>Operating income</b>	<b>2,735.7</b>	<b>2,786.7</b>	<b>(1.8)</b>
Operating expenses	(899.9)	(920.4)	(2.2)
Impairment losses on credit	(775.0)	(808.2)	(4.1)
Impairment losses on other assets	0.1	(24.5)	(100.4)
Share of profits of associate	13.1	13.0	0.8
<b>Profit before tax</b>	<b>1,074.0</b>	<b>1,046.6</b>	<b>2.6</b>
Income tax expense	(23.5)	(17.2)	36.6
<b>Net profit</b>	<b>1,050.5</b>	<b>1,029.4</b>	<b>2.0</b>
<b>Net profit attributable to:</b>			
Equity shareholders of the Bank	1,052.4	1,030.4	2.1
Non-controlling interests	(1.9)	(1.0)	90.0
<b>Earnings per share attributable to equity shareholders of the Bank (RMB per share)</b>			
– Basic	0.18	0.18	0.0
– Diluted	0.18	0.18	0.0

Note:

(1) Consists primarily of operating government grants and non-operating government grants.

## SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

	As of June 30, 2025	As of December 31, 2024	Rate of change (%)
(Expressed in millions of RMB, unless otherwise stated)			
<b>Key indicators for assets/liabilities</b>			
<b>Total assets</b>	<b>388,258.0</b>	376,305.5	3.2
of which: net loans and advances to customers	<b>201,695.6</b>	195,103.5	3.4
<b>Total liabilities</b>	<b>359,684.3</b>	348,277.2	3.3
of which: deposits from customers	<b>314,032.0</b>	310,327.9	1.2
<b>Total equity</b>	<b>28,573.7</b>	28,028.3	1.9
of which: share capital	<b>5,838.7</b>	5,838.7	0.0
equity attributable to equity holders of the Bank	<b>28,571.9</b>	28,017.7	2.0
<b>For the six months ended June 30,</b>			
	2025	2024	Change
<b>Profitability indicators (%)</b>			
Return on average total assets <sup>(1)</sup>	<b>0.55</b>	0.56	(0.01)
Return on average equity <sup>(2)</sup>	<b>7.99</b>	8.22	(0.23)
Net interest spread <sup>(3)</sup>	<b>1.02</b>	1.14	(0.12)
Net interest margin <sup>(4)</sup>	<b>1.13</b>	1.29	(0.16)
Net fee and commission income to operating income ratio	<b>9.46</b>	10.42	(0.96)
Cost-to-income ratio <sup>(5)</sup>	<b>31.47</b>	31.54	(0.07)
	As of June 30, 2025	As of December 31, 2024	Change
<b>Asset quality indicators (%)</b>			
NPL ratio <sup>(6)</sup>	<b>1.77</b>	1.77	0.0
Allowance coverage ratio <sup>(7)</sup>	<b>215.00</b>	205.46	9.54
Allowance to gross loan ratio <sup>(8)</sup>	<b>3.80</b>	3.64	0.16

## SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

	As of June 30, 2025	As of December 31, 2024	Change
<b>Capital adequacy indicators (%) <sup>(9)</sup></b>			
Core tier-one capital adequacy ratio <sup>(10)</sup>	10.27	10.18	0.09
Tier-one capital adequacy ratio <sup>(11)</sup>	11.06	10.97	0.09
Capital adequacy ratio <sup>(12)</sup>	12.96	12.84	0.12
Total equity to total assets ratio	7.36	7.45	(0.09)

	As of June 30, 2025	As of December 31, 2024	Change
<b>Other indicators (%)</b>			
Loan-to-deposit ratio <sup>(13)</sup>	68.61	66.95	1.66
Liquidity coverage ratio <sup>(14)</sup>	289.78	347.26	(57.48)
Liquidity ratio <sup>(15)</sup>	112.66	120.35	(7.69)

	As of June 30, 2025	As of March 31, 2025	As of December 31, 2024
(Expressed in millions of RMB, unless otherwise stated)			
<b>Net stable funding ratio <sup>(16)</sup></b>			
Net stable funding ratio (%)	126.54	131.53	133.47
Available stable funding	256,275.9	256,191.2	252,981.1
Required stable funding	202,532.8	194,784.2	189,545.3

### Notes:

- (1) Calculated by dividing net profit by the average balance of total assets at the beginning and the end of the period, and adjusted on an annualized basis.
- (2) Calculated by dividing net profit by the average net assets. During the Reporting Period, the Group paid no interest on undated capital bonds. Interests on undated capital bonds need not be deducted from the “net profit”, and the net funds raised from undated capital bonds had been deducted from the “average net assets”.

## SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

- (3) Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.
- (4) Calculated by dividing net interest income by the average balance of total interest-earning assets, and adjusted on an annualized basis.
- (5) Calculated by dividing total operating expenses (net of taxes and surcharges) by total operating income.
- (6) Calculated by dividing total non-performing loans (“NPL”) by gross loans and advances to customers. Except as otherwise stated, the “gross loans and advances” referred to in this interim report exclude interest accrued.
- (7) Calculated by dividing total allowance for impairment losses on loans to customers (including the provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income) by total NPLs.
- (8) Calculated by dividing total allowance for impairment losses on loans to customers (including the provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income) by gross loans and advances to customers.
- (9) Calculated in accordance with the Capital Administrative Measures for Commercial Banks (《商業銀行資本管理辦法》).
- (10) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by risk-weighted assets.
- (11) Calculated by dividing tier-one capital, net of tier-one capital deductions, by risk-weighted assets.
- (12) Calculated by dividing total capital, net of capital deductions, by risk-weighted assets.
- (13) Calculated by dividing gross loans and advances to customers by total deposits from customers (excluding interest accrued).
- (14) Liquidity coverage ratio is calculated in accordance with the formula promulgated by the former CBIRC. Liquidity coverage ratio = eligible high-quality liquid assets/net cash outflows for the next 30 days × 100%.
- (15) Liquidity ratio is calculated in accordance with the formula promulgated by the former CBIRC. Liquidity ratio = balance of current assets/balance of current liabilities × 100%.
- (16) Net stable funding ratio is calculated in accordance with the formula stipulated in the Measures for Disclosure of Information on Net Stable Funding Ratio by Commercial Banks (Yin Bao Jian Fa [2019] No.11) (《商業銀行淨穩定資金比例信息披露辦法》(銀保監發[2019]11號)) as promulgated by the former CBIRC. Net stable funding ratio = available stable funding/required stable funding × 100%.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1 REVIEW OF THE ECONOMIC, FINANCIAL AND POLICY ENVIRONMENT

During the Reporting Period, China's economy maintained overall stable and positive growth. More proactive and impactful macro policies were effectively implemented, ensuring stable growth in production and demand, generally stable employment, continuing increases in household income, and the expansion of new growth drivers. New progress was achieved in high-quality development, and overall social stability was maintained.

In the first half of 2025, the gross domestic product (GDP) was RMB66,053.6 billion at constant prices, representing an increase of 5.3% compared to the previous year. Industrial production experienced rapid growth, with the equipment manufacturing industry and high-tech manufacturing industry demonstrating strong momentum. In the first half of 2025, the added value of national industrial enterprises above the designated size increased by 6.4% compared to the previous year. The added value of equipment manufacturing industry and high-tech manufacturing industry grew by 10.2% and 9.5%, respectively, which are 3.8 and 3.1 percentage points higher than that of industrial enterprises above the designated size, respectively. The service industry experienced accelerated growth, with the added value of the service industry in the first half of 2025 increasing by 5.5% compared to the previous year. The growth of market sales rebounded, and the total retail sales of social consumer goods reached RMB24,545.8 billion in the first half of the year, representing an increase of 5.0% compared to the previous year, with the sales of premium and consumption-upgrading products performing well. The trade-in policy boosted retail sales growth of home appliances, communication devices, and related products by over 20%. The fixed asset investment continued to expand, and investment in manufacturing industry grew fast. The national fixed asset investment (excluding rural households) in the first half of the year amounted to RMB24,865.4 billion, representing an increase of 2.8% compared to the previous year. Investment in manufacturing grew by 7.5%, with particularly outstanding performance in high-tech industries. Investment in information service, aerospace & aircraft vehicle and equipment manufacturing industries soared by 37.4% and 26.3%, respectively. The trade structure continued to optimise. The total imports and exports of goods grew by 2.9% compared to the previous year, in particular, that of export grew by 7.2% and imports and exports that contributed by private enterprises increased to 57.3%. The employment situation remained generally stable, personal incomes continued to grow steadily and consumption prices were stable basically. The disposable income per capita of national residents in the first half of the year amounted to RMB21,840, representing a nominal increase of 5.3% compared to the previous year. The national consumer price index (CPI) declined by 0.1% compared to the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, Shanxi Province adhered to the general principle of pursuing progress while maintaining stability, implemented national macro policies with precision and effectiveness, and vigorously promoted high-quality development and deepened comprehensive transformation. Production and demand maintained steady growth, employment and prices remained generally stable, and transformation and upgrading demonstrated positive momentum. Overall, the provincial economy sustained stable performance with consistent progress.

The regional GDP of Shanxi Province amounted to RMB1,146.37 billion in the first half of 2025, representing an increase of 3.8% compared to the previous year. Industrial production achieved at constant prices, a steady and rapid growth. The added value of provincial industrial enterprises above the designated size increased by 6.3% in the first half of the year compared to the previous year, of which the added values of coal and non-coal industries increased by 7.1% and 5.1%, respectively. New growth drivers expanded. In the first half of the year, the added value of the province's equipment manufacturing industry above designated size grew by 9.6%, of which new energy equipment manufacturing industry increased by 2.3 times. The service industry grew steadily with the added value of the province's service industry growing year-on-year by 3.8%, and the internet industry showed sound growth momentum with the added value of information transmission, software and information technology service industry growing by 15.9%. In the first half of the year, investment in the province's fixed asset grew by 1.4% compared to the previous year, and investment in high-tech industries grew rapidly by 17.8%, of which the investment in high-tech service industry rose by 30.1%. Consumption potential continued to release. In the first half of the year, the province's total retail sales of consumer goods reached RMB385.48 billion, representing an increase of 6.1% compared to the previous year. The trade-in policy proved effective, driving a growth in the province's retail sales of cultural & office Supplies, communication devices and household appliance & audio-video equipment above designated size by 50.1%, 44.3% and 38.0%, respectively. In the first half of the year, the province's general public budget income amounted to RMB163.35 billion, representing a decrease of 6.3% compared to the previous year. The province's resident consumer price index rose by 0.1% compared to the previous year, the employment remained generally stable and residents' incomes grew steadily. The province's per capita disposable income of households was RMB15,731 in the first half of the year, representing an increase of 5.0% year-on-year.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, China intensified its macroeconomic regulation, adopting a moderately accommodative monetary policy to strengthen counter-cyclical adjustments. The comprehensive application of various monetary policy tools supported the high-quality development of the real economy, fostering a favorable monetary and financial environment for sustained economic recovery and growth. The reform of the Loan Prime Rate (LPR) mechanism continued to yield results, while the market-based adjustment mechanism for deposit rates functioned effectively, enhancing monetary policy transmission efficiency. As a result, social financing costs remained at historically low levels. The foreign exchange market maintained a broadly balanced supply and demand, supported by a stable current account surplus and ample foreign exchange reserves. The RMB exchange rate fluctuated in both directions but remained fundamentally stable at a reasonable and equilibrium level.

Overall, financial markets operated smoothly. During the Reporting Period, the financial aggregates grew at a reasonable pace, providing strong support for the rebound and improvement of the real economy. At the end of June 2025, the outstanding social financial stock increased by 8.9% year-on-year, while the broad money supply (M2) grew by 8.3% year-on-year, up by 0.8 and 2.1 percentage points, respectively, compared to the same period of the previous year. The overall social financing costs remained low and declined further. From January to June 2025, the weighted average interest rate for newly issued corporate loans was approximately 3.3%, which is about 45 basis points lower than that during the same period of the previous year, while the interest rate for newly issued personal housing loans was around 3.1%, about 60 basis points lower year-on-year. The credit aggregates maintained steady growth, with the financial system providing robust credit support to the real economy. Efforts to enhance credit support for technology, green development, inclusive finance, elderly care and digital sectors continued. By the end of June 2025, the outstanding balance of RMB-denominated loans stood at RMB268.6 trillion, up 7.1% year-on-year. In the first half of the year, new RMB loans increased by RMB12.9 trillion, with continued optimization in the sectoral structure of lending. New loans were primarily allocated to key areas such as manufacturing and infrastructure. At the end of June 2025, the outstanding balance of medium- and long-term loans to the manufacturing sector rose by 8.7% year-on-year. The outstanding balance of medium and long-term loans to the infrastructure sector grew by 7.4% year-on-year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 2 BUSINESS OVERVIEW AND DEVELOPMENT STRATEGIES

In the first half of 2025, guided by Xi Jinping's idea of socialism with Chinese characteristic in the new era, the Group resolutely and consistently implemented the work arrangement of the provincial committee and the provincial government. Closely centered on serving the real economy, preventing and controlling financial risks and deepening financial reform, the Bank coordinately executed operational management, transition reform and high-quality development and advanced the orderly progress of various tasks.

**The first is** focusing on “enhancing service” of the real economy. Initiatives were taken on serving the province's strategies and priority was always given to the Bank's development by keeping close up with the decision-making and arrangement of the provincial committee and government, and enhancing support for key areas such as industrial transformation, energy reform and infrastructure construction. Specialty industries were actively supported, inclusive financial online “loan via QR code” products tailored to small and micro clients were developed, and the regional specialty industrial development was supported through “one policy for one category” cluster model. The provincial-level specialty townships were provided with comprehensive finance services with the idea of “one policy for one town” to deepen precise service of core clusters of featured industries within the province and accurately reach financial resources. People's livelihoods were effectively safeguarded by issuing the “Shanxi Talent Card (晋才卡)” and social security cards, implementing the “One-Card” system for government subsidies benefiting farmers and low-income groups, and enhancing wealth management services to meet clients' asset allocation needs and serve the public's financial demands for wealth preservation and appreciation through concrete actions. We proactively fulfilled social responsibilities and leveraged the real estate financing coordination mechanism to fully support delivery of pre-sold projects.

**The second is** strengthening risk prevention to “ensure stability”. We have fortified our risk management foundation by strictly implementing the “early identification, early warning, early intervention, and early disposal” mechanism, formulating the Implementation Plan for Comprehensive Risk Management System Enhancement of Jinshang Bank, and embedding the principle of “managing risk alongside business operations” into practice. This drives the reform of our risk management framework. Adopting a “full-scope asset preservation” approach, we dynamically optimized “a policy for a household” recovery and disposal tactics to achieve asset quality control targets, firmly safeguarding against systemic risks. Adhering to the bottom line of compliant operations, we systematically advanced issue rectification, strengthened employee conduct management, and fostered a culture of compliance. Upholding workplace safety as a red line, we tightened the “chain of safety responsibilities” and ensured rigorous safety inspections during critical periods and routine operations. These efforts provide a solid security foundation for our high-quality development.

## MANAGEMENT DISCUSSION AND ANALYSIS

**The third is** deepening reforms to “strengthen internal capabilities”. We continued to enhance corporate governance, strengthen oversight of subsidiaries and affiliates, while guiding Jinshang Consumer Finance Company to improve its operational management. The merger and absorption of Qingxu Rural Bank has been successfully completed. We have been advancing the development of a “Learning-Oriented Bank”, and launched the 2026-2030 Human Resources Management Plan and a compensation optimization project to further modernize HR practices. Digital transformation remains a priority as we actively build a digital financial ecosystem, expanding scenario-based financial services to provide customers with one-stop, seamless financial solutions. To boost branch competitiveness, we introduced the Implementation Guidelines for Branch Competitiveness Enhancement, establishing a comprehensive evaluation system to position branches as strategic pillars for the Bank’s high-quality growth.

**The fourth is** “promoting both Party building and development”. We rigorously carried out education and learning initiatives, adopting practical and robust measures to integrate study, inspection, and rectification. We earnestly studied and implemented the General Secretary Xi Jinping’s important directives on strengthening Party conduct and the spirit of the Central Committee’s eight decisions and its implementation rules. A special campaign was launched to standardize and enhance Party-building, including formulating an action plan and establishing a dedicated task force. A supervision and promotion mechanism was set up simultaneously to explore deeper integration of Party building with business operations, ensuring high-quality Party leadership to drive the Bank’s high-quality development. We further advanced the development of a clean and honest banking culture, organizing activities such as the “Jinshang Integrity Culture Promotion Month” to foster a positive and upright atmosphere across the Bank, where integrity and entrepreneurship thrive.

In the second half of 2025, our Group will closely align with the major decisions and deployments of the Party Central Committee and the provincial Party committee to plan and position our work. We will further strengthen confidence, solidify foundations, emphasize coordination, and ensure implementation, focusing on the four core directions of “optimizing structure, enhancing efficiency, managing risks, and increasing connotation”. By optimizing asset allocation, deepening technology empowerment, reinforcing risk control, and improving operational efficiency, we aim to achieve the business goals of controllable risks, sustainable profitability, and resilient development, thereby contributing more financial strength to the high-quality development of the province.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3 INCOME STATEMENT ANALYSIS

	For the six months ended June 30,		
	2025	2024	Rate of change (%)
	(Expressed in millions of RMB, unless otherwise stated)		
Interest income	5,602.6	5,997.3	(6.6)
Interest expense	(3,571.1)	(3,778.5)	(5.5)
<b>Net interest income</b>	<b>2,031.5</b>	<b>2,218.8</b>	<b>(8.4)</b>
Fee and commission income	294.2	331.3	(11.2)
Fee and commission expense	(35.3)	(40.9)	(13.7)
<b>Net fee and commission income</b>	<b>258.9</b>	<b>290.4</b>	<b>(10.8)</b>
Net trading gains	(74.0)	(98.9)	(25.2)
Net gains arising from investment securities	509.5	352.5	44.5
Other operating income <sup>(1)</sup>	9.8	23.9	(59.0)
<b>Operating income</b>	<b>2,735.7</b>	<b>2,786.7</b>	<b>(1.8)</b>
Operating expenses	(899.9)	(920.4)	(2.2)
Impairment losses on credit	(775.0)	(808.2)	(4.1)
Impairment losses on other assets	0.1	(24.5)	(100.4)
Share of profits of associate	13.1	13.0	0.8
<b>Profit before tax</b>	<b>1,074.0</b>	<b>1,046.6</b>	<b>2.6</b>
Income tax expense	(23.5)	(17.2)	36.6
<b>Net profit</b>	<b>1,050.5</b>	<b>1,029.4</b>	<b>2.0</b>

Note:

(1) Consists primarily of operating government grants and non-operating government grants.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2025, the profit before tax of the Group increased by 2.6% from RMB1,046.6 million for the six months ended June 30, 2024 to RMB1,074.0 million, and net profit for the same period increased from RMB1,029.4 million for the six months ended June 30, 2024 to RMB1,050.5 million, representing a year-on-year increase of 2.0%.

### 3.1 Net interest income, net interest spread and net interest margin

For the six months ended June 30, 2025, the net interest income of the Group decreased by 8.4% to RMB2,031.5 million from RMB2,218.8 million for the six months ended June 30, 2024, mainly due to a decrease of RMB394.7 million in interest income during the Reporting Period, which was partially offset by a decrease in interest expenses of RMB207.4 million.

The net interest margin for the six months ended June 30, 2025 was 1.13%, representing a decrease of 0.16 percentage point compared to that for the six months ended June 30, 2024. The net interest spread of the Group for the six months ended June 30, 2025 was 1.02%, representing a decrease of 0.12 percentage point compared to that for the six months ended June 30, 2024, primarily due to the decrease in the yield on interest-earning assets from 3.49% to 3.13%, which was partially offset by the decrease in the cost of interest-bearing liabilities from 2.35% to 2.11%. The decrease in yield on interest-earning assets was firstly due to the lower average yields on new loans and advances to customers as a result of the downward trend in the loan prime rate; and secondly due to the decrease in average yield on financial investment as a result of the fluctuation in the market rate. The decrease in the cost of interest-bearing liabilities was firstly due to the fact that due to the downward trend in the market rate, the Group lowered its nominal interest rate for deposits accordingly to adapt to market dynamics, and secondly due to the decrease in the interest rate on the issuance of interbank deposits as a result of the reasonable and ample market liquidity.

The following table sets forth the average balances of the Group's interest-earning assets and interest-bearing liabilities, the related interest income or expense, and the related average yield on assets or related average cost on liabilities for the six months ended June 30, 2024 and 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

	For the six months ended June 30,					
	2025			2024		
	Average balance	Interest income/expense	Average yield/cost (%) <sup>(1)</sup>	Average balance	Interest income/expense	Average yield/cost (%) <sup>(1)</sup>
(in millions of RMB, except percentages)						
<b>Interest-earning assets</b>						
Loans and advances to customers	204,746.8	3,798.3	3.71	200,036.9	4,097.8	4.10
Financial investments <sup>(2)</sup>	88,226.9	1,150.5	2.61	79,541.6	1,152.7	2.90
Placements with banks and other financial institutions	17,534.3	234.0	2.67	15,106.9	258.5	3.42
Financial assets held under resale agreements	28,356.3	272.5	1.92	30,783.2	348.8	2.27
Deposits with the central bank <sup>(3)</sup>	17,113.5	125.6	1.47	16,688.9	118.8	1.42
Deposits with banks and other financial institutions	2,093.5	21.7	2.07	1,414.9	20.7	2.93
<b>Total interest-earning assets</b>	<b>358,071.3</b>	<b>5,602.6</b>	<b>3.13</b>	<b>343,572.4</b>	<b>5,997.3</b>	<b>3.49</b>
<b>Interest-bearing liabilities</b>						
Deposits from customers	300,085.2	3,177.4	2.12	279,045.5	3,279.5	2.35
Deposits from banks and other financial institutions	102.4	0.8	1.56	36.2	0.3	1.66
Placements from banks and other financial institutions	1.7	0.0	1.76	329.6	3.3	2.00
Financial assets sold under repurchase agreements	14,071.9	129.6	1.84	17,811.3	176.3	1.98
Debt securities issued <sup>(4)</sup>	22,358.0	243.1	2.17	22,013.5	298.8	2.71
Borrowing from the central bank	2,321.6	20.2	1.74	2,062.7	20.3	1.97
<b>Total interest-bearing liabilities</b>	<b>338,940.8</b>	<b>3,571.1</b>	<b>2.11</b>	<b>321,298.8</b>	<b>3,778.5</b>	<b>2.35</b>
<b>Net interest income</b>		<b>2,031.5</b>			<b>2,218.8</b>	
<b>Net interest spread <sup>(5)</sup></b>			<b>1.02</b>			<b>1.14</b>
<b>Net interest margin <sup>(6)</sup></b>			<b>1.13</b>			<b>1.29</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Notes:

- (1) Calculated by dividing interest income/expense by average balance, and adjusted on an annualized basis.
- (2) Consist of financial investments measured at amortised costs and financial investments measured at fair value through other comprehensive income.
- (3) Consist primarily of statutory deposit reserves and surplus deposit reserves.
- (4) Consist of certificates of interbank deposits, financial bonds and tier-two capital debts.
- (5) Calculated as the difference between the average yield on total interest-earning assets and the average cost on total interest-bearing liabilities.
- (6) Calculated by dividing net interest income by the average balance of total interest-earning assets, and adjusted on an annualized basis.

### 3.2 Interest income

For the six months ended June 30, 2025, interest income of the Group decreased by 6.6% to RMB5,602.6 million from RMB5,997.3 million for the six months ended June 30, 2024, primarily due to a decrease of 0.36 percentage point in the average yield on interest-earning assets from 3.49% for the six months ended June 30, 2024 to 3.13% for the six months ended June 30, 2025, which was partially offset by an increase of 4.2% in the average balance on interest-earning assets from RMB343,572.4 million for the six months ended June 30, 2024 to RMB358,071.3 million for the six months ended June 30, 2025.

#### ***Interest income from loans and advances to customers***

Interest income from loans and advances to customers decreased by 7.3% from RMB4,097.8 million for the six months ended June 30, 2024 to RMB3,798.3 million for the six months ended June 30, 2025, primarily due to a decrease in the average yield of loans and advances to customers from 4.10% for the six months ended June 30, 2024, to 3.71% for the six months ended June 30, 2025, which was partially offset by an increase of 2.4% in the average balance of loans and advances to customers from RMB200,036.9 million for the six months ended June 30, 2024, to RMB204,746.8 million for the six months ended June 30, 2025. The increase in the average balance of loans and advances to customers was primarily attributable to the Group's close alignment with the strategic decisions and policy directives of the provincial Party committee and government. Committed to fulfilling its responsibilities and mission as a local bank, the Group consistently integrated its development into the broader provincial development landscape. By maintaining a steadfast focus on its core business and deepening its presence in Shanxi, the Group intensified its support for key sectors such as industrial transformation, the energy revolution, green finance, and infrastructure construction, thereby continuously expanding its loan disbursements. The decrease in the average yield was mainly due to two factors: first, a reduction in the rate of new loans to customers as a result of the downward trend in the loan prime rate, and second, a reduction in the discount rate affected by the decline in bill market rate.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Interest income from financial investments***

For the six months ended June 30, 2025, interest income from financial investments decreased by 0.2% from RMB1,152.7 million for the six months ended June 30, 2024 to RMB1,150.5 million, primarily due to a decrease in the average yield on financial investments from 2.90% for the six months ended June 30, 2024 to 2.61% for the six months ended June 30, 2025, which was partially offset by an increase of 10.9% in the average balance of financial investments from RMB79,541.6 million for the six months ended June 30, 2024 to RMB88,226.9 million for the six months ended June 30, 2025. The increase in the average balance of financial investments was primarily due to the Group's adjustment and optimization of its asset structure, which has led to an increased demand for financial investment allocations. The decrease in the average yield was primarily because the overall bond market rates showed a downward trend compared with that of the same period of last year.

### ***Interest income from placements with banks and other financial institutions***

For the six months ended June 30, 2025, interest income from placements with banks and other financial institutions decreased by 9.5% to RMB234.0 million from RMB258.5 million for the six months ended June 30, 2024, primarily due to a decrease in the average yield on placements with banks and other financial institutions from 3.42% for the six months ended June 30, 2024 to 2.67% for the six months ended June 30, 2025, which was partially offset by an increase of 16.1% in the average balance of placements with banks and other financial institutions from RMB15,106.9 million for the six months ended June 30, 2024 to RMB17,534.3 million for the six months ended June 30, 2025. The increase in the average balance of placements with banks and other financial institutions was primarily because the Group increased in proportion of placements with banks and other financial institutions taking into account the demand for assets and liabilities within the Group and market conditions. The decrease in the average yield was primarily due to the fluctuations in the prices of funds in the market.

### ***Interest income from financial assets held under resale agreements***

For the six months ended June 30, 2025, interest income from financial assets held under resale agreements decreased by 21.9% to RMB272.5 million from RMB348.8 million for the six months ended June 30, 2024, primarily due to a decrease of 7.9% in the average balance of financial assets held under resale agreements from RMB30,783.2 million for the six months ended June 30, 2024 to RMB28,356.3 million for the six months ended June 30, 2025, and the average yield of financial assets held under resale agreements decreased from 2.27% for the six months ended June 30, 2024 to 1.92% for the six months ended June 30, 2025. The decrease in average balance of financial assets held under resale agreements was primarily due to the Group's adjustment of its asset structure which reduced the scale of assets held under resale agreements. The decrease in the average yield was mainly attributable to the decline in market interest rates.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Interest income from deposits with the central bank***

Interest income from deposits with the central bank increased by 5.7% from RMB118.8 million for the six months ended June 30, 2024 to RMB125.6 million for the six months ended June 30, 2025, primarily due to an increase of 2.5% in the average balance of deposits with the central bank from RMB16,688.9 million for the six months ended June 30, 2024 to RMB17,113.5 million for the six months ended June 30, 2025. The increase in the average balance of deposits with the central bank was primarily due to a corresponding increase in statutory deposit reserves as balance of deposits increased.

### ***Interest income from deposits with banks and other financial institutions***

For the six months ended June 30, 2025, interest income from deposits with banks and other financial institutions increased by 4.8% from RMB20.7 million for the six months ended June 30, 2024 to RMB21.7 million, primarily due to an increase of 48.0% in the average balance of deposits with banks and other financial institutions from RMB1,414.9 million for the six months ended June 30, 2024 to RMB2,093.5 million for the six months ended June 30, 2025. The increase in the average balance of deposits with banks and other financial institutions was primarily due to the Group's need for liquidity management, which led to an increase in the amount of deposits placed with joint-stock banks.

## **3.3 Interest expense**

The Group's interest expense decreased by 5.5% from RMB3,778.5 million for the six months ended June 30, 2024 to RMB3,571.1 million for the six months ended June 30, 2025, primarily due to a decrease of 0.24 percentage point in the average cost of interest-bearing liabilities from 2.35% for the six months ended June 30, 2024 to 2.11% for the six months ended June 30, 2025, which was partially offset by a decrease of 5.5% in the average balance of interest-bearing liabilities from RMB321,298.8 million for the six months ended June 30, 2024 to RMB338,940.8 million for the six months ended June 30, 2025.

### ***Interest expense on deposits from customers***

Interest expense on deposits from customers decreased by 3.1% from RMB3,279.5 million for the six months ended June 30, 2024 to RMB3,177.4 million for the six months ended June 30, 2025, primarily due to a decrease of 0.23 percentage point in the average cost on deposits from customers from 2.35% for the six months ended June 30, 2024 to 2.12% for the six months ended June 30, 2025, which was partially offset by an increase of 7.5% in the average balance of deposits from customers from RMB279,045.5 million for the six months ended June 30, 2024 to RMB300,085.2 million for the six months ended June 30, 2025. The increase in the average balance was primarily due to the Group's efforts to deepen customer segment operations, break down departmental silos, formulate comprehensive financial marketing strategies, and tap into the holistic value of customers, thereby driving growth in deposit scale. The decrease in the average cost was firstly because that due to the downward trend in the market rate, the Group lowered its nominal interest rate for deposits accordingly to align with market dynamics, and secondly because the Group proactively adjusted its deposit structure, which resulted in a decrease in the proportion of the average balance of certain time deposits with longer term and higher costs.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Interest expense on deposits from banks and other financial institutions***

Interest expense on deposits from banks and other financial institutions increased from RMB0.3 million for the six months ended June 30, 2024 to RMB0.8 million for the six months ended June 30, 2025, mainly due to an increase in the average balance of deposits from banks and other financial institutions from RMB36.2 million for the six months ended June 30, 2024 to RMB102.4 million for the six months ended June 30, 2025, which was partially offset by a decrease in the average cost on the deposits from banks and other financial institutions from 1.66% for the six months ended June 30, 2024 to 1.56% for the six months ended June 30, 2025.

### ***Interest expense on placements from banks and other financial institutions***

Interest expense on placements from banks and other financial institutions decreased by 100% from RMB3.3 million for the six months ended June 30, 2024 to RMB0.0 million for the six months ended June 30, 2025, mainly due to a decrease of 99.5% in the average balance of placements from banks and other financial institutions from RMB329.6 million for the six months ended June 30, 2024 to RMB1.7 million for the six months ended June 30, 2025. The decrease in the average balance of placements from banks and other financial institutions was mainly due to the Group's comprehensive consideration of asset-liability requirements, leading to a reduction in the scale of placements from banks and other financial institutions.

### ***Interest expense on financial assets sold under repurchase agreements***

Interest expense on financial assets sold under repurchase agreements decreased by 26.5% from RMB176.3 million for the six months ended June 30, 2024 to RMB129.6 million for the six months ended June 30, 2025, primarily due to a decrease of 21.0% in the average balance of financial assets sold under repurchase agreements from RMB17,811.3 million for the six months ended June 30, 2024 to RMB14,071.9 million for the six months ended June 30, 2025, as well as a decrease of 0.14 percentage point in the average cost of financial assets sold under repurchase agreements from 1.98% for the six months ended June 30, 2024 to 1.84% for the six months ended June 30, 2025. The decrease in the average balance of financial assets sold under repurchase agreements was mainly due to a comprehensive consideration of the Group's asset-liability requirements, leading to a reduction in the scale of financial assets sold under repurchase agreements. The decrease in the average cost was mainly due to the impact of downward trend in funds market interest rates.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Interest expense on debt securities issued***

Interest expense on debt securities issued decreased by 18.6% from RMB298.8 million for the six months ended June 30, 2024 to RMB243.1 million for the six months ended June 30, 2025, primarily due to a decrease of 0.54 percentage point in the average cost of debt securities issued from 2.71% for the six months ended June 30, 2024 to 2.17% for the six months ended June 30, 2025, which was partially offset by an increase of 1.6% in the average balance of debt securities issued from RMB22,013.5 million for the six months ended June 30, 2024 to RMB22,358.0 million for the six months ended June 30, 2025. The increase in the average balance of debt securities issued was mainly due to the Group's comprehensive consideration of liability requirements, an expansion in the issuance scale of interbank certificates of deposit. The decrease in the average cost was primarily due to the impact of decline in interest rates of funds in the market.

### ***Interest expense on borrowing from the central bank***

Interest expense on borrowing from the central bank decreased by 0.5% from RMB20.3 million for the six months ended June 30, 2024 to RMB20.2 million for the six months ended June 30, 2025, primarily due to a decrease of 0.23 percentage point in the average cost of borrowing from the central bank from 1.97% for the six months ended June 30, 2024 to 1.74% for the six months ended June 30, 2025, which was partially offset by a decrease of 12.6% in the average balance of borrowing from the central bank from RMB2,062.7 million for the six months ended June 30, 2024 to RMB2,321.6 million for the six months ended June 30, 2025. The decrease in the average cost of borrowing from the central bank was mainly due to the decrease in the interest rate on small-enterprise relending loans applied to the central bank by the Group. The increase in the average balance was mainly due to the Group's heightened applications for small-enterprise relending loans from the central bank.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3.4 Net fee and commission income

The following table sets forth the principal components of net fee and commission income of the Group for the six months ended June 30, 2024 and 2025.

	For the six months ended June 30,			
	2025	2024	Amount change	Rate of change (%)
	(in millions of RMB, except percentages)			
<b>Fee and commission income</b>				
Wealth management business				
service fees	<b>130.3</b>	116.0	14.3	12.3
Acceptance and guarantee service				
fees	<b>68.5</b>	82.3	(13.8)	(16.8)
Bank card service fees	<b>44.6</b>	58.2	(13.6)	(23.4)
Settlement and clearing fees	<b>28.6</b>	45.5	(16.9)	(37.1)
Agency service fees and others	<b>22.2</b>	29.3	(7.1)	(24.2)
<b>Subtotal</b>	<b>294.2</b>	331.3	(37.1)	(11.2)
<b>Fee and commission expense</b>				
Settlement and clearing fees	<b>(11.2)</b>	(16.8)	5.6	(33.3)
Bank card service fees	<b>(10.6)</b>	(14.1)	3.5	(24.8)
Agency service fees and others	<b>(13.5)</b>	(10.0)	(3.5)	35.0
<b>Subtotal</b>	<b>(35.3)</b>	(40.9)	5.6	(13.7)
<b>Net fee and commission income</b>	<b>258.9</b>	290.4	(31.5)	(10.8)

Net fee and commission income decreased by 10.8% from RMB290.4 million for the six months ended June 30, 2024 to RMB258.9 million for the six months ended June 30, 2025, mainly due to the decrease in fee and commission income by 11.2% from RMB331.3 million for the six months ended June 30, 2024 to RMB294.2 million for the six months ended June 30, 2025, which was partially offset by the decrease of 13.7% in fee and commission expenses from RMB40.9 million for the six months ended June 30, 2024 to RMB35.3 million for the six months ended June 30, 2025. The decrease in fee and commission income was primarily due to a year-on-year decrease in the income from settlement and clearing fees, acceptance and guarantee service fees, bank card service fees, agency service fees and others as a result of the Group's adjustment in the trade finance business model, the decreases in the volume of bank acceptances business, credit card settlement and agency and underwriting business as well as other factors.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3.5 Net trading gains

Net trading gains of the Group increased by 25.2% from RMB-98.9 million for the six months ended June 30, 2024 to RMB-74.0 million for the six months ended June 30, 2025, primarily due to an increase in the gains or losses from changes in the fair value of trading financial assets, which were impacted by fluctuations in the bond market.

### 3.6 Net gains arising from investment securities

Net gains arising from investment securities of the Group increased by 44.5% from RMB352.5 million for the six months ended June 30, 2024 to RMB509.5 million for the six months ended June 30, 2025, primarily due to the higher investment returns from bond investments.

### 3.7 Operating expenses

The following table sets forth, for the six months ended June 30, 2024 and 2025, the principal components of operating expenses of the Group.

	For the six months ended June 30,			
	2025	2024	Amount change	Rate of change (%)
	(in millions of RMB, except percentages)			
Staff costs	534.2	532.9	1.3	0.2
Depreciation and amortization	150.6	152.3	(1.7)	(1.1)
Taxes and surcharges	39.1	41.6	(2.5)	(6.0)
Rental and property management expenses	21.9	20.9	1.0	4.8
Other general and administrative expenses <sup>(1)</sup>	154.1	172.7	(18.6)	(10.8)
<b>Total operating expenses</b>	<b>899.9</b>	<b>920.4</b>	<b>(20.5)</b>	<b>(2.2)</b>
<b>Cost-to-income ratio <sup>(2)</sup></b>	<b>31.47%</b>	<b>31.54%</b>		

## MANAGEMENT DISCUSSION AND ANALYSIS

### Notes:

- (1) Consist primarily of insurance premiums, electronic equipment operating cost, banknote shipping fee, business marketing expenses and security fee.
- (2) Calculated by dividing total operating expenses (net of taxes and surcharges) by total operating income.

Operating expenses decreased by 2.2% from RMB920.4 million for the six months ended June 30, 2024 to RMB899.9 million for the six months ended June 30, 2025, primarily due to the Group's adherence to the principle of frugal operations, further implementing the requirements of maintaining a "tight budget".

For the six months ended June 30, 2024 and 2025, the Group's cost-to-income ratio (excluding taxes and surcharges) was 31.54% and 31.47%, respectively. The decrease in cost-to-income ratio was primarily due to the strategy of reducing costs and increasing efficiency implemented by the Group, which led to the decrease in operating expenses outweighing the decrease in operating income.

### Staff costs

Staff costs increased by 0.2% from RMB532.9 million for the six months ended June 30, 2024 to RMB534.2 million for the six months ended June 30, 2025. The following table sets forth the main components of staff costs for the periods indicated.

	For the six months ended June 30,			
	2025	2024	Amount change	Rate of change (%)
	(in millions of RMB, except percentages)			
Salaries, bonuses and allowances	328.3	332.8	(4.5)	(1.4)
Social insurance and annuity	130.8	132.1	(1.3)	(1.0)
Housing allowances	47.3	40.5	6.8	16.8
Staff welfare	15.3	14.3	1.0	7.0
Employee education expenses and labour union expenses	11.0	11.3	(0.3)	(2.7)
Supplementary retirement benefits	0.5	–	0.5	–
Others	1.0	1.9	(0.9)	(47.4)
<b>Total staff costs</b>	<b>534.2</b>	<b>532.9</b>	<b>1.3</b>	<b>0.2</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Depreciation and amortization***

Depreciation and amortization expenses decreased by 1.1% from RMB152.3 million for the six months ended June 30, 2024 to RMB150.6 million for the six months ended June 30, 2025, which was basically the same as that of the same period of the previous year.

### ***Taxes and surcharges***

Taxes and surcharges decreased by 6.0% from RMB41.6 million for the six months ended June 30, 2024 to RMB39.1 million for the six months ended June 30, 2025.

### ***Rental and property management expenses***

Rental and property management expenses increased by 4.8% from RMB20.9 million for the six months ended June 30, 2024 to RMB21.9 million for the six months ended June 30, 2025.

### ***Other general and administrative expenses***

Other general and administrative expenses primarily consisted of insurance premiums, electronic equipment operating cost, banknote shipping fee, business marketing expenses and security fee. The Group's other general and administrative expenses decreased by 10.8% from RMB172.7 million for the six months ended June 30, 2024 to RMB154.1 million for the six months ended June 30, 2025, primarily because the Group has resolutely implemented the spirit of practicing strict economy, rigorously managed budgets, and strictly controlled project expenditures, so as to direct the limited financial resources to projects with better returns.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3.8 Impairment losses on credit

The following table sets forth the principal components of the Group's impairment losses on credit for the periods indicated.

	For the six months ended June 30,			
	2025	2024	Amount change	Rate of change (%)
	(in millions of RMB, except percentages)			
<b>Impairment losses on credit</b>				
Loans and advances to customers	<b>643.8</b>	978.3	(334.5)	(34.2)
Placements with banks and other financial institutions	<b>(3.0)</b>	10.1	(13.1)	(129.7)
Deposits with banks and other financial institutions	<b>(3.6)</b>	1.2	(4.8)	(400.0)
Financial assets held under resale agreements	<b>0.0</b>	0.4	(0.4)	(100.0)
Credit commitments	<b>(82.4)</b>	(36.4)	(46.0)	126.4
Financial investments	<b>218.5</b>	(144.6)	363.1	(251.1)
Others	<b>1.7</b>	(0.8)	2.5	(312.5)
<b>Total</b>	<b>775.0</b>	808.2	(33.2)	(4.1)

The Group's impairment losses on credit was RMB775.0 million for the six months ended June 30, 2025, representing a decrease of 4.1% from RMB808.2 million for the six months ended June 30, 2024, primarily due to the fact that the Group reduced the provision for an impairment loss of loan assets based on the expected credit loss method model and the prudent, dynamic and objective assessment of future risk exposures, taking into account combined macro-economic situations, default rates, default probabilities and the Group's actual situation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 3.9 Income tax expense

The following table sets forth the reconciliation between the income tax calculated at the statutory income tax rate applicable to the Group's profit before tax and the Group's actual income tax for the periods indicated.

