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交通銀行股份有限公司  
**Bank of Communications Co., Ltd.**

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

**(Stock Code: 03328)**

**2025 INTERIM RESULTS ANNOUNCEMENT**

The board of directors (the “**Board of Directors**”) of Bank of Communications Co., Ltd. (the “**Bank**”) is pleased to announce the unaudited consolidated results (the “**Interim Results**”) of the Bank and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), which was prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The Board of Directors of the Bank and the Audit Committee of the Board of Directors have reviewed and confirmed the Interim Results.

**I. CORPORATE INFORMATION**

	Stock name	Stock code	Stock exchange
<b>A Share</b>	Bank of Communications	601328	Shanghai Stock Exchange
<b>H Share</b>	BANKCOMM	03328	The Stock Exchange of Hong Kong Limited
<b>Domestic Preference Share</b>	BOCOM PREF1	360021	Shanghai Stock Exchange

**Secretary of the Board of Directors and Company Secretary**

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## II. FINANCIAL HIGHLIGHTS

As at 30 June 2025 (the “**end of the Reporting Period**”), key financial data and financial indicators prepared by the Group under International Financial Reporting Standards (“**IFRSs**”) are as follows:

<b>Key financial data</b>	<i>(in millions of RMB unless otherwise stated)</i>		
	<b>January to June 2025</b>	January to June 2024	Increase/ (decrease) (%)
Net interest income	<b>85,247</b>	84,234	1.20
Net fee and commission income	<b>20,458</b>	21,000	(2.58)
Net operating income	<b>133,498</b>	132,550	0.72
Credit impairment losses	<b>32,814</b>	33,021	(0.63)
Business cost	<b>39,933</b>	39,621	0.79
Profit before tax	<b>46,910</b>	47,678	(1.61)
Net profit (attributable to shareholders of the parent company)	<b>46,016</b>	45,287	1.61
Earnings per share (attributable to the ordinary shareholders of the parent company, in RMB yuan) <sup>1</sup>	<b>0.59</b>	0.56	5.36
	<b>30 June 2025</b>	31 December 2024	Increase/ (decrease) (%)
Total assets	<b>15,435,405</b>	14,900,717	3.59
Loans to customers <sup>2</sup>	<b>8,998,499</b>	8,555,122	5.18
Total liabilities	<b>14,130,635</b>	13,745,120	2.80
Deposits from customers <sup>2</sup>	<b>9,171,358</b>	8,800,335	4.22
Shareholders’ equity (attributable to shareholders of the parent company)	<b>1,293,989</b>	1,144,306	13.08
Net assets per share (attributable to holders of ordinary shares of the parent company, in RMB yuan) <sup>3</sup>	<b>12.67</b>	13.06	(2.99)
Net capital <sup>4</sup>	<b>1,619,956</b>	1,508,812	7.37
Including: Net core tier-1 capital <sup>4</sup>	<b>1,115,440</b>	964,568	15.64
Net other tier-1 capital <sup>4</sup>	<b>174,932</b>	176,078	(0.65)
Net tier-2 capital <sup>4</sup>	<b>329,584</b>	368,166	(10.48)
Risk-weighted assets <sup>4</sup>	<b>9,764,828</b>	9,416,873	3.70

Key financial ratios (%)	January to June 2025	January to June 2024	Change (percentage point(s))
Annualized return on average assets	<b>0.61</b>	0.65	(0.04)
Annualized weighted average return on net assets <sup>1</sup>	<b>9.16</b>	9.29	(0.13)
Net interest margin <sup>5</sup>	<b>1.21</b>	1.29	(0.08)
Cost-to-income ratio <sup>6</sup>	<b>29.94</b>	29.94	–
	30 June 2025	31 December 2024	Change (percentage point(s))
Non-performing loan ratio <sup>7</sup>	<b>1.28</b>	1.31	(0.03)
Provision coverage ratio	<b>209.56</b>	201.94	7.62
Capital adequacy ratio <sup>4</sup>	<b>16.59</b>	16.02	0.57
Tier-1 capital adequacy ratio <sup>4</sup>	<b>13.21</b>	12.11	1.10
Core tier-1 capital adequacy ratio <sup>4</sup>	<b>11.42</b>	10.24	1.18
Leverage ratio <sup>4</sup>	<b>7.61</b>	6.95	0.66

Notes:

1. Calculated pursuant to the *Regulations on the Preparation of Information Disclosure for Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share* (2010 Revision) issued by the China Securities Regulatory Commission (the “CSRC”). Of which, the issuance period and the reporting period for the time weights of the weighted average number of ordinary shares are calculated based on the days elapsed.
2. Loans to customers do not include interest receivable of related loans. Deposits from customers include interest payable of related deposits.
3. Refer to shareholder’s equity attributable to holders of ordinary shares of the parent company after the deduction of other equity instruments against the total issued ordinary shares as at the end of the period.
4. Calculated pursuant to the *Administrative Measures for the Capital Management of Commercial Banks* and relevant regulations by the National Financial Regulatory Administration (the “NFRA”), including all of the Group’s domestic and overseas branches and subsidiaries of those financial institutions (excluding insurance companies).
5. Represented the ratio of annualized net interest income to total average interest-bearing assets.
6. Calculated as operating expenses divided by net operating income after the deduction of other operating expenses under China Accounting Standards, which is consistent with the financial report prepared under China Accounting Standards.
7. Calculated according to the regulatory standards.

As at the end of the Reporting Period, the Group’s capital adequacy ratio and leverage ratio both met the regulatory requirements. For further information on the Group’s capital and leverage ratio measurement, please refer to the *Pillar 3 Report on 30 June 2025* published on the official website of the Bank.

### III. CHANGES IN SHARES AND SHAREHOLDERS

#### (I) Changes in Ordinary Shares

As at the end of the Reporting Period, the Bank issued a total of 88,363,784,223 ordinary shares, including 53,351,921,593 A shares and 35,011,862,630 H shares, which accounted for 60.38% and 39.62% of the total issued shares, respectively. 31,833,482,023 ordinary shares issued by the Bank are subject to sales restrictions.

#### 1. *Shareholdings of Top 10 Ordinary Shareholders as at the end of the Reporting Period<sup>1</sup>*

Name of shareholders (full name)	Increase/ decrease during the Reporting Period (share)	Number of shares held as at the end of the Reporting Period (share)	Percentage (%)	Class of shares	Shares pledged or frozen	Number of shares held subject to sales restrictions (shares)	Nature of shareholders
The Ministry of Finance of the People's Republic of China <sup>2</sup>	13,210,347,826	26,388,772,272	29.86	A Share	Nil	26,388,772,272	Government
	–	4,553,999,999	5.15	H Share	Nil	4,553,999,999	
The Hongkong and Shanghai Banking Corporation Limited <sup>3,5</sup>	–	14,135,636,613	16.00	H Share	Nil	–	Foreign legal entity
The National Council for Social Security Fund <sup>4,5</sup>	–	3,105,155,568	3.51	A Share	Nil	–	Government
	–	8,433,333,332	9.54	H Share	Nil	–	
Hong Kong Securities Clearing Company Nominees Limited <sup>5,6</sup>	6,076,741	7,724,800,135	8.74	H Share	Unknown	–	Foreign legal entity
China Securities Finance Corporation Limited	–	1,891,651,202	2.14	A Share	Nil	–	State-owned legal entity
Hong Kong Securities Clearing Company Limited	(52,073,029)	1,396,150,342	1.58	A Share	Nil	–	Foreign legal entity
Capital Airports Holdings Company Limited	–	1,246,591,087	1.41	A Share	Nil	–	State-owned legal entity
Shanghai Haiyan Investment Management Co., Ltd. <sup>6</sup>	–	808,145,417	0.91	A Share	Nil	–	State-owned legal entity
Yunnan Hehe (Group) Co., Ltd. <sup>6</sup>	–	745,305,404	0.84	A Share	Nil	–	State-owned legal entity
FAW Equity Investment (Tianjin) Co., Ltd.	–	663,941,711	0.75	A Share	Nil	–	State-owned legal entity