	For the six months ended June 30,			
	2025	2024	Amount change	Rate of change (%)
	(in millions of RMB, except percentages)			
Profit before tax	1,074.0	1,046.6	27.4	2.6
Income tax calculated at applicable statutory tax rate of 25%	268.5	261.7	6.8	2.6
Non-deductible expenses and others	24.6	2.9	21.7	748.3
Non-taxable income <sup>(1)</sup>	(269.6)	(247.4)	(22.2)	9.0
<b>Income tax expense</b>	<b>23.5</b>	<b>17.2</b>	<b>6.3</b>	<b>36.6</b>

*Note:*

- (1) Non-taxable income mainly represents the interest income arising from the PRC government bonds and dividends from domestic funds.

Income tax expense increased by 36.6% from RMB17.2 million for the six months ended June 30, 2024 to RMB23.5 million for the six months ended June 30, 2025, mainly due to the Group's profit growth, as well as the combined impact of recognizing deferred income tax assets from deductible temporary differences and tax-exempt income.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 4 FINANCIAL STATEMENT ANALYSIS

#### 4.1 Assets

The following table sets forth the components of the Group's total assets as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
(in millions of RMB, except percentages)				
Cash and deposits with the central bank	18,153.1	4.7	19,220.8	5.1
Deposits with banks and other financial institutions	1,587.0	0.4	2,141.1	0.6
Placements with banks and other financial institutions	19,655.8	5.1	19,486.0	5.2
Financial assets held under resale agreements	22,557.3	5.8	28,197.9	7.5
Net loans and advances to customers	201,695.6	51.9	195,103.5	51.8
Net financial investments	118,862.6	30.6	106,796.2	28.4
Investment in an associate	382.9	0.1	369.8	0.1
Property and equipment	1,185.4	0.3	1,230.7	0.3
Deferred income tax assets	2,748.0	0.7	2,514.0	0.7
Other assets <sup>(1)</sup>	1,430.3	0.4	1,245.5	0.3
<b>Total assets</b>	<b>388,258.0</b>	<b>100.0</b>	<b>376,305.5</b>	<b>100.0</b>

Note:

(1) Consist primarily of accounts receivable and prepayments, intangible assets and right-of-use assets.

The Group's total assets increased by 3.2% from RMB376,305.5 million as of December 31, 2024 to RMB388,258.0 million as of June 30, 2025, primarily because the Group continuously optimized its structure of assets business and increased the scale of credit assets and financial investment in line with the actual business development of the Group and in accordance with the Group's asset and liability management requirements.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Loans and advances to customers*

The following table sets forth the breakdown of the Group's loans by business line as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Corporate loans	136,608.1	65.5	127,307.5	63.2
Personal loans	34,833.5	16.7	34,283.7	17.0
Discounted bills	37,196.7	17.8	39,822.9	19.8
<b>Gross loans and advances to customers</b>	<b>208,638.3</b>	<b>100.0</b>	<b>201,414.1</b>	<b>100.0</b>
Interest accrued	972.5		1,012.2	
Less: Allowance for impairment on loans and advances to customers measured at amortised cost	(7,915.2)		(7,322.8)	
<b>Net loans and advances to customers</b>	<b>201,695.6</b>		<b>195,103.5</b>	

## MANAGEMENT DISCUSSION AND ANALYSIS

### Corporate loans

As of June 30, 2025, the Group's corporate loans amounted to RMB136,608.1 million, representing an increase of 7.3% from RMB127,307.5 million as of December 31, 2024, primarily due to the Group's steadfast commitment to promoting stability through progress, focusing on the "Five Priorities (五篇大文章)" in finance, and providing precise services to the real economy. The Group has expanded credit scale while optimizing its structure, providing our credit support to directly reach entities involved in fields such as the transformation and upgrading of the manufacturing sector, the upgrading and renovation of the energy industry, key industrial chain customer groups, and provincial and municipal key projects. The Group has vigorously supported the high-quality development of the manufacturing sector and the real economy characterized by new quality productive forces, directing our credit resources towards key areas of the national economy, including technological innovation, advanced manufacturing, green development, micro and small enterprises, infrastructure, and the private sector. This approach has accelerated the deployment of high-quality assets and maintained the steady development of our core businesses.

The following table sets forth the breakdown of the Group's corporate loans by contract maturity as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Short-term loans and advances (one year or less)	54,081.4	39.6	47,927.4	37.6
Medium-and long-term loans (above one year)	82,526.7	60.4	79,380.1	62.4
<b>Total corporate loans</b>	<b>136,608.1</b>	<b>100.0</b>	<b>127,307.5</b>	<b>100.0</b>

Short-term loans and advances as a percentage of total corporate loans increased from 37.6% as of December 31, 2024 to 39.6% as of June 30, 2025, while medium-and long-term loans as a percentage of total corporate loans decreased from 62.4% as of December 31, 2024 to 60.4% as of June 30, 2025. The percentage change of the above-mentioned corporate loan portfolio was primarily due to the Group's continuous efforts to intensify support for micro and small and medium enterprises, satisfying their increased short-term financing needs arising from operational turnover.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the distribution of the Group's corporate loans by product type as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Working capital loans	93,664.5	68.6	82,572.8	64.8
Fixed asset loans	28,569.6	20.9	31,684.0	24.9
Others <sup>(1)</sup>	14,374.0	10.5	13,050.7	10.3
<b>Total corporate loans</b>	<b>136,608.1</b>	<b>100.0</b>	<b>127,307.5</b>	<b>100.0</b>

*Note:*

(1) Consist primarily of trade financing, syndicated loans and merger and acquisition loans and advances.

### **Personal loans**

As of June 30, 2025, the Group's personal loans amounted to RMB34,833.5 million, representing an increase of 1.6% from RMB34,283.7 million as of December 31, 2024. The increase was primarily due to the Group's continuous transformation in its credit structure, with actively expanding personal credit business. Through the innovation and promotion of online products, our personal credit business has achieved steady growth.

The table below sets forth the distribution of the Group's personal loans by product type as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Residential mortgage loans	24,590.1	70.6	24,550.3	71.6
Personal consumption loans	5,059.2	14.5	4,469.1	13.0
Personal business loans	1,464.5	4.2	1,329.5	3.9
Credit card balances	3,719.7	10.7	3,934.8	11.5
<b>Total personal loans</b>	<b>34,833.5</b>	<b>100.0</b>	<b>34,283.7</b>	<b>100.0</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

As of June 30, 2025, residential mortgage loans amounted to RMB24,590.1 million, representing an increase of 0.2% from RMB24,550.3 million as of December 31, 2024, which was primarily because the Group proactively responded to national policies by reducing down payment ratios and interest rates for residential mortgage loans, continuously supporting residents' housing financial needs and promoting the steady growth in residential mortgage loans business.

As of June 30, 2025, personal consumption loans amounted to RMB5,059.2 million, representing an increase of 13.2% from RMB4,469.1 million as of December 31, 2024, which was primarily attributable to the Group's vigorous efforts in advancing the transformation and development of consumer loans. By adopting a customer-centric approach, we have expanded our customer service scope, enhanced customer management capabilities and continuously improved service efficiency and customer experience through the upgrade and innovation of online products, which has led to rapid growth of the scale of business loans.

As of June 30, 2025, personal business loans amounted to RMB1,464.5 million, representing an increase of 10.2% from RMB1,329.5 million as of December 31, 2024, which was primarily attributable to the Group's efforts in optimising and promoting its online business platform "code-based loan (碼上貸)", as well as developing a series of scenario-based services under "code-based loan + (碼上貸+)", thereby enhancing the convenience of its services.

As of June 30, 2025, credit card balances amounted to RMB3,719.7 million, representing a decrease of 5.5% from RMB3,934.8 million as of December 31, 2024, which was primarily because during the Reporting Period, on one hand, influenced by the macro market environment, residents' consumption demand slowed down, and their expectations for future income stability became more cautious, leading to an overall decline in transaction volumes across the credit card industry; on the other hand, the widespread adoption of credit instruments such as mobile payments and consumer loans has diverted usage scenarios away from credit cards.

### ***Discounted bills***

The balance of discounted bills decreased by 6.6% from RMB39,822.9 million as of December 31, 2024 to RMB37,196.7 million as of June 30, 2025, which was mainly attributable to a decrease in the scale of bills after comprehensively considering the Group's asset structure.

### ***Financial investments***

As of June 30, 2025, the Group's net financial investments (mainly consisting of debt securities investment and special purpose vehicles ("SPV") investment) reached RMB118,862.6 million, representing an increase of 11.3% from RMB106,796.2 million as of December 31, 2024, which was mainly attributable to an increase in the scale of financial investments after comprehensively considering the Group's asset structure.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the classification of the Group's financial investments, based on its business model and cash flow characteristics, as of December 31, 2024 and June 30, 2025.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
(in millions of RMB, except percentages)				
Financial investments measured at amortised cost	77,142.4	64.4	78,409.2	73.0
Financial investments measured at fair value through other comprehensive income	17,528.4	14.6	6,751.5	6.3
Financial investments measured at fair value through profit or loss	25,115.6	21.0	22,212.9	20.7
<b>Total financial investments</b>	<b>119,786.4</b>	<b>100.0</b>	<b>107,373.6</b>	<b>100.0</b>
Interests accrued	930.7		1,068.1	
Less: allowance for impairment losses	(1,854.5)		(1,645.5)	
<b>Net financial investments</b>	<b>118,862.6</b>		<b>106,796.2</b>	

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Debt securities investment*

The following table sets forth the components of the Group's debt securities investment by issuer as of December 31, 2024 and June 30, 2025.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Debt securities issued by PRC government	57,108.3	66.4	56,839.2	72.9
Debt securities issued by policy banks	16,267.2	18.9	15,160.9	19.4
Debt securities issued by commercial banks and other financial institutions	10,998.9	12.8	5,046.9	6.5
Debt securities issued by corporates	1,664.4	1.9	945.5	1.2
<b>Total debt securities investment</b>	<b>86,038.8</b>	<b>100.0</b>	<b>77,992.5</b>	<b>100.0</b>

The Group's investment in debt securities issued by the PRC government increased by 0.5% from RMB56,839.2 million as of December 31, 2024 to RMB57,108.3 million as of June 30, 2025, which remained primarily unchanged.

The Group's investment in debt securities issued by policy banks increased by 7.3% from RMB15,160.9 million as of December 31, 2024 to RMB16,267.2 million as of June 30, 2025, which was primarily due to an appropriate increase in the investment scale in debt securities issued by policy banks after comprehensively considering the Group's asset structure.

The Group's investment in debt securities issued by commercial banks and other financial institutions increased by 117.9% from RMB5,046.9 million as of December 31, 2024 to RMB10,998.9 million as of June 30, 2025, which was primarily due to an increase in the investment scale in debt securities issued by commercial banks and other financial institutions after comprehensively considering the Group's asset structure.

The Group's investment in debt securities issued by corporates increased by 76.0% from RMB945.5 million as of December 31, 2024 to RMB1,664.4 million as of June 30, 2025, which was primarily due to an appropriate increase in the investment scale in corporate bonds after comprehensively considering the Group's asset structure.

## MANAGEMENT DISCUSSION AND ANALYSIS

### **SPV investment**

The following table sets forth the distribution of the Group's SPV investment by product type as of December 31, 2024 and June 30, 2025.

	<b>As of June 30, 2025</b>		<b>As of December 31, 2024</b>	
	<b>Amount</b>	<b>% of total (%)</b>	<b>Amount</b>	<b>% of total (%)</b>
	(in millions of RMB, except percentages)			
Trust plans	718.5	3.1	718.5	3.3
Asset management plans	355.3	1.5	710.3	3.3
Funds	22,306.2	95.4	20,366.1	93.4
<b>Total SPV investment</b>	<b>23,380.0</b>	<b>100.0</b>	<b>21,794.9</b>	<b>100.0</b>

As of June 30, 2025, the total SPV investment increased by 7.3% from RMB21,794.9 million as of December 31, 2024 to RMB23,380.0 million, which was primarily because the Group has appropriately increased the scale of the investment in mutual funds, taking into account the market situation and the need for income and liquidity management.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Other components of the Group's assets*

The following table sets forth the composition of the Group's other components of assets as of December 31, 2024 and June 30, 2025.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Cash and deposits with the central bank	18,153.1	26.8	19,220.8	25.8
Deposits with banks and other financial institutions	1,587.0	2.3	2,141.1	2.9
Placements with banks and other financial institutions	19,655.8	29.0	19,486.0	26.2
Financial assets held under resale agreements	22,557.3	33.3	28,197.9	37.8
Investment in an associate	382.9	0.6	369.8	0.5
Property and equipment	1,185.4	1.8	1,230.7	1.7
Deferred income tax assets	2,748.0	4.1	2,514.0	3.4
Other assets <sup>(1)</sup>	1,430.3	2.1	1,245.5	1.7
<b>Total other components of assets</b>	<b>67,699.8</b>	<b>100.0</b>	<b>74,405.8</b>	<b>100.0</b>

*Note:*

(1) Consist primarily of accounts receivable and prepayments, intangible assets and right-of-use assets.

As of June 30, 2025, total other components of assets decreased by 9.0% to RMB67,699.8 million from RMB74,405.8 million as of December 31, 2024, which was primarily due to a reduction in the scale of financial assets held under resale agreements. Financial assets held under resale agreements decreased by 20.0% from RMB28,197.9 million as of December 31, 2024 to RMB22,557.3 million as of June 30, 2025, which was mainly due to the Group's continuous optimization of its asset-liability structure, which resulted in a reduction in the scale of financial assets held under resale agreement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 4.2 Liabilities

The following table sets forth the components of the Group's total liabilities as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Borrowing from the central bank	1,944.4	0.5	2,821.6	0.8
Deposits from banks and other financial institutions	62.9	0.0	49.8	0.0
Financial assets sold under repurchase agreements	15,014.7	4.2	10,343.4	3.0
Deposits from customers	314,032.0	87.3	310,327.9	89.1
Income tax payable	409.7	0.1	453.2	0.1
Debt securities issued <sup>(1)</sup>	25,627.6	7.2	21,954.1	6.3
Other liabilities <sup>(2)</sup>	2,593.0	0.7	2,327.2	0.7
<b>Total liabilities</b>	<b>359,684.3</b>	<b>100.0</b>	<b>348,277.2</b>	<b>100.0</b>

Notes:

- (1) Consist of interbank deposit and tier-two capital debts.
- (2) Consist primarily of accounts payable in the process of clearance and settlement, dividend payable, employee compensation payable, lease liabilities and provisions.

As of June 30, 2025, the Group's total liabilities amounted to RMB359,684.3 million, representing an increase of 3.3% from RMB348,277.2 million as of December 31, 2024, mainly due to the continuous growth in the scale of financial assets sold under repurchase agreements, deposits from customers and debt securities issued, which has driven up the total liability balance.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Deposits from customers***

As of June 30, 2025, the Group's deposits from customers amounted to RMB314,032.0 million, representing an increase of 1.2% from RMB310,327.9 million as of December 31, 2024. The increase in deposits from customers was attributable to the Group's implementation of multiple initiatives to promote the development of various retail businesses, which in turn drove growth in personal deposits.

The following table sets forth the distribution of the Group's deposits from customers by product type and term structure of deposits as of December 31, 2024 and June 30, 2025.

	<b>As of June 30, 2025</b>		<b>As of December 31, 2024</b>	
	<b>Amount</b>	<b>% of total (%)</b>	<b>Amount</b>	<b>% of total (%)</b>
	<b>(in millions of RMB, except percentages)</b>			
<b>Corporate deposits</b>				
Demand	50,258.1	16.5	49,483.5	16.4
Time	75,931.0	25.0	76,309.9	25.4
Subtotal	126,189.1	41.5	125,793.4	41.8
<b>Personal deposits</b>				
Demand	14,352.3	4.7	15,104.8	5.0
Time	149,656.2	49.2	142,677.2	47.4
Subtotal	164,008.5	53.9	157,782.0	52.4
<b>Others <sup>(1)</sup></b>	13,879.0	4.6	17,287.7	5.8
<b>Total</b>	<b>304,076.6</b>	<b>100.0</b>	<b>300,863.1</b>	<b>100.0</b>
Interest accrued	9,955.4		9,464.8	
<b>Deposits from customers</b>	<b>314,032.0</b>		<b>310,327.9</b>	

*Note:*

(1) Consist primarily of pledged deposits, inward and outward remittances and fiscal deposits.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Debt securities issued*

As of June 30, 2025, debt securities issued amounted to RMB25,627.6 million, representing an increase of 16.7% from RMB21,954.1 million as of December 31, 2024, and the increase in debt securities issued was mainly due to the Group's increasing scale of interbank deposits issuance in accordance with liability management requirements.

### *Financial assets sold under repurchase agreements*

As of June 30, 2025, financial assets sold under repurchase agreements amounted to RMB15,014.7 million, representing an increase of 45.2% from RMB10,343.4 million as of December 31, 2024, primarily due to an increase in the scale of financial assets sold under repurchase agreements, after a comprehensive assessment of the Bank's asset and liability requirements.

## 4.3 Equity

The following table sets forth the components of the Group's equity as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Share capital	5,838.7	20.4	5,838.7	20.8
Other equity instruments	2,000.0	7.0	2,000.0	7.1
Capital reserve	6,621.4	23.2	6,626.6	23.7
Surplus reserve	6,207.8	21.7	5,239.3	18.7
General reserve	4,231.8	14.8	4,231.8	15.1
Fair value reserve	(62.5)	(0.2)	(19.3)	(0.1)
Impairment reserve	20.8	0.1	3.5	0.0
Deficit on remeasurement of net defined benefit liability	(6.9)	0.0	(6.9)	0.0
Retained earnings	3,720.8	13.0	4,104.0	14.6
Equity attributable to equity holders of the Bank	28,571.9	100.0	28,017.7	99.9
Non-controlling interests	1.8	0.0	10.6	0.1
<b>Total equity</b>	<b>28,573.7</b>	<b>100.0</b>	<b>28,028.3</b>	<b>100.0</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

As of June 30, 2025, the total equity of the Group amounted to RMB28,573.7 million, representing an increase of 1.9% from RMB28,028.3 million as of December 31, 2024. As of the same date, the equity attributable to equity holders of the Bank amounted to RMB28,571.9 million, representing an increase of 2.0% from RMB28,017.7 million as of December 31, 2024. The increase in the equity attributable to equity holders of the Bank was mainly attributable to the increase in retained earnings due to net profit, which was partially offset by the payment of dividends for the period. For the six months ended June 30, 2025, the Group realized a net profit of RMB1,050.5 million; according to the 2024 profit distribution plan approved at the general meeting, cash dividends of RMB467.1 million were distributed to all Shareholders.

### 5 OFF-BALANCE SHEET ITEMS ANALYSIS

The following table sets forth the contractual amounts of the Group's off-balance sheet commitments as of December 31, 2024 and June 30, 2025.

	As of June 30, 2025 (in millions of RMB)	As of December 31, 2024
Loan commitments	8,662.4	8,478.1
Credit card commitments	5,841.1	5,619.0
Bank acceptances	28,922.2	36,541.8
Letters of credit	8,035.7	8,053.6
Letters of guarantee	140.2	165.1
Capital commitments	86.8	66.6
<b>Total off-balance sheet commitments</b>	<b>51,688.4</b>	<b>58,924.2</b>

As of June 30, 2025, the Group's total off-balance sheet commitments amounted to RMB51,688.4 million, representing a decrease of 12.3% from RMB58,924.2 million as of December 31, 2024, mainly due to the decrease of RMB7,619.6 million in bank acceptances as compared to the end of the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 6 ASSET QUALITY ANALYSIS

#### Distribution of loans by the five-category loan classification

The following table sets forth the distribution of the Group's loans by the five-category loan classification as of December 31, 2024 and June 30, 2025. According to the current guidelines of risk-based classification of loans, NPLs are classified as substandard, doubtful and loss.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Normal	195,484.9	93.7	188,667.2	93.6
Special Mention	9,464.1	4.5	9,181.2	4.6
<b>Subtotal</b>	<b>204,949.0</b>	<b>98.2</b>	<b>197,848.4</b>	<b>98.2</b>
Substandard	1,864.2	0.9	1,820.9	0.9
Doubtful	557.0	0.3	817.7	0.4
Loss	1,268.1	0.6	927.1	0.5
<b>Subtotal</b>	<b>3,689.3</b>	<b>1.8</b>	<b>3,565.7</b>	<b>1.8</b>
<b>Gross loans and advances to customers</b>	<b>208,638.3</b>	<b>100.0</b>	<b>201,414.1</b>	<b>100.0</b>
<b>NPL ratio <sup>(1)</sup></b>		<b>1.77</b>		<b>1.77</b>

Note:

(1) Calculated by dividing total NPLs by gross loans and advances to customers.

As of June 30, 2025, according to the five-category loan classification, the Group's normal loans amounted to RMB195,484.9 million, representing an increase of RMB6,817.7 million from that as of December 31, 2024, accounting for 93.7% of the gross loans and advances to customers. Special mention loans amounted to RMB9,464.1 million, representing an increase of RMB282.9 million from that as of December 31, 2024, accounting for 4.5% of the gross loans and advances to customers. NPLs amounted to RMB3,689.3 million, representing an increase of RMB123.6 million from that as of December 31, 2024. The NPL ratio was 1.77%, remaining unchanged from that as of December 31, 2024. The total NPLs increased, mainly due to a decline in the repayment capacity of certain customers, which led to an increase in the non-performing balances of the Group's personal loans.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Distribution of loans by collateral

The following table sets forth the distribution of the Group's loans and advances to customers by types of collateral as of December 31, 2024 and June 30, 2025.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Pledged loans <sup>(1)</sup>	47,330.7	22.7	50,684.1	25.2
Collateralized loans <sup>(1)</sup>	35,201.4	16.9	32,090.4	15.9
Guaranteed loans <sup>(1)</sup>	85,932.1	41.2	82,190.5	40.8
Unsecured loans	40,174.1	19.2	36,449.1	18.1
<b>Gross loans and advances to customers</b>	<b>208,638.3</b>	<b>100.0</b>	<b>201,414.1</b>	<b>100.0</b>

*Note:*

- (1) Represent the total amount of loans fully or partially secured by collateral, pledges or guarantees in each category. If a loan is secured by more than one form of security interest, the categorization is based on the primary form of security interest.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Distribution of corporate loans by industry

The following table sets forth the distribution of the Group's corporate loans by industry as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Manufacturing	43,448.8	31.8	39,910.9	31.4
Mining	32,350.2	23.7	27,366.4	21.5
Wholesale and retail	13,339.9	9.8	12,753.3	10.0
Leasing and business services	9,874.5	7.2	10,789.9	8.5
Construction	8,922.7	6.5	8,459.6	6.6
Real estate	8,568.0	6.2	8,713.7	6.8
Electricity, heating, gas and water production and supply	7,529.6	5.5	7,100.7	5.6
Transportation, warehousing and postal services	3,800.9	2.8	3,148.4	2.5
Water, environment and public utility management	2,869.7	2.1	3,673.6	2.9
Finance	1,823.7	1.3	1,572.5	1.2
Lodging and catering	519.0	0.4	367.6	0.3
Agriculture, forestry, animal husbandry and fishery	241.3	0.2	82.0	0.1
Education	76.3	0.1	168.3	0.1
Others <sup>(1)</sup>	3,243.5	2.4	3,200.6	2.5
<b>Total corporate loans</b>	<b>136,608.1</b>	<b>100.0</b>	<b>127,307.5</b>	<b>100.0</b>

Note:

- (1) Consist primarily of the following industries: (i) scientific research and technical services; (ii) information transmission, software and information technology services; (iii) health and social services; (iv) culture, sports and entertainment; and (v) resident services, maintenance and other services.

## MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2025, the Group further optimized its credit structure and actively supported the development of the real economy. As of June 30, 2025, the Group's five major components of corporate loans were offered to customers in the following industries: manufacturing, mining, wholesale and retail, leasing and business services and construction, and the total loans to corporate customers in the top five industries amounted to RMB107,936.1 million, accounting for 79.0% of the total corporate loans and advances to customers granted by the Group.

### Distribution of non-performing corporate loans by industry

The following table sets forth the distribution of the Group's NPLs to corporate customers by industry as of the dates indicated.

	As of June 30, 2025			As of December 31, 2024		
	Amount	% of total (%)	NPL ratio <sup>(1)</sup> (%)	Amount	% of total (%)	NPL ratio <sup>(1)</sup> (%)
(in millions of RMB, except percentages)						
Manufacturing	1,228.6	44.7	2.83	1,127.9	40.5	2.83
Leasing and business services	470.3	17.1	4.76	577.0	20.7	5.35
Mining	430.9	15.7	1.33	431.0	15.5	1.57
Construction	274.6	10.0	3.08	276.7	9.9	3.27
Wholesale and retail	266.1	9.7	1.99	290.6	10.4	2.28
Real estate	24.5	0.9	0.29	31.5	1.1	0.36
Agriculture, forestry, animal husbandry and fishery	11.5	0.4	4.78	8.7	0.3	10.61
Education	5.6	0.2	7.39	5.6	0.2	3.33
Transportation, warehousing and postal services	5.6	0.2	0.15	5.6	0.2	0.18
Lodging and catering	5.0	0.2	0.96	5.6	0.2	1.52
Water, environment and public utility management	2.6	0.1	0.09	2.6	0.1	0.07
Electricity, heating, gas and water production and supply	0.4	0.0	0.01	–	–	–
Others <sup>(2)</sup>	21.4	0.8	0.66	21.7	0.9	0.68
<b>Total non-performing corporate loans</b>	<b>2,747.1</b>	<b>100.0</b>	<b>2.01</b>	<b>2,784.5</b>	<b>100.0</b>	<b>2.19</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Notes:

- (1) Calculated by dividing NPLs to corporate customers in each industry by gross loans to corporate customers in that industry.
- (2) Consist primarily of the following industries: (i) health and social services; (ii) culture, sports and entertainment; (iii) resident services, maintenance and other services; (iv) information transmission, software and information technology services; and (v) scientific research and technical services.

As of June 30, 2025, the Group's non-performing corporate loans were mainly from manufacturing, leasing and business services, mining industries.

As of December 31, 2024 and June 30, 2025, the NPL ratio for corporate loans in the manufacturing industry was 2.83%. Non-performing corporate loans to borrowers in such industry accounted for 40.5% and 44.7% of the total non-performing corporate loans, respectively. The balance of non-performing corporate loans to the manufacturing industry increased from RMB1,127.9 million as of December 31, 2024 to RMB1,228.6 million as of June 30, 2025. The increase in balance of non-performing loans in the industry was mainly attributable to the operational decline of some automobile manufacturing enterprises customers within our Group, which was affected by market changes and poor internal management, leading to defaults on certain loans.

As of December 31, 2024 and June 30, 2025, the NPL ratio for corporate loans in the leasing and business services industry was 5.35% and 4.76%, respectively. Non-performing corporate loans to borrowers in such industry accounted for 20.7% and 17.1% of the total non-performing corporate loans, respectively. The balance of non-performing corporate loans to the leasing and business services industry decreased from RMB577.0 million as of December 31, 2024 to RMB470.3 million as of June 30, 2025. This was mainly due to the Group's continuous and intensified efforts in the collection and disposal of non-performing loans through the comprehensive use of various measures, resulting in a decrease in both the balance of NPLs and the NPL ratio compared to the beginning of the year.

As of December 31, 2024 and June 30, 2025, the NPL ratio for corporate loans in the mining industry was 1.57% and 1.33%, respectively. Non-performing corporate loans to borrowers in such industry accounted for 15.5% and 15.7% of the total non-performing corporate loans, respectively. The non-performing balance of corporate loans in mining industry decreased from RMB431.0 million as of December 31, 2024 to RMB430.9 million as of June 30, 2025. The decrease in the NPL ratio was due to an increase in the Group's total loan amount.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Distribution of NPLs by product type

The table below sets forth the distribution of NPLs by product type as of the dates indicated.

	As of June 30, 2025			As of December 31, 2024		
	Amount	% of total (%)	NPL ratio <sup>(1)</sup> (%)	Amount	% of total (%)	NPL ratio <sup>(1)</sup> (%)
(in millions of RMB, except percentages)						
<b>Corporate loans</b>	<b>2,747.1</b>	<b>74.5</b>	<b>2.01</b>	2,784.5	78.1	2.19
<b>Personal loans</b>	<b>942.2</b>	<b>25.5</b>	<b>2.71</b>	781.2	21.9	2.28
<b>Total NPLs</b>	<b>3,689.3</b>	<b>100.0</b>	<b>1.77</b>	3,565.7	100.0	1.77

*Note:*

- (1) Calculated by dividing NPLs in each product type by gross loans and advances to customers in that product type.

The NPL ratio for corporate loans decreased from 2.19% as of December 31, 2024 to 2.01% as of June 30, 2025, while the balance of non-performing corporate loans decreased from RMB2,784.5 million as of December 31, 2024 to RMB2,747.1 million as of June 30, 2025, which was primarily due to the fact that the Group continued to intensify the collection and disposal and accelerated progress by comprehensively utilising various disposal measures, such as direct collection, judicial collection, contributing to declining trend in both the balance of NPLs and the NPL ratio.

The NPL ratio for personal loans increased from 2.28% as of December 31, 2024 to 2.71% as of June 30, 2025, and the balance of NPLs for personal loans increased from RMB781.2 million as of December 31, 2024 to RMB942.2 million as of June 30, 2025. The increase in balance of NPLs for personal loans and the increase in NPL ratio were mainly due to a decline in the repayment capacity of certain customers affected by the market economy environment.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Distribution of NPLs by geographical region

The following table sets forth the distribution of the Group's NPLs by geographical region as of December 31, 2024 and June 30, 2025.

	As of June 30, 2025			As of December 31, 2024		
	Amount	% of total (%)	NPL ratio <sup>(1)</sup> (%)	Amount	% of total (%)	NPL ratio <sup>(1)</sup> (%)
(in millions of RMB, except percentages)						
Taiyuan	2,371.6	64.3	1.95	2,358.0	66.1	1.96
Outside Taiyuan	1,317.7	35.7	1.51	1,207.7	33.9	1.49
<b>Total NPLs</b>	<b>3,689.3</b>	<b>100.0</b>	<b>1.77</b>	<b>3,565.7</b>	<b>100.0</b>	<b>1.77</b>

*Note:*

(1) Calculated by dividing NPLs in each region by gross loans and advances to customers in that region.

### Borrowers concentration

#### *Loans to the ten largest single borrowers*

In accordance with applicable PRC Banking Industry guidelines, the Group is subject to a lending limit of 10% of its net capital base to any single borrower. As of June 30, 2025, the Group's loans to the largest single borrower accounted for 6.8% of the Group's net capital base, which was in compliance with regulatory requirements.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the Group's loan balances to the ten largest single borrowers as of the date indicated, which were all classified as normal on that date.

		As of June 30, 2025			Classification
		% of	% of net		
		total loans	capital base <sup>(1)</sup>		
Industry		Amount	(%)	(%)	
(in millions of RMB, except percentages)					
Borrower A	Manufacturing	2,252.2	1.1	6.8	Normal
Borrower B	Manufacturing	2,050.0	1.0	6.2	Normal
Borrower C	Construction	1,879.0	0.9	5.7	Normal
Borrower D	Manufacturing	1,837.5	0.9	5.6	Normal
Borrower E	Mining	1,699.0	0.8	5.2	Normal
Borrower F	Manufacturing	1,685.3	0.8	5.1	Normal
Borrower G	Manufacturing	1,665.0	0.8	5.1	Normal
Borrower H	Leasing and business services	1,647.0	0.8	5.0	Normal
Borrower I	Manufacturing	1,628.7	0.8	4.9	Normal
Borrower J	Manufacturing	1,595.7	0.7	4.8	Normal
Total		17,939.4	8.6	54.4	

*Note:*

- (1) Represents loan balances as a percentage of the net capital base. The net capital base is calculated in accordance with the requirements of the Capital Administrative Measures for Commercial Banks and based on the financial statements prepared in accordance with PRC Generally Accepted Accounting Principles.

As of June 30, 2025, the balance of the Group's loans to the largest single borrower amounted to RMB2,252.2 million, accounting for 1.1% of the gross loans and advances to customers; the total loans to the ten largest single borrowers amounted to RMB17,939.4 million, accounting for 8.6% of the gross loans and advances to customers.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Loan aging schedule

The following table sets forth the Group's loan aging schedule as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total (%)	Amount	% of total (%)
	(in millions of RMB, except percentages)			
Current loan	204,398.0	98.0	197,933.5	98.3
Loans past due for				
Up to 3 months <sup>(1)</sup>	984.3	0.5	1,472.3	0.7
Over 3 months up to 6 months <sup>(1)</sup>	213.4	0.1	152.0	0.1
Over 6 months up to 1 year <sup>(1)</sup>	1,360.2	0.6	260.6	0.1
Over 1 year up to 3 years <sup>(1)</sup>	616.5	0.3	829.9	0.4
Over 3 years <sup>(1)</sup>	1,065.9	0.5	765.8	0.4
<b>Subtotal</b>	<b>4,240.3</b>	<b>2.0</b>	<b>3,480.6</b>	<b>1.7</b>
<b>Gross loans and advances to customers</b>	<b>208,638.3</b>	<b>100.0</b>	<b>201,414.1</b>	<b>100.0</b>

*Note:*

(1) Represents the principal amount of loans with principal or interest overdue as of the dates indicated.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Changes to allowance for impairment losses

Allowance for impairment losses on loans to customers increased by 8.3% from RMB7,326.1 million as of January 1, 2025 to RMB7,932.1 million as of June 30, 2025, primarily due to the fact that the Group increased the loans to customers, and increased the provision for an impairment loss of loan assets based on the expected credit loss method model and the prudent, dynamic and objective assessment of future risk exposures, taking into account macro-economic situations, default rates, default probabilities and the Group's actual situation.

	As of June 30, 2025 Amount (in millions of RMB)	As of December 31, 2024 Amount
<b>Beginning of the period (January 1)</b>	<b>7,326.1<sup>(1)</sup></b>	<b>6,780.7<sup>(3)</sup></b>
Charge for the period	<b>643.8</b>	1,783.2
Transfer out	–	–
Recoveries	<b>7.0</b>	11.9
Write-offs	<b>(6.1)</b>	(1,158.0)
Other changes	<b>(38.7)</b>	(91.7)
<b>End of the period</b>	<b>7,932.1<sup>(2)</sup></b>	<b>7,326.1</b>

*Notes:*

- (1) Including (i) allowance for impairment losses on the loans and advances to customers measured at amortised cost which amounted to RMB7,322.8 million; and (ii) allowance for impairment losses on the loans and advances measured at fair value through other comprehensive income which amounted to RMB3.3 million.
- (2) Including (i) allowance for impairment losses on the loans and advances to customers measured at amortised cost which amounted to RMB7,915.2 million; and (ii) allowance for impairment losses on the loans and advances measured at fair value through other comprehensive income which amounted to RMB16.9 million.
- (3) Including (i) allowance for impairment losses on the loans and advances to customers measured at amortised cost which amounted to RMB6,778.3 million; and (ii) allowance for impairment losses on the loans and advances measured at fair value through other comprehensive income which amounted to RMB2.4 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 7 GEOGRAPHICAL SEGMENTS REPORT

In presenting information by geographical segments, operating income is gathered according to the locations of the branches or subsidiaries that generated the income. For the purpose of presentation, the Group categorizes such information by geographic regions.

The following table sets forth the total operating income of each geographical region for the periods indicated.

	For the six months ended June 30,			
	2025		2024	
	Amount	% of total (%)	Amount	% of total (%)
(in millions of RMB, except percentages)				
Taiyuan	1,684.3	61.6	1,582.5	56.8
Outside Taiyuan	1,051.4	38.4	1,204.2	43.2
<b>Total operating income</b>	<b>2,735.7</b>	<b>100.0</b>	<b>2,786.7</b>	<b>100.0</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### 8 CAPITAL ADEQUACY RATIO ANALYSIS AND LEVERAGE RATIO ANALYSIS

The Group is subject to capital adequacy requirements as promulgated by National Financial Regulatory Administration. The following table sets forth, as of the dates indicated, relevant information relating to the Group's capital adequacy ratio.

	As of June 30, 2025 (in millions of RMB, except percentages)	As of December 31, 2024
<b>Core tier-one capital</b>		
– Share capital	5,838.7	5,838.7
– Qualifying portion of capital reserve	6,621.4	6,626.6
– Surplus reserve	6,207.8	5,239.3
– General reserve	4,231.8	4,231.8
– Other comprehensive income	(48.6)	(22.7)
– Retained earnings	3,720.8	4,104.0
– Qualifying portions of non-controlling interests	4.2	7.8
<b>Total core tier-one capital</b>	<b>26,576.1</b>	<b>26,025.5</b>
<b>Core tier-one capital deductions</b>	<b>(460.5)</b>	<b>(346.0)</b>
<b>Net core tier-one capital</b>	<b>26,115.6</b>	<b>25,679.5</b>
Other tier-one capital	2,000.0	2,001.0
Net tier-one capital	28,115.6	27,680.5
Tier-two capital	4,834.0	4,711.2
<b>Net capital base</b>	<b>32,949.6</b>	<b>32,391.7</b>
<b>Total risk-weighted assets</b>	<b>254,222.5</b>	<b>252,347.1</b>
<b>Core tier-one capital adequacy ratio (%)</b>	<b>10.27</b>	<b>10.18</b>
<b>Tier-one capital adequacy ratio (%)</b>	<b>11.06</b>	<b>10.97</b>
<b>Capital adequacy ratio (%)</b>	<b>12.96</b>	<b>12.84</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

*Note:*

- (1) The relevant information on the Group's capital adequacy ratio as of June 30, 2025 and as of December 31, 2024 is calculated in accordance with the Capital Administrative Measures for Commercial Banks issued by National Financial Regulatory Administration with effect from January 2024 and the PRC Generally Accepted Accounting Principles.

As of June 30, 2025, the Group's capital adequacy ratio was 12.96%, up by 0.12 percentage point from the end of 2024. The tier-one capital adequacy ratio was 11.06%, up by 0.09 percentage point from the end of 2024, and core tier-one capital adequacy was 10.27%, up by 0.09 percentage point from the end of 2024. Such changes were mainly because, during the Reporting Period, the Group adjusted its asset structure by increasing the allocation to credit while reducing trading financial assets subject to market risk. As a result, the growth rate of risk-weighted assets was lower than that of increase in net capital.

As of June 30, 2025, the Group's leverage ratio was 6.61%, up by 0.04 percentage point from 6.57% as of December 31, 2024. Pursuant to the Capital Administrative Measures for Commercial Banks issued by National Financial Regulatory Administration with effect from January 2024, the minimum leverage ratio shall not be lower than 4%.

## 9 RISK MANAGEMENT

The primary risks related to the Group's operations include: credit risk, market risk, liquidity risk, operational risk, information technology risk, reputational risk, strategic risk and environment, society and governance ("ESG") risk.

In the first half of 2025, the Group firmly upheld the main keynote of "risk management by the Party", while strengthening its bottom-line thinking and risk awareness with an increasing focus on risk prevention while pursuing steady growth and high-quality development. The Bank constantly improved the long-term mechanism of risk management and control, promoted refined management, strengthened system construction to facilitate and support the steady and rapid development of all businesses, and resolutely safeguarded financial stability and financial security.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Credit risk

Credit risk refers to the risk of loss that may arise from the default by, or downgrade of credit rating of, an obligor or counterparty, or from its reduced capacity of fulfilling its contractual obligations. The Group is exposed to credit risks primarily associated with corporate loan business, personal loan business and financial market business.

The Group has built and continuously enhances its credit risk management system to identify, measure, monitor, mitigate and control risks that arise from its credit business. In the first half of 2025, the Group continued to promote the optimisation of the credit risk asset portfolio structure, strengthened credit risk prevention and control in key areas, and persistently carried out well-structured optimisation and adjustment. The Group has improved the refinement level of its credit policy, made solid progress in Five Priorities (五篇大文章), strengthened credit support for provincial key projects and key industrial chains, and laid a solid foundation for long-term sustainable development. The Group has strengthened unified credit granting, deepened the reform of the credit approval mechanism, refined the long-term credit management framework, and implemented a dual-dimensional “qualification + authorization” and hierarchical management approach for approvers, and optimised the credit pre-review mechanism, conducted pre-assessment for key businesses, and carried out post-evaluation of credit plans, thereby improving the efficiency of credit business approval. The Group has strengthened its early warning monitoring management, improved the foresight of early warnings and the effectiveness of early warning management, implemented tiered and differentiated management from industry, customer, product and other management dimensions, and improved the effectiveness of potential risk identification, early warning, exposure and disposal. The Group has intensified its efforts in the recovery and disposal of non-performing assets, further optimising its management mechanism for non-performing assets to enhance the quality and efficiency of their recovery and disposal. We strictly control the rebound of non-performing loans and overdue interest payments. By leveraging a variety of disposal methods, the Group promoted the revitalisation of existing resources, withdrawing from inefficient areas that occupy financial resources in a reasonable and measured manner, and guided more resources to flow into sectors aligned with industrial policy development. The Group has enhanced its risk classification management system for financial assets by strengthening risk classification management for key industries and customers, promptly adjusting risk classification results to truthfully reflect asset quality, and elevating the precision level of financial asset risk classification management, refined the implementation of the expected credit loss method, adhered to a prudent and stable provisioning policy, strictly conducted impairment calculations and provision in compliance with the new financial instruments accounting standards, continuously improving the refined quantitative management of credit risk.

The Group is committed to using advanced information technology systems to improve our credit risk management, strengthening financial technology to empower the risk prevention and control, continually optimizing technology risk monitoring indicators, and continually improving the technology capability of risk prevention and control. The Group introduced external big data such as business administration information and judicial litigation into the credit management system, developed the rules for intelligent risk management, intercepted high-risk customers, and effectively improved the capability of risk identification and the efficiency of risk decision-making management. The Group applied the concept of digital intelligent management to reconstruct the post-lending management function, iterated the people-oriented post-lending management with the intelligent post-lending management model, and promoted the digital transformation of the post-lending management mechanism.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is dedicated to striking a balance between achieving steady loan growth and maintaining a prudent culture of risk management. The Group prepared detailed guidelines on credit risk management based on the provincial, national and international economic conditions, as well as government policies and regulatory requirements. In formulating the credit policies, the Group studies the macroeconomic environment in the PRC and Shanxi Province and analyzes the risks and uncertainties relevant to the Group's operations. The Group also keeps track of the development of the national and local economic development plans, financial regulations and monetary policies, and adjusts the Group's credit guidelines accordingly.

### Management of large-scale risk exposure

The Group strictly implemented regulatory requirements, formulated management rules for large-scale risk exposure, consolidated the data basis, carried out the measurement, monitoring and system construction of large exposures in an orderly manner, strictly implemented each regulatory indicator, regularly submitted regulatory statements and management reports, and continuously improved our capability to measure and manage large-scale risk exposure. As of June 30, 2025, other than exempted customers, all limit indicators for the Group's large-scale risk exposures were in compliance with the regulatory requirements.

### Market risk

Market risk refers to the risk from adverse changes in market prices (interest rates, currency rates, stock prices and commodity prices) that results in losses to the Group's on- and off-balance sheet businesses. The Group is exposed to market risks primarily from interest rate risk and currency rate risk.

During the Reporting Period, the Group analyzed and studied the development trend of the financial market, formulated a market risk management system that is suitable for the Group's business development, and confirmed the assignment of responsibilities of the Board, senior management, internal auditing and all departments in accordance with the supervision requirements strictly. In performing the system, each department made joint efforts and better finished the management work on market risk. During the Reporting Period, the Group continued to improve its market risk limit system, monitored stop-loss limits for market risk, modified duration, account limits and other indicators by mark-to-market, and better completed daily monitoring of market risk by combining with contingency plans of market risk. Stress tests and reports for market risk were completed on a quarterly basis and regularly reported to senior management and the Board for review. In combination with the Group's business development strategy and risk appetite, the Group reasonably controlled the market risk under a bearable range.

As of June 30, 2025, the Group was engaged in a small-scaled foreign exchange business and held an insignificant amount of U.S. dollars and other foreign currencies. The Group has established various policies and operational procedures for its foreign exchange businesses, such as foreign exchange capital businesses, and business of foreign exchange settlement and sale, to control the relevant currency rate risks.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity risk

Liquidity risk is the risk of failure to obtain sufficient funds in a timely manner or at a reasonable cost to fulfill payment obligations when due. The liquidity management of the Group is primarily to provide timely payment of funds for lending, trading and investment activities in business development to meet capital needs, and to fulfill payment obligations when due.

The Group has established a liquidity risk management system and an organizational structure where the Board bears the ultimate responsibilities for the Group's liquidity risk management and the senior management is responsible for formulating liquidity risk management strategies and policies. The Group manages liquidity risk by monitoring the maturities of assets and liabilities to ensure it has sufficient funds readily available or at a reasonable cost to fulfill the payment obligations as they become due. The Assets and Liabilities Management Department monitors the Group's capital position on a daily basis and provides risk alerts and reminders in a timely manner. The Group also strictly observes the relevant regulatory requirements, closely monitors each liquidity indicator, formulates crisis management plans, enhances daily liquidity risk management and regularly applies stress tests.

In the first half of 2025, the Group closely monitored the changes in the market interest rates, strengthened the monitoring and management of the regular liquidity risks, and reasonably adjusted its liquidity risk management strategy according to the external market environment by strengthening its fund position management during the day time and rationally adjusting the term structure of assets and liabilities, to ensure that the liquidity risk is controllable for safety purposes. Liquidity risk management was strengthened mainly in the following aspects: 1. The Group strengthened the routine monitoring of liquidity risks. The Group improved the monitoring and analysis of large – amount funds through the information system of liquidity risks, rationally adjusted and controlled its day time excess reserves level to ensure that payment and settlement and other businesses could be operated normally. Meanwhile, the Group strengthened the management and control of liquidity risk indicators and rationally adjusted the structure of its assets and liabilities to ensure that the Group's liquidity indicators continued to be stable and meet regulatory requirements. 2. The Group adopted the management of liquidity risk limit indicators and set the limit indicators based on the external market and the actual development of the Group's business. 3. The Group strengthened the management of quality liquidity assets to ensure that there were sufficient reserves of quality liquidity assets to meet external financing needs under stress scenarios. 4. The Group had developed a liquidity risk reporting mechanism to ensure that the Board and senior management can keep abreast of the Group's liquidity status. 5. The Group regularly conducted liquidity stress tests and timely predicted the potential liquidity risks based on the results of the stress tests to formulate relevant management measure.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operational risk

Operational risk refers to the risk of losses arising from potentially defective internal procedures, personnel and information technology systems, and external events.

The Group has established an operational risk management structure with the Board, the Board of Supervisors and senior management, and clarified the “three lines of defense” of the operational risk management system for various business and management departments, the Legal and Compliance Department, the Assets and Liabilities Management Department and the Audit Department. During the Reporting Period, the Group optimised and improved its management tools and mechanisms, actively promoted the process-based and online management of the digital platform for operational risk and compliance management platform, established and continuously improved employee and compliance monitoring rules, and strengthened operational risk assessment and monitoring analysis to ensure that operational risk control was within the tolerable range.

Based on strengthening internal control and compliance management, the Group continuously pushed forward the integrated cross-inspection and problem rectification promoted by the National Financial Regulatory Administration, regularly carried out external regulation internalisation, process re-examination, and system abolition, revision, and establishment to enhance the quality of system management, intensified risk investigation, inspection and supervision in key areas such as credit operations, financial management, and operational processes, strictly implemented management requirements such as important job rotation, mandatory leave, and performance avoidance of employees, steadily advanced initiatives including data security classification and grading, business continuity drills, and cybersecurity protection measures to continuously enhance our risk prevention and response capabilities.

### Information technology risk

Information technology risks include operational risk, reputational risk, legal risk and other types of risks caused by natural factors, human errors, technical loopholes and management failure arising from the Group’s use of information technology. The Group has established the Chief Information Officer and Information Technology Management Committee, with the science and Technology Information Department, Legal and Compliance Department and Audit Department of the head office serving as the first, second and third lines of defense for information technology risk management. The Group strives to continuously improve the information technology infrastructure and the Group’s information technology management system to comply with the national standards and regulatory requirements.

## MANAGEMENT DISCUSSION AND ANALYSIS

To ensure information technology security, the Group has hired professionals to supervise the information security system and established a series of information security management measures to prevent any unauthorized network intrusions, attacks, data leakage or third-party tampering with the Group's information system. As part of the Group's business continuity management measures, the Group has established a disaster backup and recovery system comprising two local active application-level centers and one off-site data-level disaster recovery center. The Group has also established detailed contingency plans regarding the potential breakdown of the information system to ensure the continuity of operations. The Group conducts periodic disaster tolerance and recovery drills for business continuity for important businesses.

### Reputational risk

Reputational risk refers to the risk that arises from the behavior of the Group or its employees or external events that lead to negative evaluations of the Group by stakeholders, the public and the media, thereby damaging the brand value of the Group, adversely affecting the operation and management of the Group, and even affecting the market stability and social stability. The Group takes its reputation seriously and has established an effective reputational risk management mechanism to monitor, identify, report, control and assess the reputational risk, and at the same time manages the reputational risk emergency handling, and minimizes any loss and negative impact on the Group due to such incidents.

The office of the Board of the Group is responsible for undertaking the management of overall reputational risks, including establishing a reputational risk management system, and formulating fundamental internal policies. The Group has established emergency response teams for reputational risk incidents at the branches and sub-branches, so that the head office can be promptly informed upon the occurrence of material and urgent incidents and take appropriate actions accordingly.

### Strategic risk

Strategic risk refers to the risk caused by inappropriate business strategies or changes in the external operating environment during strategy development and implementation, which may have a negative impact on the current or future profitability, capital, reputation or market position of the Group.

The Group strengthens its guidance on the strategic development plan, pushes ahead with the implementation of strategic plans for 2021-2025 steadily, continually focuses on the changes in the external environment, actively conducts the evaluation of strategy implementation, initiates the formulation of a new five-year strategic plan, and always ensures the strategic planning is aligned with the external environment, so as to enhance the Group's adaptability in the face of unexpected market changes. The office of the Board is responsible for managing the Group's strategic risks. The Group identifies strategic risk factors through cooperation between the office of the Board and the Risk Management Department; conducts regular reviews and studies on prevailing market conditions and the Group's business operation status to timely identify potential risks, makes prompt adjustments to the strategies and relevant measures accordingly, and closely monitors the implementation of the strategies.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ESG risk

ESG risk refers to the risk of financial losses, legal sanctions or reputational damage due to inadequate practices in environmental, social and governance or external shocks (such as climate change, social conflicts, etc.) faced by the Group. The Group has effectively established an organizational structure for environmental and social risk management that links up and down. As the highest decision-making body on environmental and social risk management, the Board is responsible for formulating green finance development strategies and ensuring that an appropriate and effective risk management system is in place to address environmental and social-related risks. At the same time, the Group has set up a Development and Strategy Committee at the Board level to deliberate on environmental, social and governance (ESG) related proposals.

Senior management is responsible for setting environment-related targets, establishing green credit mechanisms and processes, and regularly reporting to the Board on environment-related developments such as green credit. All departments of the Group's head office and branches are responsible for the implementation of specific work related to the environment in accordance with the division of responsibilities. Among them, the Corporate Finance Department is the lead management department of green finance of the Group, which is responsible for improving the construction of green finance system, collecting green finance data, organizing and carrying out green finance training, etc., the Risk Management Department, as the overall risk management department, is responsible for green finance-related risks, and other departments and branches are responsible for cooperating with relevant specific work.

## 10 BUSINESS REVIEW

For the six months ended June 30, 2025, the Group's principal business lines comprised corporate banking, retail banking and financial markets.

For corporate banking business, the Group focuses on serving the governmental and institutional customers as well as high-quality customers in the business and industries, continuously improves the level of corporate customers management by measures such as intensifying the cooperation between governments and the Bank, enriching trade finance products, deepening reforms within the corporate financial team and accelerating the development of investment banking; for retail banking business, the Bank adheres to the philosophy of "building a bank founded on the basis of deposit (存款立行)" and continues to consolidate the foundation of personal deposits, promotes the rapid development of businesses such as credit cards, personal loans, and wealth management services, accelerates the progress of wealth management and digital transformation, continually enhances customer service capability, and promotes value enhancement for customers, so as to achieve significant improvement for retail banking in terms of market competitiveness and influence; for financial markets business, the Bank adjusts the asset structure of its bond and bill business proactively, expands credit granting to peer institutions actively, and strengthens the management of counterparties.

## MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets forth the breakdown of the Group's operating income by business line for the six months ended June 30, 2024 and 2025.

	For the six months ended June 30,			
	2025		2024	
	Amount	% of total (%)	Amount	% of total (%)
(in millions of RMB, except percentages)				
Corporate banking	1,636.4	59.8	1,748.3	62.8
Retail banking	686.7	25.1	655.9	23.5
Financial markets	407.3	14.9	367.7	13.2
Others <sup>(1)</sup>	5.3	0.2	14.8	0.5
<b>Total operating income</b>	<b>2,735.7</b>	<b>100.0</b>	<b>2,786.7</b>	<b>100.0</b>

*Note:*

(1) Consist primarily of income that is not directly attributable to any specific segment.

### Corporate banking

Positioning itself as a “financial steward” for local governments in Shanxi Province and a “partner” of the real economy, the Group has embraced the concept of green development, and gave its full support to the energy revolution and transformation and comprehensive reform in Shanxi Province. The Group actively provides financing support for key projects in Shanxi Province and other cities, and constantly provides corporate banking customers with diversified products and services, including deposits, loans, trade finance, cash management, remittance and settlement, bonds and bills service, etc.

For the six months ended June 30, 2025, the Group's operating income from corporate banking was RMB1,636.4 million, representing a year-on-year decrease of 6.4% and accounting for 59.8% of the total operating income for the same period. The decrease in operating income from corporate banking was primarily attributable to the decline in loan yields amid a persistently accommodative monetary policy environment, compounded by intense market competition driving up liability costs. As a result, the net interest margin has narrowed significantly, exerting substantial pressure on interest income. Meanwhile, the slowdown in macroeconomic growth has dampened corporate credit demand and trade activities, leading to increased pressure on revenues related to loans and trade financing.

As of June 30, 2025, the total corporate loans of the Group amounted to RMB136,608.1 million, representing an increase of 7.3% as compared to that as of December 31, 2024. As of June 30, 2025, the total corporate deposits amounted to RMB126,189.1 million, representing an increase of 0.3% as compared to that as of December 31, 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group continued to enhance its capacity to meet the needs of corporate banking customers for differentiated financial products, actively responded to the guidance of the national industrial policies and vigorously promoted the credit orientation towards medium- and long-term manufacturing. The Group also placed a focus on the development of intelligent online products centering on the improvement of customer experiences, actively expanded green and low-carbon corporate financing, strongly supported technology-based small or medium size enterprises to broaden capital sources, so as to continuously optimize its business structure, enrich its product portfolio, and enhance its overall service capacity.

### Retail banking

Capitalizing on its extensive knowledge of the local market and the preferences of retail banking customers, the Group continually develops and promotes retail banking products and services that are well-received by the market and makes consistent efforts in wealth management, customer service, channel operation, product innovation, etc. The Group provided a range of products and services to retail banking customers, including personal loans, deposit taking services, personal wealth management services, credit card services, funds, insurance services, treasury bonds and other agency services and remittance services, etc.

For the six months ended June 30, 2025, the Group's operating income from retail banking was RMB686.7 million, representing a year-on-year increase of 4.7% and accounting for 25.1% of the total operating income for the same period. The increase in operating income from retail banking was mainly due to the adjustment of retail business structure and the strategic transformation of product transition of credit card. Under the policy guidance of cost reduction, expenditures related to data services and other relevant fees have decreased. Meanwhile, the decrease in the cost has further lowered the cost of interest payments on deposits. Together, these factors have contributed to a significant decrease in retail business expenses.

As of June 30, 2025, the total personal loan was RMB34,833.5 million, accounting for 16.7% of the gross loans and advances to customers. As of June 30, 2025, residential mortgage loans, personal consumption loans, personal business loans and credit card balances were RMB24,590.1 million, RMB5,059.2 million, RMB1,464.5 million and RMB3,719.7 million, respectively, accounting for 70.6%, 14.5%, 4.2% and 10.7% of the total personal loans of the Group, respectively. For the six months ended June 30, 2025, the Group's total personal deposits amounted to RMB164,008.5 million, representing an increase of 3.9% as compared to that as of December 31, 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, in a move to enhance customer data quality, the Group proactively cleaned up the data of certain customers with whom business relationships had discontinued. As a result, the number of retail banking customers of the Group decreased during the Reporting Period, from 3,484.9 thousand as of December 31, 2024 to 3,330.6 thousand as of June 30, 2025. After years of persistent efforts, the Group has established an extensive business network covering the major cities within the Shanxi Province. As of June 30, 2025, the Bank had outlets across 11 prefecture-level cities in Shanxi Province. The Bank currently has 153 outlets under its supervision and established a Small Enterprises Financial Service Center. The Bank initiated the establishment of the first consumer finance company in Shanxi Province – Jinshang Consumer Finance Co., Ltd.

During the Reporting Period, with a business network that has extensive coverage, the Group was committed to providing customers with convenient online and mobile financial products and services with the use of advanced technologies. During the Reporting Period, the Group continued to enrich the types of services offered through online banking and introduced differentiated user experience for customers through technological upgrades. In addition, by integrating high-quality resources, the Group provided professional and comprehensive financial services to customers in the province. The Group won the 2025 Fifth Golden Reputation Award for “Excellent City Commercial Bank in Asset Management”, “Excellent City Commercial Bank in Wealth Management”, “Excellent Private Bank in Regional Service” and “Outstanding Innovative Bank Wealth Management Product” for its professional and outstanding services, and one of its wealth management products was recognized with the Yinghua Award Best Fixed Income Product.

To build an image as a private bank for the Bank and to facilitate effective customer management for the private banking business, and with a focus on the service system of “promoting the future (升擢未來)”, “promoting privileges (升享尊貴)”, “promoting the wellbeing (升生之道)”, and “promoting extraordinary experience (升鑑不凡)”, the Private Banking Center actively explores the development model of private banking in line with its own development strategy, scale and management capabilities, consolidates its presence in the family wealth planning service market, builds a differentiated and distinctive private banking brand, and accelerates the steady and robust development of private banking in the region.

### Financial market business

The financial market business of the Group primarily includes inter-bank money market transactions, repurchases transactions, debt securities investment and trading. It also covers the management of the Group’s overall liquidity position.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Group closely monitored the changes in the macroeconomic situation, adhered to the direction of financial market policies, strengthened the monitoring and analysis of market conditions, seized business development opportunities, rationally formulated investment strategies, continuously optimized the investment portfolio, adjusted investment structure and actively carried out innovative business under the premise of risk control, while building a more competitive financial market business.

For the financial market business, the Group continued to focus on liquidity management, constantly promoted its business implementation, maintained risk prevention and compliance management, continuously enhanced its market activity and influence, and made great efforts to improve its profitability. In order to continue to expand the scope of the Group's bond underwriting and distribution business and credit risk prevention and control capabilities, the Group obtained the core dealer qualification of credit risk mitigation instruments and the business qualification of underlying financial derivatives, which further strengthened the Group's capability of risk aversion and hedging.

For the six months ended June 30, 2025, the operating income from the Group's financial market business amounted to RMB407.3 million, accounting for 14.9% of total operating income and representing an increase of RMB39.6 million compared to RMB367.7 million in the same period in 2024, which was mainly due to the increase in bond investment income.

### ***Interbank market transactions***

The Group's interbank market transactions business primarily consists of: (i) interbank deposits; (ii) interbank placements; and (iii) purchase under resale agreements and sale under repurchase agreements, which mainly involves bonds and bills.

As of June 30, 2025, deposits with banks and other financial institutions were RMB1,587.0 million, accounting for 0.4% of the Group's total assets as of June 30, 2025.

As of June 30, 2025, placements with banks and other financial institutions were RMB19,655.8 million, accounting for 5.1% of the Group's total assets as of June 30, 2025.

As of June 30, 2025, financial assets held under resale agreements were RMB22,557.3 million, accounting for 5.8% of the Group's total assets as of June 30, 2025. As of the same date, financial assets sold under repurchase agreements amounted to RMB15,014.7 million, accounting for 4.2% of the Group's total liabilities as of June 30, 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Investment management***

The Group's investment management business mainly consists of debt securities investment and SPV investment. Specifically, debt securities include debt securities issued by the PRC government, policy banks, commercial banks and other financial institutions and enterprises. SPV investment refers to investments in trust plans, asset management plans and mutual funds. When making debt securities investment and SPV investment, the Group takes into account a broad range of factors, including but not limited to risk preferences, capital consumption level and expected yields of relevant products of the Group, as well as overall economic conditions and relevant regulatory development, to achieve a better balance between risk and return.

As of June 30, 2025, the balance of debt securities investment was RMB86,038.8 million, representing an increase of 10.3% from that as of December 31, 2024, primarily due to an increase in the investment quota allocated to debt securities issued by commercial banks and other financial institution.

As of June 30, 2025, the balance of SPV investment was RMB23,380.0 million, representing an increase of 7.3% from that as of December 31, 2024, primarily because the Group increased the investment scale of fund products.

### ***Wealth management***

During the Reporting Period, the Group actively expanded its wealth management products and services to attract a wider range of customers with different financial needs and risk tolerance, and effectively responded to the challenges of traditional banking services amid interest rate marketization. For the six months ended June 30, 2025, the amount of wealth management products issued by the Group was RMB23,467.8 million, representing a decrease of 18.8% as compared to the six months ended June 30, 2024, primarily due to the impacts of economic fundamentals, market liquidity, and debt reduction trends, which have led to a significant decline in the yields of relevant assets and the emergence of a "asset scarcity" phenomenon of a certain scale in the market, as a result, the Bank has appropriately and moderately reduced the fundraising scale of wealth management products, resulting in a decrease in the amount of wealth management products issued. As of June 30, 2025, the Group had more than 461,226 wealth management customers, reflected a further increase from the end of 2024.

As of June 30, 2025, the outstanding balance of the non-principal guaranteed wealth management products issued by the Group was RMB34,218.6 million, representing a decrease of 27.2% from that as of June 30, 2024, primarily due to the impacts of regulatory policies, scarcity of high-quality assets in the market, the narrowing of credit spreads, and limited profit margins for new products, which led to a decrease in the outstanding balance of wealth management products. For the six months ended June 30, 2025, the fee and commission income from the wealth management products issued by the Group was RMB130.3 million, representing an increase of 12.3% as compared to the six months ended June 30, 2024, primarily because of the recent sustained "bullish bonds" in the bond market, with continuously declining interest rates pushing up bond prices, which has led to a significant rise in the valuation of bond assets held by the wealth management products. This, in turn, has driven an increase in the net asset value of the products, resulting in a year-on-year increase in net fee and commission income.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***Debt securities distribution***

The Group's investment banking team provides customers with comprehensive financial services through the debt securities distribution business, further leverages the Group's strong capacity in managing capital market transactions, and broadens its customer base.

The Group obtained the preliminary and Class-B qualification for underwriting debt financing instruments issued by non-financial enterprises in October 2016 and February 2019, respectively, among which the Class-B qualification allows the Bank to act as a lead underwriter in the regional market. For the six months ended June 30, 2025, the aggregate principal amount of debt securities that the Group distributed amounted to RMB10,174.0 million, representing a decrease of 41.9% as compared to the six months ended June 30, 2024, primarily due to the further relaxation of eligibility criteria, coupled with volatility in the bond market.

### ***Small and micro enterprises***

During the Reporting Period, the Group actively implemented the relevant decisions and deployments of the Central Party Committee, the State Council, the provincial Party Committee and provincial government of Shanxi Province to deepen our efforts to support the coordinated financing mechanism for micro and small enterprises, enhance the efficiency of financial services, and contribute to the sustained economic recovery and improvement.

As of June 30, 2025, the Group's head office has set up an Inclusive Finance Department (Small Enterprises Financial Department/Small Enterprises Financial Service Center), four directly controlled branches in Taiyuan and ten non-local branches have also set up Inclusive Finance Department (Small Enterprises Financial Department).

As of June 30, 2025, the balance of inclusive loans to small and micro enterprises of the Group amounted to RMB12,620.1 million, representing an increase of RMB1,066.2 million from the beginning of the year. The number of accounts with balance of inclusive loans to small and micro enterprises was 8,067, representing a net increase of 2,491 from the beginning of the year. The NPL ratio of inclusive loans to small and micro enterprises was 2.95%, representing a decrease of 0.34 percentage point from the beginning of the year, and the annualized interest rate of accumulative was 4.04%, representing an increase of 0.04 percentage point from the beginning of the year, which can achieve the regulatory requirements of "ensuring volume, improving quality, stabilizing pricing, and optimizing structure" in financial services for small and micro enterprises.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Digital transformation

During the Reporting Period, the Group continued to advance its digital transformation, carrying out various initiatives under the framework of the Digital Finance Action Plan (2024-2026). Efforts were made to strengthen digital capabilities in business operations, data management, technological innovation, and digital risk control.

In terms of business operations, the Group effectively carried out customer acquisition, campaign management, credit issuance, and data monitoring & analysis using digital tools such as the Supply Chain Financial Service System, the SME Integrated Financial Service Platform, the Retail Customer Operations Platform, the Self-Service Data Analytics Platform, and the Intelligent Operations Monitoring Platform. Notable achievements include a 140.4% increase in SME credit customers compared to the beginning of the year, a 5.0% growth in mobile banking registered users, a 5.3% rise in monthly average active users, and a 92.0% substitution rate for counter transactions through digital channels.

In terms of data capabilities, the Group established a three-tier data governance framework encompassing “decision-making, management, and execution”, along with relevant standards and digital tools for data quality, data security, and external data management. Key achievements include a 95.3% increase in monthly internal self-service data analytics visits compared to the beginning of the year, and a 70.7% rise in cumulative self-service data analytics user sessions.

Regarding technological capabilities, the Group actively promoted the internal deployment of artificial intelligence (AI), implementing multiple application scenarios such as intelligent customer service and automated review systems, while also developing innovative products that integrate financial services with technology to enhance efficiency and reduce costs. Notable outcomes include the successful deployment of dozens of RPA (Robotic Process Automation) application scenarios, and estimated annual reduction of 23,000 man-hours in manual operations.

In terms of digital risk control, the Group has enhanced risk detection and identification capabilities in core lending processes through its Credit Big Data Early Warning Platform. In the personal credit business, we have taken the lead in achieving precise risk identification, assessment, monitoring, early warning, and mitigation throughout the entire loan lifecycle. Key achievements include generating and issuing thousands of valid early warning alerts, and achieving an early warning signal effectiveness rate of nearly 50.0%.

During the Reporting Period, the Group conducted multiple rounds of specialized training focused on core areas of digital transformation. Building on its existing fixed agile teams across business lines, we newly established dedicated agile teams for risk management and set up several task forces to deepen the integration of business, technology, and data. Additionally, the Group recruited 14 professionals in fields such as big data technology, AI, and software engineering, injecting fresh talent into its digital transformation efforts.

# CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

## I. CHANGES IN SHARE CAPITAL

### Share capital

There was no change in the share capital of the Bank during the Reporting Period.

As of June 30, 2025, the Bank issued a total of 5,838,650,000 Shares, including 4,868,000,000 Domestic Shares and 970,650,000 H Shares.

	December 31, 2024			June 30, 2025	
	Number of	Percentage	Changes	Number of	Percentage
	Shares	to total	during the	Shares	to total
		share	Reporting		share
		capital	Period		capital
Domestic state-owned shares	1,182,581,164	20.25%	–	<b>1,182,581,164</b>	<b>20.25%</b>
Domestic state-owned legal person shares	2,015,598,608	34.52%	–	<b>2,015,598,608</b>	<b>34.52%</b>
Domestic social legal person shares	1,593,537,523	27.29%	–	<b>1,593,537,523</b>	<b>27.29%</b>
Domestic natural person shares	76,282,705	1.31%	–	<b>76,282,705</b>	<b>1.31%</b>
H Shares	970,650,000	16.62%	–	<b>970,650,000</b>	<b>16.62%</b>
Total shares	5,838,650,000	100.00%	–	<b>5,838,650,000</b>	<b>100.00%</b>

*Note:* The difference between the figures in the table and the aggregate figures is due to rounding.

## II. INFORMATION ON SHAREHOLDERS

### 1. Total number of domestic Shareholders

As at June 30, 2025, the total number of domestic Shareholders of the Bank was 6,892.

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### 2. Top 10 Shareholders of Domestic Shares

As at June 30, 2025, the Bank's top 10 Shareholders of Domestic Shares are as follows:

No.	Name of Shareholder	Capacity/Nature of Shareholder	Total number of Shares held at the beginning of the Reporting Period (shares)	Total number of Shares held at the end of the Reporting Period (shares)	Percentage to total share capital at the end of the Reporting Period (%)	Shares pledged or frozen	Share status	Quantity
1	Shanxi Finance Bureau (山西省財政廳)	State-owned shares	715,109,200	715,109,200	12.25%	Normal	-	-
2	Huaneng Capital Services Co., Ltd. (華能資本服務有限公司)	State-owned legal person shares	600,000,000	600,000,000	10.28%	Normal	-	-
3	Taiyuan Municipal Finance Bureau (太原市財政局)	State-owned shares	467,471,964	467,471,964	8.01%	Normal	-	-
4	Changzhi Nanye Industry Group Co., Ltd. (長治市南燁實業集團有限公司) ("Changzhi Nanye")	Social legal person shares	450,657,435	450,657,435	7.72%	Normal	-	-
5	Shanxi Lu'an Mining (Group) Co., Ltd. (山西潞安礦業(集團)有限責任公司)	State-owned legal person shares	359,091,687	359,091,687	6.15%	Normal	-	-
6	Shanxi International Electricity Group Limited Company (山西國際電力集團有限公司) ("Shanxi International Electricity")	State-owned legal person shares	300,000,000	300,000,000	5.14%	Normal	-	-
7	Shanxi Coking Coal Group Co., Ltd. (山西焦煤集團有限責任公司)	State-owned legal person shares	291,339,054	291,339,054	4.99%	Normal	-	-
8	Changzhi Huashengyuan Mining Industry Co., Ltd. (長治市華晟源礦業有限公司) ("Changzhi Huashengyuan")	Social legal person shares	234,569,820	234,569,820	4.02%	Normal	-	-
9	Taiyuan Steel (Group) Co., Ltd. (太原鋼鐵(集團)有限公司)	State-owned legal person shares	200,000,000	200,000,000	3.43%	Normal	-	-
10	Jinneng Holding Equipment Manufacturing Group Co., Ltd. (晉能控股裝備製造集團有限公司) <sup>a</sup>	State-owned legal person shares	200,000,000	200,000,000	3.43%	Normal	-	-
Total				3,818,239,160	65.40% <sup>(1)</sup>	-	-	-

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### Notes:

- (1) The difference between the figures in the table and the aggregate figures is due to rounding.
- (2) Jinneng Holding Equipment Manufacturing Group Co., Ltd. (晉能控股裝備製造集團有限公司) was formerly known as Shanxi Jincheng Anthracite Coal Mining Group Co., Ltd. (山西晉城無煙煤礦業集團有限責任公司).

### 3. Interests and short positions under the SFO in Hong Kong

As at June 30, 2025, according to the register maintained by the Bank pursuant to section 336 of the SFO, and to the best knowledge of the Bank, the following persons (other than the Directors, Supervisors and chief executive of the Bank) will have or be deemed or taken to have interests and/or short positions in the Shares or underlying Shares of the Bank which would be required 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 SFO or will, directly or indirectly, be interested in 5% or more of any class of share capital of the Bank:

Name of Shareholder	Capacity/Nature of interest	Class of Shares	Number of Shares directly or indirectly held (long position)	Number of Shares directly or indirectly held (short position)	Approximate % of interest in the Bank	Approximate % of the relevant class of Shares of the Bank
Shanxi State-owned Capital Operation Co., Ltd. (山西省國有資本運營有限公司) <sup>(1)</sup> ("SSCO")	Interest in controlled corporations	Domestic Shares	1,212,220,564		20.76%	24.90%
Shanxi Finance Bureau (山西省財政廳)	Beneficial owner	Domestic Shares	715,109,200		12.25%	14.69%
China Huaneng Group Co., Ltd. (中國華能集團有限公司) <sup>(2)</sup> ("China Huaneng Group")	Interest in controlled corporations	Domestic Shares	600,000,000		10.28%	12.33%
Huaneng Capital Services Co., Ltd. (華能資本服務有限公司)	Beneficial owner	Domestic Shares	600,000,000		10.28%	12.33%
Taiyuan Municipal Finance Bureau (太原市財政局)	Beneficial owner	Domestic Shares	467,471,964		8.01%	9.60%
	Interest in controlled corporations	H Shares	102,400,000		1.75%	10.55%
Taiyuan State-owned Investment Group Limited (太原國有投資集團有限公司)	Beneficial owner	H Shares	102,400,000		1.75%	10.55%
Changzhi Nanye <sup>(3)</sup>	Beneficial owner	Domestic Shares	450,657,435		7.72%	9.26%
	Interest of concert parties	Domestic Shares	234,569,820		4.02%	4.82%
Mr. LI Jianming <sup>(4)</sup>	Interest in controlled corporations/ Interest of concert parties	Domestic Shares	685,227,255		11.74%	14.08%
Ms. WANG Yanli <sup>(5)</sup>	Interest in controlled corporations/ Interest of concert parties	Domestic Shares	685,227,255		11.74%	14.08%
Changzhi Huashengyuan <sup>(6)</sup>	Beneficial owner	Domestic Shares	234,569,820		4.02%	4.82%
	Interest of concert parties	Domestic Shares	450,657,435		7.72%	9.26%

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

Name of Shareholder	Capacity/Nature of interest	Class of Shares	Number of Shares directly or indirectly held (long position)	Number of Shares directly or indirectly held (short position)	Approximate % of interest in the Bank	Approximate % of the relevant class of Shares of the Bank
Lu'an Chemical Group Co., Ltd. (潞安化工集團有限公司) <sup>(1)</sup>	Interest in controlled corporations	Domestic Shares	359,091,687		6.15%	7.38%
Shanxi Lu'an Mining (Group) Co., Ltd. <sup>(1)</sup>	Beneficial owner	Domestic Shares	359,091,687		6.15%	7.38%
Jinneng Holdings Group Co., Ltd. (晉能控股集團有限公司) <sup>(4)</sup>	Interest in controlled corporations	Domestic Shares	500,000,000		8.56%	10.27%
Jinneng Holding Power Group Co., Ltd. (晉能控股電力集團有限公司) <sup>(4)</sup>	Interest in controlled corporations	Domestic Shares	300,000,000		5.14%	6.16%
Shanxi International Electricity <sup>(1)(4)</sup>	Beneficial owner	Domestic Shares	300,000,000		5.14%	6.16%
Shanxi Coking Coal Group Co., Ltd. <sup>(1)</sup>	Beneficial owner	Domestic Shares	291,339,054		4.99%	5.98%
	Interest in controlled corporations	Domestic Shares	5,789,823		0.10%	0.12%
Taiyuan Industrial Park Investment Holdings Co., Ltd. (太原工業園區投資控股有限公司)	Beneficial owner	H Shares	102,297,000		1.75%	10.54%
China Credit Trust Co., Ltd. (中誠信託有限責任公司) <sup>(4)</sup>	Interest in controlled corporations	H Shares	102,297,000		1.75%	10.54%
Harvest Fund Management Co., Ltd. (嘉實基金管理有限公司) <sup>(4)</sup>	Investment manager	H Shares	102,297,000		1.75%	10.54%
Guotai Asset Management Co., Ltd. (國泰基金管理有限公司)	Investment manager	H Shares	62,044,000		1.06%	6.39%
Guotai Junan Securities Co., Ltd. <sup>(4)</sup>	Interest in controlled corporations	H Shares	61,300,000		1.05%	6.32%
	Interest in controlled corporations	H Shares		61,300,000	1.05%	6.32%
Guotai Junan Financial Holdings Limited <sup>(4)</sup>	Interest in controlled corporations	H Shares	61,300,000		1.05%	6.32%
	Interest in controlled corporations	H Shares		61,300,000	1.05%	6.32%
Guotai Junan Holdings Limited <sup>(4)</sup>	Interest in controlled corporations	H Shares	61,300,000		1.05%	6.32%
	Interest in controlled corporations	H Shares		61,300,000	1.05%	6.32%
Guotai Junan International Holdings Limited (國泰君安國際控股有限公司) <sup>(4)</sup>	Interest in controlled corporations	H Shares	61,300,000		1.05%	6.32%
	Interest in controlled corporations	H Shares		61,300,000	1.05%	6.32%
Guotai Junan (Hong Kong) Limited (國泰君安(香港)有限公司) <sup>(4)</sup>	Interest in controlled corporations	H Shares	61,300,000		1.05%	6.32%
	Interest in controlled corporations	H Shares		61,300,000	1.05%	6.32%
Guotai Junan Financial Products Limited (國泰君安金融產品有限公司) <sup>(4)</sup>	Beneficial owner	H Shares	61,300,000		1.05%	6.32%
	Beneficial owner	H Shares		61,300,000	1.05%	6.32%
LI Gaier (李蓋爾)	Beneficial owner	H Shares	57,155,000		0.98%	5.89%
SINGAPORE ANKATU PTE. LTD.	Beneficial owner	H Shares	54,735,150		0.94%	5.64%

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### Notes:

- (1) Shanxi State-owned Capital Operation Co., Ltd. was formerly known as Shanxi State-owned Capital Investment and Operation Co., Ltd.

SSCO indirectly held 1,212,220,564 Domestic Shares, representing 20.76% equity interest in our Bank. SSCO's shareholding in our Bank was held through certain subsidiaries, including (i) Shanxi Lu'an Mining (Group) Co., Ltd. (山西潞安礦業(集團)有限責任公司) (a wholly-owned subsidiary of Lu'an Chemical Group Co., Ltd. (潞安化工集團有限公司), in which SSCO held 90% equity interest) with 6.15% equity interest in our Bank; (ii) Shanxi Coking Coal Group Co., Ltd. (山西焦煤集團有限責任公司) (in which SSCO held 90% equity interest) with 4.99% equity interest in our Bank and Shanxi Tongpei Coal Mine and Coke Co., Ltd. (山西統配煤礦煤焦有限公司) (formerly known as Shanxi Tongpei Coal Comprehensive Operation Company (山西統配煤礦綜合經營總公司)) (a wholly-owned subsidiary of Shanxi Coking Coal Group Co., Ltd.) with 0.10% equity interest in our Bank; (iii) Shanxi International Electricity with 5.14% equity interest in our Bank; (iv) Jinneng Holding Equipment Manufacturing Group Co., Ltd. with 3.43% equity interest in our Bank; and (v) Shanxi Investment Group Co., Ltd. (山西省投資集團有限公司) (a wholly-owned subsidiary of Shanxi Cultural Tourism Investment Holding Group Co., Ltd. (山西省文化旅遊投資控股集團有限公司) in which SSCO held 90% equity interest) with 0.96% equity interest in our Bank.

- (2) China Huaneng Group indirectly held 600,000,000 Domestic Shares, representing 10.28% equity interest in our Bank through Huaneng Capital Services Co., Ltd., in which China Huaneng Group held 61.22% equity interest. By virtue of SFO, China Huaneng Group is deemed to be interested in the Domestic Shares held by Huaneng Capital Services Co., Ltd.

- (3) Mr. LI Jianming held 90% of the equity interest in Changzhi Nanye, and Ms. WANG Yanli held 70% of the equity interest in Changzhi Huashengyuan.

Changzhi Nanye and Changzhi Huashengyuan are parties acting-in-concert according to their respective confirmation. Therefore, Mr. LI Jianming, Ms. WANG Yanli, Changzhi Nanye and Changzhi Huashengyuan are deemed to be interested in 685,227,255 Domestic Shares, representing approximately 11.74% equity interest in our Bank. By virtue of SFO, Mr. LI Jianming and Ms. WANG Yanli are deemed to be interested in the Domestic Shares held by both Changzhi Nanye and Changzhi Huashengyuan, while Changzhi Nanye and Changzhi Huashengyuan are deemed to be interested in the Domestic Shares held by each other.

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

- (4) SSCO held the entire equity interest in Jinneng Holding Group Co., Ltd. (晉能控股集團有限公司). Jinneng Holding Power Group Co., Ltd., a subsidiary of Jinneng Holding Group Co., Ltd. with 64% equity interest, indirectly held 300,000,000 Domestic Shares, representing 5.14% equity interest in the Bank through its wholly-owned subsidiary, Shanxi International Electricity. By virtue of SFO, Jinneng Holding Group Co., Ltd. and Jinneng Holding Power Group Co., Ltd. are deemed to be interested in the Domestic Shares held by Shanxi International Electricity.

Jinneng Holding Group Co., Ltd. indirectly held 200,000,000 Domestic Shares, representing 3.43% equity interest in the Bank, through its 70% equity interest in Jinneng Holding Equipment Manufacturing Group Co., Ltd. By virtue of SFO, Jinneng Holding Group Co., Ltd. is deemed to be interested in the Domestic Shares held by Jinneng Holding Equipment Manufacturing Group Co., Ltd.

- (5) China Credit Trust Co., Ltd. was interested in the long position of 102,297,000 H Shares, representing 1.75% equity interest in our Bank through its 40%-owned company, Harvest Fund Management Co., Ltd. By virtue of SFO, China Credit Trust Co., Ltd. is deemed to be interested in the H Shares held by Harvest Fund Management Co., Ltd.

- (6) Guotai Junan Securities Co., Ltd. was interested in the long position of 61,300,000 H Shares, representing 1.05% equity interest in our Bank, and short positions of 61,300,000 H Shares, representing 1.05% equity interest in our Bank through its wholly-owned subsidiaries, Guotai Junan Financial Holdings Limited, Guotai Junan Holdings Limited, Guotai Junan International Holdings Limited with an indirect 68.10% equity interest, Guotai Junan (Hong Kong) Limited (a wholly-owned subsidiary) and Guotai Junan Financial Products Limited (a wholly-owned subsidiary). By virtue of SFO, Guotai Junan Securities Co., Ltd., Guotai Junan Financial Holdings Limited, Guotai Junan Holdings Limited, Guotai Junan International Holdings Limited and Guotai Junan (Hong Kong) Limited are deemed to be interested in the H Shares held by Guotai Junan Financial Products Limited.

Saved as disclosed above, as of the end of the Reporting Period, there were no other persons (other than the Directors, Supervisors and chief executive of the Bank) or companies who had interests or short positions in the Shares or underlying 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 SFO as recorded in the register maintained by the Bank pursuant to section 336 of the SFO.

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### III. SUBSTANTIAL SHAREHOLDERS DURING THE REPORTING PERIOD

According to the Interim Measures for the Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》) issued by the former CBIRC, substantial shareholders of a commercial bank refer to shareholders holding or controlling 5% or more of shares or voting rights of the commercial bank, or holding less than 5% of total capital or total shares of the commercial bank but having significant impact on the operational management of the commercial bank. The “significant impact” mentioned above includes, but is not limited to dispatching directors, supervisors or senior management to a commercial bank, influencing the financial and operational management decisions of commercial banks through agreements or other means and other circumstances identified by the National Financial Regulatory Administration or its local offices.

#### 1. Shareholders Holding 5% or More of the Bank's Share Capital

Shanxi Finance Bureau is a government authority legal person, and the ultimate beneficiary is the Shanxi Finance Bureau, without any person acting-in-concert.

The controlling shareholder of Huaneng Capital Services Co., Ltd. is China Huaneng Group; the actual controller is the State-owned Assets Supervision and Administration Commission of the State Council, and the ultimate beneficiary is Huaneng Capital Services Co., Ltd., without any person acting-in-concert.

Taiyuan Municipal Finance Bureau is a government authority legal person, and the ultimate beneficiary is the Taiyuan Municipal Finance Bureau, without any person acting-in-concert.