Notes:

1. The relevant data and information are based on the Bank's register of members at the Share Registrar and Transfer Office and the information provided by shareholders to the Bank.
2. The Bank completed the issuance of 14,101,057,578 ordinary A shares to three specific targets, including the Ministry of Finance of the People's Republic of China, in June 2025. The lock-up period for all the shares under this issuance is 5 years from the date of acquisition of equity. The Ministry of Finance of the People's Republic of China has committed that the lock-up period for the 13,178,424,446 A shares and 4,553,999,999 H shares it originally held in the Bank shall be 18 months from the date of equity acquisition upon the issuance of A shares by the Bank. For details of the issuance of A shares to specific targets and related shares subject to sales restrictions, please refer to the Bank's announcement dated 18 June 2025.
3. According to the Bank's register of members, The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") held 13,886,417,698 H shares of the Bank. HSBC beneficially held 249,218,915 more H shares than shown on the Bank's register of members. The discrepancy was due to a purchase of H shares by HSBC from the secondary market in 2007 and thereafter receiving bonus shares issued by the Bank and participating in the rights issue of the Bank. Those extra shares have been registered under Hong Kong Securities Clearing Company Nominees Limited ("**HKSCC Nominees Limited**").
4. Including the 1,970,269,383 A shares of the Bank held by the Sixth Transfer Account for State-owned Capital of The National Council for Social Security Fund ("**SSF**"). Other than the above shareholdings, the SSF held additional 625,034,000 H shares, which were indirectly held by certain asset managers (including Hong Kong Stock Connect). As at the end of the Reporting Period, the SSF held a total of 12,163,522,900 A shares and H shares of the Bank, representing 13.77% of the Bank's total ordinary shares issued.
5. HKSCC Nominees Limited held the H shares of the Bank as a nominee. The aggregate number of shares held by HKSCC Nominees Limited represents the total number of H shares of the Bank held by all institutional and individual investors who maintained an account with it as at the end of the Reporting Period. The data did not include 249,218,915 and 7,027,777,777 H shares indirectly held by HSBC and SSF, respectively, which were registered under HKSCC Nominees Limited. The data did not include 13,886,417,698 and 1,405,555,555 H shares of the Bank directly held by the aforementioned two shareholders, respectively as well, which were registered in the Bank's register of members.
6. Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd. are parties acting in concert as defined under the *Provisional Measures on Shareholdings Administration of Commercial Banks* (CBIRC Decree [2018] No. 1). 7 subordinate enterprises of China National Tobacco Corporation including Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd. authorized and entrusted China National Tobacco Corporation to present at the Shareholders' General Meeting of the Bank and to exercise the voting rights on their behalf. HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Furthermore, the Bank is not aware of the existence of any related relationship among the other top 10 shareholders, or whether they are parties acting in concert as defined in the *Provisional Measures on Shareholdings Administration of Commercial Banks*.
7. Except that the situation of HKSCC Nominees Limited is unknown, the top 10 shareholders and the top 10 shareholders not subject to sales restrictions of the Bank did not participate in margin trading and refinancing business.

**2. Table of Shareholdings of Top 10 Shareholders not subject to Sales Restrictions**

<b>Name of shareholders (full name)</b>	<b>Number of shares held not subject to sales restrictions (shares)</b>	<b>Class of shares</b>
The Hongkong and Shanghai Banking Corporation Limited	14,135,636,613	H Share
The National Council for Social Security Fund	3,105,155,568	A Share
	8,433,333,332	H Share
HKSCC Nominees Limited	7,724,800,135	H Share
China Securities Finance Corporation Limited	1,891,651,202	A Share
Hong Kong Securities Clearing Company Limited	1,396,150,342	A Share
Capital Airports Holdings Company Limited	1,246,591,087	A Share
Shanghai Haiyan Investment Management Co., Ltd.	808,145,417	A Share
Yunnan Hehe (Group) Co., Ltd.	745,305,404	A Share
FAW Equity Investment (Tianjin) Co., Ltd.	663,941,711	A Share
Industrial and Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund	523,081,085	A Share

**3. Substantial Shareholders and Holders of Interest or Short Positions Required to be Disclosed under Division 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”)**

As at the end of the Reporting Period, to the knowledge of the directors, supervisors and chief executives of the Bank, the substantial shareholders and other persons (excluding the directors, supervisors and chief executives of the Bank) who had interests or short positions in the shares or underlying shares of the Bank as recorded in the register required to be kept pursuant to Section 336 of the SFO are as follows:

Name of substantial shareholders	Capacity	Number of A shares	Nature of interest <sup>1</sup>	Percentage of total issued A shares (%)	Percentage of total issued shares (%)
The Ministry of Finance of the People’s Republic of China	Beneficial owner	26,388,772,272	Long position	49.46	29.86
The National Council for Social Security Fund	Beneficial owner	3,105,155,568	Long position	5.82	3.51

Name of substantial shareholders	Capacity	Number of H shares	Nature of interest <sup>1</sup>	Percentage of total issued H shares (%)	Percentage of total issued shares (%)
The Ministry of Finance of the People’s Republic of China	Beneficial owner	4,553,999,999 <sup>2</sup>	Long position	13.01	5.15
HSBC Holdings plc	Interests of controlled corporation	14,135,636,613 <sup>3</sup>	Long position	40.37	16.00
The National Council for Social Security Fund	Beneficial owner	9,058,367,332 <sup>4</sup>	Long position	25.87	10.25

Notes:

1. Long positions held other than through equity derivatives.
2. To the knowledge of the Bank, as at the end of the Reporting Period, the Ministry of Finance of the People’s Republic of China held 4,553,999,999 H shares and 26,388,772,272 A shares of the Bank, respectively representing 5.15% and 29.86% of the total ordinary shares issued by the Bank.
3. HSBC Holdings plc wholly owns HSBC Asia Holdings Limited, which wholly owns HSBC. HSBC beneficially held 14,135,636,613 H shares of the Bank. Pursuant to the SFO, HSBC Holdings plc was deemed to own the interests associated with 14,135,636,613 H shares held by HSBC.
4. To the knowledge of the Bank, as at the end of the Reporting Period, the SSF held a total of 9,058,367,332 H shares and 3,105,155,568 A shares (please refer to the details in *Shareholdings of Top 10 Ordinary Shareholders as at the end of the Reporting Period* and relevant notes) of the Bank, respectively representing 10.25% and 3.51% of the Bank’s total ordinary shares issued.

Save as disclosed above, as at the end of the Reporting Period, no other person (excluding the directors, supervisors and chief executives of the Bank) or corporation was recorded in the register required to be kept under Section 336 of the SFO as holding any interests or short positions in the shares or underlying shares of the Bank that would fall to be disclosed to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

## (II) Information of Preference Shares

### 1. Top 10 Preference Shareholders and their Shareholdings as at the end of the Reporting Period

Name of shareholders	Increase/ decrease during the Reporting Period (share)	Number of shares held as at the end of the Reporting Period (share)	Percentage (%)	Class of shares	Shares pledged or frozen	Nature of shareholders
China Mobile Communications Group Co., Ltd.	–	100,000,000	22.22	Domestic preference share	Nil	State-owned legal entity
AVIC Trust Company Limited – AVIC Trust – Tiangui Winning Together No. 2 Securities Investment Pooled Fund Trust Plan	–	20,000,000	4.44	Domestic preference share	Nil	Others
CCB Trust Co., Ltd. – CCB Trust – Jianyue Changhong No. 1 Single Capital Trust	–	20,000,000	4.44	Domestic preference share	Nil	Others
CSCF – China Merchants Bank – CSCF Baofu No.3 Collective Capital Management Plan	19,350,000	19,350,000	4.30	Domestic preference share	Nil	Others
Ping An Life Insurance Company of China, Ltd. – Self-owned fund	–	18,000,000	4.00	Domestic preference share	Nil	Others
HwaBao Trust Co., Ltd. – HwaBao Trust – Baofu Investment No.1 Collective Capital Trust Plan	(23,770,000)	15,380,000	3.42	Domestic preference share	Nil	Others
China National Tobacco Corporation – Henan Branch	–	15,000,000	3.33	Domestic preference share	Nil	State-owned legal entity
China Life Property & Casualty Insurance Company Limited – Traditional – Common insurance product	–	15,000,000	3.33	Domestic preference share	Nil	Others
Ping An Property & Casualty Insurance Company of China, Ltd. – Traditional – Common insurance product	–	13,800,000	3.07	Domestic preference share	Nil	Others
CSCF – Bank of China – CSCF – Youxiang No. 33 Collective Asset Management Plan of Bank of China	3,900,000	11,200,000	2.49	Domestic preference share	Nil	Others