The controlling shareholder of Changzhi Nanye is LI Jianming; the actual controller is LI Jianming, and the ultimate beneficiary is Changzhi Nanye, being persons acting-in-concert with Changzhi Huashengyuan.

Shanxi Lu'an Mining (Group) Co., Ltd. is wholly-owned by Lu'an Chemical Group Co., Ltd. (潞安化工集團有限公司); the actual controller is the State-owned Assets Supervision and Administration Commission of Shanxi Province, and the ultimate beneficiary is Shanxi Lu'an Mining (Group) Co., Ltd., without any person acting-in-concert.

Shanxi International Electricity is wholly-owned by Jinneng Holding Power Group Co., Ltd.; the actual controller is the State-owned Assets Supervision and Administration Commission of Shanxi Province, and the ultimate beneficiary is Shanxi International Electricity, without any person acting-in-concert.

For Shareholders holding 5% or more of the Bank's share capital, please also see “II. Information on Shareholders” above.

## CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

### 2. Other Substantial Shareholders

In addition to the Shanxi Finance Bureau, Huaneng Capital Services Co., Ltd., Taiyuan Municipal Finance Bureau, Changzhi Nanye, Shanxi Lu'an Mining (Group) Co., Ltd. and Shanxi International Electricity disclosed above, Jinneng Holding Equipment Manufacturing Group Co., Ltd. holds less than 5% of the Bank's shares but nominated a supervisor to the Bank; Shanxi Coking Coal Group Co., Ltd. (山西焦煤集團有限責任公司) in aggregate holds more than 5% of the Bank's shares, directly and through its wholly-owned subsidiary, Shanxi Tongpei Coal and Coke Co., Ltd. (山西統配煤礦煤焦有限公司) (formerly known as Shanxi Tongpei Coal Comprehensive Operation Company (山西統配煤礦綜合經營總公司)); and Changzhi Huashengyuan and Changzhi Nanye, being persons acting-in-concert, in aggregate hold more than 5% of the Bank's shares.

The controlling shareholder of Jinneng Holding Equipment Manufacturing Group Co., Ltd. is Jinneng Holding Group Co., Ltd. The actual controller is the State-owned Assets Supervision and Administration Commission of Shanxi Province, and the ultimate beneficiary is Jinneng Holding Equipment Manufacturing Group Co., Ltd., without any person acting-in-concert.

## IV. SHAREHOLDERS' NOMINATION OF DIRECTORS AND SUPERVISORS

- (1) Huaneng Capital Services Co., Ltd. nominated Mr. WANG Qi and Mr. MA Hongchao as Directors of the Bank;
- (2) Shanxi Finance Bureau nominated Mr. WU Canming as a Director of the Bank;
- (3) Taiyuan Municipal Finance Bureau nominated Mr. LIU Chenhang as a Director of the Bank;
- (4) Changzhi Nanye nominated Mr. LI Yang as a Director of the Bank;
- (5) Shanxi Lu'an Mining (Group) Co., Ltd. nominated Mr. WANG Jianjun as a Director of the Bank;
- (6) Jinneng Holding Equipment Manufacturing Group Co., Ltd. nominated Mr. PANG Zhengyu as a Supervisor of the Bank;
- (7) Shanxi Coking Coal Group Co., Ltd. nominated Ms. XU Jin as a Supervisor of the Bank; and
- (8) Shanxi International Electricity nominated Mr. WANG Weiping as a Supervisor of the Bank.

## V. PURCHASE, SALE AND REDEMPTION OF ANY OF THE BANK'S LISTED SECURITIES

From January 1, 2025 to the date of this interim report, the Bank or any of its subsidiaries did not purchase, sell or redeem any of the Bank's listed securities (including sale of treasury shares).

As of June 30, 2025, the Bank did not hold any treasury shares.

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## I. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### 1. Directors

Our Board of Directors consists of thirteen Directors, including three executive Directors, five non-executive Directors and five independent non-executive Directors. Our Directors are elected for a term of three years and are subject to re-election, provided that the cumulative term of an independent non-executive Director shall not exceed six years in accordance with PRC laws and regulations. The following table sets forth certain information regarding our Directors.

Name	Age	Position(s)	Date of appointment <sup>(1)</sup>
Ms. HAO Qiang (郝強)	52	Executive Director, chairwoman	July 16, 2021
Mr. ZHANG Yunfei (張雲飛)	54	Executive Director, vice chairman	August 30, 2021
Mr. WANG Qi (王琦)	47	Executive Director	December 27, 2024
Mr. WU Canming (武燦明)	60	Non-executive Director	December 27, 2024
Mr. MA Hongchao (馬洪潮)	54	Non-executive Director, vice chairman	June 25, 2023
Mr. LIU Chenhang (劉晨行)	60	Non-executive Director	December 30, 2019
Mr. LI Yang (李楊)	38	Non-executive Director	September 20, 2022
Mr. WANG Jianjun (王建軍)	49	Non-executive Director	August 8, 2018
Mr. WANG Liyan (王立彥)	68	Independent non-executive Director	September 14, 2018
Mr. DUAN Qingshan (段青山)	67	Independent non-executive Director	August 26, 2022
Mr. SAI Zhiyi (賽志毅)	56	Independent non-executive Director	August 7, 2018
Ms. HU Zhihong (胡稚弘)	66	Independent non-executive Director	June 25, 2023
Mr. CHAN Ngai Sang Kenny (陳毅生)	60	Independent non-executive Director	June 25, 2023

*Note:*

- (1) The date of appointment as a Director stated here represents the date on which the relevant Director obtained the qualification approval from the regulatory authority of the banking industry of the PRC.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### 2. Supervisors

The PRC Company Law stipulates that a joint stock limited company may establish a board of supervisors. The Bank's Board of Supervisors is responsible for supervising the performance of duties by the Board of Directors and senior management and their members, the financial activities, internal control, risk management, etc. Our Board of Supervisors consists of nine Supervisors, including three employee Supervisors, three Shareholder Supervisors and three external Supervisors. Our Supervisors are elected for a term of three years and may be subject to re-election, and the cumulative term of an external Supervisor shall not exceed six years. The following table sets forth certain information about our Supervisors.

Name	Age	Position(s)	Date of appointment
Mr. XIE Liying (解立鷹)	58	Employee Supervisor Chairman of the Board of Supervisors	July 24, 2009 (as a Supervisor) December 8, 2016 (as the chairman of the Board of Supervisors)
Mr. WANG Weiping (王衛平)	54	Shareholder Supervisor	December 22, 2022
Mr. PANG Zhengyu (龐徵宇)	42	Shareholder Supervisor	December 22, 2022
Ms. XU Jin (徐瑾)	48	Shareholder Supervisor	December 22, 2022
Mr. WEN Qingquan (溫清泉)	52	Employee Supervisor	May 13, 2019
Mr. SU Hua (蘇華)	48	Employee Supervisor	December 22, 2022
Mr. ZHUO Zeyuan (卓澤淵)	62	External Supervisor	December 22, 2022
Mr. WU Jun (吳軍)	72	External Supervisor	May 4, 2018
Mr. BAI Guangwei (擺光煒)	60	External Supervisor	December 22, 2022

### 3. Senior Management

Name	Age	Position(s)	Date of appointment <sup>(1)</sup>
Mr. ZHANG Yunfei (張雲飛)	54	President	September 30, 2022
Mr. WANG Yibin (王義斌)	55	Vice president	June 14, 2022
Mr. WANG Qi (王琦)	47	Vice president	July 25, 2024
Mr. SHANGGUAN Yujiang (上官玉將)	52	Assistant to the president	December 9, 2019

Note:

- (1) Unless otherwise stated, the date of appointment stated here represents the date on which the relevant senior management members obtained the qualification approval from the regulatory authority of the banking industry of the PRC.

# DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

## II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD AND UP TO THE DATE OF THIS INTERIM REPORT

### Changes in Directors

On March 27, 2025, the Board resolved to nominate Mr. RONG Changqing (**“Mr. Rong”**) as a non-executive Director. The appointment of Mr. Rong as a non-executive Director has been approved by the Shareholders at the 2024 annual general meeting on June 27, 2025 and is still subject to the approval from Shanxi Supervision Bureau on the qualification of directorship of Mr. Rong. Mr. MA Hongchao intends to resign from his positions as non-executive Director, vice chairman, and member of the Nomination, Remuneration and HR Committee under the Board due to work changes. His resignation will take effect from the date on which the Shanxi Supervision Bureau approves Mr. Rong’s qualification for directorship. For details, please refer to the announcement titled “PROPOSED CHANGE OF NON-EXECUTIVE DIRECTOR” published by the Bank on March 27, 2025 and the announcement titled “POLL RESULTS OF THE 2024 ANNUAL GENERAL MEETING HELD ON JUNE 27, 2025 (FRIDAY)” published by the Bank on June 27, 2025.

On May 27, 2025, the Board resolved to nominate each of Mr. GAO Yurong (高玉榮) (**“Mr. Gao”**) and Mr. WANG Xiankui (王先奎) (**“Mr. Wang”**) as a non-executive Director, and Mr. WU Xiaoping (吳小平) (**“Mr. Wu”**) as an independent non-executive Director. The appointment of each of Mr. Gao and Mr. Wang as a non-executive Director and Mr. Wu as an independent non-executive Director have been approved by the Shareholders at the 2024 annual general meeting on June 27, 2025 and is still subject to the approval from Shanxi Supervision Bureau on the qualification of directorship of Mr. Gao, Mr. Wang and Mr. Wu. Due to retirement, Mr. WU Canming has proposed to resign as a non-executive Director. Mr. WU Canming’s resignation will not become effective until the date of the approval by Shanxi Supervision Bureau on the qualification of directorship of a new non-executive Director. Due to retirement, Mr. LIU Chenhang has proposed to resign as a non-executive Director and a member of the Audit Committee of the Board. Mr. LIU Chenhang’s resignation will not become effective until the date of the approval by Shanxi Supervision Bureau on the qualification of directorship of a new non-executive Director. In addition, the Shareholders have approved the appointment of Mr. SUO Xuquan as an independent non-executive Director on the 2024 first extraordinary general meeting held on December 27, 2024 but his qualification of directorship is still subject to the approval by Shanxi Supervision Bureau. Due to work arrangement, Mr. SUO Xuquan could not serve as an independent non-executive Director and therefore, the appointment of Mr. SUO Xuquan as an independent non-executive Director will not come into effect. For details, please refer to the announcement entitled “PROPOSED CHANGE OF DIRECTOR” issued by the Bank on May 27, 2025 and the announcement entitled “POLL RESULTS OF THE 2024 ANNUAL GENERAL MEETING HELD ON JUNE 27, 2025 (FRIDAY)” issued by the Bank on June 27, 2025.

### Changes in Supervisors

During the Reporting Period and up to the date of this interim report, there were no changes in the Supervisors of the Bank.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### Changes in Senior Management

Due to work changes, Mr. LI Yanbin (李燕斌) resigned as a vice president of the Bank, the secretary to the Board and a joint company secretary of the Bank with effect from July 4, 2025. For details, please refer to the announcement entitled "RESIGNATION OF JOINT COMPANY SECRETARY" issued by the Bank on July 4, 2025.

Save as disclosed above, there is no other relevant information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules during the Reporting Period and up to the date of this interim report.

### III. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### 1. Directors

##### *Executive Director and chairwomen, HAO Qiang*

**Ms. HAO Qiang** (郝強), aged 52, has been an executive Director and the chairwoman of the Board since July 16, 2021. She currently serves as the chairperson of the Development and Strategy Committee of the Board, a member of the Nomination, Remuneration and HR Committee of the Board, and the party committee secretary of the Bank.

Ms. Hao has over 30 years of experience in the banking industry. She joined our Bank in September 2008 and worked at the preparatory team of our Bank from September 2008 to May 2009. Afterwards, Ms. Hao served as the general manager of the credit review department (授信審查部) of our Bank from May 2009 to May 2013, as the principal (負責人) and then the president of the Jinyang sub-branch of our Bank from May 2013 to January 2015, as the assistant to the president of our Bank and the general manager of the corporate finance department (公司金融部) from January 2015 to November 2017, during which period she was also the general manager of the investment banking department (投資銀行部) of our Bank from April 2015 to January 2017, as the secretary to the Board from June 2017 to April 2019, and as the vice president of our Bank from November 2017 to April 2021. Prior to joining our Bank, Ms. Hao successively worked at the Taiyuan branch and then the Shanxi branch of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司) ("ICBC") (a company listed on the Shanghai Stock Exchange with stock code 601398, and on the Hong Kong Stock Exchange with stock code 1398) from December 1993 to September 2008.

Ms. Hao obtained a bachelor's degree in English from Shanxi Normal University (山西師範大學) in Shanxi Province, the PRC, in June 1993. She completed the on-the-job postgraduate study in finance at Shanxi University of Finance and Economics (山西財經大學) in Shanxi Province, the PRC, in July 2003. Ms. Hao completed the EMBA core courses training program of ICBC and obtained the training certificate in November 2005.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### *Executive Director and vice chairman, ZHANG Yunfei*

**Mr. ZHANG Yunfei** (張雲飛), aged 54, has been an executive Director and the vice chairman of the Board since August 30, 2021 and the president of the Bank since September 30, 2022. He is currently the vice chairperson of the Board's Development and Strategy Committee, a member of the Board's Risk Management Committee and Related Parties Transactions Control Committee, and the deputy party committee secretary of the Bank.

Mr. Zhang has more than 30 years of experience in the banking industry. He joined our Bank in September 2009 and worked at our Bank's risk management department from September 2009 to January 2014 and served as the general manager of the risk management department of our Bank from May 2013 to January 2014, served as the chief risk officer of the Bank from May 2011 to April 2021, and served as the Bank's deputy party committee secretary and vice president from August 2021 to September 2022, taking up the duties and responsibilities of the president of the Bank. Prior to joining our Bank, Mr. Zhang successively worked at the Taiyuan branch, Changzhi branch and Shanxi branch of ICBC from September 1994 to September 2009.

Mr. Zhang obtained a bachelor's degree in international trade from Shanxi Economics Management College (山西經濟管理學院) (currently known as Shanxi University of Finance and Economics (山西財經大學)) in Shanxi Province, the PRC, in July 1994. Mr. Zhang is a middle level economist granted by ICBC in July 1999 and was recognized as a senior economist in February 2023. For the details of the warning received by Mr. Zhang from the former CBIRC Shanxi Office as our chief risk officer in March 2018, please refer to the 2020 annual report of the Bank.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### *Executive Director, WANG Qi*

**Mr. WANG Qi (王琦)**, aged 47, has been a vice president of the Bank since July 25, 2024 and an executive Director since December 27, 2024. Mr. Wang has more than 20 years of experience in economic management. He has been working in China Huaneng Finance Co., Ltd. (中國華能財務有限責任公司) (“**Huaneng Finance**”) since July 2005, and has been the director (主任) of its credit business department (信貸業務部) since March 2023. He worked in the settlement business department (結算業務部) of Huaneng Finance and served as a trainee (見習生) from July 2005 to January 2006 and an operator (業務員) from January 2006 to March 2007; he served as the specialist (專責) in the general manager working department (總經理工作部) from March 2007 to August 2008; he worked in the human resources department (人力資源部) and served as the specialist (專責) from August 2008 to September 2009 and the department head (主管) from September 2009 to March 2013; he served as the department head (主管) of the comprehensive planning department (綜合計劃部) from March 2013 to May 2014, and the manager assistant (經理助理) of the settlement business department from May 2014 to March 2016; he worked in the credit business department and served as the manager assistant (經理助理) from March 2016 to April 2016, the deputy manager (副經理) from April 2016 to April 2018, and the manager (經理) from April 2018 to August 2019; he served as the director (主任) of the party committee office (黨委辦公室) from August 2019 to March 2023, the director (主任) of the procurement management office (採購管理辦公室) from October 2019 to March 2023, and took a temporary post (掛職) in Huaneng Taicang Power Plant (華能太倉電廠) from October 2020 to October 2021. Before joining Huaneng Finance, he worked at the comprehensive management department (綜合管理部) of Qilu Petrochemical Company specialized sub-branch (齊魯石化公司專業支行) of China Construction Bank Corporation (中國建設銀行股份有限公司) (a company listed on the Hong Kong Stock Exchange with stock code 0939 and on the Shanghai Stock Exchange with stock code 601939) from July 2000 to September 2002.

Mr. Wang obtained a bachelor's degree in economic information management (經濟信息管理) from Shandong Building Materials Industry College (山東建築材料工業學院) (currently known as Jinan University (濟南大學)) in Jinan, Shandong Province, the PRC in July 2000, and a master's degree in finance from Capital University of Economics and Business (首都經濟貿易大學) in Beijing, the PRC in July 2005. Mr. Wang is a senior accountant (高級會計師) granted by China Huaneng Group Co., Ltd. (中國華能集團有限公司) in December 2019.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### ***Non-executive Director, WU Canming***

**Mr. WU Canming (武燦明)**, aged 60, has been a non-executive Director since December 27, 2024.

Mr. WU Canming has more than 35 years of experience in economic management. Mr Wu has been a supervisor in Shanxi Financial Investment Holding Group Co., Ltd. (山西金融投資控股集團有限公司) since June 2016. He served as a director in Shanxi Bank Co., Ltd. (山西銀行股份有限公司) from April 2021 to May 2022. He worked at Shanxi Department of Finance (山西省財政廳) from August 2000 to June 2016 and served as the deputy division director (副處長) of comprehensive division (綜合處) from August 2000 to July 2007, the director (主任) of rural comprehensive reform office (農村綜合改革辦公室) from July 2007 to November 2009, the division director (處長) of rural comprehensive reform division (農村綜合改革處) from November 2009 to December 2015 and the division director (處長) of accounting division (會計處) from December 2015 to June 2016. He worked at Shanxi Provincial State-owned Assets Administration Bureau (山西省國有資產管理局) and successively served as a staff member (科員), senior staff member (副主任科員) and principal staff member (主任科員) from June 1990 to December 1997 and as the deputy division director (副處長) from December 1997 to August 2000. Mr. Wu worked as a teacher in the Department of Materials and Engineering (材料工程系) of Taiyuan Mechanical College (太原機械學院) from July 1987 to June 1990.

Mr. Wu obtained a master's degree in materials science and engineering from Taiyuan Mechanical College (太原機械學院, currently known as North University of China (中北大學)) in Taiyuan, Shanxi Province, the PRC in July 1987.

As a non-executive Director, Mr. Wu does not receive remuneration from the Bank.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### *Non-executive Director and vice chairman, MA Hongchao*

**Mr. MA Hongchao (馬洪潮)**, aged 54, has served as a non-executive Director since June 25, 2023. He is currently a member of the Nomination, Remuneration and HR Committee of the Board. Mr. MA Hongchao (馬洪潮) has 23 years of experience in economic management.

Mr. Ma has served as the chairman and party committee secretary of Huaneng Tiancheng Financial Leasing Co., Ltd. (華能天成融資租賃有限公司) since August 2024. Previously, Mr. Ma served as a deputy general manager and a member of the party committee in Huaneng Capital Services Co., Ltd. (華能資本服務有限公司) from June 2020 to July 2024 and held a concurrent post of the chairman of Huaneng Invesco Private Equity Management Company Ltd. (華能景順私募基金管理有限公司) from January 2024 to July 2024. Mr. Ma worked in China Huaneng Finance Co., Ltd. (中國華能財務有限責任公司) (“**Huaneng Finance**”) from June 2001 to June 2020. He successively served as an employee, accountant and assistant to the manager from June 2001 to January 2004, and as a deputy manager and manager from January 2004 to October 2012. From October 2012 to August 2024, he worked as an assistant to the general manager of Huaneng Finance as well as the manager of the department of general planning of Huaneng Finance. From August 2014 to December 2016, Mr. Ma served as the deputy general manager and a member of the party group of Huaneng Finance. From December 2016 to August 2017, he was the deputy general manager and a member of the party committee of Huaneng Finance. From August 2017 to June 2020, he was the deputy general manager, a member of the party committee and general counsel of Huaneng Finance, during which period he also served as a member of the Standing Committee (市委常委) and the vice mayor of Yulin City (榆林市) of Shaanxi Province (suspended post) from April 2018 to June 2020, and as the party committee secretary, chairman and general manager (suspended post) of Shaanxi Yulin Energy Group Co., Ltd. (陝西榆林能源集團有限公司) from May 2019 to June 2020.

Mr. Ma obtained a doctor's degree in quantitative economy from Jilin University (吉林大學) in Jilin Province, the PRC, in June 2001. Mr. Ma is a chief senior accountant (正高級會計師) granted by China Huaneng Group Co., Ltd. (中國華能集團有限公司) in May 2020.

As a non-executive Director, Mr. Ma does not receive remuneration from the Bank.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### *Non-executive Director, LIU Chenhang*

**Mr. LIU Chenhang** (劉晨行), aged 60, has served as a non-executive Director since December 30, 2019. He is currently a member of the Audit Committee of the Board.

Mr. Liu has more than 39 years of experience in economic management. He has been serving as the general manager of Taiyuan Haixin Asset Management Co., Ltd. (太原市海信資產管理有限公司) since February 2018 and as a director of Taiyuan Haixin Public Rental Housing Real Estate Development Co., Ltd. (太原海信公租房置業發展有限公司) (currently known as Taiyuan Haixin Rental Housing Construction Management Co., Ltd. (太原市海信租賃住房建設管理有限公司)) since July 2018. Mr. Liu served as the deputy manager of Taiyuan Finance Assets Management Center (太原市財政資產管理中心) from February 2018 to December 2020, as the general manager of Taiyuan Linhaitong Technology and Innovation Corporate Management Co., Ltd. (太原林海通科創企業管理有限公司) from May 2018 to September 2019, and as the vice chairman of the board of directors of Taiyuan Shuilang Road Network Construction Co., Ltd. (太原水廊路網建設工程有限公司) from July 2018 to December 2019. Mr. Liu worked at Taiyuan Municipal Finance Bureau (太原市財政局) from August 1985 to February 2018 and served as a staff member of the city construction section (城建科) from August 1985 to May 1995, as a deputy section chief (副科長) of other corporations section (其他企業科) from June 1995 to September 1998, as a deputy section chief (副科長) of city construction section from September 1998 to June 2002, as a deputy division director (副處長) of city construction division from June 2002 to March 2013, and as the office director (辦公室主任) of Taiyuan Municipal Finance Bureau from March 2013 to February 2018.

Mr. Liu completed studies at junior college level (專科) through correspondence study and graduated from Central Institute of Finance and Banking (中央財政金融學院) (currently known as Central University of Finance and Economics (中央財經大學)) in Beijing, the PRC, in July 1992, majoring in finance. Mr. Liu graduated from Shanxi University of Finance and Economics (山西財經大學) in Shanxi Province, the PRC, in July 1999, majoring in marketing (市場營銷). He is an accountant granted by the Ministry of Finance of the PRC (中華人民共和國財政部) in October 1994.

As a non-executive Director, Mr. Liu does not receive remuneration from the Bank.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### *Non-Executive Director, LI Yang*

**Mr. LI Yang** (李楊), aged 38, has served as a non-executive Director since September 20, 2022. He is currently a member of the Consumer Rights Protection Committee of the Board.

Mr. Li has more than 13 years of experience in corporate management. He worked as a vice director (副主任) of the office of the board of directors and the manager of the strategic investment department (戰略投資部經理) of Changzhi Nanye from March 2009 to April 2011. He subsequently served as the assistant to the chairman of the board of directors of Changzhi Nanye from April 2011 to July 2017. Mr. Li subsequently served as the executive director of Changzhi Nanye from July 2017 to June 2020. Mr. Li has been a director of Chang Jiang Shipping Group Phoenix Co., Ltd. (長航鳳凰股份有限公司, currently renamed as Phoenix Shipping (Wuhan) Co., Ltd. (鳳凰航運(武漢)股份有限公司), a company listed on the Shenzhen Stock Exchange with stock code: 000520) since July 2020, the deputy general manager of China Coal Insurance Co., Ltd. (中煤財產保險股份有限公司) since February 2021 and the vice chairman of China Coal Insurance Co., Ltd. since March 2021.

Mr. Li obtained a bachelor's degree in law from Shanxi University (山西大學) in Shanxi Province, the PRC, in July 2015. Mr. Li was previously the legal representative, managing director or supervisor of the companies shown in the table below before their respective deregistration.

Name of the Company	Place of establishment	Position(s)	Status	Date of deregistration
Changzhi Nanye Mining Industry Co., Ltd. (長治市南燁礦業有限公司) ("Changzhi Nanye Mining Industry")	PRC	Legal representative and managing director	Deregistered	September 1, 2020
Changzhi Huashengrong Mining Industry Co., Ltd. (長治市華晟榮礦業有限公司) ("Changzhi Huashengrong")	PRC	Supervisor	Dissolved and deregistered	June 30, 2012

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Li confirmed that Changzhi Nanye Mining Industry was deregistered, and he did not incur any debt and/or liabilities because of such deregistration, and that the deregistration did not have any negative effect on our Bank.

Mr. Li confirmed that Changzhi Huashengrong was absorbed by Shanxi Huashengrong Coal Mine Co., Ltd. (山西華晟榮煤礦有限公司) in July 2010 and the debts and obligations of Changzhi Huashengrong were all transferred to Shanxi Huashengrong Coal Mine Co., Ltd. Mr. Li confirmed that after the absorption, Changzhi Huashengrong was deregistered and it was solvent at the time of deregistration, and he did not incur any debt and/or liabilities because of such deregistration, and that the deregistration did not have any negative effect on the Bank.

As a non-executive Director, Mr. Li does not receive remuneration from the Bank.

### ***Non-Executive Director, WANG Jianjun***

**Mr. WANG Jianjun (王建軍)**, aged 49, has been a non-executive Director since August 8, 2018. He is currently a member of the Risk Management Committee of the Board.

Mr. Wang has over 27 years of experience in accounting. He holds positions at several subsidiaries of Lu'an Mining (Group) Co., Ltd. (潞安礦業(集團)有限責任公司) ("**Lu'an Mining Group**"), including a director of Lu'an Group Finance Co., Ltd. (潞安集團財務有限公司) since August 2018, a director of Shanxi Lu'an Ruitai Investment Co., Ltd. (山西潞安瑞泰投資有限責任公司) since December 2017, and the head (部長) of the finance department (財務部) of Shanxi Lu'an Environmental-friendly Energy Development Co., Ltd. (山西潞安環保能源開發股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code: 601699) since November 2017. From March 2015 to November 2017, Mr. Wang worked at Wangzhuang pit (王莊煤礦) of Lu'an Mining Group, as the section chief (科長) of the finance section (財務科) from March 2015 to February 2017, and as the chief accountant (總會計師) and a deputy division chief (副處長) from February 2017 to November 2017. He was the financial director (財務總監) of Shanxi Shouyang Luyang Ruilong Coal Industry Co., Ltd. (山西壽陽潞陽瑞龍煤業有限公司) from July 2012 to March 2015. Prior to that, Mr. Wang worked as the financial director of Shanxi Shouyang Luyang Changtai Coal Industry Co., Ltd. (山西壽陽潞陽昌泰煤業有限公司) from December 2009 to July 2012. He worked at the finance section (財務科) of Changcun pit (常村煤礦) of Lu'an Mining Group, as a staff member (科員) and then a deputy section chief (副科長) from May 1997 to December 2009.

Mr. Wang graduated from Harbin Normal University (哈爾濱師範大學) through correspondence study in Heilongjiang Province, the PRC, in July 2013, majoring in financial management (財務管理). Mr. Wang has been a member of the Chinese Institute of Certified Public Accountants since December 2009. Mr. Wang is a middle level accountant granted by the Ministry of Finance of the PRC in May 2002.

As a non-executive Director, Mr. Wang does not receive remuneration from the Bank.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### *Independent non-executive Director, WANG Liyan*

**Mr. WANG Liyan (王立彦)**, aged 68, has been an independent non-executive Director since September 14, 2018. He is currently the chairperson of the Board's Audit Committee, the vice chairperson of the Board's Consumer Rights Protection Committee, and a member of the Board's Related Parties Transactions Control Committee.

Mr. Wang has been working at Peking University for over 36 years since 1985 and consecutively served as a teaching assistant (助教), teacher (講師), associate professor and professor of accounting. Mr. Wang is a professor and Ph.D. supervisor of the Accounting Faculty of Guanghua School of Management, Peking University. Mr. Wang is also the editor-in-chief of China Accounting Review (《中國會計評論》) and China Management Accounting (《中國管理會計》).

Mr. Wang was and is an independent non-executive director of the listed companies shown in the table below.

Name of the Company	Place of Establishment	Nature of Business	Term of Service
China Shengmu Organic Milk Limited (中國聖牧有機奶業有限公司) listed on the Hong Kong Stock Exchange (stock code: 1432)	Cayman Islands	Dairy industry	June 2017 to present
Beijing Dabeinong Technology Group Co., Ltd. (北京大北農科技集團股份有限公司) listed on the Shenzhen Stock Exchange (stock code: 002385)	PRC	Agricultural and sideline products processing industry	March 2020 to May 2023
Unigroup Guoxin Microelectronics Co., Ltd. (紫光國芯微電子股份有限公司) listed on the Shenzhen Stock Exchange (stock code: 002049)	PRC	Circuit chip design and development	March 2017 to March 2023
Gettop Acoustic Co., Ltd. (共達電聲股份有限公司) listed on the Shenzhen Stock Exchange (stock code: 002655)	PRC	Audio engineering industry	April 2018 to April 2021
Huaxin Cement Co., Ltd. (華新水泥股份有限公司) listed on the Shanghai Stock Exchange (stock code: 600801) and on the Hong Kong Stock Exchange (stock code: 6655)	PRC	Cement industry	April 2015 to April 2021

Mr. Wang obtained a doctor's degree in economics from Peking University in Beijing, the PRC, in July 1992. He has been a non-practicing member of the Chinese Institute of Certified Public Accountants since April 1994.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### *Independent non-executive Director, DUAN Qingshan*

**Mr. DUAN Qingshan** (段青山), aged 67, has been an independent non-executive Director since August 26, 2022. He is currently the chairperson of the Board's Nomination, Remuneration and HR Committee, the vice chairperson of the Board's Risk Management Committee and Related Party Transactions Control Committee, and a member of the Board's Development and Strategy Committee and Audit Committee.

Mr. Duan has more than 50 years of experience in the banking industry. He worked at the head office of China Minsheng Bank Corp., Ltd. (中國民生銀行股份有限公司) ("**China Minsheng Bank**") (a company listed on the Shanghai Stock Exchange with stock code 600016, and on the Hong Kong Stock Exchange with stock code 1988) from November 2007 to February 2017, and served as the general manager of the human resources department from November 2007 to September 2012, as the chief financial director (財務總監) from April 2010 to April 2012, and as the chairman of the board of supervisors from April 2012 to February 2017. Mr. Duan worked at the Taiyuan branch, China Minsheng Bank from November 1996 to November 2007, as a vice president from November 1996 to August 2000, and as the president from August 2000 to November 2007. Mr. Duan served as a staff member (職員) from July 1974 to August 1987 and worked in the audit division (稽核處) from September 1987 to October 1996 at the Taiyuan branch of the People's Bank of China.

Mr. Duan obtained a master's degree in business administration from Wuhan University in Hubei Province, the PRC, in December 2006.

### *Independent non-executive Director, SAI Zhiyi*

**Mr. SAI Zhiyi** (賽志毅), aged 56, has been an independent non-executive Director since August 7, 2018. He is currently the chairperson of the Board's Risk Management Committee and Related Party Transactions Control Committee, the vice chairperson of the Board's Audit Committee and Nomination, Remuneration and HR Committee, and a member of the Board's Consumer Rights Protection Committee.

Mr. Sai has nearly 32 years of experience in the banking industry and corporate management. Mr. Sai has been a member of the standing party committee and vice general manager of Shandong Hi-speed Group Co., Ltd. (山東高速集團有限公司) since February 2024, and the chairman of the board of directors of its subsidiary Shandong Hi-speed Company Limited (山東高速股份有限公司) ("**Shandong Hi-speed**", a company listed on the Shanghai Stock Exchange with stock code 600350) since July 2018. Mr. Sai worked as the vice chairman of the board of directors and the general manager of Shandong Hi-speed from June 2017 to July 2018. Mr. Sai has been the executive director of Shandong Hi-speed Group Co., Ltd. (山東高速集團有限公司) from July 2020 to February 2024.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Prior to that, Mr. Sai worked as the vice chairman of the board of directors and the president of Weihai Bank Co., Ltd. (威海銀行股份有限公司) (“**Weihai Bank**”, a company listed on the Hong Kong Stock Exchange with stock code 9677, formerly known as Weihai City Commercial Bank Co., Ltd. (威海市商業銀行股份有限公司) and Weihai City Cooperative Bank Co., Ltd. (威海市城市合作銀行股份有限公司)) from May 2011 to June 2017. He was the general manager of Shandong Re-guarantee Group Co., Ltd. (山東再擔保集團有限公司) from November 2009 to June 2011. Mr. Sai served as a vice president of Weihai Bank from January 2002 to October 2009. From December 1998 to January 2002, Mr. Sai served as the president of a sub-branch of Weihai Bank. From August 1997 to December 1998, he was the director (主任) of the credit loan department (信貸部) of Weihai Bank. Mr. Sai worked for the Weihai branch of ICBC as an officer at the deputy section level (副科級幹部) from February 1996 to August 1997. From November 1995 to February 1996, Mr. Sai served as the vice plant manager of Weihai Hua’ao Aluminum Windows Co., Ltd. (威海華澳鋁塑門窗有限公司). He worked at the Weihai branch of ICBC and consecutively served as an accountant, an office clerk (辦事員) and an operation officer (業務主任) from January 1992 to November 1995.

Mr. Sai obtained a master’s degree in management from Tongji University (同濟大學) in Shanghai, the PRC, in May 2004. He obtained a doctor’s degree in management from Tongji University in Shanghai, the PRC, in June 2008. Mr. Sai is a senior economist granted by the Department of Human Resources of Shandong Province (山東省人事廳) in March 2007.

Mr. Sai does not receive a salary from the Bank.

### ***Independent non-executive Director, HU Zhihong***

**Ms. HU Zhihong** (胡稚弘), aged 66, has been an independent non-executive Director since June 25, 2023. She is currently the chairperson of the Board’s Consumer Rights Protection Committee, and a member of the Development and Strategy Committee, the Risk Management Committee and the Nomination, Remuneration and HR Committee of the Board.

Ms. Hu has 39 years of experience in financial technology planning and innovation in the banking industry. Ms. Hu served as the senior information technology specialist (高級信息科技專家) from May 2011 to August 2019, as a researcher at the deputy general manager level (副總經理級調研員) from July 2007 to May 2011, as the assistant to the general manager from December 1999 to June 2007, and as a departmental general manager from June 1997 to December 1999 of the software development center (軟件開發中心) of ICBC. Ms. Hu was the section chief (科長) and the deputy chief engineer (副總工程師) of the computer center (電腦中心) of the Changchun branch of ICBC from September 1991 to June 1997, and a deputy section chief (副科長) of the technology section (科技處) of the Jilin branch of ICBC from September 1984 to September 1991. Before that, she worked in the electrical station (電子站) of Jilin Branch of the PBoC from October 1982 to September 1984.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Hu obtained a bachelor's degree in engineering from Jilin University (吉林大學) in Jilin Province, the PRC, in August 1982, a master's degree in computer science from Harbin Institute of Technology (哈爾濱工業大學) in Heilongjiang Province, the PRC, in November 2002. She is a senior engineer granted by the Senior Engineer Assessment Committee of the ICBC (中國工商銀行高級工程師評審委員會) in August 1997.

### ***Independent non-executive Director, CHAN Ngai Sang Kenny***

**Mr. CHAN Ngai Sang Kenny (陳毅生)**, aged 60, a Hong Kong Chinese citizen, has been an independent non-executive Director since June 25, 2023. He is currently a member of the Audit Committee of the Board.

Mr. Chan has over 36 years of experience in accounting, taxation, auditing and corporate finance. He is a partner and founder of Kenny Chan & Co., a firm of Certified Public Accountants (Practicing). Mr. Chan has served on several tribunals and committees of the Government of Hong Kong, which includes the Mandatory Provident Fund Schemes Appeal Board (強制性公積金計劃上訴委員會), and the Advisory Committee on "Enhancing Self-Reliance" Through District Partnership Programme, where he has served as a committee member, and the Organizing Committee of the Hong Kong Youth Cultural & Arts Competitions Committee (全港青年學藝比賽大會統籌委員會) and the Youth Development Programme Advisory Committee of Home Affairs Department (民政事務總署青年發展計劃諮詢小組), where he has served as the chairperson. Mr. Chan was/currently is an independent non-executive director of the listed companies shown in the table below.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name of the Company	Place of Establishment	Nature of Business	Term of Service
Minsheng Education Group Company Limited (民生教育集團有限公司) (listed on the Hong Kong Stock Exchange stock code: 1569)	Cayman Islands	Education industry	March 2017 to present
Hebei Construction Group Corporation Limited (河北建設集團股份有限公司) (listed on the Hong Kong Stock Exchange stock code: 1727)	PRC	Construction industry	December 2017 to present
Pak Tak International Limited (百德國際有限公司) (listed on the Hong Kong Stock Exchange stock code: 2668)	Bermuda	Supply chain business, leasing business, property investment, money lending business and securities investment	October 2019 to December 2022
Zhongyuan Bank Co., Ltd. (中原銀行股份有限公司) (listed on the Hong Kong Stock Exchange stock code: 1216)	PRC	Banking industry	March 2017 to November 2023
Kingland Group Holdings Limited (景聯集團控股有限公司) (listed on the Hong Kong Stock Exchange stock code: 1751, formerly known as Sing On Holdings Limited)	Cayman Islands	Provision of concrete demolition services	November 2016 to May 2020
CM Energy Tech Co., Ltd. (華商能源科技股份有限公司) (listed on the Hong Kong Stock Exchange stock code: 206) formerly known as CMIC Ocean En-Tech Holding Co., Ltd. (華商國際海洋能源科技控股有限公司)	Cayman Islands	As set investment and operation management of offshore engineering platforms, design, manufacturing and service of related equipment and packages in the land and offshore oil and gas exploration and development, the offshore wind power installation and other industries, and other clean energy and technology investments	October 2005 to July 2024

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Chan has been a member of the New Zealand Institute of Chartered Accountants (currently known as Chartered Accountants Australia and New Zealand) since March 1998, the Hong Kong Institute of Certified Public Accountants (香港會計師公會) since February 1992 and The Hong Kong Institute of Directors (香港董事學會) since October 2016. Mr. Chan received a bachelor's degree in commerce (accounting and finance) from the University of New South Wales in Australia in October 1988. Mr. Chan has been a member of The Taxation Institute of Hong Kong (香港稅務學會) since August 1998 and the Australian Society of Certified Practicing Accountants (currently known as CPA Australia) since February 1989.

### 2. Supervisors

The PRC Company Law stipulates that a joint stock limited company may establish a board of supervisors. The Bank's Board of Supervisors is responsible for supervising the performance of duties by the Board of Directors and senior management and their members, the financial activities, internal control, risk management, etc. Our Board of Supervisors consists of nine Supervisors, including three employee Supervisors, three Shareholder Supervisors and three external Supervisors. Our Supervisors are elected for a term of three years and may be subject to re-election, and the cumulative term of an external Supervisor shall not exceed six years. The following table sets forth certain information about our Supervisors.

**Mr. XIE Liying (解立鷹)**, aged 58, has been an employee Supervisor since July 2009, the chairman of the Board of Supervisors since December 2016 and the full-time deputy secretary of the party committee since December 2020.

Mr. Xie has over 22 years of experience in administrative and corporate management. He has been the chief human resources officer (首席人力資源官) of our Bank from January 2014 to November 2016. He served as the general manager of the human resources department (人力資源部) of our Bank from May 2009 to January 2014. Mr. Xie was seconded to the preparatory team of our Bank from September 2008 to May 2009, when he worked as the deputy director (副主任) in the cadre report center (幹部舉報中心) of the organization department of the Shanxi Provincial Party Committee (山西省委組織部) from April 2006 to May 2009. Mr. Xie was a principal staff member (主任科員) in the cadre (under direct management) section (省直幹部處) of the organization department of the Shanxi Provincial Party Committee from April 2003 to April 2006. Prior to that, he worked as a director at the expert services center (專家服務中心) of the organization department of the Shanxi Provincial Party Committee (山西省委組織部) from February 1998 to April 2003. Mr. Xie worked as the deputy director (副主任) and then the director (主任) of the office of the training center (培訓中心辦公室) of Shanxi Administration for Industry and Commerce (山西省工商行政管理局) from December 1994 to February 1998, during which period he was seconded to the expert services center (專家服務中心) of the organization department of the Shanxi Provincial Party Committee (山西省委組織部) from October 1996 to February 1998.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Xie obtained a bachelor's degree in economics from Beijing College of Finance and Commerce (北京財貿學院) in Beijing, the PRC, in July 1989.

**Mr. WANG Weiping (王衛平)**, aged 54, has been a Shareholder Supervisor of the Bank since December 2022.

Mr. Wang has 17 years of experience in economic management. Mr. Wang has served as the deputy chief accountant (副總會計師) and head of the financial asset department (財務資產部部長) of Jinneng Holding Power Group Co., Ltd. (晉能控股電力集團有限公司) since March 2021. Mr. Wang worked in Taiyuan No. 1 Construction Engineering Company (太原市第一建築工程公司) as a corporate accountant (公司會計) from May 1994 to July 1997. From July 1997 to October 1999, he worked as a project manager at Shanxi Gaoxin Accounting Firm (山西高新會計師事務所). He then worked in Shanxi Local Power Co., Ltd. (山西地方電力公司) from October 1999 to February 2002. He worked at Shanxi Financial Leasing Co., Ltd. (山西金融租賃公司) from February 2002 to February 2008, during which period he served as the deputy chief accountant (副總會計師) and manager of the accounting and finance department (計財部) from February 2002 to January 2004, and as assistant to the general manager from January 2004 to February 2008. He worked at Shanxi International Electricity Group Limited Company (山西國際電力集團有限公司) from February 2008 to December 2008. After that, he worked as a member of the party committee and chief accountant (總會計師) in Shanxi International Electricity Asset Management Company (山西國際電力資產管理公司) from December 2008 to October 2009. Mr. Wang was a member of the party committee and chief accountant of Shanxi Top Energy Co., Ltd. (山西通寶能源股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600780) from October 2009 to January 2011 and a member of the party committee and chief accountant of Shanxi International Electricity Property Co., Ltd. (山西國電置業有限公司) from January 2011 to July 2014. Mr. Wang served as the manager of the finance department (財務部經理) of Jinneng Electricity Group Co., Ltd. (晉能電力集團有限公司) from July 2014 to March 2017. He then served as a member of the party committee and chief accountant (總會計師) of Jinneng Electricity Group Co., Ltd. from March 2017 to March 2021.

Mr. Wang obtained a bachelor's degree through correspondence study in accounting from Shanxi Radio and Television University (山西廣播電視大學) (currently known as Shanxi Open University (山西開放大學)) in Shanxi Province, the PRC, in June 2009. Mr. Wang is a senior accountant (高級會計師) granted by the Department of Human Resources and Social Security of Shanxi Province (山西省人力資源和社會保障廳) in October 2010.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. PANG Zhengyu (龐徵宇)**, aged 42, has been a Shareholder Supervisor of the Bank since December 2022.

Mr. Pang has 17 years of experience in economic management. Mr. Pang has served as the deputy head of the planning and finance department (計劃財務部副部長) of Jinneng Holding Equipment Manufacturing Group Co., Ltd. (晉能控股裝備製造集團有限公司) since June 2021. He worked in Shanxi Jincheng Anthracite Mining Group Co., Ltd. (山西晉城無煙煤礦業集團有限公司) (currently known as Jinneng Holding Equipment Manufacturing Group Co., Ltd.) from September 2007 to December 2020, and consecutively served as the accountant, deputy section chief (副科長), and section chief (科長) of the property section, finance center (財務中心產權科). After that, Mr. Pang successively worked as the head of the finance department (財務部主管) and head of the financial management office (財務管理室主管) in Jinneng Holding Equipment Manufacturing Group Co., Ltd. from December 2020 to June 2021.

Mr. Pang obtained a bachelor's degree in accounting from Taiyuan University of Technology in Shanxi Province, the PRC, in July 2007. Mr. Pang further obtained a master's degree in economics from Dongbei University of Finance & Economics (東北財經大學) in Liaoning Province, the PRC, in January 2014 after studying in the executive Master of Professional Accounting (MPACC) class from January 2011 to January 2014. Mr. Pang obtained the qualification as an accountant (會計師) from the Ministry of Finance of the PRC (中華人民共和國財政部) in September 2018.

**Ms. XU Jin (徐瑾)**, aged 48, was a Shareholder Supervisor of the Bank from December 2015 to June 2021, and has been a Shareholder Supervisor of the Bank since December 2022.

Ms. Xu has 24 years of experience in economic management. Ms. Xu has been working as the director (部長) of the capital operation department (資本運營部) of Shanxi Coking Coal Group Co., Ltd. (山西焦煤集團有限公司) ("**Shanxi Coking Coal**") since November 2020. From November 2009 to November 2020, Ms. Xu consecutively served as the vice director (副主任), head of property management (資產管理主管) and deputy head (副部長) of the finance department (財務部), director (主任) of the preparatory office of finance shared center (財務共享中心籌備辦公室) and deputy director (副主任) of the financial work office (金融工作辦公室) of Shanxi Coking Coal. Before that, she successively served as a staff member (科員) and deputy chief staff member (副主任科員) in the capital settlement and management center (資金結算管理中心) of Shanxi Coking Coal from January 2006 to November 2009. Ms. Xu worked in the West Bureau Workers General Hospital (西局職工總醫院) from December 1999 to September 2003. She then worked in the finance division (財務處) at the headquarters of Xishan Coal Company (西山煤礦總公司) from October 2003 to January 2006.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Xu obtained a bachelor's degree in engineering in June 2003 from Taiyuan University of Technology (太原理工大學) in Shanxi Province, the PRC. She obtained a bachelor's degree in accounting from Taiyuan University of Technology in January 2008 through correspondence study in the evening university (夜大). Ms. Xu obtained a master's degree in business administration in June 2011 from Shanxi University of Finance and Economics (山西財經大學) in Shanxi Province, the PRC. Ms. Xu has been a non-practicing member of the Chinese Institute of Certified Public Accountants since December 2006. She is also a holder of the certificate of senior level of accounting granted by the Department of Human Resources and Social Security of Shanxi Province (山西省人力資源和社會保障廳) in April 2011.

**Mr. WEN Qingquan (溫清泉)**, aged 52, has been an employee Supervisor of the Bank since May 2019.

Mr. Wen has over 12 years of experience in the banking industry. Mr. Wen has been the head (部長) of the Party Committee Work Department (黨委工作部) of the Bank since September 2024. Mr. Wen joined our Bank in March 2011, and served as the general manager (總經理) of the Channel Management Department (渠道管理部) of our Bank from August 2021 to January 2025, the director (主任) of the president's office (行長辦公室) of our Bank from February 2019 to August 2021, the deputy general manager (副總經理) of the HR department (人力資源部) of our Bank from May 2015 to February 2019, during which period he also served as the deputy director (副主任) of the assessment office (考核辦公室) of our Bank from November 2016 to February 2018 and then the general manager (總經理) of the assessment training department (考核培訓部) of our Bank from February 2018 to February 2019. Mr. Wen served as the assistant to the general manager (總經理助理) of the HR department (人力資源部) of our Bank from April 2011 to May 2015. Prior to joining our Bank, Mr. Wen worked at the Shanxi Elderly Cadre Bureau of Shanxi Provincial Party Committee (山西省委老幹部局) from November 2001 to March 2011 and served as a senior staff member (副主任科員) from November 2002 to October 2005, as a principal staff member (主任科員) from October 2005 to February 2009 and as an associate editor (副主編) and the vice president (副社長) of Shanxi Elderly Magazine (老年雜誌社) of Shanxi Elderly Cadre Bureau of Shanxi Provincial Party Committee from February 2009 to March 2011. Mr. Wen worked at the party school of Heshun County Party Committee (和順縣委黨校) from August 1998 to October 2000 and then worked at the organization department of the Heshun County Party Committee (和順縣委組織部) from October 2000 to November 2001.

Mr. Wen obtained a bachelor's degree in economics from Shanxi Agricultural University (山西農業大學) in Shanxi Province, the PRC, in July 1998.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. SU Hua (蘇華)**, aged 48, has served as the general manager of the audit department (審計部) of the Bank since September 2023, and has been an employee Supervisor of the Bank since December 2022.

Mr. Su has over 21 years of experience in audit, economics and economic management. He worked in the Taiyuan Audit Office of China National Audit Office (審計署太原特派辦) from July 2004 to September 2017, during which period he worked in section II for treasury auditing (財政審計二處) from July 2004 to July 2005 and was a senior staff member (副主任科員) of section II for treasury auditing from July 2005 to August 2005, a senior staff member of the financial auditing section (金融審計處) from August 2005 to September 2008, a principal staff member (主任科員) of the financial auditing section from September 2008 to December 2012, the deputy head (副處長) of the financial auditing section from December 2012 to February 2016, and the deputy head of the foreign funds utilization and application auditing section (外資運用審計處) from February 2016 to September 2017. After that, Mr. Su joined the Bank in September 2017 and worked as the deputy general manager of the auditing department (審計部) of the Bank's head office from September 2017 to July 2019. He also served as the vice director of the disciplinary inspection committee office (紀委辦) of the Bank's head office from October 2018 to April 2019 and as the vice director (in charge) from July 2019 to March 2020. Mr. Su served as a member of the Shanxi Province Commission for Discipline Inspection and Supervisory Commission's disciplinary inspection and supervision group in the Bank (山西省紀委監委駐晉商銀行紀檢監察組紀檢監察員) from August 2019 to September 2021 and worked as the general manager of the legal compliance department (法律合規部) of the Bank's head office from November 2021 to August 2023.

Mr. Su obtained a bachelor's degree in statistics from Qingdao Construction and Engineering College (青島建築工程學院) (currently known as Qingdao University of Technology (青島理工大學)) in Shandong Province, the PRC in July 1999. He further obtained a master's degree in economics from Nankai University (南開大學) in Tianjin, the PRC in July 2004. Mr. Su obtained the qualification of Certified Internal Auditor from the Institute of Internal Auditors in July 2020, and he obtained the qualification of senior auditor (審計師) from the Department of Human Resources and Social Security of Shanxi Province (山西省人力資源和社會保障廳) in January 2024.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. ZHUO Zeyuan (卓澤淵)**, aged 62, has been an external Supervisor of the Bank since December 2022.

Mr. ZHUO Zeyuan joined the Central Party School of the CPC (中央黨校) in August 2003. He became the vice director of the political science and law department (政法部副主任) in December 2003 and the principal of the graduate school (研究生院院長) in July 2008 at the Central Party School of the CPC. Mr. Zhuo has also been working as the deputy director (suspended post) of the office for judicial reform of the Supreme People's Court (最高人民法院司法體制改革辦公室副主任) since December 2012. Mr. Zhuo has been serving as the standing vice director (常務副主任) of the Central Party School of the CPC since January 2015, and the director of the political science and law department of the Central Party School of the CPC since November 2015. Mr. Zhuo served as the deputy head of the education division (副教育長) of the Central Party School of the CPC (National Academy of Governance)(中央黨校(國家行政學院)) from August 2018 to July 2021, and he subsequently resigned as the deputy head of the education division and became a professor in the political science and law department in July 2021. Mr. Zhuo served as a teaching assistant in the faculty of law of the Southwest University of Political Science & Law (西南政法大學)("SWUPL") from July 1984 to September 1987, and he then studied for a master's degree in SWUPL from September 1987 to July 1990. From July 1990 to August 2003, he worked in SWUPL and served consecutively as a teaching assistant, lecturer, associate professor, professor, member of the school's standing party committee and vice principal.

Mr. Zhuo obtained a bachelor's degree in law from SWUPL in Chongqing, the PRC, in July 1984, a master's degree in law from SWUPL in July 1990, and an on-job doctorate degree in law from the Graduate School of Chinese Academy of Social Sciences (中國社會科學院研究生院) in Beijing, the PRC, in July 2000.

**Mr. WU Jun (吳軍)**, aged 72, has been an external Supervisor of the Bank since May 2018.

Mr. Wu worked at the School of Banking & Finance (金融學院) of the University of International Business and Economics ("SoBF") for over 26 years since 1992 and once served as deputy professor, professor, Ph.D. supervisor and dean of SoBF.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Wu was and is an independent non-executive director of the companies shown in the table below.

Name of the Company	Place of Establishment	Nature of Business	Positions	Term of Service
New China Asset Management Co., Ltd. (新華資產管理股份有限公司)	PRC	Insurance asset management	Independent director	March 2020 to present
Bank of Jinzhou Co., Ltd. (錦州銀行股份有限公司) (delisted from the Hong Kong Stock Exchange on April 15, 2024)	PRC	Financial services	Independent director	November 2019 to present
Shijihengtong Technology Co., Ltd. (世紀恒通科技股份有限公司) (listed on the Shenzhen Stock Exchange (stock code: 301428))	PRC	Technology services, etc.	Independent director	March 2019 to September 2023
Southwest Securities International Securities Limited (西證國際證券股份有限公司) (listed on the Hong Kong Stock Exchange (stock code: 0812))	Bermuda	Financial services	Independent director	January 2015 to June 2020
Southwest Securities Co., Ltd. (西南證券股份有限公司) (listed on the Shanghai Stock Exchange (stock code: 600369))	PRC	Financial services	Independent director	March 2009 to March 2017
Zhejiang Shaoxing Ruifeng Rural Commercial Bank Co., Ltd. (浙江紹興瑞豐農村商業銀行股份有限公司) (listed on the Shanghai Stock Exchange (stock code: 601528))	PRC	Financial services	Independent director	March 2005 to March 2017
Shenzhen Shenxin Taifeng Group Co., Ltd. (深圳市深信泰豐(集團)股份有限公司) (listed on the Shenzhen Stock Exchange (stock code: 000034)) (the company was renamed as "Digital China Group Co., Ltd. (神州數碼集團股份有限公司)" in 2016)	PRC	Technology, telecommunications and aquaculture, etc.	Independent director	June 2008 to June 2014

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Wu obtained a junior college (專科) degree in finance from the finance department, at Yunnan Finance and Trade College in Yunnan Province, the PRC, in July 1981. He obtained a master's degree in finance from the Finance Research Institute of Head Office of the PBoC (中國人民銀行總行金融研究所)(currently known as PBC School of Finance, Tsinghua University (清華大學五道口金融學院)) in Beijing, the PRC, in July 1988. Mr. Wu obtained a doctor's degree in finance from the Finance Research Institute of Head Office of the PBoC in May 1995.

**Mr. BAI Guangwei (擺光燁)**, aged 60, has been an external Supervisor of the Bank since December 22, 2022.

Mr. Bai has been the chairman of Shanghai Tian Quan Investment Management Co., Ltd. (上海天泉投資管理有限公司) since October 2014. Mr. Bai served consecutively as a staff member (科員) and the credit director of the operation division (營業部信貸負責人) of Shanxi branch of China Investment Bank (中國投資銀行) from July 1986 to December 1997, during which period he was seconded to the government of Shanxi Province from September 1992 to July 1993. He worked in Huaxia Bank Co., Ltd. (華夏銀行股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code 600015) from January 1998 to July 2014, during which period he served consecutively as the general manager of the division for individuals (個人部) in the Taiyuan branch, president of the Taoyuan South Road sub-branch under the Taiyuan branch, vice president of the Urumqi branch and vice president of the Shanghai branch.

Mr. Bai obtained an EMBA degree from South China University of Technology (華南理工大學) in Guangdong Province, the PRC, in July 2008. Mr. Bai obtained the qualification as an economist (經濟師) from the Ministry of Human Resources and Social Security of the People's Republic of China (中華人民共和國人力資源和社會保障部) in October 2003.

### 3. Senior Management

**Mr. ZHANG Yunfei (張雲飛)**, aged 54, has been a president of the Bank since September 30, 2022.

For the biographical information of Mr. ZHANG Yunfei, see "III. Biographies of Directors, Supervisors and Senior Management – 1. Directors – Executive Director and vice chairman, ZHANG Yunfei".

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. WANG Yibin (王義斌)**, aged 55, has been a vice president of the Bank since June 14, 2022.

Mr. Wang has more than 30 years of experience in the banking industry. He joined our Bank in May 2009. He has been the general manager of the Bank's Consumer Rights Protection Department since January 2024. He was the general manager of the Bank's Retail Banking Division from April 2013 to January 2024 and during this period, served as the general manager of the Bank's Asset Management Department from July 2016 to July 2021, and worked as the general manager of the Bank's Private Banking Division from April 2013 to January 2014. From February 2011 to April 2013, he was the general manager of the Personal Business Department and general manager of the Credit Card Department of the Bank. From November 2009 to February 2011, he served as deputy general manager of New Business Development Division of the Bank. From August 2009 to November 2009, he served as general manager of Corporate Business Department No. 6 of the Bank. Prior to joining our Bank, he served as manager of the Corporate Business Department of ICBC Changzhi Branch from March 2008 to May 2009, worked as a vice president (presiding over the work) of ICBC Changzhi County Sub-branch from April 2006 to March 2008, he served as a vice president (presiding over the work) of ICBC Licheng County Sub-branch from February 2004 to April 2006. He worked as the manager of new business development center of ICBC Changzhi Branch from February 2003 to February 2004, he worked as a vice president of ICBC Changzhi country Sub-branch from September 2001 to February 2003, he served as chief accountant of ICBC Huguan County Sub-branch from June 2000 to September 2001, chief accountant of ICBC Tunliu County Sub-branch from August 1998 to June 2000. From February 1997 to August 1998, he served as a section officer of the Planning & Finance Department of the ICBC Changzhi Branch, he worked as an officer and creditor of ICBC Changzhi Changbei Office from July 1994 to February 1997.

Mr. Wang graduated from Harbin Finance College in Heilongjiang Province, China in July 1994, majoring in accounting and statistics. Mr. Wang graduated from China Central Radio and Television University in November 2005 through correspondence studies, majoring in law. Mr. Wang passed the examination of Shanxi Provincial Personnel Department in June 2000 and obtained the title of economist.

**Mr. WANG Qi (王琦)**, aged 47, has been a vice president of the Bank since July 25, 2024.

For the biographical information of Mr. WANG Qi, see "III. Biographies of Directors, Supervisors and Senior Management – 1. Directors – Executive Director, WANG Qi".

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

**Mr. SHANGGUAN Yujiang (上官玉將)**, aged 52, has been serving as assistant to the president of the Bank since December 2019.

Mr. Shangguan has about 29 years of experience in the banking industry. He has been the secretary to the party committee of Jinshang Consumer Finance Co., Ltd. (晉商消費金融股份有限公司) since December 2021. Mr. Shangguan was the president of the Bingzhou branch (并州支行) of our Bank and the general manager of the energy division of the Bank from January 2018 to July 2021 successively. During the period, he served as an employee Supervisor at our Bank from June 2018 to May 2019. From September 2012 to January 2018, Mr. Shangguan worked at the Changzhi branch (長治分行) of our Bank, as the leader of the preparatory team, a vice president and the president successively. Prior to joining our Bank, Mr. Shangguan worked for the Beijing branch, China Bohai Bank Co., Ltd. (渤海銀行股份有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 9668) from December 2007 to September 2012. He served as the president of the Taixi sub-branch (太西支行) and rural area sub-branch (郊區支行), Changzhi City Commercial Bank Co., Ltd. (長治市商業銀行股份有限公司) from October 2006 to December 2007 successively. Mr. Shangguan worked for several Urban Credit Cooperatives in Changzhi City from August 1995 to October 2006.

Mr. Shangguan obtained a master's degree in business administration from Xiamen University (廈門大學) in Fujian Province, the PRC, in September 2018.

### IV. JOINT COMPANY SECRETARIES

Due to work changes, Mr. LI Yanbin (李燕斌) (“**Mr. Li**”) resigned as a vice president of the Bank, the secretary to the Board and a joint company secretary of the Bank (the “**Joint Company Secretary**”) with effect from July 4, 2025. Following the resignation of Mr. Li, Mr. WONG Wai Chiu (黃偉超), the other Joint Company Secretary who has met the qualification of a company secretary as required under Rule 3.28 of the Hong Kong Listing Rules will remain in office and act as the sole company secretary of the Bank. For details, please refer to the announcement entitled “RESIGNATION OF JOINT COMPANY SECRETARY” issued by the Bank on July 4, 2025.

Each Director may discuss with the company secretary for obtaining advice and information. Ms. HAO Qiang is the major contact of Mr. WONG Wai Chiu at the Bank.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

### V. SECURITIES TRANSACTION BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

During the Reporting Period and up to the date of this interim report, the Bank has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the Hong Kong Listing Rules as its code of conduct for regulating securities transactions by Directors, Supervisors and relevant employees of the Bank. Having made enquiry with all Directors and Supervisors, all of the Directors and Supervisors confirmed that they have been in compliance with the above Model Code throughout the Reporting Period. The Bank is also not aware of any violations of the Model Code by the employees concerned.

### VI. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE BANK

As at June 30, 2025, none of the Directors, Supervisors and chief executive of the Bank has any interests and short positions in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code in Appendix C3 to the Hong Kong Listing Rules.

### VII. NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND TRAINING PROGRAMS

As of June 30, 2025, the total number of employees of the Group reached 4,385, including 2,351 female employees and 2,034 male employees, of which 21.1% were employees aged 30 and below, and 91.2% were employees with a bachelor's degree or above. Excellent age distribution and professional talent team can help cultivate a positive and innovative corporate culture and strengthen the ability to respond sensitively to market changes and seize market opportunities. As of June 30, 2025, 267 employees in the retail line were Associate Financial Planner (AFP) holders; 30 employees were Certified Financial Planner (CFP) holders.

## DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

The Bank earnestly implemented the national vocational skills improvement action plan, closely focused on financial hotspots and trends of domestic and international markets and the Bank's management and development strategy. According to the training concept of "party building leading, close to business, pragmatic and efficient, and service operation", and based on the working idea of "systematic design, project promotion, practical assessment, and market-oriented operation", we formulated and decomposed the annual training plan, and organized and carried out various types of training. The annual training work was aimed at providing strong talent support and intellectual guarantee for the long-term development of the Bank. It has been carried out practically from the three dimensions of focusing on capacity building, improving the training system and strengthening the training management mechanism building. During the Reporting Period, the Bank consolidated the three level training resources at its headquarters, branches and sub-branches, adhered to the principle of combining internal training with external training online and offline, and carried out all-round and multi-dimensional training work for the Bank's employees focusing on front-line business operations, new products business promotion, customer marketing management, and case study of internal control compliance.

In compliance with the PRC laws and regulations, the Bank contributes to its employees' social security and other benefits program including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, housing allowances, corporate annuity and supplementary medical insurance. The Bank has established a labor union in accordance with PRC laws and regulations, which represents the interests of the employees and works closely with the management of the Bank on labor-related issues.

### VIII. SHARE INCENTIVE SCHEME

During the Reporting Period, the Bank did not implement any share incentive scheme.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## I. CORPORATE GOVERNANCE CODE

During the Reporting Period, the Bank continued to improve the transparency and accountability of its corporate governance and ensured high standards of corporate governance practices to protect the interests of Shareholders and enhance corporate value and commitment.

Our Bank has established a relatively comprehensive corporate governance structure in accordance with the requirements of the Hong Kong Listing Rules. The compositions of the Board of Directors and the special committees under the Board of Directors are in compliance with the requirements of the Hong Kong Listing Rules. The Bank clearly divides the duties of the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management. The Shareholders' general meeting is the supreme authority of the Bank. The Board of Directors is accountable to the Shareholders' general meeting. The Board of Directors has established six special committees, which operate under the leadership of the Board of Directors and advise on the decisions of the Board. The Board of Supervisors supervises the performance of duties by the Board of Directors, senior management and their members as well as the Bank's the financial activities, internal control, and risk management, etc. Under the leadership of the Board of Directors, the senior management is responsible for executing the resolutions of the Board and for the day-to-day business and management of the Bank, and reports to the Board of Directors and the Board of Supervisors on a regular basis. The president of the Bank is appointed by the Board and is responsible for the overall operation and management of the Bank.

The Bank has adopted the Corporate Governance Code (the “**Code**”) in Appendix C1 to the Hong Kong Listing Rules, met the requirements of the administrative measures and corporate governance for domestic commercial banks and established a good corporate governance system. During the Reporting Period, the Bank has observed all applicable code provisions set forth in Appendix C1 to the Hong Kong Listing Rules.

The Bank is committed to maintaining a high standard of corporate governance. The Bank will continue to review and enhance its corporate governance to ensure compliance with the Code and meet the expectations of Shareholders and potential investors of the Bank.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Shareholders' general meeting

Shareholders' general meeting is the organ of authority of our Bank. Its principal responsibilities include but not limited to: determining the business guidelines and extremely important investment plans of the Bank; electing and changing Directors and non-employee Supervisors; determining the remuneration of relevant directors and supervisors; reviewing and approving the reports of the Board of Directors and the Board of Supervisors; listening to the evaluation on Directors and Supervisors by the Board of Supervisors and the mutual evaluation result reports of independent Directors and external Supervisors; reviewing and approving the annual financial budget plans, final accounting plans, profit distribution plans and loss recovery plans of the Bank; reviewing and approving extremely important external investment, extremely important asset acquisition and disposals, extremely important external guarantee and related party transactions of the Bank; resolving on the increase or decrease in the registered capital of the Bank, the issuance of bonds or the listing of the Bank, the merger, division, dissolution, liquidation or change in the corporate form of the Bank, the acquisition of the shares of the Bank; amending the Articles of Association; reviewing and approving the Rules of Procedures for the Shareholders' General Meeting, the Board of Directors and the Board of Supervisors, etc..

During the Reporting Period, the Bank held one Shareholders' general meeting in total, namely, the 2024 annual general meeting held on June 27, 2025 to consider and approve the Work Report of the Board of Directors for 2024; the Work Report of the Board of Supervisors for 2024; the Profit Distribution Plan for 2024; the Report of Final Financial Accounts for 2024; the Financial Budget for 2025; the Report of the Board of Supervisors on Supervision and Assessment on the Performance of Duties by Directors during 2024; the Report of the Board of Supervisors on Assessment on the Performance of Duties by Supervisors during 2024; the Report of the Board of Supervisors on Supervision and Assessment on the Performance of Duties by Members of the Senior Management during 2024; the appointment of auditors to audit financial statements for 2025; the appointment of Directors, the proposal to revise the Articles of Association, the proposed amendments to the Rules of Procedures for the Shareholders' General Meeting, the proposed amendments to the Rules of Procedures for the Board of Directors and the proposed abolition of the Board of Supervisors.

The notification, convening and voting procedures of the above Shareholders' general meeting are all in compliance with the relevant provisions of the PRC Company Law and the Articles of Association.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Meetings of the Board of Directors and its Special Committees

The Board of Directors shall be accountable to the Shareholders' general meeting, undertake final responsibility of operation and management of the Bank, and its principal duties include, but are not limited to: convening Shareholders' general meetings, and reporting its performance at the Shareholders' general meetings, and implementing resolutions of the Shareholders' general meetings; formulating development strategies of the Bank and monitoring the implementation of such strategies, and deciding on operational plans and investment plans of the Bank; formulating annual financial budget plans, final accounting plans, risk capital allocation plan, profit distribution plans and loss recovery plans, proposals for increases in or reductions of registered capital, issuance of bonds or other securities and listing plan of the Bank, proposals for repurchase of the Bank's shares, plans for merger, division, dissolution, or change of corporate form, proposals for any amendment to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors, and considering and approving the work rules of the special committees under the Board of Directors; formulating the basic management system of the Bank; assessing and completing corporate governance of the Bank regularly; deciding asset and liability management (including but not limited to capital requirement), risk tolerability, risk management and internal control policy of the Bank; formulating capital planning, and undertaking the final responsibility of capital management; formulating a related party transaction management system, examining and approving or accredit Related Parties Transactions Control Committee to approve related party transactions; examining and approving the annual work report of the Bank; deciding the internal plan of the Bank; deciding the Bank's important external investment, material asset disposals, important external guarantee; appointing or dismissing senior management staff and deciding remunerations, awards and punishments of the aforesaid persons; debriefing work reports of the president; deciding on the establishment of the internal management structure of the Bank and the establishment of branches of the Bank; proposing to the Shareholders' general meeting the engagement, dismissal or discontinuation of the appointment of the accounting firm that provides regular statutory audit on financial reports of the Bank; and disclosing information of the Bank, etc..

During the Reporting Period, the Board of Directors held 2 meetings, at which 35 resolutions were considered and approved. The special committees under the Board of Directors held 12 meetings, including 2 meetings of the Development and Strategy Committee, 3 meetings of the Audit Committee, 2 meetings of the Related Parties Transactions Control Committee, 2 meetings of the Risk Management Committee, 2 meetings of the Nomination, Remuneration and HR Committee, as well as 1 meeting of the Consumer Rights Protection Committee.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Work of Independent Directors

During the Reporting Period, the independent non-executive Directors expressed their independent opinions on the relevant proposals considered by the Board of Directors and provided several views and recommendations during the meetings, all of which were adopted by the Bank or responded to by the Bank.

Date of independent opinions	Issues	Type of Opinion
March 27, 2025	Independent opinions on the proposal on profit distribution plan of Jinshang Bank Co., Ltd. for 2024, the proposal on the credit business for related parties transactions of Jinshang Bank Co., Ltd. in 2025, the proposal on the material related parties transactions for corporate deposit of Jinshang Bank Co., Ltd. in 2025, the proposal on the nomination of Mr. RONG Changqing (容常青) as a candidate of the Sixth Session of the Board of Directors of Jinshang Bank Co., Ltd. and the proposal on proposed appointment of Mr. LI Gang (李鋼) as chief information officer of Jinshang Bank Co., Ltd.	For
May 27, 2025	Independent opinions on the proposal on the nomination of Mr. GAO Yurong (高玉榮) as a candidate of the Sixth Session of the Board of Directors of Jinshang Bank Co., Ltd., the proposal on the nomination of Mr. WANG Xiankui (王先奎) as a candidate of the Sixth Session of the Board of Directors of Jinshang Bank Co., Ltd., the proposal on the nomination of Mr. WU Xiaoping (吳小平) as a candidate for independent Director of the Sixth Session of the Board of Directors of Jinshang Bank Co., Ltd., the supplemental resolution on the credit business for related parties transactions of Jinshang Bank Co., Ltd. in 2025 and the proposal on the appointment of accounting firm for 2025 by Jinshang Bank Co., Ltd.	For

### Meetings of the Board of Supervisors and its Special Committees

The Board of Supervisors, as the internal supervising institution of the Bank, shall be accountable to the Shareholders' general meeting and its principal duties include, but are not limited to: reviewing and giving written review opinions on the regular reports on the Bank prepared by the Board of Directors; examining the financial activities of the Bank; supervising the Board of Directors and senior management members to complete the internal control system; supervising the performance of the Board of Directors, Directors, senior management and its members under relevant laws and regulations and the Articles of Association; supervising the behaviors of the Directors, president and senior management members in their performance of their duties in our Bank; regularly assessing the performance of Directors and senior management members, and reporting to the Shareholders' general meeting; proposing the convening of an extraordinary Shareholders' general meeting and convening and presiding over Shareholders' general meeting when the Board fails to perform the duty of convening and presiding over Shareholders' general meetings under the Articles of Association; submitting proposals to the Shareholders' general meetings; attending meetings of the Board of Directors and senior management; formulating the scheme for the remuneration of the members of the Board of Supervisors for review and determination at the Shareholders' general meeting; formulating assessment method for the performance of duties of Directors and Supervisors, examining and assessing Directors and Supervisors, and reporting to the Shareholders' general meeting for determination; and verifying financial information including financial reports, operation reports and profit distribution plans to be proposed by the Board of Directors to the Shareholders' general meeting, etc..

During the Reporting Period, the Board of Supervisors held 2 meetings, at which 40 resolutions were considered and approved. The special committees under the Board of Supervisors held 4 meetings, including 2 meetings of the Supervision Committee and 2 meetings of the Nomination Committee, at which 40 resolutions were considered and approved, including 31 resolutions approved by the Supervision Committee and 9 resolutions considered and approved by the Nomination Committee.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### ***The Tasks of External Supervisors***

The main tasks of external Supervisors include, but not limited to: continuously understanding the status of the Bank's corporate governance, strategic management, operating investments, risk management, internal control and compliance, financial accounting, etc., participating in meetings, providing opinions and suggestions, and exercising voting rights in accordance with laws and regulations; promoting and supervising the implementation of resolutions of the Shareholders' general meeting, the Board of Directors, and the Board of Supervisors; paying attention to the evaluation of the Bank by regulatory authorities, market intermediaries, media and the public, and continuing to follow up on the rectification and accountability of problems discovered by regulatory authorities; actively participating in the supervision and inspection activities organized by the Board of Supervisors, having the right to conduct independent investigations and collect evidence in accordance with the law, and seeking truth from facts to raise issues and supervisory opinions; supervising the performance of duties of the Board of Directors and its members, senior management and its members; supervising and evaluating the scientificity, effectiveness, rationality and implementation of the Bank's development strategy and business philosophy; supervising the financial status, internal control and compliance; supervising the comprehensive risk management structure and major risk management and control; supervising the scientificity, robustness and specific implementation effects of the incentive and restraint mechanisms; supervising the timeliness, authenticity and completeness of regulatory submission data; supervising the implementation of regulatory opinions and accountability for problem rectification; and paying attention to and supervising other key matters that affect the Bank's legal and stable operations and sustainable development, etc..

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Internal Control and Internal Audit

The Bank has established and continuously improved the effective corporate governance structure, with the Shareholders' general meeting as the highest authority, the Board of Directors as the decision-making body, the Board of Supervisors as the supervisory body and the senior management as the executive body, clearly defined the rules of procedure and decision-making procedures of each governance subject of the "Shareholders' general meetings, the Board of Directors, the Board of Supervisors and the senior management" ("三會一層"), and established a scientific and reasonable corporate governance mechanism with clear responsibility, separation of powers and balances and standardized operation.

The Board of Directors has established special committees, including the Development and Strategy Committee, Nomination, Remuneration and HR Committee, Audit Committee, Risk Management Committee, Consumer Rights Protection Committee and Related Parties Transactions Control Committee; the Board of Supervisors has established Nomination Committee and Supervision Committee. Risk Management Committee, Investment Management Committee, Assets and Liabilities Management Committee, Credit Review Committee, Financial Review Committee, Information Technology Management Committee, Accountability Management Committee, Business Continuity Management Committee, Performance Appraisal Management Committee, Corporate Business Management Committee, Retail Business Management Committee and other special committees are under the senior management. The Board of Directors, the Board of Supervisors and their respective special committees have all formulated corresponding rules of procedure, and the offices of the Board of Directors and the Board of Supervisors are responsible for the daily affairs of the "Shareholders' general meetings, the Board of Directors and the Board of Supervisors" to ensure the normal and orderly running of the operations management and various businesses of the Bank.

The Bank has also established an independent and vertical internal audit system that mainly comprises the Board of Directors, the Audit Committee and the Audit Department. The Board of Directors undertakes ultimate responsibility to ensure the independence and effectiveness of our internal audit. The Audit Committee guides our internal audit work, while our Audit Department of the head office carries out internal auditing at both the head office and the branch levels. Our Audit Department formulates internal policies and annual audit plans based on regulatory requirements as well as our operation, management and business profile, and carries out audit work strictly in accordance with the annual audit plans after such plans are approved by the Board of Directors. Audit Department conducts both on-site inspections and off-site monitoring during routine audits on various departments and their operational and management activities. The Bank also conducts specific audits on our exposures to various risks such as credit risk, market risk, operational risk and information technology risk. For the issues or deficiencies identified in audits, the Audit Department gives timely notification to the relevant departments and promotes the effective rectification of audit issues.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### II. CONSUMER RIGHTS PROTECTION

In the first half of 2025, the consumer complaints reported by the supervisory system of the Shanxi Supervision Bureau and its branch offices totalled 14 (estimated) complaints, representing a decrease of 13 (estimated) complaints or 48.1% as compared to the same period in 2024; the average number of complaints was 0.0915 per outlet, representing a decrease of 0.0865 complaint or 48.6% as compared to the same period in 2024; the number of complaints per million individual customers was 3.357, representing a decrease of 2.91 complaints or 46.4% as compared to the same period in 2024. Complaint settlement rate achieved 100%, maintaining a high level.

#### (1) Categorized by the type of complaint business

In the first half of 2025, the consumer complaints reported by the supervisory system of the Shanxi Supervision Bureau and its branch offices totalled 14 (estimated) complaints, among which 9 for credit card business, accounting for 64.3%; 4 for bank agency business, accounting for 28.6%; 1 for other business, accounting for 7.1%.

#### (2) Categorized by the complaint regions

In the first half of 2025, the consumer complaints reported by the supervisory system of the Shanxi Supervision Bureau and its branch offices totalled 14 (estimated) complaints, among which 12 in Taiyuan, accounting for 85.7%; 2 in Datong, accounting for 14.3%.

*Note:* The above estimated data has been compiled by the Bank in accordance with the complaint disclosure rules set by the Shanxi Supervision Bureau. The final data shall be subject to the official disclosure by the Shanxi Supervision Bureau.

### III. USE OF PROCEEDS

The proceeds from issuance of H Shares of the Bank have been used according to the intended use as disclosed in the prospectus of the Bank. All of the net proceeds from the Global Offering of the Bank (after deduction of the underwriting fees and commissions and estimated expenses payable by the Bank in connection with the Global Offering) amounted to approximately RMB3,171 million (including net proceeds from over-allotment), which have been used to expand the capital of the Bank to support the ongoing business growth.

As approved by the PBoC and the former CBIRC Shanxi Office, the Bank issued tier-two capital bonds in the national inter-bank bond market on January 20, 2021, and the payment was completed on January 22, 2021. This tranche of bonds totalled RMB2.00 billion with a maturity of 5+5 years at a fixed interest rate and a coupon interest rate of 4.78%, and the right of redemption with pre-conditions at the end of the fifth year. With prior approval by the regulatory authorities, the Bank is entitled to redeem part or all of such bonds at par value. All funds raised from this tranche of bonds have been used to replenish the tier-two capital of the Bank in accordance with applicable laws and approvals from regulatory authorities.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

As approved by the PBoC and the Shanxi Supervision Bureau, the Bank successfully issued the undated capital bonds for 2024 in the national inter-bank bond market on September 19, 2024 and the payment was completed on September 23, 2024. This tranche of bonds totaled RMB2.00 billion with a term of 5+N years with non-fixed term and interest rate, with a coupon interest rate adjusted by phases (adjusted for every five years) and the right of redemption with pre-conditions after five years from the date of issuance. With prior approval by the regulatory authorities, the Bank is entitled to redeem part or all of such bonds at par value. All funds raised from this tranche of bonds have been used to replenish other tier-one capital and increase the capital adequacy ratios of the Bank in accordance with applicable laws and approvals from regulatory authorities, so as to strengthen the Bank's operating strength, enhance its risk resistance and support the sustainable and steady development of its business.

### IV. PROFITS AND DIVIDENDS

The Group's revenue for the six months ended June 30, 2025 and the Bank's financial position as of the same date is set out in the section headed "Report on Review of Interim Financial Information" in this interim report.

The Shareholders have considered and approved the 2024 profit distribution plan at the 2024 annual general meeting held by the Bank on June 27, 2025. The final dividend for 2024 was RMB8.0 (tax inclusive) per 100 shares, totaling RMB467.1 million, and has been distributed to the holders of H Shares and Domestic Shares on July 31, 2025.

The Bank neither recommends paying interim dividends for the six months ended June 30, 2025 nor transfers any capital reserve to increase its share capital.

### V. MATERIAL LITIGATIONS AND ARBITRATIONS

As of June 30, 2025, the Bank expected that any current and pending proceedings or arbitration procedures will not have a material adverse effect on the Bank's business, financial condition and operating results (whether individually or collectively) after accrual of impairment provisions.

### VI. PENALTIES IMPOSED ON THE BANK AND ITS DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period, the Bank, its Directors, Supervisors or senior management were not investigated, administratively penalised or publicly criticized by the China Securities Regulatory Commission, publicly condemned by any stock exchange or punished by any other regulatory authorities, which would have a material adverse impact on the Bank's business of operations.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### VII. PERFORMANCE OF COMMITMENTS BY THE BANK AND SHAREHOLDERS HOLDING 5% OR MORE OF SHARES

For details of the Shareholders holding 5% or more of the issued share capital of the Bank, please see the section headed “Changes in Share Capital and Information on Shareholders – II. Information on Shareholders” in this interim report.

The commitments made by the Shareholders holding 5% or more of the issued share capital of the Bank as set out in this interim report are all in performance, and no commitment has been completely performed during the Reporting Period or has not been completely performed on schedule as of the end of the Reporting Period.

### VIII. PLEDGE OF SIGNIFICANT ASSETS

During the Reporting Period, the Bank did not pledge any significant assets.

### IX. ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES, JOINT VENTURES, ASSETS AND BUSINESS MERGER

During the Reporting Period, the Bank was not engaged in any material acquisition or disposal of subsidiaries, associates, joint ventures and assets or business merger.

### X. SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR SIGNIFICANT INVESTMENTS

During the Reporting Period, the Bank had no significant investments, or specific plans for significant investments or acquisitions of material assets or other businesses.

### XI. SUFFICIENT PUBLIC FLOAT

Based on information obtained by the Bank and to the knowledge of the Directors, the Bank has maintained sufficient public float in compliance with the minimum requirement of the Hong Kong Listing Rules and the waiver granted by the Hong Kong Stock Exchange upon the Bank’s listing during the Reporting Period and up to the date of this interim report.

### XII. SUBSEQUENT EVENTS

On July 28, 2025, the Bank issued 2025 tier-two capital bonds of Jinshang Bank Co., Ltd. in the national inter-bank bond market. This tranche of bonds was RMB2.0 billion. All funds raised have been used to replenish the tier-two capital of the Bank.

### XIII. APPOINTMENT AND REMOVAL OF AUDITORS

Reference is made to the announcement of the Bank dated May 27, 2025 in relation to the change of auditors. Pursuant to the Administrative Measures for the Appointment of Accounting Firms by State-owned Financial Enterprises (《國有金融企業選聘會計師事務所管理辦法》) (Caijin [2020] No. 6) issued by the Ministry of Finance of the PRC, the term of appointment of an accounting firm by a financial enterprise shall not exceed five years in principle. Ernst & Young Hua Ming LLP and Ernst & Young (collectively “**Ernst & Young**”) has been engaged as the auditing firm for the financial statements of the Bank for five consecutive years since 2020. In order to comply with above requirement, the Bank’s auditing service was put out to invite tendering and KPMG Huazhen LLP and KPMG won the bidding. The Board has resolved, with recommendation of the Audit Committee of the Board, to propose the appointment of KPMG Huazhen LLP and KPMG as the auditors of the Bank for the year 2025. The Shareholders had considered and approved the appointment of KPMG Huazhen LLP and KPMG as the domestic auditor of the Bank in 2025 and the international auditor of the Bank in 2025, respectively, at the 2024 annual general meeting of the Bank held on June 27, 2025, until the end of the next annual general meeting of the Bank.

### XIV. AUDIT COMMITTEE

Our Board of Directors has established the Audit Committee with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Hong Kong Listing Rules and Code Provision D.3 of the Code. The Audit Committee is primarily responsible for (i) inspecting the compliance, as well as financial soundness and compliance with the relevant accounting standards and financial reporting procedures; (ii) monitoring internal control system, particularly with respect to core business segments, to ensure that risk management measures are rigorously followed; (iii) evaluating the effectiveness of key operational activities and their respective compliance; (iv) reviewing our annual financial reports, verifying their authenticity and accuracy, and providing relevant comments to the Board of Directors; (v) reviewing financial information and its disclosure, and overseeing the formulation and implementation of major financial policies; (vi) conducting annual audits and evaluating the effectiveness of our internal audit system; and (vii) advising on the hiring or changing of external auditors and supervising their performance, while coordinating the communication between our external and internal auditors.