Notes:

1. Shareholdings of preference shareholders are summarised according to the Bank's register members of preference shareholders.
2. "Percentage" refers to the percentage of number of preference shares held by preference shareholders in the total number of preference shares.
3. According to the *Administrative Measures on the Connected Transactions of Banking and Insurance Institutions* issued by the former CBIRC, to the knowledge of the Bank, China National Tobacco Corporation Henan Branch is related with Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd., which are among top 10 ordinary shareholders of the Bank.
4. The Bank is not aware of the existence of any related relationship among the top 10 preference shareholders or any relationship between the above shareholders and top 10 ordinary shareholders, or whether they are parties acting in concert.

## **2. Dividends Distribution of Preference Shares**

In accordance with the resolution and authorisation of the Shareholders' General Meeting, the 24th meeting of the 10th Session of Board of Directors of the Bank was held on 29 August 2025, at which the proposal for the dividend distribution of the domestic preference shares was considered and approved.

The dividend on domestic preference shares was calculated at the nominal dividend yield of 4.07% and amounted to RMB1,831,500,000, which will be distributed on 8 September 2025. Please refer to the announcement published by the Bank on 29 August 2025 for details of dividend distribution of preference shares.

### **(III) Issuance, Listing, Trading and Redemption/Payment of Securities**

During the Reporting Period, the Bank did not issue any corporate bond that was required to be disclosed in accordance with the *Standards on the Content and Format of Information Disclosure of Publicly Listed Company No. 3 – Content and Format of the Interim Report* (2025 Revision) and the *Administrative Measures for Information Disclosure of Enterprise Credit Bonds*. Neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed securities (including treasury shares) of the Bank. As at the end of the Reporting Period, the Bank did not hold any treasury shares.

The Bank did not issue preference shares during the past three years. During the Reporting Period, there was neither any redemption nor conversion of preference shares.

The Bank has no employee stock.

## **1. Issuance, Redemption/Payment of Bonds**

In April 2025, the Bank issued RMB30.0 billion of green financial bonds in the national inter-bank bond market, including RMB25.0 billion with a term of 3 years and a coupon rate of 1.70%, and RMB5.0 billion with a term of 5 years and a coupon rate of 1.76%. The proceeds were fully used for green industry projects stipulated in the *Green Bond Endorsed Projects Catalogue (2021 Edition)*.

In May 2025, the Bank issued RMB20.0 billion of sci-tech innovation bonds in the national inter-bank bond market, including RMB15.0 billion with a term of 3 years and a coupon rate of 1.65%, and RMB5.0 billion with a term of 5 years and a coupon rate of 1.77%. The proceeds were fully used for granting sci-tech loans and other purposes to specifically support business in the sci-tech innovation field.

In June 2025, the Bank issued RMB40.0 billion of total loss-absorbing capacity non-capital bonds in the national inter-bank bond market, including RMB34.0 billion with a term of 3+1 years and a coupon rate of 1.79%, and RMB6.0 billion with a term of 5+1 years and a coupon rate of 1.88%. The proceeds were used for improving the Bank's total loss-absorbing capacity.

In May 2025, the Bank fully redeemed RMB40.0 billion of tier-2 capital bonds issued in 2020 in the national inter-bank bond market. In June 2025, the Bank redeemed RMB30.0 billion of special financial bonds upon maturity for loans to small and micro enterprises issued in 2022 in the national inter-bank bond market.

## **2. Equity Linked Agreement**

The Bank privately issued domestic preference shares with an amount of 450 million in September 2016. Assuming that the Bank triggers a mandatory share conversion event and all preference shares are mandatorily required to be converted into ordinary shares at the initial share conversion price, the number of the above domestic preference shares being converted into ordinary A shares will not exceed 7.2 billion shares.

# **IV. MANAGEMENT DISCUSSION AND ANALYSIS**

## **(I) Financial Statement Analysis**

In the first half of 2025, the Group strictly abided by the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implemented the decisions and deployments on the financial work made by the CPC Central Committee. Adhering to the keynote of seeking progress while maintaining stability, the Group focused on the “five priorities” of finance and its strategic development requirements, coordinated development and security, and maintained overall stability in key operational indicators.

During the Reporting Period, the Group's net profit (attributable to shareholders of the parent company) amounted to RMB46.016 billion, representing a year-on-year increase of 1.61%. The Group's net operating income amounted to RMB133.498 billion, representing a year-on-year increase of 0.72%, of which the Group's net interest income amounted to RMB85.247 billion, representing a year-on-year increase of 1.20%.

As at the end of the Reporting Period, the balance of the Group's loans to customers increased by RMB443.377 billion or 5.18% from the end of the previous year to RMB9 trillion; the balance of deposits from customers increased by RMB371.023 billion or 4.22% from the end of the previous year to RMB9.17 trillion.

As at the end of the Reporting Period, the non-performing loan ratio of the Group was 1.28%, representing a decrease of 0.03 percentage point from the end of the previous year. The provision coverage ratio was 209.56%, representing an increase of 7.62 percentage points from the end of the previous year.

## **1. Analysis on Key Income Statement Items**

### **(1) Structure and change of income statement**

During the Reporting Period, the Group's net profit amounted to RMB46.455 billion, representing a year-on-year increase of RMB630 million or 1.37%.

The selected items from the income statement of the Group during the periods indicated are shown below:

	<i>(in millions of RMB unless otherwise stated)</i>		
	<b>Six months ended 30 June</b>		
	<b>2025</b>	<b>2024</b>	<b>Increase/ (decrease) (%)</b>
Net interest income	<b>85,247</b>	84,234	1.20
Net non-interest income	<b>48,251</b>	48,316	(0.13)
Including: Net fee and commission income	<b>20,458</b>	21,000	(2.58)
<b>Net operating income</b>	<b>133,498</b>	132,550	0.72
Credit impairment losses	<b>(32,814)</b>	(33,021)	(0.63)
Impairment losses on other assets	<b>(531)</b>	(467)	13.70
Other operating expenses	<b>(53,243)</b>	(51,384)	3.62
Including: Business cost	<b>(39,933)</b>	(39,621)	0.79
<b>Profit before tax</b>	<b>46,910</b>	47,678	(1.61)
Income tax	<b>(455)</b>	(1,853)	(75.45)
<b>Net profit</b>	<b>46,455</b>	45,825	1.37
<b>Net profit attributable to shareholders of the parent company</b>	<b>46,016</b>	45,287	1.61

The net operating income structure of the Group during the periods indicated are shown below:

*(in millions of RMB unless otherwise stated)*

	<b>Six months ended</b>		
	<b>30 June 2025</b>		<b>Increase/</b>
	<b>Amount</b>	<b>Proportion</b>	<b>(decrease)</b>
		<b>(%)</b>	<b>(%)</b>
Net interest income	<b>85,247</b>	<b>63.86</b>	1.20
Net fee and commission income	<b>20,458</b>	<b>15.32</b>	(2.58)
Net gains/(losses) arising from trading activities	<b>10,669</b>	<b>7.99</b>	(11.75)
Net gains/(losses) arising from financial investments	<b>2,275</b>	<b>1.70</b>	143.58
Net gains/(losses) on investments in associates and joint ventures	<b>242</b>	<b>0.18</b>	(21.17)
Other operating income	<b>14,607</b>	<b>10.95</b>	4.44
<b>Total net operating income</b>	<b>133,498</b>	<b>100.00</b>	0.72

*(2) Net interest income*

During the Reporting Period, the Group's net interest income increased by RMB1.013 billion or 1.20% on a year-on-year basis to RMB85.247 billion, accounting for 63.86% of net operating income, which was a major component of the Group's income.