The Audit Committee consists of five members, being Mr. WANG Liyan, Mr. SAI Zhiyi, Mr. LIU Chenhang, Mr. DUAN Qingshan and Mr. CHAN Ngai Sang Kenny. The chairperson of the Audit Committee is Mr. WANG Liyan with appropriate professional qualifications.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### **XV. REVIEW OF THE INTERIM REPORT**

The interim financial information disclosed in this interim report has not been audited. KPMG has, in accordance with the International Standards on Review Engagements, reviewed the interim financial information for the six months ended June 30, 2025 prepared by the Bank in accordance with International Accounting Standard 34, Interim Financial Reporting, issued by the International Accounting Standards Board. Nothing has come to KPMG's attention that causes it to believe that the interim financial information as at June 30, 2025 is not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim Financial Reporting. The interim report of the Bank has been reviewed and approved by the Board and its Audit Committee.

### **XVI. PUBLICATION OF THE INTERIM REPORT**

This interim report was prepared in both English and Chinese versions. In the event of any discrepancies between the English version and Chinese version, the Chinese version shall prevail.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**To the Board of Directors of Jinshang Bank Co., Ltd.**

*(incorporated in the People's Republic of China with limited liability)*

## INTRODUCTION

We have reviewed the interim financial information set out on pages 119 to 226, which comprises the interim condensed consolidated statement of financial position of Jinshang Bank Co., Ltd. (the “**Bank**”) and its subsidiaries (collectively the “**Group**”) as at 30 June 2025 and 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-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 *Interim Financial Reporting*.

Our responsibility is to express a conclusion, based on our review, on the interim financial information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the International Auditing and Assurance Standards Board. A review of 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.

## 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*.

### KPMG

*Certified Public Accountants*

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

27 August 2025

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025  
(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

	Notes	For the six months ended 30 June	
		2025	2024
Interest income		5,602,605	5,997,261
Interest expense		(3,571,085)	(3,778,494)
<b>Net interest income</b>	4	<b>2,031,520</b>	2,218,767
Fee and commission income		294,308	331,299
Fee and commission expense		(35,362)	(40,896)
<b>Net fee and commission income</b>	5	<b>258,946</b>	290,403
Net trading losses	6	(73,980)	(98,927)
Net gains arising from investment securities	7	509,482	352,462
Other operating income	8	9,770	23,997
<b>Operating income</b>		<b>2,735,738</b>	2,786,702
Operating expenses	9	(899,927)	(920,356)
Impairment losses on credit	10	(775,006)	(808,225)
Impairment losses on other assets		82	(24,484)
Share of profits of an associate		13,094	12,934
<b>Profit before income tax</b>		<b>1,073,981</b>	1,046,571
Income tax expense	11	(23,512)	(17,185)
<b>Net profit</b>		<b>1,050,469</b>	1,029,386
<b>Net profit attributable to:</b>			
Equity holders of the Bank		1,052,365	1,030,416
Non-controlling interests		(1,896)	(1,030)

The accompanying notes form an integral part of this interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

	Notes	For the six months ended 30 June	
		2025	2024
<b>Net Profit</b>		<b>1,050,469</b>	<b>1,029,386</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Financial assets measured at fair value through other comprehensive income:			
– net movement in the fair value reserve, net of tax	31(d)	(43,220)	2,182
– net movement in the impairment reserve, net of tax	31(e)	17,306	17,418
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of net defined benefit liability, net of tax	31(f)	(8)	(525)
<b>Other comprehensive income for the period, net of tax</b>		<b>(25,922)</b>	<b>19,075</b>
<b>Total comprehensive income</b>		<b>1,024,547</b>	<b>1,048,461</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Bank		1,026,443	1,049,491
Non-controlling interests		(1,896)	(1,030)
<b>Total comprehensive income</b>		<b>1,024,547</b>	<b>1,048,461</b>
<b>Basic and diluted earnings per share (in RMB)</b>	12	<b>0.18</b>	<b>0.18</b>

The accompanying notes form an integral part of this interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

	Notes	As at 30 June 2025	As at 31 December 2024
<b>Assets</b>			
Cash and deposits with the central bank	13	18,153,128	19,220,796
Deposits with banks and other financial institutions	14	1,586,976	2,141,125
Placements with banks and other financial institutions	15	19,655,828	19,486,042
Financial assets held under resale agreements	16	22,557,277	28,197,894
Loans and advances to customers	17	201,695,561	195,103,488
Financial investments:	18	118,862,555	106,796,193
Financial investments measured at fair value through profit or loss		25,115,628	22,212,851
Financial investments measured at fair value through other comprehensive income		17,642,987	6,830,860
Financial investments measured at amortised cost		76,103,940	77,752,482
Interest in an associate	19	382,863	369,769
Property and equipment	21	1,185,429	1,230,708
Deferred tax assets	22	2,748,050	2,514,049
Other assets	23	1,430,290	1,245,444
<b>Total assets</b>		<b>388,257,957</b>	<b>376,305,508</b>
<b>Liabilities</b>			
Due to the central bank		1,944,402	2,821,624
Deposits from banks and other financial institutions	24	62,876	49,834
Financial assets sold under repurchase agreements	25	15,014,731	10,343,449
Deposits from customers	26	314,032,029	310,327,863
Income tax payable		409,798	453,164
Bonds issued	27	25,627,589	21,954,078
Other liabilities	28	2,592,903	2,327,162
<b>Total liabilities</b>		<b>359,684,328</b>	<b>348,277,174</b>

The accompanying notes form an integral part of this interim financial information.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

	Notes	As at 30 June 2025	As at 31 December 2024
<b>Equity</b>			
Share capital	29	5,838,650	5,838,650
Other equity instruments	30	2,000,000	2,000,000
– Perpetual bonds		2,000,000	2,000,000
Capital reserve	31(a)	6,621,429	6,626,679
Surplus reserve	31(b)	6,207,825	5,239,339
General reserve	31(c)	4,231,775	4,231,775
Fair value reserve	31(d)	(62,480)	(19,260)
Impairment reserve	31(e)	20,768	3,462
Deficit on remeasurement of net defined benefit liability	31(f)	(6,878)	(6,870)
Retained earnings	32	3,720,765	4,103,978
Total equity attributable to equity holders of the Bank		28,571,854	28,017,753
Non-controlling interests		1,775	10,581
<b>Total equity</b>		<b>28,573,629</b>	<b>28,028,334</b>
<b>Total liabilities and equity</b>		<b>388,257,957</b>	<b>376,305,508</b>

Approved and authorised for issue by the Board of Directors on 27 August 2025.

**Hao Qiang**  
Chairwoman of the Board

**Zhang Yunfei**  
Executive Director

**Wang Qi**  
Officer in charge of Finance

(company chop)

The accompanying notes form an integral part of this interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

Notes	Attributable to equity holders of the Bank											
	Other equity instruments			Deficit on remeasurement of a net defined benefit liability							Non-controlling interests	Total
	Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	Retained earnings	Total			
As at 1 January 2025	5,838,650	2,000,000	6,626,679	5,239,339	4,231,775	(19,260)	3,462	(6,870)	4,103,978	28,017,753	10,581	28,028,334
Changes in equity for the period:												
Net profit	-	-	-	-	-	-	-	-	1,052,365	1,052,365	(1,896)	1,050,469
Other comprehensive income	-	-	-	-	-	(43,220)	17,306	(8)	-	(25,922)	-	(25,922)
Total comprehensive income	-	-	-	-	-	(43,220)	17,306	(8)	1,052,365	1,026,443	(1,896)	1,024,547
Share acquisition	-	-	(5,250)	-	-	-	-	-	-	(5,250)	(6,910)	(12,160)
- Acquisition of minority interests	-	-	(5,250)	-	-	-	-	-	-	(5,250)	(6,910)	(12,160)
Appropriation of profit	-	-	-	988,486	-	-	-	-	(988,486)	-	-	-
- Appropriation to surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Appropriation to general reserve	-	-	-	-	-	-	-	-	-	-	-	-
- Dividends paid to shareholders	-	-	-	-	-	-	-	-	(467,092)	(467,092)	-	(467,092)
As at 30 June 2025	5,838,650	2,000,000	6,621,429	6,207,825	4,231,775	(62,480)	20,768	(6,878)	3,720,765	28,571,854	1,775	28,573,629

The accompanying notes form an integral part of this interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

Attributable to equity holders of the Bank												
	Other equity instruments			Fair value					Deficit on remeasurement of a net defined benefit liability		Non-controlling interests	Total
	Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Impairment reserve	Retained earnings	Total				
As at 1 January 2024	5,838,650	-	6,627,602	4,361,372	4,228,153	(42,580)	3,462	(5,340)	3,785,300	24,796,619	16,187	24,812,806
Changes in equity for the period:												
Net profit	-	-	-	-	-	-	-	-	1,030,416	1,030,416	(1,030)	1,029,386
Other comprehensive income	-	-	-	-	-	30,719	17,418	(525)	-	47,612	-	47,612
Total comprehensive income	-	-	-	-	-	30,719	17,418	(525)	1,030,416	1,078,028	(1,030)	1,076,998
Appropriation of profit												
- Appropriation to surplus reserve	31(b)	-	-	701,878	-	-	-	-	(701,878)	-	-	-
- Appropriation to general reserve	31(c)	-	-	-	-	-	-	-	-	-	-	-
- Dividends paid to shareholders	32	-	-	-	-	-	-	-	(583,865)	(583,865)	-	(583,865)
Internal transfer within owner's equity												
- Other comprehensive income transferred to retained earnings	31(d)	-	-	-	-	(28,537)	-	-	28,537	-	-	-
As at 30 June 2024	5,838,650	-	6,627,602	5,063,250	4,228,153	(40,398)	20,880	(5,865)	3,558,510	25,290,782	15,157	25,305,939

The accompanying notes form an integral part of this interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

Attributable to equity holders of the Bank													
		Other equity instruments											
	Notes	Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Impairment reserve	Deficit on remeasurement of a net defined benefit liability	Retained earnings	Total	Non-controlling interests	Total
<hr/>													
As at 30 June 2024		5,838,650	-	6,627,602	5,063,250	4,228,153	(40,398)	20,880	(5,865)	3,558,510	25,290,782	15,157	25,305,939
<hr/>													
Changes in equity for the year:													
Net profit		-	-	-	-	-	-	-	-	724,692	724,692	(4,576)	720,116
Other comprehensive income		-	-	-	-	-	21,625	(17,418)	(1,005)	-	3,202	-	3,202
<hr/>													
Total comprehensive income		-	-	-	-	-	21,625	(17,418)	(1,005)	724,692	727,894	(4,576)	723,318
<hr/>													
Owner's contributions and reductions in capital													
- Capital contribution by other equity instruments holders	30	-	2,000,000	(923)	-	-	-	-	-	-	1,999,077	-	1,999,077
<hr/>													
Appropriation of profit													
- Appropriation to surplus reserve	31(b)	-	-	-	176,089	-	-	-	-	(176,089)	-	-	-
- Appropriation to general reserve	31(c)	-	-	-	-	3,622	-	-	-	(3,622)	-	-	-
- Dividends paid to shareholders	32	-	-	-	-	-	-	-	-	-	-	-	-
<hr/>													
Internal transfer within owner's equity													
- Other comprehensive income transferred to retained earnings	31(d)	-	-	-	-	-	(487)	-	-	487	-	-	-
<hr/>													
As at 31 December 2024		5,838,650	2,000,000	6,626,679	5,239,339	4,231,775	(19,260)	3,462	(6,870)	4,103,978	28,017,753	10,581	28,028,334

The accompanying notes form an integral part of this interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

	Notes	For the six months ended 30 June	
		2025	2024
<b>Cash flows from operating activities</b>			
Profit before income tax		1,073,981	1,046,571
<i>Adjustments for:</i>			
Impairment losses on credit		775,006	808,225
Impairment losses on other assets		(82)	24,484
Depreciation and amortisation		150,623	152,339
Accreted interest on credit-impaired loans		(38,696)	(45,684)
Unrealised foreign exchange gains		(3)	(33)
Net gains on disposal of property and equipment and other assets		(117)	(365)
Net trading losses		73,983	98,960
Net gains on disposal of investment securities		(509,482)	(352,462)
Share of profits of an associate		(13,094)	(12,934)
Interest expense on debts securities issued		243,144	298,827
Interest expense on lease liabilities		4,647	5,401
		<b>1,759,910</b>	<b>2,023,329</b>
<i>Changes in operating assets</i>			
Net increase in deposits with the central bank		(342,238)	(700,615)
Net increase in deposits and placements with banks and other financial institutions		(1,500,000)	(4,972,002)
Net increase in loans and advances to customers		(7,236,714)	(10,877,852)
Net decrease in financial assets held under resale agreements		5,640,609	11,613,227
Net increase in other operating assets		(316,410)	(321,173)
		<b>(3,754,753)</b>	<b>(5,258,415)</b>

The accompanying notes form an integral part of this interim financial information.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

	Notes	For the six months ended 30 June	
		2025	2024
<i>Changes in operating liabilities</i>			
Net decrease/(increase) in borrowings from the central bank		(876,309)	935,000
Net increase/(decrease) in deposits from banks and other financial institutions		13,011	(6,386)
Net increase/(decrease) in financial assets sold under repurchase agreements		4,671,236	(6,807,849)
Net increase in deposits from customers		3,213,526	9,147,687
Income tax paid		(292,217)	(339,473)
Net increase in other operating liabilities		564,106	2,397,040
		<b>7,293,353</b>	<b>5,326,019</b>
<b>Net cash flows from operating activities</b>		<b>5,298,510</b>	<b>2,090,933</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal and redemption of investments		28,479,531	29,659,276
Gains received from investment activities		538,226	403,337
Proceeds from disposal of property and equipment and other assets		2,535	590
Payments on acquisition of investments		(40,828,979)	(38,545,916)
Payments on acquisition of property and equipment, intangible assets and other assets		(46,102)	(43,928)
<b>Net cash flows (used in)/from investing activities</b>		<b>(11,854,789)</b>	<b>(8,526,641)</b>

The accompanying notes form an integral part of this interim financial information.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

	Notes	For the six months ended 30 June	
		2025	2024
<b>Cash flows from financing activities</b>			
Proceeds from debt securities issued		32,031,704	22,397,016
Repayment of debt securities issued		(28,310,000)	(19,060,000)
Interest paid on debt securities issued		(291,337)	(347,020)
Dividends paid		(6)	(8,174)
Repayment of lease liabilities		(81,953)	(60,955)
Interest paid on lease liabilities		(4,647)	(5,401)
<b>Net cash flows from financing activities</b>		<b>3,343,761</b>	<b>2,915,466</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(344)</b>	<b>238</b>
<b>Net decrease in cash and cash equivalents</b>	33(a)	<b>(3,212,862)</b>	<b>(3,520,004)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>8,635,766</b>	<b>12,057,574</b>
<b>Cash and cash equivalents at the end of the period</b>	33(b)	<b>5,422,904</b>	<b>8,537,570</b>
Interest received		5,702,567	5,924,417
Interest paid (excluding interest expense on debt securities issued)		(2,838,138)	(2,252,609)

The accompanying notes form an integral part of this interim financial information.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 1 BACKGROUND INFORMATION

Jinshang Bank Co., Ltd. (the “**Bank**”) (formerly Taiyuan City Commercial Bank Co., Ltd.) commenced business as a city commercial bank on 16 October 1998, according to the *Approval on Commencement of Taiyuan City Commercial Bank Co., Ltd.* 《關於太原市商業銀行開業的批覆》(YinFu [1998] No. 323) issued by the People’s Bank of China (the “**PBOC**”). According to the *Approval on Change of Name for Taiyuan City Commercial Bank Co., Ltd.* 《關於太原市商業銀行更名的批覆》(YinJianFu [2008] No. 569) issued by the former China Banking Regulatory Commission (the former “**CBRC**”), Taiyuan City Commercial Bank Co., Ltd. was renamed as Jinshang Bank Co., Ltd. on 30 December 2008.

The Bank has been approved by the former CBRC (Shanxi Branch) to hold the financial business permit (No. B0116H214010001) and approved by the Shanxi Provincial Administration for Industry and Commerce to hold the business licence (credibility code: 911400007011347302). As at 30 June 2025, the registered capital of the Bank was RMB5,838,650,000, with its registered office located at No. 59 Changfeng Street, Xiaodian District, Taiyuan, Shanxi Province. The Bank is regulated by the National Financial Regulatory Administration (the “**NFRA**”) which was authorised by the State Council.

In July 2019, the Bank’s H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock code: 2558).

The principal activities of the Bank and its subsidiary (collectively the “**Group**”) are the provision of corporate and personal deposits, loans and advances, settlement, financial market business and other banking services as approved by the NFRA.

## 2 BASIS OF PREPARATION

This interim financial information has been prepared in accordance with the applicable disclosure provisions of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, including compliance with International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”), issued by the International Accounting Standards Board (“**IASB**”) and should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 2 BASIS OF PREPARATION (continued)

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense on a year-to-date basis. Actual results in the future may differ from those reported as a result of the use of estimates and assumptions about the future conditions.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial information is unaudited but has been reviewed by KPMG in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

### 3 CHANGES IN ACCOUNTING POLICIES

The condensed consolidated financial statements are prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 3 CHANGES IN ACCOUNTING POLICIES (continued)

#### Standards, amendments and interpretations effective on 1 January 2025

On 1 January 2025, the Group adopted the following new standards, amendments and interpretations. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

IAS 21 Amendments

Lack of Exchangeability

For the six months ended 30 June 2025, the adoption of the above amendments does not have a significant impact on the operation results, comprehensive income and financial position of the Group.

#### Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group in 2025

		Effective for annual periods beginning on or after
IFRS 9 and IFRS 7 Amendments	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely

The Group is assessing the impact of adopting the above new standards and amendments. Currently the adoption of the above is expected not to have a material impact on the Group's consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 4 NET INTEREST INCOME

	For the six months ended 30 June	
	2025	2024
<b>Interest income arising from</b>		
Deposits with the central bank	125,618	118,788
Deposits with banks and other financial institutions	21,748	20,720
Placements with banks and other financial institutions	233,991	258,443
Loans and advances to customers		
– Corporate loans and advances	2,991,496	3,097,909
– Personal loans	568,656	623,720
– Discounted bills	238,082	376,166
Financial assets held under resale agreements	272,497	348,814
Financial investments	1,150,517	1,152,701
<b>Subtotal</b>	<b>5,602,605</b>	<b>5,997,261</b>
<b>Interest expense arising from</b>		
Borrowings from the central bank	(20,205)	(20,347)
Deposits from banks and other financial institutions	(807)	(296)
Placements from banks and other financial institutions	(15)	(3,289)
Deposits from customers	(3,177,282)	(3,279,465)
Financial assets sold under repurchase agreements	(129,632)	(176,270)
Debt securities issued	(243,144)	(298,827)
<b>Subtotal</b>	<b>(3,571,085)</b>	<b>(3,778,494)</b>
<b>Net interest income</b>	<b>2,031,520</b>	<b>2,218,767</b>

Interest income arising from loans and advances to customers included RMB39 million for the six months ended 30 June 2025 with respect to the accreted interest on credit-impaired loans (six months ended 30 June 2024: RMB46 million).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 5 NET FEE AND COMMISSION INCOME

	For the six months ended 30 June	
	2025	2024
<b>Fee and commission income</b>		
Wealth management business fees	130,315	116,042
Acceptance and guarantee service fees	68,534	82,274
Bank card service fees	44,689	58,216
Settlement and clearing fees	28,610	45,484
Agency service fees and others	22,160	29,283
Subtotal	294,308	331,299
<b>Fee and commission expense</b>		
Settlement and clearing fees	(11,216)	(16,796)
Bank card service fees	(10,604)	(14,109)
Agency service fees and others	(13,542)	(9,991)
Subtotal	(35,362)	(40,896)
<b>Net fee and commission income</b>	<b>258,946</b>	<b>290,403</b>

### 6 NET TRADING LOSSES

	For the six months ended 30 June	
	2025	2024
Net gains from debt securities	991	8,597
Exchange gains	3	33
Net losses from interbank deposits issued	–	(119)
Net losses from equity investments	(66)	(21,978)
Net losses from funds	(74,908)	(22,543)
Net losses from investment management products	–	(62,917)
<b>Total</b>	<b>(73,980)</b>	<b>(98,927)</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 7 NET GAINS ARISING FROM INVESTMENT SECURITIES

	For the six months ended 30 June	
	2025	2024
Net gains on financial investments measured at fair value through profit or loss	257,113	296,251
Net gains on financial investments measured at fair value through other comprehensive income	122,484	56,211
Net gains on derecognition of financial investments measured at amortised cost	129,885	—
Total	509,482	352,462

### 8 OTHER OPERATING INCOME

	For the six months ended 30 June	
	2025	2024
Government grants	9,076	20,437
Rental income	19	2,031
Income from long-term unwithdrawn items	180	464
Penalty income	329	404
Net gains on disposal of property and equipment and other assets	114	365
Others	52	296
Total	9,770	23,997

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 9 OPERATING EXPENSES

	For the six months ended 30 June	
	2025	2024
Staff costs		
– Salaries, bonuses and allowances	328,342	332,703
– Social insurance and annuity	130,806	132,057
– Housing allowances	47,345	40,546
– Employee education expenses and labour union expenses	10,972	11,294
– Staff welfare	15,324	14,265
– Supplementary retirement benefits	539	–
– Others	982	1,913
Subtotal	534,310	532,778
Depreciation and amortisation	150,623	152,339
Taxes and surcharges	39,083	41,640
Rental and property management expenses	21,866	20,851
Other general and administrative expenses	154,045	172,748
Total	899,927	920,356

### 10 IMPAIRMENT LOSSES ON CREDIT

	For the six months ended 30 June	
	2025	2024
Loans and advances to customers	643,756	978,332
Placements with banks and other financial institutions	(3,027)	10,079
Deposits with banks and other financial institutions	(3,580)	1,242
Financial assets held under resale agreements	18	358
Credit commitments	(82,403)	(36,393)
Financial investments	218,546	(144,573)
Other assets	1,696	(820)
Total	775,006	808,225

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 11 INCOME TAX EXPENSE

#### (a) Income tax:

	For the six months ended 30 June	
	2025	2024
Income tax	23,512	17,185

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

	For the six months ended 30 June	
	2025	2024
Profit before tax	1,073,981	1,046,571
Statutory tax rate	25%	25%
Income tax calculated at the statutory tax rate	268,495	261,643
Non-deductible expenses and others	24,645	2,944
Non-taxable income (i)	(269,628)	(247,402)
Income tax	23,512	17,185

- (i) The non-taxable income mainly represents the interest income arising from the People's Republic of China (the "PRC") government bonds, and dividends from domestic funds.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 12 BASIC AND DILUTED EARNINGS PER SHARE

	For the six months ended 30 June	
	2025	2024
Net profit attributable to equity holders of the Bank	1,052,365	1,030,416
Weighted average number of ordinary shares (in thousands) (a)	5,838,650	5,838,650
Basic and diluted earnings per share attributable to equity holders of the Bank (in RMB)	0.18	0.18

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

#### (a) Weighted average number of ordinary shares (in thousands)

	For the six months ended 30 June	
	2025	2024
Number of ordinary shares at the beginning of the period	5,838,650	5,838,650
Weighted average number of ordinary shares issued during the period	–	–
Weighted average number of ordinary shares	5,838,650	5,838,650

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 13 CASH AND DEPOSITS WITH THE CENTRAL BANK

		30 June 2025	31 December 2024
Cash on hand		<b>216,663</b>	223,546
Deposits with the central bank			
– Statutory deposit reserves	(a)	<b>15,080,166</b>	14,716,829
– Surplus deposit reserves	(b)	<b>2,835,155</b>	4,237,723
– Fiscal deposits		<b>14,311</b>	35,410
Subtotal		<b>17,929,632</b>	18,989,962
Interest accrued		<b>6,833</b>	7,288
Total		<b>18,153,128</b>	19,220,796

- (a) The Group places statutory deposit reserves with the PBOC in accordance with relevant regulations. As at the end of each of the reporting periods, the statutory deposit reserve ratios applicable to the Bank were as follows:

	30 June 2025	31 December 2024
Reserve ratio for RMB deposits	<b>5.00%</b>	5.00%
Reserve ratio for foreign currency deposits	<b>4.00%</b>	4.00%

The statutory deposit reserves are not available for the Group's daily business. The subsidiary of the Bank is required to place statutory RMB deposit reserve at rates determined by the PBOC.

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 14 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

#### Analysed by type and location of counterparty

	30 June 2025	31 December 2024
Deposits in Chinese mainland		
– Banks	470,943	630,150
– Other financial institutions	1,100,135	1,502,309
Subtotal	1,571,078	2,132,459
Deposits outside Chinese mainland		
– Banks	9	2,039
Interest accrued	16,428	10,705
Less: Provision for impairment losses	(539)	(4,078)
Total	1,586,976	2,141,125

### 15 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

#### Analysed by type and location of counterparty

	30 June 2025	31 December 2024
Placements in Chinese mainland		
– Other financial institutions	19,550,000	19,290,000
Subtotal	19,550,000	19,290,000
Interest accrued	170,678	263,919
Less: Provision for impairment losses	(64,850)	(67,877)
Total	19,655,828	19,486,042

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 16 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

#### (a) Analysed by type and location of counterparty

	30 June 2025	31 December 2024
In Chinese mainland		
– Banks	22,346,357	28,198,066
– Other financial institutions	211,100	–
Subtotal	22,557,457	28,198,066
Interest accrued	10	–
Less: Provision for impairment losses	(190)	(172)
Total	22,557,277	28,197,894

#### (b) Analysed by type of collateral held

	30 June 2025	31 December 2024
Debt securities		
– Government	107,500	–
– Policy banks	103,600	–
Subtotal	211,100	–
Bank acceptances	22,346,357	28,198,066
Subtotal	22,557,457	28,198,066
Interest accrued	10	–
Less: Provision for impairment losses	(190)	(172)
Total	22,557,277	28,197,894

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS

#### (a) Analysed by nature

	30 June 2025	31 December 2024
<b>Loans and advances to customers measured at amortised cost:</b>		
Corporate loans and advances	136,255,934	127,307,546
Personal loans		
– Residential mortgage loans	24,590,079	24,550,251
– Personal consumption loans	5,059,238	4,469,144
– Personal business loans	1,464,489	1,329,467
– Credit cards	3,719,718	3,934,869
Subtotal	34,833,524	34,283,731
Interest accrued	972,439	1,012,194
Less: Provision for impairment losses on loans and advances to customers measured at amortised cost	(7,915,198)	(7,322,837)
Subtotal	164,146,699	155,280,634
<b>Loans and advances to customers measured at fair value through other comprehensive income:</b>		
Corporate loans and advances	352,193	–
Discounted bills	37,196,669	39,822,854
Subtotal	37,548,862	39,822,854
Net loans and advances to customers	201,695,561	195,103,488

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

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

	30 June 2025		Loans and advances secured by collateral
	Amount	Percentage	
Manufacturing	43,448,809	20.81%	5,392,303
Mining	32,350,172	15.51%	8,741,702
Wholesale and retail trade	13,339,894	6.39%	3,351,978
Leasing and commercial services	9,874,510	4.73%	995,766
Construction	8,922,676	4.28%	856,383
Real estate	8,567,948	4.11%	2,859,372
Production and supply of electric power, heating, gas and water	7,529,625	3.61%	405,025
Transportation, storage and postal services	3,800,946	1.82%	316,486
Water, environment and public utility management	2,869,695	1.38%	576,600
Financial services	1,823,689	0.87%	285,000
Lodging and catering	519,015	0.25%	224,659
Agriculture, forestry, animal husbandry and fishery	241,336	0.12%	9,434
Education	76,344	0.04%	26,641
Others	3,243,468	1.55%	2,015,302
Subtotal of corporate loans and advances	136,608,127	65.47%	26,056,651
Personal loans	34,833,524	16.70%	19,278,746
Discounted bills	37,196,669	17.83%	37,196,669
Gross loans and advances to customers	208,638,320	100.00%	82,532,066

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

### (b) Loans and advances to customers (excluding interest accrued) analysed by industry sector (continued)

	31 December 2024		
	Amount	Percentage	Loans and advances secured by collateral
Manufacturing	39,910,923	19.82%	4,814,333
Mining	27,366,428	13.59%	6,721,135
Wholesale and retail trade	12,753,347	6.33%	3,688,275
Leasing and commercial services	10,789,923	5.36%	1,008,300
Real estate	8,713,651	4.33%	2,905,545
Construction	8,459,554	4.20%	862,689
Production and supply of electric power, heating, gas and water	7,100,744	3.53%	154,925
Water, environment and public utility management	3,673,637	1.82%	637,300
Transportation, storage and postal services	3,148,413	1.56%	559,475
Financial services	1,572,454	0.78%	285,000
Lodging and catering	367,580	0.18%	84,916
Education	168,275	0.08%	122,141
Agriculture, forestry, animal husbandry and fishery	81,996	0.04%	9,685
Others	3,200,621	1.59%	2,025,151
Subtotal of corporate loans and advances	127,307,546	63.21%	23,878,870
Personal loans	34,283,731	17.02%	19,072,739
Discounted bills	39,822,854	19.77%	39,822,854
Gross loans and advances to customers	201,414,131	100.00%	82,774,463

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (c) Analysed by type of collateral

	30 June 2025	31 December 2024
Unsecured loans	40,174,170	36,449,180
Guaranteed loans	85,932,084	82,190,488
Collateralised loans	35,201,374	32,090,375
Pledged loans	47,330,692	50,684,088
Subtotal	208,638,320	201,414,131
Interest accrued	972,439	1,012,194
Gross loans and advances to customers	209,610,759	202,426,325
Less: Provision for impairment losses on loans and advances to customers measured at amortised cost	(7,915,198)	(7,322,837)
Net loans and advances to customers	201,695,561	195,103,488

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (d) Overdue loans (excluding interest accrued) analysed by overdue period

	30 June 2025				Total
	Overdue within three months (inclusive)	Overdue for more than three months to one year (inclusive)	Overdue for more than one year to three years (inclusive)	Overdue for more than three years	
Unsecured loans	78,222	199,047	286,258	30,398	593,925
Guaranteed loans	623,339	1,248,226	133,537	589,168	2,594,270
Collateralised loans	132,650	119,621	196,677	440,432	889,380
Pledged loans	150,059	6,770	–	5,948	162,777
Total	984,270	1,573,664	616,472	1,065,946	4,240,352
As a percentage of gross loans and advances to customers	0.47%	0.75%	0.30%	0.51%	2.03%

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (d) Overdue loans (excluding interest accrued) analysed by overdue period (continued)

	31 December 2024				
	Overdue within three months (inclusive)	Overdue for more than three months to one year (inclusive)	Overdue for more than one year to three years (inclusive)	Overdue for more than three years	Total
Unsecured loans	200,204	211,264	184,197	20,048	615,713
Guaranteed loans	1,162,086	81,364	343,162	442,086	2,028,698
Collateralised loans	106,211	112,908	302,586	297,709	819,414
Pledged loans	3,742	7,070	–	5,948	16,760
<b>Total</b>	<b>1,472,243</b>	<b>412,606</b>	<b>829,945</b>	<b>765,791</b>	<b>3,480,585</b>
As a percentage of gross of loans and advances to customers	0.73%	0.21%	0.41%	0.38%	1.73%

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (e) Loans and advances and provision for impairment losses

	30 June 2025			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired loans	Lifetime expected credit losses: credit-impaired loans <sup>(i)</sup>	
Total loans and advances to customers measured at amortised cost	158,611,726	9,655,042	3,795,129	172,061,897
Less: Provision for impairment losses	(3,824,055)	(1,567,245)	(2,523,898)	(7,915,198)
Net of loans and advances to customers measured at amortised cost	154,787,671	8,087,797	1,271,231	164,146,699
Net of loans and advances to customers measured at fair value through other comprehensive income	37,548,862	–	–	37,548,862
Net loans and advances to customers	192,336,533	8,087,797	1,271,231	201,695,561

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (e) Loans and advances and provision for impairment losses (continued)

		31 December 2024		
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired loans	Lifetime expected credit losses: credit-impaired loans <sup>(i)</sup>	Total
Total loans and advances to customers measured at amortised cost	149,429,740	9,608,037	3,565,694	162,603,471
Less: Provision for impairment losses	(3,570,728)	(1,680,321)	(2,071,788)	(7,322,837)
Net of loans and advances to customers measured at amortised cost	145,859,012	7,927,716	1,493,906	155,280,634
Net of loans and advances to customers measured at fair value through other comprehensive income	39,822,854	–	–	39,822,854
Net loans and advances to customers	185,681,866	7,927,716	1,493,906	195,103,488

- (i) The loans and advances are “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the loans and advances have occurred. Evidence that loans and advances are credit-impaired includes the following: significant financial difficulty of the borrower or issuer; a breach of contract such as overdue of principal or interest for more than 90 days; the possibility that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (f) Movements in provision for impairment losses

(i) *Movements in provision for impairment losses on loans and advances to customers measured at amortised cost:*

	For the six months ended 30 June 2025			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired loans	Lifetime expected credit losses: credit-impaired loans	
As at 1 January	3,570,728	1,680,321	2,071,788	7,322,837
Transferred:				
– to expected credit losses over the next 12 months	15,987	(6,223)	(9,764)	–
– to lifetime expected credit losses: not credit-impaired loans	(4,852)	5,911	(1,059)	–
– to lifetime expected credit losses: credit-impaired loans	(9,552)	(34,524)	44,076	–
Charge for the period	251,744	(78,240)	456,652	630,156
Recoveries	–	–	6,978	6,978
Write-offs	–	–	(6,077)	(6,077)
Other changes	–	–	(38,696)	(38,696)
As at 30 June	3,824,055	1,567,245	2,523,898	7,915,198

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (f) Movements in provision for impairment losses (continued)

##### (i) *Movements in provision for impairment losses on loans and advances to customers measured at amortised cost: (continued)*

		Year ended 31 December 2024		
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired loans	Lifetime expected credit losses: credit-impaired loans	Total
As at 1 January	3,246,691	1,486,571	2,045,040	6,778,302
Transferred:				
– to expected credit losses over the next 12 months	159,512	(112,870)	(46,642)	–
– to lifetime expected credit losses: not credit-impaired loans	(106,514)	116,288	(9,774)	–
– to lifetime expected credit losses: credit-impaired loans	(3,942)	(372,872)	376,814	–
Charge for the year	274,981	563,204	944,136	1,782,321
Recoveries	–	–	11,932	11,932
Write-offs	–	–	(1,157,995)	(1,157,995)
Other changes	–	–	(91,723)	(91,723)
As at 31 December	3,570,728	1,680,321	2,071,788	7,322,837

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

### (f) Movements in provision for impairment losses (continued)

#### (ii) *Movements in provision for impairment losses on loans and advances to customers measured at fair value through other comprehensive income:*

	For the six months ended 30 June 2025			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired loans	Lifetime expected credit losses: credit-impaired loans	
As at 1 January	3,272	–	–	3,272
Charge for the period	13,600	–	–	13,600
As at 30 June	16,872	–	–	16,872

	Year ended 31 December 2024			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired loans	Lifetime expected credit losses: credit-impaired loans	
As at 1 January	2,354	–	–	2,354
Reversal of the year	918	–	–	918
As at 31 December	3,272	–	–	3,272

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 17 LOANS AND ADVANCES TO CUSTOMERS (continued)

#### (g) Disposal of loans and advances to customers

During the six months ended 30 June 2025, the Group did not transfer any loans and advances to independent third parties. For the year ended 31 December 2024, the Group did not transfer out any loans and advances to independent third parties.

During the six months ended 30 June 2025 and the year ended 31 December 2024, the Group did not transfer any portfolio of customer loans and advances through the asset securitisation business.

### 18 FINANCIAL INVESTMENTS

		30 June 2025	31 December 2024
Financial investments measured at fair value through profit or loss	(a)	25,115,628	22,212,851
Financial investments measured at fair value through other comprehensive income	(b)	17,642,987	6,830,860
Financial investments measured at amortised cost	(c)	76,103,940	77,752,482
Total		118,862,555	106,796,193

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 18 FINANCIAL INVESTMENTS (continued)

#### (a) Financial investments measured at fair value through profit or loss

	30 June 2025	31 December 2024
Debt securities issued by the following institutions in Chinese mainland		
– Banks and other financial institutions	936,849	–
– Corporates	212,870	202,920
Subtotal	1,149,719	202,920
Investment funds	22,306,243	20,366,074
Investment management products	1,659,440	1,643,564
Other investments	226	293
Total	25,115,628	22,212,851

As at 30 June 2025 and 31 December 2024, there were no investments subject to material restrictions in the realisation.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 18 FINANCIAL INVESTMENTS (continued)

#### (b) Financial investments measured at fair value through other comprehensive income

	30 June 2025	31 December 2024
Debt securities issued by the following institutions in Chinese mainland		
– Government	1,707,043	1,491,846
– Policy banks	3,053,541	1,696,095
– Banks and other financial institutions	6,334,787	790,710
– Corporates	870,302	61,299
Subtotal	11,965,673	4,039,950
Interest accrued	109,687	49,478
Subtotal	12,075,360	4,089,428
Interbank deposits	4,933,784	1,728,537
Investment management products	355,269	710,304
Interest accrued	4,883	29,900
Subtotal	360,152	740,204
Other investments	273,691	272,691
Total	17,642,987	6,830,860

- (i) As at 30 June 2025 and 31 December 2024, there were no investments subject to material restrictions in the realisation.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 18 FINANCIAL INVESTMENTS (continued)

### (b) Financial investments measured at fair value through other comprehensive income (continued)

- (ii) Movements in allowances for impairment losses on financial investments measured at fair value through other comprehensive income:

	For the six months ended 30 June 2025			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	
Balance at 1 January	1,346	–	–	1,346
Reversal of the period	9,472	–	–	9,472
Balance at 30 June	10,818	–	–	10,818

	Year ended 31 December 2024			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	
Balance at 1 January	2,264	–	–	2,264
Reversal of the period	(918)	–	–	(918)
Balance at 31 December	1,346	–	–	1,346

Allowances for impairment losses on financial investments measured at fair value through other comprehensive income is recognised in other comprehensive income without decreasing the carrying amount of financial investments presented in the statement of financial position, and impairment loss or gain is recognised in profit or loss.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 18 FINANCIAL INVESTMENTS (continued)

#### (c) Financial investments measured at amortised cost

	30 June 2025	31 December 2024
Debt securities issued by the following institutions in Chinese mainland (i)		
– Government	55,401,274	55,347,349
– Policy banks	13,213,650	13,464,756
– Banks and other financial institutions	3,727,273	4,256,149
– Corporates	581,193	681,252
Interest accrued	813,419	985,563
Subtotal	73,736,809	74,735,069
Interbank deposits	–	199,327
Investment management products	4,218,948	4,460,380
Interest accrued	2,737	3,186
Subtotal	4,221,685	4,463,566
Less: Allowances for impairment losses (ii)	(1,854,554)	(1,645,480)
Total	76,103,940	77,752,482

(i) As at the end of each reporting periods, certain debt securities were pledged for repurchase agreements (Note 40(f)).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 18 FINANCIAL INVESTMENTS (continued)

#### (c) Financial investments measured at amortised cost (continued)

- (ii) Movements in allowances for impairment losses on financial investments measured at amortised cost.

	For the six months ended 30 June 2025			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	
Balance at 1 January	65,092	38,761	1,541,627	1,645,480
Reversal of the period	22,931	(8,354)	194,497	209,074
Balance at 30 June	88,023	30,407	1,736,124	1,854,554

	Year ended 31 December 2024			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	
Balance at 1 January	137,234	67,151	1,617,854	1,822,239
– to expected credit losses over the next 12 months	12,551	(12,551)	–	–
(Reversal of)/Charge for the year	(84,693)	(15,839)	(76,227)	(176,759)
Balance at 31 December	65,092	38,761	1,541,627	1,645,480

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 18 FINANCIAL INVESTMENTS (continued)

#### (d) Financial investments are analysed as follows

	30 June 2025	31 December 2024
Financial investments measured at fair value through profit or loss		
Debt securities		
– Listed	1,031,796	94,018
– Unlisted	117,923	108,902
Fund investments and others		
– Listed	226	293
– Unlisted	23,965,683	22,009,638
Subtotal	25,115,628	22,212,851
Financial investments measured at fair value through other comprehensive income		
Debt securities		
– Listed	12,075,360	4,089,428
Interbank deposits		
– Listed	4,933,784	1,728,537
Investment management products and others		
– Listed	253,253	251,965
– Unlisted	380,590	760,930
Subtotal	17,642,987	6,830,860

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 18 FINANCIAL INVESTMENTS (continued)

#### (d) Financial investments are analysed as follows (continued)

	30 June 2025	31 December 2024
Financial investments measured at amortised cost		
Debt securities		
– Listed	73,549,116	74,591,282
– Unlisted	146,131	140,952
Interbank deposits		
– Listed	–	199,319
Investment management products		
– Unlisted	2,408,693	2,820,929
Subtotal	76,103,940	77,752,482
Total	118,862,555	106,796,193
Listed	91,843,535	80,954,842
Unlisted	27,019,020	25,841,351
Total	118,862,555	106,796,193

Debt securities traded in the interbank market of Chinese mainland are included in “Listed”.  
Interbank deposits traded in the interbank market of Chinese mainland are classified as “Listed”.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

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(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 19 INTEREST IN AN ASSOCIATE

	30 June 2025	31 December 2024
Interest in an associate	382,863	369,769

The following table contains information about the Group's associate which is immaterial to the Bank and is an unlisted corporate entity whose quoted market price is not available:

Name	Percentages of equity/voting rights		Place of incorporation/ registration	Business sector
	30 June 2025	31 December 2024		
Jinshang Consumer Finance Co., Ltd.	40%	40%	Shanxi, China	Consumer finance

In February 2016, the Bank and other third-party shareholders jointly established Jinshang Consumer Finance Co., Ltd. ("Jinshang Consumer Finance"), which was registered in Taiyuan, Shanxi, China with its main business operating in China. The registered capital of Jinshang Consumer Finance amounted to RMB500 million and the Bank holds 40% of the equity of Jinshang Consumer Finance. As at 30 June 2025, Jinshang Consumer Finance had share capital of RMB500 million.