The average balances, associated interest income and expenses and annualized average rate of return or annualized average rate of cost of the Group's interest-bearing assets and interest-bearing liabilities during the periods indicated are shown below:

<i>(in millions of RMB unless otherwise stated)</i>						
	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Average balance	Interest income (expense)	Annualized average rate of return/ (cost) (%)	Average balance	Interest income (expense)	Annualized average rate of return/ (cost) (%)
<b>Assets</b>						
Cash and balances with central banks	728,495	5,577	1.54	754,213	5,896	1.57
Due from banks and other financial institutions	988,856	13,580	2.77	926,743	15,506	3.36
Loans to customers	8,814,835	138,325	3.16	8,132,717	150,721	3.73
Investment securities	3,670,124	56,479	3.10	3,368,197	55,915	3.34
<b>Interest-bearing assets</b>	<b>14,202,310</b>	<b>213,961</b>	<b>3.04</b>	<b>13,181,870</b>	<b>228,038</b>	<b>3.48</b>
<b>Non-interest-bearing assets</b>	<b>1,065,644</b>			<b>966,291</b>		
<b>Total assets</b>	<b>15,267,954</b>			<b>14,148,161</b>		
<b>Liabilities and shareholders' equity</b>						
Deposits from customers	8,830,143	81,155	1.85	8,340,461	91,706	2.21
Due to banks and other financial institutions	2,304,298	22,108	1.93	2,296,749	28,664	2.51
Issuance of bonds and others	2,146,215	25,451	2.39	1,641,035	23,434	2.87
<b>Interest-bearing liabilities</b>	<b>13,280,656</b>	<b>128,714</b>	<b>1.95</b>	<b>12,278,245</b>	<b>143,804</b>	<b>2.36</b>
<b>Shareholders' equity and non-interest-bearing liabilities</b>	<b>1,987,298</b>			<b>1,869,916</b>		
<b>Total liabilities and shareholders' equity</b>	<b>15,267,954</b>			<b>14,148,161</b>		
<b>Net interest income</b>		<b>85,247</b>			<b>84,234</b>	
<b>Net interest spread<sup>1</sup></b>			<b>1.09</b>			<b>1.12</b>
<b>Net interest margin<sup>2</sup></b>			<b>1.21</b>			<b>1.29</b>

Notes:

1. Represented the difference between the annualized average rate of return on total average interest-bearing assets and the annualized average rate of cost of total average interest-bearing liabilities.
2. Represented the ratio of annualized net interest income to total average interest-bearing assets.

During the Reporting Period, the Group's net interest margin decreased by 8 basis points year-on-year to 1.21%. This was mainly due to the loan prime rate (LPR) cuts, the adjustment to interest rates on existing housing loans, the intense industrial competition amid an environment of insufficient effective demand, leading to a decrease in customer loan yields. Coupled with the decline in benchmark market interest rates, driving a decline in the yield on securities investment, the yield on interest-bearing assets also decreased. To cope with the continuous downward pressure on asset returns, the Group actively seized the opportunity arising from the market-oriented adjustment to deposit interest rates and the abundant liquidity, continuously optimized business structures, and dynamically adjusted pricing strategies, bringing the cost ratio of interest-bearing liabilities down year-on-year.

The table below illustrates the impact of changes in scales and interest rates on the Group's interest income and interest expenses. The changes in scales and interest rates are based on the changes in average balance and the changes on interest rates of interest-bearing assets and interest-bearing liabilities during the periods indicated.

<i>(in millions of RMB)</i>			
<b>Comparison between January to June 2025 and</b>			
<b>January to June 2024</b>			
<b>Increase/(decrease) due to</b>			
	<b>Amount</b>	<b>Interest rate</b>	<b>Net increase/ (decrease)</b>
<b>Interest-bearing assets</b>			
Cash and balances with central banks	(200)	(119)	(319)
Due from banks and other financial institutions	1,035	(2,961)	(1,926)
Loans to customers	12,617	(25,013)	(12,396)
Investment securities	5,001	(4,437)	564
Changes in interest income	18,453	(32,530)	(14,077)
<b>Interest-bearing liabilities</b>			
Deposits from customers	5,367	(15,918)	(10,551)
Due to banks and other financial institutions	94	(6,650)	(6,556)
Issuance of bonds and others	7,190	(5,173)	2,017
Changes in interest expenses	12,651	(27,741)	(15,090)
<b>Changes in net interest income</b>	<b>5,802</b>	<b>(4,789)</b>	<b>1,013</b>

During the Reporting Period, the Group's net interest income increased by RMB1.013 billion on a year-on-year basis. Within this total, changes in the average balances of assets and liabilities increased net interest income by RMB5.802 billion, while changes in the annualized average rate of return and the annualized average rate of cost reduced the net interest income by RMB4.789 billion.

① Interest income

During the Reporting Period, the Group's interest income decreased by RMB14.077 billion or 6.17% on a year-on-year basis to RMB213.961 billion, of which interest income from loans to customers, investment securities and cash and balances with central banks accounted for 64.65%, 26.40% and 2.61% of total interest income, respectively.

A. Interest income from loans to customers

Interest income from loans to customers was the largest component of the Group's interest income. During the Reporting Period, interest income from loans to customers decreased by RMB12.396 billion or 8.22% on a year-on-year basis to RMB138.325 billion, mainly due to the year-on-year decrease of 57 basis points in the annualized average rate of return of loans to customers.

**Analysis of the average income of loans to customers by business type and term structure**

	<i>(in millions of RMB unless otherwise stated)</i>					
	January to June 2025			January to June 2024		
	Average balance	Interest income	Annualized average rate of return (%)	Average balance	Interest income	Annualized average rate of return (%)
<b>Corporate loans</b>	<b>5,783,890</b>	<b>91,084</b>	<b>3.18</b>	<b>5,355,828</b>	<b>97,529</b>	<b>3.66</b>
– Short-term loans	1,709,113	24,674	2.91	1,539,576	24,802	3.24
– Medium and long-term loans	4,074,777	66,410	3.29	3,816,252	72,727	3.83
<b>Personal loans</b>	<b>2,760,016</b>	<b>45,871</b>	<b>3.35</b>	<b>2,473,774</b>	<b>51,527</b>	<b>4.19</b>
– Short-term loans	622,880	12,872	4.17	597,618	14,177	4.77
– Medium and long-term loans	2,137,136	32,999	3.11	1,876,156	37,350	4.00
<b>Discounted bills</b>	<b>270,929</b>	<b>1,370</b>	<b>1.02</b>	<b>303,115</b>	<b>1,665</b>	<b>1.10</b>
<b>Total loans to customers</b>	<b>8,814,835</b>	<b>138,325</b>	<b>3.16</b>	<b>8,132,717</b>	<b>150,721</b>	<b>3.73</b>

B. Interest income from investment securities

During the Reporting Period, interest income from investment securities increased by RMB564 million or 1.01% on a year-on-year basis to RMB56.479 billion, mainly due to the year-on-year increase of RMB301.927 billion or 8.96% in the average balance of investment securities.

C. Interest income from cash and balances with central banks

The cash and balances with central banks mainly included balances in statutory reserves and excess reserves. During the Reporting Period, interest income from cash and balances with central banks decreased by RMB319 million or 5.41% on a year-on-year basis to RMB5.577 billion, mainly due to the year-on-year decrease of RMB25.718 billion or 3.41% in the average balance of cash and balances with central banks, and the year-on-year decrease of 3 basis points in the annualized average rate of return on cash and balances with central banks.

D. Interest income from balances due from banks and other financial institutions

During the Reporting Period, the interest income from balances due from banks and other financial institutions decreased by RMB1.926 billion or 12.42% on a year-on-year basis to RMB13.58 billion, mainly due to the year-on-year decrease of 59 basis points in the annualized average rate of return on balances due from banks and other financial institutions.

② Interest expenses

During the Reporting Period, the Group's interest expenses decreased by RMB15.09 billion or 10.49% on a year-on-year basis to RMB128.714 billion, of which deposits from customers, balances due to banks and other financial institutions, issuance of bonds and others accounted for 63.05%, 17.18% and 19.77% of total interest expenses, respectively.

A. Interest expenses on deposits from customers

Deposits from customers is the Group's primary funding source. During the Reporting Period, interest expenses on deposits from customers decreased by RMB10.551 billion or 11.51% on a year-on-year basis to RMB81.155 billion. The decrease in interest expenses on deposits from customers was mainly due to the year-on-year decrease of 36 basis points in the annualized average rate of cost of deposits from customers.



## Analysis of the average cost of deposits from customers by product type

(in millions of RMB unless otherwise stated)

	January to June 2025			January to June 2024		
	Average balance	Interest expense	Annualized average rate of cost (%)	Average balance	Interest expense	Annualized average rate of cost (%)
<b>Corporate deposits</b>	<b>4,967,795</b>	<b>44,145</b>	<b>1.79</b>	<b>4,894,666</b>	<b>52,985</b>	<b>2.18</b>
– Demand deposits	1,807,294	6,264	0.70	1,939,325	10,251	1.06
– Time deposits	3,160,501	37,881	2.42	2,955,341	42,734	2.91
<b>Personal deposits</b>	<b>3,862,348</b>	<b>37,010</b>	<b>1.93</b>	<b>3,445,795</b>	<b>38,721</b>	<b>2.26</b>
– Demand deposits	916,110	394	0.09	855,651	1,002	0.24
– Time deposits	2,946,238	36,616	2.51	2,590,144	37,719	2.93
<b>Total deposits from customers</b>	<b>8,830,143</b>	<b>81,155</b>	<b>1.85</b>	<b>8,340,461</b>	<b>91,706</b>	<b>2.21</b>

### B. Interest expenses on balances due to banks and other financial institutions

During the Reporting Period, interest expenses on balances due to banks and other financial institutions decreased by RMB6.556 billion or 22.87% on a year-on-year basis to RMB22.108 billion, which was mainly due to a year-on-year decrease of 58 basis points in the annualized average rate of cost of balances due to banks and other financial institutions.

### C. Interest expense on issuance of bonds and others

During the Reporting Period, interest expense on issuance of bonds and others increased by RMB2.017 billion or 8.61% on a year-on-year basis to RMB25.451 billion, which was mainly due to a year-on-year increase of RMB505.18 billion or 30.78% in the average balance of issuance of bonds and others.

(3) *Net fee and commission income*

The net fee and commission income is an important part of the Group's operating income. During the Reporting Period, the Group's net fee and commission income decreased by RMB542 million or 2.58% on a year-on-year basis to RMB20.458 billion. The income from investment banking, custody and other fiduciary businesses, settlement services and bank cards experienced a decrease.

The breakdown of the Group's net fee and commission income for the periods indicated is shown below:

	<i>(in millions of RMB unless otherwise stated)</i>		
	<b>Six months ended 30 June</b>		
			Increase/ (decrease) (%)
	<b>2025</b>	<b>2024</b>	
Bank cards	<b>7,888</b>	8,027	(1.73)
Wealth management business	<b>4,121</b>	4,121	–
Custody and other fiduciary businesses	<b>4,503</b>	4,681	(3.80)
Agency services	<b>2,303</b>	2,128	8.22
Investment banking	<b>1,107</b>	1,299	(14.78)
Guarantee and commitment	<b>1,723</b>	1,705	1.06
Settlement services	<b>744</b>	896	(16.96)
Others	<b>40</b>	76	(47.37)
<b>Total fee and commission income</b>	<b>22,429</b>	22,933	(2.20)
<b>Less: fee and commission expense</b>	<b>(1,971)</b>	(1,933)	1.97
<b>Net fee and commission income</b>	<b>20,458</b>	21,000	(2.58)

Among these, income from investment banking business decreased by RMB192 million or 14.78% year-on-year, mainly due to the decline in financial advisory fee income and bond underwriting income; income from custody and other fiduciary businesses decreased by RMB178 million or 3.80% year-on-year, mainly due to the decline in syndicated loan service fees; income from settlement services decreased by RMB152 million or 16.96% year-on-year, mainly due to the decline in corporate settlement income; income from bank cards business decreased by RMB139 million or 1.73% year-on-year, mainly due to the year-on-year decrease in credit cards commission income resulted from the decline in consumption.

(4) *Other non-interest income*

The breakdown of the Group's other non-interest income for the periods indicated is shown below:

	<i>(in millions of RMB unless otherwise stated)</i>		
	<b>Six months ended 30 June</b>		
			Increase/ (decrease)
	<b>2025</b>	2024	(%)
Net gains arising from trading activities	<b>10,669</b>	12,089	(11.75)
Net gains arising from financial investments	<b>2,275</b>	934	143.58
Net gains on investments in associates and joint ventures	<b>242</b>	307	(21.17)
Other operating income	<b>14,607</b>	13,986	4.44
<b>Total other non-interest income</b>	<b>27,793</b>	27,316	1.75

During the Reporting Period, the Group's other non-interest income amounted to RMB27.793 billion, of which net gains arising from trading activities amounted to RMB10.669 billion, representing a year-on-year decrease of RMB1.42 billion or 11.75%, mainly due to the decline in the valuation of bonds and interest rate derivatives as well as a year-on-year increase in exchange gains and losses under the effect of the decline in the cost of swap business.

(5) *Business cost*

During the Reporting Period, the Group's business and management fees increased by RMB312 million or 0.79% on a year-on-year basis to RMB39.933 billion. The Group's cost-to-income ratio was 29.94%, representing the same level compared with the previous year.

The breakdown of the Group's business cost for the periods indicated is shown below:

	<i>(in millions of RMB unless otherwise stated)</i>		
	<b>Six months ended 30 June</b>		
			Increase/ (decrease)
	<b>2025</b>	2024	(%)
Staff costs	<b>15,592</b>	15,376	1.40
Business cost	<b>19,475</b>	19,354	0.63
Depreciation and amortization	<b>4,866</b>	4,891	(0.51)
<b>Total business cost</b>	<b>39,933</b>	39,621	0.79

(6) *Asset impairment losses*

During the Reporting Period, the Group's asset impairment losses were RMB33.345 billion, representing a year-on-year decrease of RMB143 million or 0.43%, of which the credit impairment losses on loans decreased by RMB1.273 billion or 4.07% on a year-on-year basis to RMB29.969 billion.

(7) *Income tax*

During the Reporting Period, the Group's income tax expenses decreased by RMB1.398 billion or 75.45% on a year-on-year basis to RMB455 million. The effective tax rate of 0.97% was lower than the statutory tax rate of 25%, mainly due to the tax exemption on interest income from PRC treasury bonds and local treasury bonds held by the Group pursuant to the relevant tax provisions.