### 20 INVESTMENT IN A SUBSIDIARY

	30 June 2025	31 December 2024
Qingxu Jinshang Village and Township Bank Co., Ltd.	37,660	25,500

Qingxu Jinshang Village and Township Bank Co., Ltd. was incorporated on 19 January 2012, which was registered in Taiyuan, Shanxi, China with registered capital of RMB50 million. The principal activities of Qingxu Village and Township Bank are operating in Chinese mainland, and it is a corporate legal entity and a non-wholly-owned subsidiary of the Bank. As at 30 June 2025, the Bank held 83% of equity interests in and voting rights of Qingxu Village and Township Bank. As at 31 December 2024, the Bank held 51% of equity interests in and voting rights of Qingxu Village and Township Bank. As at 30 June 2025, Qingxu Village and Township Bank had share capital of RMB50 million.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 21 PROPERTY AND EQUIPMENT

	Premises	Office equipment	Motor vehicles	Electronic equipment	Leasehold improvements	Total
<b>Cost</b>						
As at 1 January 2024	1,774,616	60,644	13,461	544,322	407,824	2,800,867
Additions	12,062	4,065	–	39,373	13,141	68,641
Disposals	–	(1,165)	–	(32,900)	–	(34,065)
As at 31 December 2024	1,786,678	63,544	13,461	550,795	420,965	2,835,443
Additions	1,226	390	–	22,479	1,312	25,407
Disposals	–	(2,297)	–	(6,561)	–	(8,858)
<b>As at 30 June 2025</b>	<b>1,787,904</b>	<b>61,637</b>	<b>13,461</b>	<b>566,713</b>	<b>422,277</b>	<b>2,851,992</b>
<b>Accumulated depreciation</b>						
As at 1 January 2024	(597,702)	(46,310)	(12,772)	(470,149)	(367,526)	(1,494,459)
Charge for the period	(86,390)	(5,682)	(285)	(33,784)	(17,169)	(143,310)
Disposals	–	1,127	–	31,907	–	33,034
As at 31 December 2024	(684,092)	(50,865)	(13,057)	(472,026)	(384,695)	(1,604,735)
Charge for the period	(40,390)	(2,528)	–	(18,232)	(7,310)	(68,460)
Disposals	–	270	–	6,362	–	6,632
<b>As at 30 June 2025</b>	<b>(724,482)</b>	<b>(53,123)</b>	<b>(13,057)</b>	<b>(483,896)</b>	<b>(392,005)</b>	<b>(1,666,563)</b>
<b>Net book value</b>						
As at 31 December 2024	1,102,586	12,679	404	78,769	36,270	1,230,708
<b>As at 30 June 2025</b>	<b>1,063,422</b>	<b>8,514</b>	<b>404</b>	<b>82,817</b>	<b>30,272</b>	<b>1,185,429</b>

As at 30 June 2025, the net book values of premises of which title deeds were not yet finalised totalled RMB120 million (31 December 2024: RMB124 million). The Group is still in the progress of applying for the outstanding title deeds for the above premises. The directors of the Bank are of the opinion that there would be no significant costs in obtaining the title deeds.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 21 PROPERTY AND EQUIPMENT (continued)

The net book values of premises as at the end of each of the reporting periods are analysed by the remaining terms of the leases as follows:

	30 June 2025	31 December 2024
Held in Chinese mainland		
– Medium-term leases (10 to 20 years)	<b>1,063,422</b>	1,102,586

### 22 DEFERRED TAX ASSETS

#### (a) Analysed by nature

	30 June 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Deferred income tax assets				
– Allowance for impairment losses	<b>9,577,076</b>	<b>2,394,269</b>	8,600,056	2,150,014
– Accrued staff costs	<b>769,892</b>	<b>192,473</b>	952,932	238,233
– Fair value changes of financial assets	<b>228,724</b>	<b>57,181</b>	53,820	13,455
– Others	<b>1,055,840</b>	<b>263,960</b>	1,052,520	263,130
Subtotal	<b>11,631,532</b>	<b>2,907,883</b>	10,659,328	2,664,832
Deferred income tax liabilities				
– Others	<b>(639,332)</b>	<b>(159,833)</b>	(603,132)	(150,783)
Subtotal	<b>(639,332)</b>	<b>(159,833)</b>	(603,132)	(150,783)
Net balances	<b>10,992,200</b>	<b>2,748,050</b>	10,056,196	2,514,049

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 22 DEFERRED TAX ASSETS (continued)

#### (b) Movements in deferred tax

	Allowance for impairment losses <sup>(i)</sup>	Accrued staff costs	Net (gains)/ losses on fair value changes <sup>(ii)</sup>	Others	Net balance of deferred tax assets
As at 1 January 2024	1,790,167	220,489	(32,861)	101,531	2,079,326
Recognised in profit or loss	359,847	17,234	54,089	10,816	441,986
Recognised in other comprehensive income	–	510	(7,773)	–	(7,263)
As at 31 December 2024	2,150,014	238,233	13,455	112,347	2,514,049
Recognised in profit or loss	244,255	(45,763)	29,319	(8,220)	219,591
Recognised in other comprehensive income	–	3	14,407	–	14,410
<b>As at 30 June 2025</b>	<b>2,394,269</b>	<b>192,473</b>	<b>57,181</b>	<b>104,127</b>	<b>2,748,050</b>

(i) The Group made provision for impairment losses on loans and advances to customers and other financial assets measured at amortised cost. The provision for impairment losses was determined based on the expected recoverable amount of the relevant assets at the end of the reporting period. However, the amounts deductible for income tax purposes are calculated at 1% of the gross carrying amount of qualifying assets at the end of the reporting period, together with write-offs which fulfil specific criteria as set out in the PRC tax rules and are approved by the tax authorities.

(ii) Net gains or losses on fair value changes of financial instruments are subject to tax when realised.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 23 OTHER ASSETS

		30 June 2025	31 December 2024
Accounts receivable and prepayments		<b>462,554</b>	361,528
Intangible assets	(a)	<b>336,480</b>	345,966
Right-of-use assets	(b)	<b>278,255</b>	303,055
Repossessed assets	(c)	<b>188,625</b>	183,795
Interest receivables	(d)	<b>149,090</b>	30,791
Land use rights	(e)	<b>55,622</b>	56,505
Long-term deferred expenses		<b>10,928</b>	13,435
Subtotal		<b>1,481,554</b>	1,295,075
Less: Allowances for impairment losses		<b>(51,264)</b>	(49,631)
Total		<b>1,430,290</b>	1,245,444

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 23 OTHER ASSETS (continued)

#### (a) Intangible assets

	Computer software and system development
<b>Cost</b>	
As at 1 January 2024	658,157
Additions	68,033
Disposals	(1,025)
As at 31 December 2024	725,165
Additions	21,203
Disposals	(1,349)
<b>As at 30 June 2025</b>	<b>745,019</b>
<b>Accumulated amortisation</b>	
As at 1 January 2024	(313,818)
Additions	(65,530)
Disposals	149
As at 31 December 2024	(379,199)
Additions	(30,300)
Disposals	960
<b>As at 30 June 2025</b>	<b>(408,539)</b>
<b>Net book value</b>	
As at 31 December 2024	345,966
<b>As at 30 June 2025</b>	<b>336,480</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 23 OTHER ASSETS (continued)

#### (b) Right-of-use assets

	Premises
<b>Cost</b>	
As at 1 January 2024	800,007
Additions	109,461
Deductions	(28,484)
As at 31 December 2024	880,984
Additions	27,420
Deductions	(796)
<b>As at 30 June 2025</b>	<b>907,608</b>
<b>Accumulated depreciation</b>	
As at 1 January 2024	(488,486)
Additions	(105,395)
Deductions	15,952
As at 31 December 2024	(577,929)
Additions	(51,601)
Deductions	177
<b>As at 30 June 2025</b>	<b>(629,353)</b>
<b>Net book value</b>	
As at 31 December 2024	303,055
<b>As at 30 June 2025</b>	<b>278,255</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 23 OTHER ASSETS (continued)

#### (c) Repossessed assets

	30 June 2025	31 December 2024
Land use rights and buildings	188,625	183,795
Less: Impairment allowances	(29,486)	(29,573)
Net balances	159,139	154,222

#### (d) Interest receivables

	30 June 2025	31 December 2024
Interest receivables arising from:		
Loans and advances to customers	149,090	30,791
Total	149,090	30,791

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 23 OTHER ASSETS (continued)

#### (e) Land use rights

The carrying value of land use rights is analysed based on the remaining terms of the leases as follows:

	30 June 2025	31 December 2024
For land located in Chinese mainland: 10 to 35 years	55,622	56,505

The Group's right-of-use assets include the above-mentioned fully prepaid land use rights and other right-of-use assets disclosed in Note 23(b).

The amortisation period for the Group's land-use rights is between 10 and 35 years.

### 24 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

#### Analysed by type and location of counterparty

	30 June 2025	31 December 2024
Deposits in Chinese mainland		
– Banks	1,712	903
– Other financial institutions	60,500	48,298
Subtotal	62,212	49,201
Interest accrued	664	633
Total	62,876	49,834

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 25 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

#### (a) Analysed by type and location of counterparty

	30 June 2025	31 December 2024
In Chinese mainland		
– Banks	14,297,500	9,818,000
– Other financial institutions	709,720	517,984
Subtotal	15,007,220	10,335,984
Interest accrued	7,511	7,465
Total	15,014,731	10,343,449

#### (b) Analysed by type of collateral held

	30 June 2025	31 December 2024
Debt securities	14,297,500	9,818,000
Bank acceptances	709,720	517,984
Subtotal	15,007,220	10,335,984
Interest accrued	7,511	7,465
Total	15,014,731	10,343,449

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 26 DEPOSITS FROM CUSTOMERS

	30 June 2025	31 December 2024
Demand deposits		
– Corporate customers	50,258,068	49,483,431
– Individual customers	14,352,270	15,104,756
Subtotal	64,610,338	64,588,187
Time deposits		
– Corporate customers	75,930,953	76,309,924
– Individual customers	149,656,224	142,677,247
Subtotal	225,587,177	218,987,171
Pledged deposits		
– Acceptances	11,168,294	14,427,590
– Letters of credit and guarantee	2,249,529	2,276,320
– Letters of guarantee	19,164	18,165
– Others	410,512	531,013
Subtotal	13,847,499	17,253,088
Fiscal deposits	64	11
Inward and outward remittances	31,536	34,631
Accrued interest	9,955,415	9,464,775
Total	314,032,029	310,327,863

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 27 DEBT SECURITIES ISSUED

		30 June 2025	31 December 2024
Interbank deposits issued	(a)	<b>23,586,155</b>	19,864,487
Tier-two capital bonds issued	(b)	<b>1,999,527</b>	1,999,491
Subtotal		<b>25,585,682</b>	21,863,978
Interest accrued		<b>41,907</b>	90,100
Total		<b>25,627,589</b>	21,954,078

(a) Interbank deposits issued

- (i) During the six months ended 30 June 2025, the Bank issued a number of certificates of interbank deposits with a total nominal amount of RMB19,760 million and duration between 1 to 12 months. The coupon interest rates ranged from 1.60% to 2.08% per annum.
- (ii) During the year ended 31 December 2024, the Bank issued a number of certificates of interbank deposits with a total nominal amount of RMB39,590 million and maturity between 1 and 12 months. The coupon interest rates ranged from 1.73% to 2.50% per annum.
- (iii) As at 30 June 2025, the fair value of interbank deposits issued was RMB23,583 million (31 December 2024: RMB19,738 million).

(b) Tier-two capital bonds issued

- (i) In January 2021, the Bank issued 10-year tier-two capital bonds at fixed interest rate with a face value of RMB2,000 million. The coupon interest rate per annum is 4.78%. The Bank had an option to redeem the bonds at the end of the fifth year.
- (ii) As at 30 June 2025, the fair value of the tier-two capital bonds issued was RMB2,032 million (31 December 2024: RMB2,057 million).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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### 28 OTHER LIABILITIES

		30 June 2025	31 December 2024
Accounts payable in the process of clearance and settlement		715,723	526,917
Dividend payable		538,165	71,079
Accrued staff cost	(a)	740,919	953,167
Lease liabilities	(b)	256,940	284,291
Provisions	(c)	232,697	315,100
Deferred income		19,601	34,012
Others		88,858	142,596
Total		2,592,903	2,327,162

#### (a) Accrued staff cost

		30 June 2025	31 December 2024
Salary, bonuses and allowances payable		635,589	854,980
Supplementary retirement benefits payable		36,598	37,419
Pension and annuity payable		6,677	4,492
Other social insurance payable		4,105	3,608
Housing fund payable		7,143	3,955
Others		50,807	48,713
Total		740,919	953,167

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 28 OTHER LIABILITIES (continued)

#### (a) Accrued staff cost (continued)

##### *Defined contribution retirement plans*

The defined contribution retirement plans of the Group mainly include social pension schemes and an annuity plan. The contributions to the defined contribution plans of the pension schemes are calculated at the applicable rates based on the amount stipulated by the PRC government or in proportion to the employees' total salaries and bonuses, which were charged to profit or loss of the Group when the contributions are made. Such schemes are arranged or regulated by the PRC local government and pursuant to the applicable laws and regulations, the Group could not use any forfeited contributions to reduce the existing level of contributions.

##### *Supplementary retirement benefits*

The Group pays supplementary retirement benefits to eligible employees. The amount confirmed in the statement of financial position represents the discounted value of the estimated benefit liability promised to be paid at the end of the reporting period. The supplementary retirement benefits payable of the Group at the end of the relevant reporting period are actuarial assessed by independent actuary Taorui Huiyue Management Consulting (Shenzhen) Co., Ltd. using the projected unit credit method.

#### (b) Lease liabilities

The maturity analysis of lease liabilities – undiscounted analysis:

	30 June 2025	31 December 2024
Within one year (inclusive)	85,839	101,919
Between one year and two years (inclusive)	57,836	61,849
Between two years and three years (inclusive)	41,443	43,129
Between three years and five years (inclusive)	46,109	51,256
More than five years	53,657	55,613
Total undiscounted lease liabilities	284,884	313,766
Total carrying amount	256,940	284,291

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 28 OTHER LIABILITIES (continued)

#### (c) Provisions

		30 June 2025	31 December 2024
Expected credit losses	(i)	<b>232,697</b>	315,100

(i) Movements in provisions for expected credit losses are as follows:

	For the six months ended 30 June 2025			
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit- impaired	Lifetime expected credit losses: credit- impaired	Total
Balance at 1 January	<b>271,830</b>	<b>60</b>	<b>43,210</b>	<b>315,100</b>
Transferred				
– to lifetime expected credit losses: not credit-impaired	<b>(79)</b>	<b>79</b>	<b>-</b>	<b>-</b>
– to lifetime expected credit losses: credit-impaired	<b>(1)</b>	<b>(1)</b>	<b>2</b>	<b>-</b>
(Reversal of)/Charge for the period	<b>(42,185)</b>	<b>311</b>	<b>(40,529)</b>	<b>(82,403)</b>
Balance at 30 June	<b>229,565</b>	<b>449</b>	<b>2,683</b>	<b>232,697</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 28 OTHER LIABILITIES (continued)

#### (c) Provisions (continued)

(i) Movements in provisions for expected credit losses are as follows: (continued)

	Year ended 31 December 2024			Total
	Expected credit losses over the next 12 months	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	
Balance at 1 January	299,010	762	1,215	300,987
Transferred				
– to expected credit losses over the next 12 months	66	(66)	–	–
– to lifetime expected credit losses: not credit-impaired	(1)	1	–	–
– to lifetime expected credit losses: credit-impaired	(91)	(176)	267	–
(Reversal of)/Charge for the year	(27,154)	(461)	41,728	14,113
Balance at 31 December	271,830	60	43,210	315,100

### 29 SHARE CAPITAL

	30 June 2025	31 December 2024
Domestic RMB ordinary shares	4,868,000	4,868,000
Offshore listed ordinary shares (H Shares)	970,650	970,650
Total	5,838,650	5,838,650

All of the above H shares are listed on The Stock Exchange of Hong Kong Limited. The par value of the domestic RMB ordinary shares and the offshore listed ordinary shares is RMB1, and these shares will enjoy the same status in terms of declaration, payment or making of all dividends or distributions.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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### 30 OTHER EQUITY INSTRUMENTS

#### (a) Perpetual bonds

Outstanding financial instrument	Issue date	Accounting Classification	Initial interest rate	Issue price (RMB)	Number of shares issued (million)	Amount	Maturity date	Conversion condition	Conversion status
2024 Undated Capital Bonds	19 September 2024	Equity instruments	2.70%	100	20	2,000,000	Perpetual continuation	NiL	NiL

#### (b) Main clauses of perpetual bonds

With the approvals by the relevant regulatory authorities in China, the Bank issued RMB2 billions of undated capital bonds (the “**Bonds**”) with write-down clauses in the domestic interbank bond market on 19 September 2024 and completed the issuance on 23 September 2024. The denomination of the Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first five years is 2.70%, which is reset every 5 years.

The duration of the Bonds is the same as the period of continuing operation period of the Bank. Subject to the satisfaction of the redemption conditions and having obtained the prior approval of relevant regulatory authorities, the Bank can redeem the Bonds in whole or in part on each distribution payment date after 5 years from the issuance date of the Bonds (inclusive the fifth distribution payment date). Upon the occurrence of a trigger event for the write-downs, with the consent of relevant regulatory authorities and without the consent of the bondholders, the Bank has the right to write down all or part of the bonds issued and existing at that time in accordance with the total par value. The claims of the holders of the Bonds will be subordinated to the claims of depositors, general creditors and subordinated creditors; and shall rank in priority to the claims of shareholders and will rank pari passu with the claims under any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

The Bonds are paid with non-cumulative interest. The Bank shall have the right to cancel distributions on the Bonds in whole or in part and such cancellation shall not constitute a default. The Bank can utilise the proceeds from the cancelled distributions to meet other obligations of maturing debts at its discretion. But the Bank shall not distribute dividends to ordinary shareholders until the resumption of full interest payment.

Capital raised from the issuance of the Bonds, after deduction of transaction costs, was wholly used to replenish the Bank’s additional tier one capital and to increase its capital adequacy ratio.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 31 RESERVES

#### (a) Capital reserve

	30 June 2025	31 December 2024
Share premium	6,568,558	6,568,558
Other capital reserve	52,871	58,121
Total	6,621,429	6,626,679

#### (b) Surplus reserve

The surplus reserve at the end of each reporting periods represented statutory surplus reserve fund and discretionary surplus reserve.

Pursuant to the Company Law of the PRC and the Articles of Association of the Bank, the Bank is required to appropriate 10% of its net profit on an annual basis under the People's Republic of China Generally Accepted Accounting Principles (PRC GAAP) after making good of the prior year's accumulated losses to statutory surplus reserve fund until the balance reaches 50% of its registered capital.

The Bank appropriated an amount of RMB176 million to the statutory surplus reserve fund for the year ended 31 December 2024. The Bank appropriated an amount of RMB968 million to the discretionary surplus reserve fund, that is 55% of its net profit on an annual basis of 2024 according to the resolution of the 2024 Annual General Meeting of Shareholders.

#### (c) General reserve

Pursuant to the "Measures on Impairment Allowances for Financial Enterprises (Cai Jin [2012] No. 20)" issued by the Ministry of Finance, the Bank is required to set aside a general reserve through profit appropriation which should not be lower than 1.5% of the ending balance of its gross risk-bearing assets on an annual basis. The balance of the general reserve of the Bank amounted to RMB4,232 million as at 30 June 2025.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 31 RESERVES (continued)

#### (d) Fair value reserve

	For the six months ended 30 June 2025	Year ended 31 December 2024
As at 1 January	(19,260)	(42,580)
Changes in fair value recognised in other comprehensive income	62,786	229,507
Transfer to profit or loss upon disposal	(120,413)	(169,390)
Transfer to retained earnings upon disposal	–	(29,024)
Less: Deferred tax	14,407	(7,773)
As at 30 June/31 December	(62,480)	(19,260)

#### (e) Impairment reserve

	For the six months ended 30 June 2025	Year ended 31 December 2024
As at 1 January	3,462	3,462
Impairment losses recognised in other comprehensive income	23,072	–
Less: Deferred tax	(5,766)	–
As at 30 June/31 December	20,768	3,462

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 31 RESERVES (continued)

#### (f) Remeasurement a net defined benefit liability

Remeasurement a net defined benefit liability represents actuarial gains or losses, net of tax, from remeasuring the net defined benefit liability.

	For the six months ended 30 June 2025	Year ended 31 December 2024
As at 1 January	(6,870)	(5,340)
Changes in fair value recognised in other comprehensive income	(11)	(2,040)
Less: Deferred tax	3	510
As at 30 June/31 December	(6,878)	(6,870)

### 32 RETAINED EARNINGS

#### (a) Appropriation of profits

In accordance with the resolution at the Bank's Annual General Meeting on 27 June 2025, the shareholders approved the following profit appropriations for the year ended 31 December 2024 as follows:

- Appropriation of statutory surplus reserve based on 10% of the net profit;
- Appropriation of discretionary surplus reserve based on 55% of the net profit; and
- Appropriation of general reserve amounting to approximately RMB4 million; and
- Declaration of cash dividends in an aggregate amount of approximately RMB467 million to all existing shareholders.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 32 RETAINED EARNINGS (continued)

#### (a) Appropriation of profits (continued)

In accordance with the resolution at the Bank's Annual General Meeting on 20 June 2024, the shareholders approved the following profit appropriations for the year ended 31 December 2023 as follows:

- Appropriation of statutory surplus reserve based on 10% of the net profit;
- Appropriation of discretionary surplus reserve based on 35% of the net profit;
- Appropriation of general reserve amounting to approximately RMB486 million; and
- Declaration of cash dividends in an aggregate amount of approximately RMB584 million to all existing shareholders.

### 33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Net decrease in cash and cash equivalents

	For the six months ended 30 June	
	2025	2024
Cash and cash equivalents at the end of the period	5,422,904	8,537,570
Less: Cash and cash equivalents at the beginning of the period	(8,635,766)	(12,057,574)
Net decrease in cash and cash equivalents	(3,212,862)	(3,520,004)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 33 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

#### (b) Cash and cash equivalents

	30 June 2025	31 December 2024
Cash on hand	216,663	223,546
Deposits with the central bank other than restricted deposits	2,835,155	4,237,723
Deposits with banks and other financial institutions	471,086	634,497
Placements with banks and other financial institutions	1,900,000	3,540,000
Total	5,422,904	8,635,766

### 34 CAPITAL MANAGEMENT

On the basis of meeting regulatory requirements and improving risk resilience, the Group's capital management strengthens capital budgeting, allocation and assessment management, adjusts and optimizes business structure, improves capital use efficiency and creates value.

From January 1 2024, the Group calculates the capital adequacy ratio in accordance with the requirements of the Measures for the Management of Capital of Commercial Banks and other relevant regulations. Among them, credit risk-weighted assets are measured by the weight method, and the risk weight of assets on the balance sheet is determined in accordance with the requirements of the Measures for the Capital Management of Commercial Banks, and the risk mitigation effect of qualified pledges or guarantees provided by qualified guarantee entities is considered. Off-balance sheet items multiply the notional amount by the credit conversion factor to obtain the equivalent value of on-balance sheet assets, and then measure risk-weighted assets according to the treatment of on-balance sheet assets. Market risk capital is measured using the standard method. Operational risk capital is measured using the standard method.

According to the requirements of the Measures for the Management of Capital of Commercial Banks and other relevant regulations, for the Group, its core Tier 1 capital adequacy ratio shall not be less than 7.75%, the Tier 1 capital adequacy ratio shall not be less than 8.75%, and the capital adequacy ratio shall not be less than 10.75%.

As of 30 June 2025, the Group's core Tier 1 capital adequacy ratio, Tier 1 capital adequacy ratio and capital adequacy ratio all met the requirements of the Measures for the Capital Management of Commercial Banks and other relevant regulations. For more information about capital, please refer to the "2025 Semi-Annual Capital Management Pillar 3 Information Disclosure Report" released by the Bank on its official website.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

#### (a) Related parties of the Group

##### (i) Major shareholders

Major shareholders of the Bank refer to shareholders holding or controlling 5% or more of shares or voting right of the Bank, or holding less than 5% of total capital or total shares of the Bank but having significant impact on the operational management of the Bank. The significant impact mentioned above includes but not limited to dispatching directors, supervisors or senior management to a commercial bank, influencing the financial and operational management decisions of commercial banks through agreements or other means and other circumstances.

As at 30 June 2025, general information and shareholdings of major shareholders are as follows:

Name	Proportion of shareholding	
	30 June 2025	31 December 2024
Shanxi Finance Bureau (山西省財政廳)	12.25%	12.25%
Huaneng Capital Services Co., Ltd. (華能資本服務有限公司)	10.28%	10.28%
Taiyuan Municipal Finance Bureau (太原市財政局)	8.01%	8.01%
Changzhi Nanye Industry Group Co., Ltd. (長治市南燁實業集團有限公司)	7.72%	7.72%
Shanxi Lu'an Mining (Group) Co., Ltd. (山西潞安礦業(集團)有限責任公司)	6.15%	6.15%
Shanxi International Electricity Group Limited Company (山西國際電力集團有限公司)	5.14%	5.14%
Shanxi Coking Coal Group Co., Ltd. (山西焦煤集團有限責任公司)	5.09%	5.09%
Changzhi Huashengyuan Mining Industry Co., Ltd. (長治市華晟源礦業有限公司)	4.02%	4.02%
Jinneng Holding Equipment Manufacturing Group Co., Ltd. (晉能控股裝備製造集團有限公司)	3.43%	3.43%

The official names of these related parties are in Chinese. The English translation is for reference only.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

#### (a) Related parties of the Group (continued)

##### (ii) *Subsidiary of the Bank*

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

##### (iii) *Associate of the Bank*

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

##### (iv) *Other related parties*

Other related parties can be individuals or enterprises, which include: members of the board of directors, the board of supervisors and senior management, and close family members of such individuals; entities (and their subsidiaries) controlled or jointly controlled by members of the board of directors, the board of supervisors and senior management, and close family members of such individuals; and entities controlled or jointly controlled by the major shareholders of the Bank as set out in Note 35(a) or their controlling shareholders.

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

The Bank entered into related-party transactions in the normal course and terms of business, with pricing policies based on market prices.

##### (i) *Transactions between the Bank and its major shareholders*

	For the six months ended 30 June	
	2025	2024
Transactions during the period		
Interest income	8,258	6,790
Interest expense	248,187	25,300
Net fee and commission income	927	975
Operating expenses	5	—

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

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

##### (i) Transactions between the Bank and its major shareholders (continued)

	30 June 2025	31 December 2024
Balances at the end of the period/year		
Loans and advances to customers	430,908	377,486
Deposits from customers	30,310,947	28,166,034
Bank acceptances	50,000	70,000
Letters of credit	–	62,500

##### (ii) Transactions between the Bank and its subsidiary

The subsidiary of the Bank is its related party. The transactions between the Bank and its subsidiary are eliminated in combination.

	For the six months ended 30 June	
	2025	2024
Transactions during the period		
Interest expense	323	6,380
Net fee and commission income	4	–
	30 June 2025	31 December 2024
Balances at the end of the period/year		
Deposits from banks and other financial institutions	212,267	212,291

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

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

##### (iii) Transactions between the Bank and its associate

	For the six months ended 30 June	
	2025	2024
Transactions during the period		
Interest income	12,859	18,997
Interest expense	53	322
Net fee and commission income	–	5,001
	30 June 2025	31 December 2024
Balances at the end of the period/year		
Deposits with banks and other financial institutions	1,100,799	1,506,613
Deposits from banks and other financial institutions	4,262	1,897

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

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

##### (iv) Transactions between the Bank and other related parties

	For the six months ended 30 June	
	2025	2024
Transactions during the period		
Interest income	494,121	521,259
Interest expense	36,304	61,845
Net fee and commission income	11,656	42,633
Operating expenses	366	4,166
Assets transferred	–	50,005
	30 June 2025	31 December 2024
Balances at the end of the period/year		
Loans and advances to customers	25,198,949	27,483,407
Financial investments	2,079,229	857,336
Deposits from customers	7,725,937	8,404,035
Deposits from banks and other financial institutions	48,184	43,106
Bank acceptances	1,216,268	2,992,515
Letters of credit	480,150	613,490
Letters of guarantee	200	25,200

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

#### (c) Key management personnel

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

##### (i) Transactions between the Bank and key management personnel

	For the six months ended 30 June	
	2025	2024
Transactions during the period		
Interest income	8	11
Interest expense	10	17
	30 June 2025	31 December 2024
Balances at the end of the period/year		
Loans and advances to customers	485	516
Deposits from customers	3,812	4,636

##### (ii) Key management personnel compensation

The aggregate compensation of key management personnel is as follows

	For the six months ended 30 June	
	2025	2024
Key management personnel compensation	7,209	7,139

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 35 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

#### (d) Loans and advances to key management personnel

	30 June 2025	31 December 2024
Aggregate amount of relevant loans outstanding at the end of the period/year	485	516
Maximum aggregate amount of relevant loans outstanding during the period/year	485	516

### 36 SEGMENT REPORTING

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

#### Corporate banking

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

#### Retail banking

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 36 SEGMENT REPORTING (continued)

#### Treasury business

This segment covers the Group's treasury business operations, including interbank money market transactions, repurchase transactions, interbank investments, and debt security trading. The financial market business segment also covers the management of the Group's overall liquidity position, including the issuance of debts.

#### Others

These represent assets, liabilities, income and expenses which cannot be directly attributable or cannot be allocated to a segment on a reasonable basis.

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

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

Segment income, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Intra-group balances and intra-group transactions are eliminated by segment income, expenses, assets and liabilities as part of the consolidation process. Segment capital expenditure is the total cost incurred during the reporting period on the acquisition of property and equipment, intangible assets and other long-term assets.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 36 SEGMENT REPORTING (continued)

#### Others (continued)

	For the six months ended 30 June 2025				
	Corporate banking	Retail banking	Treasury business	Others	Total
Operating income					
External net interest income/(expense)	2,230,356	(1,609,403)	1,410,567	–	2,031,520
Internal net interest (expense)/income	(700,221)	2,142,582	(1,442,361)	–	–
Net interest income	1,530,135	533,179	(31,794)	–	2,031,520
Net fee and commission income	101,765	153,525	3,656	–	258,946
Net trading gains	–	–	(73,983)	3	(73,980)
Net gains arising from investment securities	–	–	509,482	–	509,482
Other operating income	4,512	–	–	5,258	9,770
Operating income	1,636,412	686,704	407,361	5,261	2,735,738
Operating expenses	(415,934)	(407,317)	(75,677)	(999)	(899,927)
Impairment losses on credit	(483,253)	(79,795)	(211,958)	–	(775,006)
Impairment losses on other assets	82	–	–	–	82
Share of profits of an associate	–	–	–	13,094	13,094
Profit/(Loss) before tax	737,307	199,592	119,726	17,356	1,073,981
Other segment information					
Depreciation and amortisation	69,694	68,249	12,680	–	150,623
Capital expenditure	21,332	20,889	3,881	–	46,102
			30 June 2025		
	Corporate banking	Retail banking	Treasury business	Others	Total
Segment assets	169,846,439	34,831,018	180,832,450	–	385,509,907
Deferred tax assets	–	–	–	2,748,050	2,748,050
Total assets	169,846,439	34,831,018	180,832,450	2,748,050	388,257,957
Segment liabilities	146,903,845	170,530,674	42,249,809	–	359,684,328
Total liabilities	146,903,845	170,530,674	42,249,809	–	359,684,328

## FOR THE SIX MONTHS ENDED 30 JUNE 2025

36 SEGMENT REPORTING (continued)

	For the six months ended 30 June 2024				
	Corporate banking	Retail banking	Treasury business	Others	Total
Operating income					
External net interest income/(expense)	2,337,691	(1,519,362)	1,400,438	-	2,218,767
Internal net interest (expense)/income	(748,093)	2,045,183	(1,297,090)	-	
Net interest income/(expense)	1,589,598	525,821	103,348	-	2,218,767
Net fee and commission income	149,439	130,040	10,924	-	290,403
Net trading gains	-	-	(98,960)	33	(98,927)
Net gains arising from investment securities	-	-	352,462	-	352,462
Other operating income	9,262	-	-	14,735	23,997
Operating income	1,748,299	655,861	367,774	14,768	2,786,702
Operating expenses	(424,976)	(419,368)	(74,920)	(1,092)	(920,356)
Impairment losses on credit	(690,518)	(250,601)	132,894	-	(808,225)
Impairment losses on other assets	(24,113)	(371)	-	-	(24,484)
Share of profits of an associate	-	-	-	12,934	12,934
Profit/(loss) before tax	608,692	(14,479)	425,748	26,610	1,046,571
Other segment information					
Depreciation and amortisation	70,426	69,497	12,416	-	152,339
Capital expenditure	20,308	20,040	3,580	-	43,928
	31 December 2024				
	Corporate banking	Retail banking	Treasury business	Others	Total
Segment assets	164,286,834	33,292,806	176,211,819	-	373,791,459
Deferred tax assets	-	-	-	2,514,049	2,514,049
Total assets	164,286,834	33,292,806	176,211,819	2,514,049	376,305,508
Segment liabilities	154,297,387	158,776,171	35,203,616	-	348,277,174
Total liabilities	154,297,387	158,776,171	35,203,616	-	348,277,174

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT

The Group has exposure to the following risks arising from its financial instruments: credit risk, market risk, liquidity risk and operational risk.

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

#### Risk management system

The Group's risk management policies were established to identify and analyse the risks to which the Group is exposed, to set appropriate risk limits, and to design relevant internal control policies and systems for monitoring risks and adhering to risk limits. Risk management policies and relevant internal control systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors is responsible for establishing and maintaining a robust and effective risk management system and determining general risk preference and risk tolerance of the Group. Based on the general strategy of the Group, the Committee of Risk Management under the Board reviews the Group's risk management system and basic principles, risk management strategies and internal control system framework; supervises and evaluates the establishment, organization, working procedures, and effectiveness of the risk management department; monitors and evaluates the risk control measures undertaken by the management in credit risk, market risk, operational risk, and other areas; identifies, monitors, controls, and periodically assesses the group's risk management status and risk tolerance capacity. Senior management led by the president will be responsible for the control of credit risk, market risk, operational risk and approval of related policies and procedures. In addition, the Group set up the Department of Risk Management, Department of Credit Examination, Department of Asset and Liability Management, Department of Law and Compliance and the Audit Department based on the requirements of general risk management to perform respective functions in risk management, strengthen risk-covering portfolio management capabilities and conduct inspection on compliance with risk management policy of internal control system on a regular or irregular basis.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (a) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its contractual obligation or commitment to the Group. It arises primarily from credit and bond investment portfolios and guarantees granted.

##### *Credit business*

To identify, assess, monitor and manage credit risks, the Group has designed effective system frameworks, credit policies and processes for credit risk management and implemented systematic control procedures. The responsible departments for credit risk management include the Risk Management Department and the Credit Examination Department. The Risk Management Department is responsible for implementing the Group's overall risk management system, as well as risk monitoring and control. The Risk Management Department is also responsible for formulating risk management policies. The Credit Examination Department is independent from customer relationship and product management departments to ensure the independence of credit approval. Front office departments, including the Department of Corporate Finance and the Personal Credit Asset Department, carry out credit businesses according to the Group's risk management policies and procedures.

The Group continuously improves the internal control mechanism and strengthens the management of the credit business. The Group has established comprehensive assessment and inquiry mechanisms, assigning the credit management accountability to the relevant departments and individuals.

For corporate and inter-bank credit businesses, the Group has formulated credit investment policies and implemented differentiated portfolio management for different industries, regions, products and customers. With respect to pre-lending evaluations, the Group assesses customers' credit ratings and performs integrated analysis on the risk and return of the loan. In the credit approval phase, all credit applications are approved by designated credit officers. During the post-lending monitoring, the Group continually monitors outstanding loans and other credit-related businesses. Any adverse events that may significantly affect a borrower's repayment ability are reported immediately, and actions are taken to mitigate the risks.

For personal credit operation business, customer relationship managers are required to assess the income level, credit history, and repayment ability of the applicant. The customer relationship managers then forward the applications and their recommendations to the loan approval departments for further approval. The Group monitors borrowers' repayment ability, the status of collateral and any changes to their value during the post-lending phase. Once a loan becomes overdue, the Group starts the recovery process according to standardised loan recovery procedures.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (a) Credit risk (continued)

##### *Stages of risks in financial instruments*

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

- Stage 1: Financial assets have not experienced a significant increase in credit risk since origination and impairment is recognised on the basis of 12-month expected credit losses.
- Stage 2: Financial assets have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime expected credit losses.
- Stage 3: Financial assets are in default and considered credit-impaired.

##### *Significant increase in credit risk*

When one or more quantitative, qualitative standards or upper limits are triggered, the Group assumes that the credit risk on financial assets has increased significantly.

If the borrower is one or more of the following criteria are met:

- the credit spread increasing significantly;
- significant changes with an adverse effect that have taken place in the borrower's business, financial and economic status;
- application of a grace period or debt-restructuring;
- significant changes with an adverse effect in the borrower's business conditions;
- decrease in value of the collateral (for the collateral loans and pledged loans only);
- early indicators of problems of cash flow/liquidity, such as late payment of accounts payable/repayment of loans; or
- the borrowing being more than 30 days past due.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (a) Credit risk (continued)

##### ***Significant increase in credit risk (continued)***

The Group uses the above criteria to monitor credit risk of financial assets related to loans and treasury operations, and conducts regular assessments at the counterparty level. The standards used in determining whether credit risk increases significantly are regularly monitored and reviewed by management for appropriateness.

As at 30 June 2025 and 31 December 2024, the Group has not considered that any of its financial assets has lower credit risk and no longer compared the credit risk at the end of the reporting period with that at the initial recognition to identify whether there was a significant increase in credit risk.

##### ***Definition of “default” and “credit-impaired assets”***

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;
- the disappearance of an active market for securities because of financial difficulties of the issuer; or
- overdue more than 90 days.

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (a) Credit risk (continued)

##### ***Measurement of expected credit losses (“ECLs”)***

The Group adopts the ECL model to measure the provision for impairment losses on financial assets based on the stages categorised above.

The ECL is the result of the discounted product of probability of default (PD), exposure at default (EAD) and loss given default (LGD). The Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, overdue situations, repayments.) and forward-looking information in order to establish the models for estimating PD, LGD and EAD. The definitions of these terms are as follows:

- PD refers to the likelihood that a borrower will be unable to meet his/her repayment obligations over the next 12 months or the remaining lifetime of the loan.
- EAD is the amount that the Group should be reimbursed upon default of an obligor over the next 12 months or the remaining lifetime of the loan.
- LGD refers to the expected degree of loss arising from the exposure at default which is predicted by the Group. LGD varies according to different types of counterparties or other credit support.
- The discount rate used in the calculation of the ECLs is the initial effective interest rate or its approximate value.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (a) Credit risk (continued)

##### ***Measurement of expected credit losses ("ECLs") (continued)***

Forward-looking information included in the expected credit loss model is as follows:

Both the assessment of significant increase in credit risk and the measurement of expected credit losses involve forward-looking information. Based on the analysis on historical data, the Group identified critical economic indicators that affect the credit risk and expected credit losses of all asset portfolios. The Group identified the relations between these economic indicators and the probability of default historically by conducting regression analysis and regularly identified the expected probability of default by predicting the future economic indicators. In addition to a base economic scenario, the Group conducts statistical analysis with experts' judgement to determine other possible scenarios and their weights. Generally, the highest weighting is assigned to Base scenario, while lower and comparable weightings are assigned to Upside and Downside scenarios. In the first half of 2025, the key assumptions the Group has taken include producer price index (PPI) and consumer price index (CPI), etc. The Group measures relevant provision for loss by the weighted 12-month ECL (for Stage 1) or the weighted lifetime ECL (for Stage 2 and Stage 3). The above weighted credit losses are calculated by multiplying the ECLs under the different scenarios by the weight of the corresponding scenarios.

Similar to other economic forecasts, there is highly inherent uncertainty in the assessment of estimated economic indicators and the probability of occurrence, and therefore, the actual results may be materially different from the forecasts. The Group believes that these forecasts reflect the Group's best estimate of possible outcomes.

Other forward-looking factors not incorporated in the above scenarios, such as the impact of regulatory and legal changes, have also been taken into account. However, they were not considered to have significant impacts, and the expected credit losses were not adjusted accordingly. The Group reviews and monitors the appropriateness of the above assumptions on a regular basis.

As at 30 June 2025 and 31 December 2024, there have been no significant changes in the estimate techniques and key assumptions of the Group.

At the same time, when the management believes that the potential impact of economic fluctuations cannot be reflected by properly adjusting the model parameters above in time, the Group uses the management superposition to adjust the amount of expected credit loss.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (a) Credit risk (continued)

##### (i) Maximum credit risk exposure

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets as at the end of each of the reporting periods.