**2. Analysis on Key Balance Sheet Items**

(1) *Assets*

As at the end of the Reporting Period, the Group's total assets increased by RMB534.688 billion or 3.59% from the end of the previous year to RMB15,435.405 billion, which was mainly attributable to loans to customers. The balances (after provision) of the key components of the Group's total assets and their proportions to the total assets as at the dates indicated are shown below:

	<i>(in millions of RMB unless otherwise stated)</i>					
	30 June 2025		31 December 2024		31 December 2023	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Loans to customers	8,777,937	56.87	8,351,131	56.05	7,772,060	55.28
Financial investments	4,421,066	28.64	4,320,089	28.99	4,104,142	29.19
Cash and balances with central banks	751,611	4.87	717,354	4.81	898,022	6.39
Due from banks and other financial institutions	971,094	6.29	974,042	6.54	859,642	6.11
Others	513,697	3.33	538,101	3.61	426,606	3.03
<b>Total assets</b>	<b>15,435,405</b>	<b>100.00</b>	<b>14,900,717</b>	<b>100.00</b>	<b>14,060,472</b>	<b>100.00</b>

① Loans to customers

During the Reporting Period, the Group enhanced credit support for major national strategies, key areas, and weak links, and took the “five priorities” of finance as the starting point to focus on enhancing financial functions and improving the quality and efficiency of financial services. As at the end of the Reporting Period, the balance of the Group’s loans to customers increased by RMB443.377 billion or 5.18% from the end of the previous year to RMB8,998.499 billion.

The balance and breakdown of the Group’s loans to customers at the dates indicated are shown below:

<i>(in millions of RMB unless otherwise stated)</i>						
	30 June 2025		31 December 2024		31 December 2023	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
<b>Corporate loans</b>	<b>5,931,365</b>	<b>65.92</b>	5,566,578	65.07	5,179,533	65.09
– Short-term loans	1,789,795	19.89	1,611,541	18.84	1,496,422	18.81
– Medium and long-term loans	4,141,570	46.03	3,955,037	46.23	3,683,111	46.28
<b>Personal loans</b>	<b>2,830,359</b>	<b>31.45</b>	2,752,406	32.17	2,473,100	31.08
– Mortgage	1,469,583	16.33	1,466,604	17.14	1,462,634	18.39
– Credit cards	532,699	5.92	538,404	6.29	489,725	6.15
– Personal business loans	439,055	4.88	413,626	4.83	343,585	4.32
– Personal consumption loans	385,798	4.29	330,260	3.86	173,423	2.18
– Others	3,224	0.03	3,512	0.05	3,733	0.04
<b>Discounted bills</b>	<b>236,775</b>	<b>2.63</b>	236,138	2.76	304,452	3.83
<b>Total</b>	<b>8,998,499</b>	<b>100.00</b>	8,555,122	100.00	7,957,085	100.00

The corporate loan balance was RMB5,931.365 billion, representing an increase of RMB364.787 billion or 6.55% from the end of the previous year, among which, short-term loans increased by RMB178.254 billion, and medium and long-term loans increased by RMB186.533 billion which accounted for 46.03% of loans to customers.

The personal loan balance was RMB2,830.359 billion, representing an increase of RMB77.953 billion or 2.83% from the end of the previous year, among which, mortgage loans increased by RMB2.979 billion or 0.20% from the end of the previous year, credit card loans decreased by RMB5.705 billion or 1.06% from the end of the previous year, personal business loans increased by RMB25.429 billion or 6.15% from the end of the previous year, and personal consumption loans increased by RMB55.538 billion or 16.82% from the end of the previous year.

Discounted bills increased by RMB637 million or 0.27% from the end of the previous year.

## Distribution of loans to customers by security types

*(In millions of RMB unless otherwise stated)*

	30 June 2025		31 December 2024	
	Proportion		Proportion	
	Balance	(%)	Balance	(%)
Unsecured loans	3,582,537	39.81	3,308,339	38.67
Guaranteed loans	1,541,963	17.14	1,419,438	16.59
Loans secured by collateral	2,770,908	30.79	2,733,002	31.95
Pledged loans	1,103,091	12.26	1,094,343	12.79
<b>Total</b>	<b>8,998,499</b>	<b>100.00</b>	<b>8,555,122</b>	<b>100.00</b>

## Expected credit loss allowance for loans to customers

*(in millions of RMB)*

	30 June 2025	31 December 2024
Balance at the end of the previous year	225,525	206,309
Accrual/(reversal) in the period	29,969	50,026
Write-offs and disposals in the period	(17,463)	(36,284)
Recovered after written-off	3,327	6,198
Other movements	(292)	(724)
Balance at the end of the period	241,066	225,525

### ② Financial investments

As at the end of the Reporting Period, the Group's net balance of financial investments increased by RMB100.977 billion or 2.34% from the end of the previous year to RMB4,421.066 billion.

## The breakdown of investments by nature

*(in millions of RMB unless otherwise stated)*

	30 June 2025		31 December 2024	
	Proportion		Proportion	
	Balance	(%)	Balance	(%)
Bonds	3,955,194	89.46	3,857,045	89.28
Equity instruments and others	465,872	10.54	463,044	10.72
<b>Total</b>	<b>4,421,066</b>	<b>100.00</b>	<b>4,320,089</b>	<b>100.00</b>

## The breakdown of investments by the presentation basis of financial statements

<i>(in millions of RMB unless otherwise stated)</i>				
	30 June 2025		31 December 2024	
	Balance	Proportion (%)	Balance	Proportion (%)
Financial investments at fair value through profit and loss	602,018	13.62	656,152	15.19
Financial investments at amortised cost	2,667,177	60.33	2,581,793	59.76
Financial investments at fair value through other comprehensive income	1,151,871	26.05	1,082,144	25.05
<b>Total</b>	<b>4,421,066</b>	<b>100.00</b>	<b>4,320,089</b>	<b>100.00</b>

As at the end of the Reporting Period, the balance of the Group's bonds investments increased by RMB98.149 billion or 2.54% from the end of the previous year to RMB3,955.194 billion. In the future, the Group will reinforce the research and judgment of the economic and financial situation, focus on the incremental allocation and stock optimization of securities investment. First, the Group will maintain the overall strategy focusing on interest rate debt investment, and make investment arrangements for PRC treasury bonds and local treasury bonds. The second is to strengthen the research and judgment on the trend of the credit bond market, prioritize key areas such as the "five priorities" of sci-tech finance, green finance, inclusive finance, ageing finance and digital finance to conduct investments in tech-innovation bonds and green bonds and serve the high-quality development of the real economy. Third, the Group will strengthen bond trading business and continue to provide liquidity for the bond market.

## Bond investment structure by issuer

<i>(in millions of RMB unless otherwise stated)</i>				
	30 June 2025		31 December 2024	
	Balance	Proportion (%)	Balance	Proportion (%)
Government and central banks	3,250,757	82.19	3,118,942	80.86
Public sector entities	31,955	0.81	29,974	0.78
Inter-bank institutions and other financial institutions	459,023	11.60	504,458	13.08
Corporate entities	213,459	5.40	203,671	5.28
<b>Total</b>	<b>3,955,194</b>	<b>100.00</b>	<b>3,857,045</b>	<b>100.00</b>

As at the end of the Reporting Period, financial bonds held by the Group amounted to RMB459.023 billion, including bonds issued by policy banks of RMB75.045 billion and by commercial banks and non-bank financial institutions of RMB383.978 billion, which accounted for 16.35% and 83.65%, respectively.

### Top 10 financial bonds held by the Group

*(in millions of RMB unless otherwise stated)*

Bond name	Face value	Annual interest rate (%)	Maturity date	Impairment allowance <sup>Note</sup>
Policy Bank Bond issued in 2017	6,489	4.39	2027/09/08	–
Commercial Bank Bond issued in 2025	5,066	1.85	2028/02/28	–
Foreign-funded Bank Bond issued in 2022	3,435	SOFR+1.06	2027/09/29	–
Commercial Bank Bond issued in 2025	3,199	1.65	2028/05/15	–
Commercial Bank Bond issued in 2023	3,097	2.70	2026/11/23	–
Tier-2 Capital Bond of Commercial Bank issued in 2022	2,788	3.58	2032/11/21	–
State-owned Institution Bond issued in 2025	2,162	4.33	2027/05/24	–
Commercial Bank Bond issued in 2022	2,154	4.69	2025/12/08	–
Commercial Bank Bond issued in 2025	2,139	1.65	2028/05/22	–
Commercial Bank Bond issued in 2023	2,065	2.70	2026/11/27	–

Note: Excluding the provision for impairment in the stage 1 withdrawn according to the expected credit loss model.

### ③ Foreclosed assets

The selected information of the Group's foreclosed assets on the dates indicated is shown below:

*(in millions of RMB)*

	30 June 2025	31 December 2024
Original value of foreclosed assets	905	956
Less: Impairment allowance of foreclosed assets	(384)	(433)
<b>Net value of foreclosed assets</b>	<b>521</b>	<b>523</b>



## (2) Liabilities

The balance and proportion of the main components in the total liabilities of the Group as of the dates indicated are shown below:

	<i>(in millions of RMB unless otherwise stated)</i>					
	30 June 2025		31 December 2024		31 December 2023	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Deposits from customers	9,171,358	64.90	8,800,335	64.03	8,551,215	65.98
Due to banks and other financial institutions	2,324,674	16.45	2,431,451	17.69	2,424,537	18.71
Certificates of deposits issued	1,515,200	10.72	1,384,372	10.07	1,027,461	7.93
Issuance of bonds	711,828	5.04	691,248	5.03	592,175	4.57
Others	407,575	2.89	437,714	3.18	365,634	2.81
<b>Total liabilities</b>	<b>14,130,635</b>	<b>100.00</b>	<b>13,745,120</b>	<b>100.00</b>	<b>12,961,022</b>	<b>100.00</b>

As at the end of the Reporting Period, the Group's total liabilities increased by RMB385.515 billion or 2.80% from the end of the previous year to RMB14,130.635 billion. Among them, deposits from customers increased by RMB371.023 billion or 4.22% from the end of the previous year, which accounted for 64.90% of total liabilities, up 0.87 percentage point from the end of the previous year; the balance of due to banks and other financial institutions decreased by RMB106.777 billion or 4.39% from the end of the previous year to RMB2,324.674 billion, which accounted for 16.45% of total liabilities, down 1.24 percentage points from the end of the previous year.

### Deposits from customers

Deposits from customers is the Group's major funding source. As at the end of the Reporting Period, the balance of the Group's deposits from customers increased by RMB371.023 billion or 4.22% from the end of the previous year to RMB9,171.358 billion. In terms of customer structure, the proportion of corporate deposits was 55.01%, down 0.67 percentage point from the end of the previous year, while the proportion of personal deposits was 43.17%, up 0.79 percentage point from the end of the previous year. In terms of deposit tenure, the proportion of demand deposits was 31.27%, down 1.81 percentage points from the end of the previous year, while the proportion of time deposits was 66.91%, up 1.93 percentage points from the end of the previous year.

The balance and breakdown of the Group's deposits from customers as of the dates indicated are shown below:

*(in millions of RMB unless otherwise stated)*

	30 June 2025		31 December 2024		31 December 2023	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Corporate deposits	5,045,207	55.01	4,900,260	55.68	5,041,991	58.96
– Demand deposits	1,869,774	20.39	1,961,964	22.29	2,050,524	23.98
– Time deposits	3,175,433	34.62	2,938,296	33.39	2,991,467	34.98
Personal deposits	3,959,925	43.17	3,729,547	42.38	3,358,156	39.27
– Demand deposits	998,035	10.88	949,259	10.79	884,746	10.35
– Time deposits	2,961,890	32.29	2,780,288	31.59	2,473,410	28.92
Other deposits	2,546	0.03	3,436	0.04	3,240	0.04
Accrued interest	163,680	1.79	167,092	1.90	147,828	1.73
Total	9,171,358	100.00	8,800,335	100.00	8,551,215	100.00

**(3) Off-balance sheet items**

The Group's off-balance sheet items included derivative financial instruments, contingencies and commitments as well as collaterals.

The Group mainly entered into derivative financial instruments for the purpose of transaction, hedging, asset liability management and agency. The derivative financial instruments of the Group include interest rate contracts, exchange rate contracts, precious metals and commodity contracts. Please refer to Derivative financial instruments in “VI. Financial Report 8” for the details of nominal amount and fair value of the derivative financial instruments.

The Group's contingencies and commitments mainly included outstanding litigations, credit related commitments and financial guarantees, capital expenditure commitments, operating leasing commitments, commitments on security underwriting and bond acceptance. Please refer to Contingencies in “VI. Financial Report 10” for details of contingencies, and Commitments in “VI. Financial Report 11” for details of commitments.

The Group uses part of its assets as collaterals for inter-bank repurchase arrangements and other liabilities-related business.

**3. Analysis on Key Cash Flow Items**

As at the end of the Reporting Period, the balance of Group's cash and cash equivalents increased by RMB52.282 billion from the end of the previous year to RMB214.232 billion.

The cash flow of operating activities was a net inflow of RMB53.479 billion, increasing by RMB275.921 billion on a year-on-year basis, mainly due to the increase in cash inflows from deposits from customers.

The cash flow of investing activities was a net outflow of RMB102.296 billion, increasing by RMB200.338 billion on a year-on-year basis, mainly due to the net cash outflows from bond investment in the current period as compared with the net cash inflows in the same period last year.

The cash flow of capital-raising activities was a net inflow of RMB100.143 billion, increasing by RMB104.339 billion on a year-on-year basis, mainly due to the increase in cash inflows from the issuance of ordinary shares in the Reporting Period.

#### 4. Segment Analysis

##### (1) Operating results by geographical segments

The profit before tax and net operating income from each of the Group's geographical segments for the periods indicated are shown below:

*(in millions of RMB unless otherwise stated)*

**Six months ended 30 June**

	2025				2024			
	Profit	Proportion	Net	Proportion	Profit	Proportion	Net	Proportion
	before tax	(%)	operating income <sup>1</sup>	(%)	before tax	(%)	operating income <sup>1</sup>	(%)
Yangtze River								
Delta	25,385	54.11	48,610	36.41	20,810	43.65	46,759	35.28
Pearl River Delta	(3,820)	(8.14)	12,399	9.29	3,303	6.93	12,311	9.29
Bohai Rim								
Economic Zone	9,152	19.51	16,254	12.18	9,021	18.92	17,002	12.83
Central China	8,346	17.79	17,854	13.36	11,004	23.07	19,190	14.47
Western China	6,317	13.47	11,476	8.60	6,488	13.61	12,088	9.12
North Eastern								
China	2,036	4.34	3,708	2.78	1,271	2.67	4,130	3.12
Overseas	7,303	15.57	10,076	7.55	6,882	14.43	10,249	7.73
Head Office <sup>2</sup>	(7,809)	(16.65)	13,121	9.83	(11,101)	(23.28)	10,821	8.16
Total <sup>3</sup>	46,910	100.00	133,498	100.00	47,678	100.00	132,550	100.00

Notes:

1. Including net interest income, net fee and commission income, net gains/(losses) arising from trading activities, net gains/(losses) arising from financial investments, net gains/(losses) on investments in associates and joint ventures and other operating income. Same applies hereinafter.
2. Including the Pacific Credit Card Center. Same applies hereinafter.
3. Including profit/(loss) attributable to non-controlling interests.
4. The comparative information was prepared in accordance with the categorization of the current period since the assessment rules of the income and expense distribution between various business segments have been adjusted.