Financial assets (excluding interest accrued) analysed by credit quality

	30 June 2025							
	Balance				Provision for impairment losses			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Cash and deposits with the central bank	18,146,295	-	-	18,146,295	-	-	-	-
Deposits with banks and other financial institutions	1,571,087	-	-	1,571,087	(539)	-	-	(539)
Placements with banks and other financial institutions	19,550,000	-	-	19,550,000	(64,850)	-	-	(64,850)
Financial assets held under resale agreements	22,557,457	-	-	22,557,457	(190)	-	-	(190)
Loans and advances to customers	157,897,857	9,404,207	3,787,394	171,089,458	(3,824,055)	(1,567,245)	(2,523,898)	(7,915,198)
Financial investments	74,650,524	134,000	2,357,814	77,142,338	(88,023)	(30,407)	(1,736,124)	(1,854,554)
Other assets	11,185	-	28,025	39,210	(1,205)	-	(20,573)	(21,778)
<b>Total</b>	<b>294,384,405</b>	<b>9,538,207</b>	<b>6,173,233</b>	<b>310,095,845</b>	<b>(3,978,862)</b>	<b>(1,597,652)</b>	<b>(4,280,595)</b>	<b>(9,857,109)</b>
Financial assets measured at fair value through other comprehensive income								
Loans and advances to customers	37,548,862	-	-	37,548,862	(16,872)	-	-	(16,872)
Financial investments	17,254,726	-	-	17,254,726	(10,818)	-	-	(10,818)
<b>Total</b>	<b>54,803,588</b>	<b>-</b>	<b>-</b>	<b>54,803,588</b>	<b>(27,690)</b>	<b>-</b>	<b>-</b>	<b>(27,690)</b>
Credit commitments	51,574,837	10,798	16,020	51,601,655	(229,565)	(449)	(2,683)	(232,697)

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 37 RISK MANAGEMENT (continued)

### (a) Credit risk (continued)

#### (i) Maximum credit risk exposure (continued)

Financial assets (excluding interest accrued) analysed by credit quality (continued)

	31 December 2024				Allowances for impairment losses			
	Stage 1	Balance Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost								
Cash and deposits with the central bank	19,213,508	-	-	19,213,508	-	-	-	-
Deposits with banks and other financial institutions	2,134,498	-	-	2,134,498	(4,078)	-	-	(4,078)
Placements with banks and other financial institutions	19,290,000	-	-	19,290,000	(67,877)	-	-	(67,877)
Financial assets held under resale agreements	28,198,066	-	-	28,198,066	(172)	-	-	(172)
Loans and advances to customers	148,843,505	9,182,078	3,565,694	161,591,277	(3,570,728)	(1,680,321)	(2,071,788)	(7,322,837)
Financial investments	75,864,009	165,000	2,380,204	78,409,213	(65,092)	(38,761)	(1,541,627)	(1,645,480)
Other assets	13,918	2,790	22,903	39,611	(1,459)	(121)	(18,478)	(20,058)
<b>Total</b>	<b>293,557,504</b>	<b>9,349,868</b>	<b>5,968,801</b>	<b>308,876,173</b>	<b>(3,709,406)</b>	<b>(1,719,203)</b>	<b>(3,631,893)</b>	<b>(9,060,502)</b>
Financial assets measured at fair value through other comprehensive income								
Loans and advances to customers	39,822,854	-	-	39,822,854	(3,272)	-	-	(3,272)
Financial investments	6,478,791	-	-	6,478,791	(1,346)	-	-	(1,346)
<b>Total</b>	<b>46,301,645</b>	<b>-</b>	<b>-</b>	<b>46,301,645</b>	<b>(4,618)</b>	<b>-</b>	<b>-</b>	<b>(4,618)</b>
Credit commitments	58,661,980	5,466	190,153	58,857,599	(271,830)	(60)	(43,210)	(315,100)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (a) Credit risk (continued)

##### (i) Maximum credit risk exposure (continued)

Expected credit loss ratios for financial instruments analysed by credit quality:

	30 June 2025			
	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost	1.35%	16.75%	69.34%	3.18%
Financial assets at fair value through other comprehensive income	0.05%	不適用	不適用	0.05%
Credit commitments	0.45%	4.16%	16.75%	0.45%

  

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
Financial assets measured at amortised cost	1.26%	18.39%	60.85%	2.93%
Financial assets at fair value through other comprehensive income	0.01%	N/A	N/A	0.01%
Credit commitments	0.46%	1.10%	22.72%	0.54%

As at 30 June 2025, the fair values of collaterals held against loans and advances that are not credit-impaired and assessed for lifetime expected credit losses amounted to RMB8,804 million (31 December 2024: RMB7,619 million). The fair values of collaterals held against loans and advances that are credit-impaired and assessed for lifetime expected credit losses amounted to RMB4,200 million (31 December 2024: RMB3,873 million). The collateral mainly includes land, buildings, machinery and equipment. The fair values of collaterals have estimated by the Bank based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (a) Credit risk (continued)

##### (iii) Credit rating

The Group adopts a credit rating approach for managing the credit risk arising from the debt securities portfolio. Debt securities are rated with reference to major rating agencies where the issuers of the securities are located. The carrying amounts of investments on debt securities (excluding interest accrued) analysed by credit ratings as at the end of the reporting period are as follows:

	30 June 2025	31 December 2024
Neither overdue nor impaired		
Ratings		
– AAA	83,305,548	76,066,650
– AA – to AA+	2,913,540	1,813,989
Subtotal	86,219,088	77,880,639
Unrated	117,923	108,902
Total	86,337,011	77,989,541

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (b) Market risk

Market risk is the risk of loss, in respect of the Group's activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices, stock prices and other prices.

The Group has especially set up a structure and a team for market risk management. The Bank's Department of Risk Management takes the major responsibility for the exposure of market risk and preparation of relevant market risk management policies to submit to the Board of Directors. According to the established standards and current management capabilities, the Group measures market risk with the major adoption of sensitivity analysis. Before the new products or new businesses are launched, their market risks will be identified according to regulations.

The major source of market risk of the Group is from the asset and liability businesses involved in the market operation and the risks in interest rate and exchange rate relating to products.

##### *Interest rate risk*

The Group is primarily exposed to interest rate risk arising from repricing risk in its commercial banking business and the risk of financial market business position.

##### *Repricing risk*

Repricing risk, which is also known as the "maturity mismatch risk", is the most common form of interest rate risk. It is caused by the differences in timing between the maturities (related to fixed interest instruments) or repricing (related to floating interest instruments) of bank assets, liabilities and off-balance sheet items. The mismatch of repricing timing causes the Group's income or its inherent economic value to vary with the movements in interest rates.

##### *Trading interest rate risk*

Trading interest rate risk mainly arises from investment portfolios of treasury businesses. Interest rate risk is monitored using the effective duration analysis method. The Group employs other supplementary methods to measure its interest rate sensitivity, which is expressed as changes in the fair value of investment portfolios given a 100 basis points (1%) movement in the interest rates.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 37 RISK MANAGEMENT (continued)

### (b) Market risk (continued)

#### *Interest rate risk (continued)*

- (i) The following tables indicate the assets and liabilities as at the end of the reporting period by the next expected repricing date or by maturity dates, depending on which is earlier:

	30 June 2025					
	Total	Non-interest bearing	Less than three months	Between three months and one year	Between one year and five years	More than five years
<b>Assets</b>						
Cash and deposits with the central bank	18,153,128	237,807	17,915,321	-	-	-
Deposits with banks and other financial institutions	1,586,976	16,428	670,684	899,864	-	-
Placements with banks and other financial institutions	19,655,828	170,679	5,287,245	14,197,904	-	-
Financial assets held under resale agreements	22,557,277	10	22,277,233	280,034	-	-
Loans and advances to customers*	201,695,561	972,439	47,520,725	98,391,038	47,394,254	7,417,105
Financial investments	118,862,555	27,264,547	1,956,448	11,580,611	57,574,497	20,486,452
Others	5,746,632	5,746,632	-	-	-	-
<b>Total assets</b>	<b>388,257,957</b>	<b>34,408,542</b>	<b>95,627,656</b>	<b>125,349,451</b>	<b>104,968,751</b>	<b>27,903,557</b>
<b>Liabilities</b>						
Borrowings from the central bank	1,944,402	566	-	1,943,836	-	-
Deposits from banks and other financial institutions	62,876	664	62,212	-	-	-
Financial assets sold under repurchase agreements	15,014,731	7,511	14,711,758	295,462	-	-
Deposits from customers	314,032,029	9,955,415	96,143,077	100,848,314	107,085,223	-
Debt securities issued	25,627,589	41,907	10,376,620	13,209,535	-	1,999,527
Others	3,002,701	2,745,761	20,824	62,472	132,233	41,411
<b>Total liabilities</b>	<b>359,684,328</b>	<b>12,751,824</b>	<b>121,314,491</b>	<b>116,359,619</b>	<b>107,217,456</b>	<b>2,040,938</b>
<b>Asset-liability gap</b>	<b>28,573,629</b>	<b>21,656,718</b>	<b>(25,686,835)</b>	<b>8,989,832</b>	<b>(2,248,705)</b>	<b>25,862,619</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (b) Market risk (continued)

##### *Interest rate risk (continued)*

- (i) The following tables indicate the assets and liabilities as at the end of the reporting period by the next expected repricing date or by maturity dates, depending on which is earlier:  
(continued)

	Total	Non-interest bearing	Less than three months	31 December 2024 Between three months and one year	Between one year and five years	More than five years
<b>Assets</b>						
Cash and deposits with the central bank	19,220,796	238,022	18,982,774	-	-	-
Deposits with banks and other financial institutions	2,141,125	10,705	634,266	1,496,154	-	-
Placements with banks and other financial institutions	19,486,042	263,919	7,124,262	12,097,861	-	-
Financial assets held under resale agreements	28,197,894	-	28,098,453	99,441	-	-
Loans and advances to customers*	195,103,488	1,513,446	72,402,227	60,840,648	50,852,347	9,494,820
Financial investments	106,796,193	24,298,228	1,738,959	10,287,318	52,153,958	18,317,730
Others	5,359,970	5,359,970	-	-	-	-
<b>Total assets</b>	<b>376,305,508</b>	<b>31,684,290</b>	<b>128,980,941</b>	<b>84,821,422</b>	<b>103,006,305</b>	<b>27,812,550</b>
<b>Liabilities</b>						
Due to the central bank	2,821,624	1,479	804,000	2,016,145	-	-
Deposits from banks and other financial institutions	49,834	633	49,201	-	-	-
Financial assets sold under repurchase agreements	10,343,449	7,465	10,055,401	280,583	-	-
Deposits from customers	310,327,863	9,514,221	103,411,372	90,160,551	107,241,719	-
Debt securities issued	21,954,078	90,100	9,703,791	10,160,696	-	1,999,491
Others	2,780,326	2,503,462	35,341	49,813	141,208	50,502
<b>Total liabilities</b>	<b>348,277,174</b>	<b>12,117,360</b>	<b>124,059,106</b>	<b>102,667,788</b>	<b>107,382,927</b>	<b>2,049,993</b>
<b>Net position</b>	<b>28,028,334</b>	<b>19,566,930</b>	<b>4,921,835</b>	<b>(17,846,366)</b>	<b>(4,376,622)</b>	<b>25,762,557</b>

\* As at 30 June 2025, for loans and advances to customers, the category "Less than three months" included overdue amounts (net of allowances for impairment losses) of RMB1,671 million (31 December 2024: RMB610 million).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (b) Market risk (continued)

##### *Foreign currency risk*

The currency of the majority of the business of the Group is Renminbi, where the currencies of the rest of the businesses are United States dollars and other foreign currencies.

The changes in exchange rates will affect the financial position and cash flows of the Group. Due to the small amount of foreign currency businesses of the Group, the effect of foreign currency risk on the Group would be immaterial. The major principle of the Group's control on foreign currency risk is to achieve matching of assets and liabilities of each currency and to conduct daily monitoring on currency exposure.

The Group adopts sensitivity analysis to measure the possible effects of changes in exchange rates on net gains and losses and interest of the Group. As the foreign currency assets and liabilities account for an immaterial part of the total assets and total liabilities of the Group, the effect of changes in exchange rates on net gains and losses and interest of the Group would be immaterial.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (b) Market risk (continued)

##### *Foreign currency risk (continued)*

The Group's currency exposures as at the end of each of the reporting periods are as follows:

	30 June 2025			
	RMB	USD(RMB equivalent)	Others (RMB equivalent)	Total (RMB equivalent)
<b>Assets</b>				
Cash and deposits with the central bank	18,152,493	223	412	18,153,128
Deposits with banks and other financial institutions	1,548,582	35,911	2,483	1,586,976
Placements with banks and other financial institutions	19,655,828	–	–	19,655,828
Financial assets held under resale agreements	22,557,277	–	–	22,557,277
Loans and advances to customers	201,695,561	–	–	201,695,561
Financial investments	118,862,555	–	–	118,862,555
Others	5,746,632	–	–	5,746,632
<b>Total assets</b>	<b>388,218,928</b>	<b>36,134</b>	<b>2,895</b>	<b>388,257,957</b>
<b>Liabilities</b>				
Borrowings from the central bank	1,944,402	–	–	1,944,402
Deposits from banks and other financial institutions	62,876	–	–	62,876
Financial assets sold under repurchase agreements	15,014,731	–	–	15,014,731
Deposits from customers	314,031,624	265	140	314,032,029
Debt securities issued	25,627,589	–	–	25,627,589
Others	2,967,161	35,141	399	3,002,701
<b>Total liabilities</b>	<b>359,648,383</b>	<b>35,406</b>	<b>539</b>	<b>359,684,328</b>
<b>Net position</b>	<b>28,570,545</b>	<b>728</b>	<b>2,356</b>	<b>28,573,629</b>
<b>Off-balance sheet credit commitments</b>	<b>51,601,655</b>	<b>–</b>	<b>–</b>	<b>51,601,655</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (b) Market risk (continued)

##### *Foreign currency risk (continued)*

The Group's currency exposures as at the end of each of the reporting periods are as follows:  
(continued)

		31 December 2024		
	RMB	USD(RMB equivalent)	Others (RMB equivalent)	Total (RMB equivalent)
<b>Assets</b>				
Cash and deposits with the central bank	19,220,342	277	177	19,220,796
Deposits with banks and other financial institutions	2,102,110	36,880	2,135	2,141,125
Placements with banks and other financial institutions	19,486,042	–	–	19,486,042
Financial assets held under resale agreements	28,197,894	–	–	28,197,894
Loans and advances to customers	195,103,488	–	–	195,103,488
Financial investments	106,796,193	–	–	106,796,193
Others	5,359,970	–	–	5,359,970
<b>Total assets</b>	<b>376,266,039</b>	<b>37,157</b>	<b>2,312</b>	<b>376,305,508</b>
<b>Liabilities</b>				
Due to the central bank	2,821,624	–	–	2,821,624
Deposits from banks and other financial institutions	49,834	–	–	49,834
Financial assets sold under repurchase agreements	10,343,449	–	–	10,343,449
Deposits from customers	310,327,452	278	133	310,327,863
Bonds issued	21,954,078	–	–	21,954,078
Others	2,744,392	36,147	(213)	2,780,326
<b>Total liabilities</b>	<b>348,240,829</b>	<b>36,425</b>	<b>(80)</b>	<b>348,277,174</b>
<b>Net position</b>	<b>28,025,210</b>	<b>732</b>	<b>2,392</b>	<b>28,028,334</b>
Off-balance sheet credit commitments	58,857,599	–	–	58,857,599

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (c) Liquidity risk

Liquidity risk is the risk that the Group is unable to obtain funds on a timely basis or obtain funds at a reasonable cost to sustain its asset business or meet its repayment obligations.

The Group plays an active part in managing liquidity risks and improves the related management system in terms of organisation, institution, system, management and mechanism. The organisational structure of the Group's liquidity risk management consists of the Board of Directors, senior management, its Risk Management Committee and Asset and Liability Management Committee, Department of Risk Management, Department of Asset and Liability Management, Department of Corporate Finance, Department of Retail Banking, Department of Personal Credit Assets, Department of Trade Finance, Department of Financial Market, Department of Technology Information and Audit Department of the Bank, which are responsible for formulating liquidity risk management strategies and establishing internal control mechanism to support the implementation and supervision of liquidity risk management strategies.

The measurement of liquidity risk of the Group adopts liquidity indicators and cash flow gap calculation. By stress testing, the Group sets up mild, moderate and severe scenarios to examine the capacity to withstand liquidity or liquidity crises and improve liquidity contingency measures. In terms of responses to liquidity risks, the Group strengthens the management and monitoring of liquidity limits; establishes related liquidity emergency leading groups, early-warning indicators for internal and external liquidity risks and indicators that could trigger contingency plans and monitor these indicators; builds up quality liquidity asset reserves and financing capability management; erects liquidity risk reporting mechanism, in which the asset and liability management department reports to the Asset and Liability Management Committee, senior management and the Board of Directors on issues related to the status, stress testing and contingency plans of liquidity risks on a regular basis.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 37 RISK MANAGEMENT (continued)

### (c) Liquidity risk (continued)

The following tables provide an analysis of assets and liabilities of the Group by maturity based on the remaining periods to repayment at the end of the reporting period:

	30 June 2025					
	Indefinite*	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years
						More than five years
						Total
<b>Assets</b>						
Cash and deposits with the central bank	15,094,477	3,051,818	6,833	-	-	-
Deposits with banks and other financial institutions	-	487,128	-	199,984	899,864	-
Placements with banks and other financial institutions	-	-	3,835,276	1,526,128	14,294,424	-
Financial assets held under resale agreements	-	-	10	22,277,233	280,034	-
Loans and advances to customers	1,026,388	986,416	14,561,464	22,648,385	76,489,556	33,797,765
Financial investments	1,968,028	22,306,243	673,471	1,429,184	12,521,507	52,185,587
Others	5,587,084	159,548	-	-	-	57,796,158
						22,167,964
						118,862,555
						5,746,632
<b>Total assets</b>	<b>23,675,977</b>	<b>26,991,153</b>	<b>19,077,054</b>	<b>48,080,914</b>	<b>104,485,385</b>	<b>109,981,745</b>
						55,965,729
						388,257,957
<b>Liabilities</b>						
Borrowings from the central bank	-	-	-	-	1,944,402	-
Deposits from banks and other financial institutions	-	62,876	-	-	-	-
Financial assets sold under repurchase agreements	-	-	14,305,011	414,258	295,462	-
Deposits from customers	-	75,784,266	8,898,478	21,415,728	100,848,314	107,085,223
Debt securities issued	-	-	-	3,788,995	6,629,532	13,209,535
Others	-	2,745,761	6,942	13,883	62,472	132,232
						41,411
						3,002,701
<b>Total liabilities</b>	<b>-</b>	<b>78,592,923</b>	<b>23,210,431</b>	<b>25,632,864</b>	<b>109,780,182</b>	<b>120,426,990</b>
						2,040,938
						359,684,328
<b>Net position</b>	<b>23,675,977</b>	<b>(51,601,770)</b>	<b>(4,133,377)</b>	<b>22,448,050</b>	<b>(5,294,797)</b>	<b>(10,445,245)</b>
						53,924,791
						28,573,629

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 37 RISK MANAGEMENT (continued)

### (c) Liquidity risk (continued)

The following tables provide an analysis of assets and liabilities of the Group by maturity based on the remaining periods to repayment at the end of the reporting period: (continued)

	31 December 2024					Total
	Indefinite*	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	
<b>Assets</b>						
Cash and deposits with the central bank	14,752,239	4,461,269	7,288	-	-	19,220,796
Deposits with banks and other financial institutions	-	634,512	-	-	1,506,613	2,141,125
Placements with banks and other financial institutions	-	-	5,183,663	2,043,082	12,259,297	19,486,042
Financial assets held under resale agreements	-	-	15,017,017	13,081,436	99,441	28,197,894
Loans and advances to customers	1,533,106	2,705,957	14,538,816	24,498,029	63,072,580	195,103,488
Financial investments	1,664,372	20,366,074	156,928	1,369,917	10,895,802	106,796,193
Others	5,205,299	154,671	-	-	-	5,359,970
Total assets	23,155,016	28,322,483	34,903,712	40,992,464	87,833,733	376,305,508
<b>Liabilities</b>						
Borrowings from the central bank	-	-	-	805,479	2,016,145	2,821,624
Deposits from banks and other financial institutions	-	49,834	-	-	-	49,834
Financial assets sold under repurchase agreements	-	-	10,062,866	-	280,583	10,343,449
Deposits from customers	-	66,770,152	11,126,196	26,770,175	92,862,476	310,327,863
Debt securities issued	-	-	2,068,037	7,725,854	10,160,696	21,954,078
Others	-	2,470,249	18,347	25,292	74,660	2,780,326
Total liabilities	-	69,290,235	23,275,446	35,326,800	105,394,560	348,277,174
Net position	23,155,016	(40,967,752)	11,628,266	5,665,664	(17,560,827)	28,028,334

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

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 37 RISK MANAGEMENT (continued)

### (c) Liquidity risk (continued)

The following tables provide an analysis of the contractual undiscounted cash flows of the non-derivative liabilities of the Group at the end of the reporting period:

	30 June 2025							
	Carrying amount	Contractual undiscounted cash flows	Repayable on demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
<b>Non-derivative liabilities</b>								
Borrowings from the central bank	1,944,402	1,965,217	-	-	-	1,965,217	-	-
Deposits from banks and other financial institutions	62,876	62,876	62,876	-	-	-	-	-
Financial assets sold under repurchase agreements	15,014,731	15,016,799	-	14,305,010	414,883	296,906	-	-
Deposits from customers	314,032,029	321,281,458	75,784,286	8,907,075	21,496,950	102,275,506	112,817,641	-
Debt securities issued	25,627,589	25,771,907	-	3,811,907	6,670,000	13,290,000	-	2,000,000
Other liabilities	3,002,701	3,030,645	2,745,761	7,153	14,307	64,378	145,389	53,657
Total non-derivative liabilities	359,684,328	367,128,902	78,592,923	27,031,145	28,596,140	117,892,007	112,963,030	2,053,657

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 37 RISK MANAGEMENT (continued)

### (c) Liquidity risk (continued)

The following tables provide an analysis of the contractual undiscounted cash flows of the non-derivative liabilities of the Group at the end of the reporting period: (continued)

	31 December 2024					
	Carrying amount	Contractual undiscounted cash flows	Repayable on demand	Within one month	Between one month and three months	Between three months and one year
						More than five years
<b>Non-derivative liabilities</b>						
Due to the central bank	2,821,624	2,846,967	-	-	813,133	2,033,834
Deposits from banks and other financial institutions	49,834	49,834	49,834	-	-	-
Financial assets sold under repurchase agreements	10,343,449	10,345,821	-	10,065,238	-	280,583
Deposits from customers	310,327,863	318,518,417	66,770,152	11,136,479	26,872,698	94,320,845
Debt securities issued	21,954,078	22,659,200	-	2,075,600	7,750,000	10,260,000
Other liabilities	2,780,326	2,809,801	2,471,541	19,150	26,786	80,409
						156,302
						55,613
<b>Total non-derivative liabilities</b>	<b>348,277,174</b>	<b>357,230,040</b>	<b>69,291,527</b>	<b>23,296,467</b>	<b>35,462,617</b>	<b>106,975,671</b>
						119,956,945
						2,246,813

This analysis of contractual undiscounted cash flows of the non-derivative liabilities might be different from actual results.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (d) Operational risk

Operational risk refers to the risk of losses associated with internal procedures, employees, information technology systems, and external events, including legal risk, but excluding strategic risk and reputational risk.

The Group has specified issues of operational risks, including its manifestation, management mode, reporting procedure, reporting cycle and statistics of loss and improved comprehensive risk management system, with major initiatives as follows:

- Establishment of operational risk management system in a crisscrossing manner. On the one hand, the Group establishes an operational risk management framework that is compatible with its nature, scale, complexity and risk characteristics, including the operational risk management mechanism that involves its board of directors, board of supervisors, senior management, head office and branches. On the other hand, a three-tier risk prevention system for the front office, middle office and back office has been established for every major risk faced by the Group.
- Formation of business philosophy of compliance and robustness. The Group fosters favourable control environment, including constant advances and promotion in operational risk culture by the board of directors and senior management.
- Preference to low operational risk under the framework of “robust” risk preference. By conducting controls on operational risk including identification, measurement, resolution, monitoring and reporting, the Group establishes mechanisms for risk avoidance, loss prediction, prevention, control, reduction, financing to control operational risk within the carrying capacity of the Group and maximise its profits.
- Prevention of operational risks based on the means of inspection and supervision. All departments and branches of the head office actively perform their duties of supervision and management, conduct routine and special inspections on operational risks in major businesses, and establish ledgers of all problems identified for rectification and check-off. Based on the inspection by departments, the internal audit department fully uses the off-site audit system to detect violations and pay constant attention to risk-prone problems to prevent operational risks. In the meantime, inspections and investigations are exercised on key businesses, key institutions and key personnel to prevent operational risks.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 37 RISK MANAGEMENT (continued)

#### (d) Operational risk (continued)

- Combination of punishments and incentives to encourage compliance and standard operations, Integral management will be implemented to personnel who violate operational standards for strict ascertainment of responsibility; employees are encouraged to spontaneously disclose and actively report operational risks; internal management, compliance operation, inspection and supervision and swindle prevention and control of the head office and branches shall be quantitatively assessed for penalty points; innovative implementation of compliance and internal control management of institutions shall be assessed for bonus points.
- Substantive achievements in carrying out system training and improving staff operation skills have been effective in preventing operational risks for the Group.

### 38 FAIR VALUE

#### (a) Methods and assumptions for measurement of fair value

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

##### (i) *Debt securities and equity investments*

The fair values of debt securities and equity investments that are traded in an active market are based on their quoted market prices in an active market at the end of the reporting period. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows.

##### (ii) *Receivables and other non-derivative financial assets*

Fair values are estimated at the present value of the future cash flows. The discount rates are based on the market interest rates at the end of the reporting period.

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

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 38 FAIR VALUE (continued)

#### (b) Fair value measurement

##### (i) *Financial assets*

The Group's financial assets mainly consist of cash and deposits with the 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, and financial investments.

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

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

Financial investments measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss are stated at fair value. The carrying amounts of financial investments measured at amortised cost are the reasonable approximations of their fair values because, for example, they are short-term in nature or re-priced at current market rates frequently.

##### (ii) *Financial liabilities*

The Group's financial liabilities mainly include borrowings from the central bank, deposits from banks and other financial institutions, financial assets sold under repurchase agreements, deposits from customers, and debt securities issued.

The book value and fair value of debt securities issued are presented in Note 27. The carrying amounts of other financial liabilities approximate to their fair values.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 38 FAIR VALUE (continued)

#### (c) Fair value hierarchy

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

- Level 1: Fair value measured using only Level 1 inputs, i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2: Fair value measured using Level 2 inputs, i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3: Fair value measured using significant unobservable inputs.

If there is a reliable market quote for financial instruments, the fair value of financial instruments is based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include reference to the fair value of another instrument that is substantially the same, and discounted cash flow analysis. The inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and exchange rates. When the discounted cash flow analysis is used, estimated cash flows are based on management's best estimates and the discount rate used is by reference to another instrument that is substantially the same.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 38 FAIR VALUE (continued)

### (c) Fair value hierarchy (continued)

	30 June 2025			
	Level 1	Level 2	Level 3	Level 4
<b>Recurring fair value measurement assets</b>				
<i>Financial investments at fair value through profit or loss</i>				
– debt securities and interbank deposits	–	1,031,796	117,923	1,149,719
– fund investments	–	22,306,243	–	22,306,243
– investment management products	–	–	1,659,440	1,659,440
– other investments	226	–	–	226
<i>Financial investments at fair value through other comprehensive income</i>				
– debt securities and interbank deposits	–	17,009,144	–	17,009,144
– investment management products	–	360,152	–	360,152
– other investments	–	200,197	73,494	273,691
<i>Loans and advances to customers measured at fair value through other comprehensive income</i>				
– loans and advances to customers	–	352,193	–	352,193
– discounted bills	–	37,196,669	–	37,196,669
<b>Total</b>	<b>226</b>	<b>78,456,394</b>	<b>1,850,857</b>	<b>80,307,477</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 38 FAIR VALUE (continued)

#### (c) Fair value hierarchy (continued)

	31 December 2024			
	Level 1	Level 2	Level 3	Level 4
<b>Recurring fair value measurement assets</b>				
<i>Financial investments at fair value through profit or loss</i>				
– debt securities and interbank deposits	–	94,018	108,902	202,920
– fund investments	3,417,672	16,948,402	–	20,366,074
– investment management products	–	–	1,643,564	1,643,564
– other investments	293	–	–	293
<i>Financial investments at fair value through other comprehensive income</i>				
– debt securities and interbank deposits	–	5,817,965	–	5,817,965
– investment management products	–	740,204	–	740,204
– other investments	–	199,197	73,494	272,691
<i>Loans and advances to customers measured at fair value through other comprehensive income</i>				
– discounted bills	–	39,822,854	–	39,822,854
<b>Total</b>	<b>3,417,965</b>	<b>63,622,640</b>	<b>1,825,960</b>	<b>68,866,565</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 38 FAIR VALUE (continued)

### (c) Fair value hierarchy (continued)

The reconciliation information in the balance of Recurring Level 3 fair value measurements are as follows:

	1 January 2025	Transfer into Level 3	Transfer out of Level 3	Total gains or losses		Purchases, issues, sales and settlements			Unrealised gains or losses for the period included in profit or loss for assets held at the end of the period
				Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Issues	Sales Settlements	
<b>Assets</b>									
Financial investments measured at fair value through profit or loss									
– debt securities	108,902	-	-	9,021	-	-	-	-	9,021
– investment management products	1,643,564	-	-	17,876	-	-	-	(2,000)	17,876
<b>Subtotal</b>	<b>1,752,466</b>	<b>-</b>	<b>-</b>	<b>26,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,000)</b>	<b>26,897</b>
Financial investments measured at fair value through other comprehensive income									
– other investments	73,494	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,825,960</b>	<b>-</b>	<b>-</b>	<b>26,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,000)</b>	<b>26,897</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 38 FAIR VALUE (continued)

#### (c) Fair value hierarchy (continued)

The reconciliation information in the balance of Recurring Level 3 fair value measurements are as follows: (continued)

	Total gains or losses				Purchases, issues, sales and settlements				Unrealised gains or losses for the period included in profit or loss for assets held at the end of the year	
	1 January 2024	Transfer into Level 3	Transfer out of Level 3	Recorded in profit or loss	Recorded in other comprehensive income	Purchases	Issues	Sales		Settlements
Assets										
Financial investments measured at fair value through profit or loss										
- debt securities	96,748	-	-	11,901	-	-	-	-	253	108,902
- investment management products	1,823,546	-	-	(161,612)	-	-	-	-	(18,370)	1,643,564
										(161,612)
Subtotal	1,920,294	-	-	(149,711)	-	-	-	-	(18,117)	1,752,466
										(149,711)
Financial investments measured at fair value through other comprehensive income										
- other investments	73,494	-	-	-	-	-	-	-	-	73,494
										-
Total	1,993,788	-	-	(149,711)	-	-	-	-	(18,117)	1,825,960
										(149,711)

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no significant transfers among instruments in Level 1, Level 2 and Level 3.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 39 FIDUCIARY ACTIVITIES

#### (a) Entrusted lending business

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

	30 June 2025	31 December 2024
Entrusted loans	626,021	3,502,510
Entrusted funds	626,300	3,502,821

### 40 COMMITMENTS AND CONTINGENT LIABILITIES

#### (a) Credit commitments

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

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 40 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

#### (a) Credit commitments (continued)

	30 June 2025	31 December 2024
Loan commitments		
– Original contractual maturity within one year	3,365,153	1,824,772
– Original contractual maturity more than one year (inclusive)	5,297,281	6,653,378
Credit card commitments	5,841,147	5,618,991
Subtotal	14,503,581	14,097,141
Acceptances	28,922,155	36,541,752
Letters of credit	8,035,743	8,053,633
Letters of guarantees	140,176	165,073
Total	51,601,655	58,857,599

The Group may be exposed to credit risk in all the above credit businesses. The Group's management periodically assesses credit risk and makes provision for any probable losses. As the facilities may expire without being drawn upon, the total of the contractual amounts shown above is not representative of the expected future cash outflows.

#### (b) Credit risk-weighted amount for credit commitments

	30 June 2025	31 December 2024
Credit risk-weighted amount for credit commitments	9,403,126	24,876,569

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 40 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

#### (c) Capital commitments

As at the end of the reporting period, the Group's authorised capital commitments were as follows:

	30 June 2025	31 December 2024
Contracted but not paid for	66,764	58,317
Authorised but not contracted for	20,085	8,309
Total	86,849	66,626

#### (d) Outstanding litigations and disputes

As at 30 June 2025, the Group was the defendant in certain outstanding litigations and disputes with an estimated gross amount of RMB29.28 million (31 December 2024: RMB32.45 million). The Group has assessed the impact of the above outstanding litigations and disputes that may lead to an outflow of economic benefits. In the opinion of the Group's lawyers and external lawyers, it is unlikely for the Group to receive unfavourable ruling in these cases. Therefore, the Group did not make provision for the litigation. The directors of the Bank are of the view that these litigations will not have any material adverse effects on the Group's businesses, financial condition, results of operations or prospects.

#### (e) Bonds underwriting commitments and redemption obligations

The Group had no outstanding bond underwriting commitments at the end of the reporting period.

As an underwriting agent of the PRC government bonds, the Group has the responsibility to buy back its bonds if the holders decide to early redeem the bonds. The redemption price for the bonds at any time before their maturity date is based on the coupon value plus any interest accrued up to the redemption date. Accrued interest payable to the bond holders is calculated in accordance with relevant rules of the Ministry of Finance ("MOF") and the PBOC. The redemption price may be different from the fair value of similar instruments traded in the markets at the redemption date.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 40 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

#### (e) Bonds underwriting commitments and redemption obligations (continued)

The redemption obligations below represent the nominal value of government bonds underwritten and sold by the Group, but not yet matured at 30 June 2025 or 31 December 2024:

	30 June 2025	31 December 2024
Redemption obligations	3,559,882	3,016,712

#### (f) Pledged assets

##### (i) Assets pledged as collateral

	30 June 2025	31 December 2024
For repurchase agreements:		
– Financial investments measured at amortised cost	16,031,383	10,760,714
– Discounted bills	709,778	518,252
Total	16,741,161	11,278,966

Financial assets pledged by the Group as collateral for liabilities are mainly debt securities for repurchase agreements.

##### (ii) Pledged assets received

The Group conducts resale agreements under standard terms of placements and holds collateral for these transactions. The Group's balance of the financial assets held under resale agreements is disclosed in Note 16. The fair value of such collateral accepted by the Group was RMB22,557 million as at 30 June 2025 (31 December 2024: RMB28,198 million). These transactions were conducted under standard terms in the normal course of business.

As at 30 June 2025 and 31 December 2024, the Group had no collateral available for sale or outward encumbrance with an obligation to return at maturity.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 41 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

#### (a) Structured entities sponsored by third party institutions in which the Group holds interests

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

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

	30 June 2025		31 December 2024	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Financial investments measured at fair value through profit or loss	23,024,787	23,024,787	21,084,618	21,084,618
Financial investments measured at fair value through other comprehensive income	360,153	360,153	740,204	740,204
<b>Total</b>	<b>23,384,940</b>	<b>23,384,940</b>	<b>21,824,822</b>	<b>21,824,822</b>

As at 30 June 2025 and 31 December 2024, the carrying amounts of the unconsolidated structured entities were equal to the maximum exposures.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 41 INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

(continued)

#### (b) Structured entities sponsored by the Group in which the Group does not consolidate but holds interests

The types of unconsolidated structured entities sponsored by the Group include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interests held by the Group include investments in units issued by these structured entities and fees charged by providing management services. As at 30 June 2025 and 31 December 2024, the carrying amounts of the investments in the units issued by these structured entities and management fee receivables being recognised were not material in the statement of financial position.

For the six months ended 30 June 2025, the amount of fee and commission income received from the above-mentioned structured entities by the Group was RMB130 million (for the six months ended 30 June 2024: RMB116 million).

As at 30 June 2025, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products, which are sponsored by the Group, was RMB34,219 million (31 December 2024: RMB40,060 million).

#### (c) Unconsolidated structured entities sponsored by the Group during the period in which the Group does not have interests as at 30 June 2025

For the six months ended 30 June 2025, The Group does not have non-principal guaranteed wealth management products initiated and issued by the Group after January 1 but due before June 30 (for the six months ended 30 June 2024, the aggregate amount of the non-principal guaranteed wealth management products sponsored and issued by the Group after 1 January but matured before 30 June was RMB92 million).

### 42 SUBSEQUENT EVENTS

On July 28 2025, the Bank issued the 2025 Tier 2 Capital Bonds of Jinshang Bank Co., Ltd. in the national interbank bond market. The issuance scale of the bonds is RMB2 billion, and the funds raised will be used to supplement the Bank's secondary capital.

# UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

The information set out below does not form part of the unaudited interim financial information, and is included herein for the purpose of providing information only.

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

## 1 LIQUIDITY COVERAGE RATIO, LEVERAGE RATIO AND NET STABLE FUNDING RATIO

### (a) Liquidity coverage ratio

	30 June 2025	Average for the six months ended 30 June 2025
Liquidity coverage ratio (RMB and foreign currencies)	<b>289.78%</b>	<b>253.72%</b>

  

	31 December 2024	Average for the year ended 31 December 2024
Liquidity coverage ratio (RMB and foreign currencies)	347.26%	255.84%

Pursuant to the Administrative Measures on the Liquidity Risk Management of Commercial Banks, the minimum regulatory requirement of liquidity coverage ratio is 100%.

# UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

## 1 LIQUIDITY COVERAGE RATIO, LEVERAGE RATIO AND NET STABLE FUNDING RATIO (continued)

### (b) Leverage ratio

	30 June 2025	31 December 2024
Leverage ratio	<b>6.61%</b>	6.57%

Pursuant to the “Regulation Governing Capital of Commercial Banks” issued by the NFRA effective since 1 January 2024, a minimum leverage ratio of 4% is required.

### (c) Net Stable Funding Ratio

	30 June 2025	31 March 2025	31 December 2024
Net stable funding ratio	<b>126.54%</b>	131.53%	133.47%
Stable funds available	<b>256,275,909</b>	256,191,223	252,981,108
Stable funding required	<b>202,532,754</b>	194,784,166	189,545,261

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 2 CURRENCY CONCENTRATIONS

	30 June 2025			Total
	US Dollars (RMB equivalent)	HK Dollars (RMB equivalent)	Others (RMB equivalent)	
Spot assets	36,134	2,404	491	39,029
Spot liabilities	(35,406)	(40)	(499)	(35,945)
Net position	728	2,364	(8)	3,084

  

	31 December 2024			Total
	US Dollars (RMB equivalent)	HK Dollars (RMB equivalent)	Others (RMB equivalent)	
Spot assets	37,157	2,450	283	39,890
Spot liabilities	(36,425)	(49)	(292)	(36,766)
Net position	732	2,401	(9)	3,124

As at 30 June 2025, the Group had no structural foreign exchange position (31 December 2024: RMBNil). In early 2024, the NFRA adjusted the reporting requirements for structural foreign exchange position, the Group made corresponding adjustments resulting in this change.

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 3 INTERNATIONAL CLAIMS

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

International claims only include deposits from banks and other financial institutions.

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

	30 June 2025		
	Banks and other financial institutions	Non-bank private sector	Total
Asia Pacific	–	–	–
Europe	9	–	9
Total	9	–	9

	31 December 2024		
	Banks and other financial institutions	Non-bank private sector	Total
Asia Pacific	1,952	–	1,952
Europe	87	–	87
Total	2,039	–	2,039

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(AMOUNTS IN THOUSANDS OF RENMINBI, UNLESS OTHERWISE STATED)

### 4 GROSS AMOUNTS OF OVERDUE LOANS AND ADVANCES (EXCLUDING INTEREST ACCRUED)

	30 June 2025	31 December 2024
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– between 3 and 6 months (inclusive)	213,422	152,030
– between 6 months and 1 year (inclusive)	1,360,242	260,576
– between 1 year and 3 years (inclusive)	616,472	829,945
– over 3 years	1,065,946	765,791
Total	3,256,082	2,008,342
Percentage of total gross loans and advances		
– between 3 and 6 months (inclusive)	0.10%	0.08%
– between 6 months and 1 year (inclusive)	0.65%	0.13%
– between 1 year and 3 years (inclusive)	0.30%	0.41%
– over 3 years	0.51%	0.38%
Total	1.56%	1.00%

## LIST OF BRANCHES

As at June 30, 2025, the details of the branches of the Bank are as follows:

No.	Institution name	Institution address	Note
1.	Head office	No. 59 Changfeng Street, Xiaodian District, Taiyuan, Shanxi Province	4 sub-branches directly administered by the head office and 70 outlets under its jurisdiction
2.	Lvliang Branch	Intersection of Changzhi Road and Longfeng Street, Lishi District, Lvliang, Shanxi Province	7 outlets under its jurisdiction
3.	Yuncheng Branch	No. 989 Pu'an Street, Yanhu District, Yuncheng, Shanxi Province	8 outlets under its jurisdiction
4.	Linfen Branch	Block B, Guangqi Fortune Center, Hefen Road, Linfen, Shanxi Province	10 outlets under its jurisdiction
5.	Shuozhou Branch	North side of Zhenhua East Street, Shuozhou Economic Development Zone, Shanxi Province	11 outlets under its jurisdiction
6.	Datong Branch	Tower 4, Jinmao International Centre, West of Wenxing Road, Pingcheng District, Datong, Shanxi Province	8 outlets under its jurisdiction
7.	Changzhi Branch	No. 288 Chengdong Road, Changzhi, Shanxi Province	9 outlets under its jurisdiction
8.	Xinzhou Branch	Yiren Commercial Complex, Jianshe South Road, Xinfu District, Xinzhou, Shanxi Province	10 outlets under its jurisdiction
9.	Jincheng Branch	1/F – 2/F, Zizhulin Building, Fengtai West Street, Jincheng, Shanxi Province	8 outlets under its jurisdiction
10.	Jinzhong Branch	No. 678, Anning Street, Yuci District, Jinzhong, Shanxi Province	7 outlets under its jurisdiction
11.	Yangquan Branch	1/F – 5/F, Commercial Building, Wanlong International Phase I, Nanda East Street, Yangquan, Shanxi Province	5 outlets under its jurisdiction