(2) *Deposits and loans by geographical segments*

The Group's loans balances by geographical segments as at the dates indicated are shown below:

	<i>(in millions of RMB unless otherwise stated)</i>			
	<b>30 June 2025</b>		<b>31 December 2024</b>	
	<b>Loans balances</b>	<b>Proportion (%)</b>	<b>Loans balances</b>	<b>Proportion (%)</b>
Yangtze River Delta	<b>2,599,568</b>	<b>28.89</b>	2,432,084	28.43
Pearl River Delta	<b>1,203,302</b>	<b>13.37</b>	1,115,864	13.04
Bohai Rim Economic Zone	<b>1,449,640</b>	<b>16.11</b>	1,406,292	16.44
Central China	<b>1,449,256</b>	<b>16.11</b>	1,370,600	16.03
Western China	<b>1,092,830</b>	<b>12.14</b>	1,024,200	11.97
North Eastern China	<b>285,656</b>	<b>3.18</b>	274,860	3.21
Overseas	<b>330,493</b>	<b>3.67</b>	329,666	3.85
Head Office	<b>587,754</b>	<b>6.53</b>	601,556	7.03
<b>Total</b>	<b>8,998,499</b>	<b>100.00</b>	<b>8,555,122</b>	<b>100.00</b>

The Group's deposit balances by geographical segments as at the dates indicated are shown below:

	<i>(in millions of RMB unless otherwise stated)</i>			
	<b>30 June 2025</b>		<b>31 December 2024</b>	
	<b>Deposit balances</b>	<b>Proportion (%)</b>	<b>Deposit balances</b>	<b>Proportion (%)</b>
Yangtze River Delta	<b>2,562,618</b>	<b>27.94</b>	2,433,080	27.65
Pearl River Delta	<b>1,062,027</b>	<b>11.58</b>	1,037,123	11.79
Bohai Rim Economic Zone	<b>1,942,253</b>	<b>21.18</b>	1,892,633	21.51
Central China	<b>1,521,519</b>	<b>16.59</b>	1,436,159	16.31
Western China	<b>962,719</b>	<b>10.50</b>	913,041	10.37
North Eastern China	<b>459,705</b>	<b>5.01</b>	441,464	5.02
Overseas	<b>493,302</b>	<b>5.38</b>	476,226	5.41
Head Office	<b>3,535</b>	<b>0.04</b>	3,517	0.04
Accrued interest	<b>163,680</b>	<b>1.78</b>	167,092	1.90
<b>Total</b>	<b>9,171,358</b>	<b>100.00</b>	<b>8,800,335</b>	<b>100.00</b>

(3) *Operating results by business segments*

The Group's four main business segments are corporate banking, personal banking, treasury businesses and other businesses.

The Group's profit before tax and net operating income by business segments for the periods indicated are shown below:

*(in millions of RMB unless otherwise stated)*

	<b>Six months ended 30 June</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>Proportion (%)</b>	<b>Amount</b>	<b>Proportion (%)</b>
<b>Net operating income</b>	<b>133,498</b>	<b>100.00</b>	132,550	100.00
Corporate banking	<b>64,662</b>	<b>48.44</b>	63,769	48.10
Personal banking	<b>49,584</b>	<b>37.14</b>	52,182	39.37
Treasury businesses	<b>18,632</b>	<b>13.96</b>	16,035	12.10
Other businesses	<b>620</b>	<b>0.46</b>	564	0.43
<b>Profit before tax</b>	<b>46,910</b>	<b>100.00</b>	47,678	100.00
Corporate banking	<b>25,101</b>	<b>53.51</b>	20,243	42.46
Personal banking	<b>7,461</b>	<b>15.90</b>	14,300	29.99
Treasury businesses	<b>14,273</b>	<b>30.43</b>	13,191	27.67
Other businesses	<b>75</b>	<b>0.16</b>	(56)	(0.12)

Note: The comparative information was prepared in accordance with the categorization of the current period since the assessment rules of the income distribution between various business segments have been adjusted.

(II) **BUSINESS REVIEW**

**1. Development Strategies and Implementation**

Aiming at contributing to China's ambition of building a strong financial powerhouse, the Group actively and effectively played the role as an important force to support China's real economy and the ballast for maintaining financial stability, continued with its in-depth efforts to promote its "One-Four-Five" strategy, implemented the "five priorities" of sci-tech finance, green finance, inclusive finance, ageing finance and digital finance in a practicable and refined manner, continued building business characteristics, and strengthened the Green Credit business as a keynote "color" for business growth. With the construction of a "Shanghai-based bank" and digital transformation as the strategic breakthroughs, the Group has optimized the credit structure, promoted product innovation, increased investment in resources, strengthened service capacity, continuously improved development quality, further enhanced comprehensive capabilities, and basically achieved strategic advancement of phased goals.

**Sci-tech finance.** The Bank continuously strengthened the mechanisms, the organizational structure, and professional talent reserve to promote the growth of sci-tech finance. By doing so, the Bank managed to attract various types of financial resources into the sci-tech innovation field. Giving full play to the advantage of the Group's full license operation, the Bank established a universal financial service system covering equity, credit, bond, leasing, and custody, and actively promoted the virtuous cycle among sci-tech, industry and finance. **In terms of organizational structure,** the Bank continuously improved the four-tier service system at the Head Office, tier-1 and tier-2 branches, and sub-branches. More than 20 branches have established specialized organizations for the promotion of sci-tech finance. 87 sci-tech speciality sub-branches have been set up. **In terms of product supply,** the Bank continuously enriched the product supply under "BOCOM Sci-Tech Innovation" brand, providing technology-based enterprises with life-cycle, full-chain, and relay-type financial services including loans, equity investment, bond financing, and sci-tech leasing. **In terms of channel construction,** the Bank built sci-tech finance ecosystems by layer, grade, and category, jointly established a laboratory with the Torch Center of the Ministry of Industry and Information Technology, and initiated the the Five-One (i.e. one visit, one enterprise-bank meeting, one financing roadshow, launch one batch of financing products and form one batch of duplicable experiences) Special Action, continuously extending the service reach. **In terms of the supporting policies,** the Bank adapted to differentiated credit investment guidance, special approval policies, and assessment and incentive policies, gave differentiated tolerance thresholds to technology-based enterprises, implemented the system of due diligence exemption, and strengthened and improved incentives and constraints. As at the end of the Reporting Period, the Bank had provided credit support for 68,000 technology-based enterprises, with a loan balance exceeding RMB1.5 trillion.

**Green finance.** The Bank strengthened the support of green finance for the real economy in key regions and sectors, and deeply advanced the high-quality development of green finance. **The Bank continuously strengthened the supply of green finance policies.** The Bank continuously played the leading role of the Green Finance Development Committee, clarified the key directions and tasks of green finance for the whole year, developed a package of supporting policies covering assessment and evaluation, resource allocation, credit review, organizational structure, and business training, and enhanced the support for green finance. **The Bank fully served the green and low-carbon transformation of the economy and society.** The Bank gave full play to the advantages of comprehensive services, providing green financial services to the entire market and all customers. As at the end of the Reporting Period, the balance of green loans exceeded RMB870 billion, achieving a significant increase compared with the end of the "13<sup>th</sup> Five-Year Plan". It enhanced the credit support for key customers in the energy conservation and carbon reduction field. As at the end of the Reporting Period, the balance of energy conservation and carbon reduction industries of the entire Bank increased by 6.58% from the end of the previous year. The Bank issued RMB145.0 billion of green financial bonds in total in China. **The Bank made forward-looking plans for the development of transition finance.** The Bank studied and promoted related work, and clarified the overall thinking for the development of transition finance, strengthened policy supply and guidance, and actively leveraged green finance standards or transition finance standards to enhance credit support for



green development and low-carbon transformation in energy, industry, transportation, construction and other fields. **The Bank enhanced the digital capability building of green finance.** Continued efforts were made to innovate and explore data governance and risk management of green finance with the empowerment of technologies. The Bank actively promoted the construction of ESG evaluation and green credit classification systems, strengthened the application of green finance data, and enhance the basic capabilities of carbon accounting to further expand the coverage of carbon emissions measurement for investment and financing customers. **The Bank strengthened its own green and low-carbon operations.** It established a green and low-carbon operation indicator system to enhance the carbon emission accounting of the entire Group's operations. The Bank advanced the construction of green data centers and took the Pujiang Park as a pilot to actively establish a green and low-carbon demonstration park. The Bank also orderly promoted the construction of "low-carbon branches" and actively leveraged technological solutions to promote the online and mobile services for customers.

**Inclusive finance.** The Bank continued to deepen the reform of mechanisms and systems, innovated and optimized the product and service system, and strengthened support for major national decisions and deployments such as serving small and micro enterprises, rural revitalization, and boosting consumption to promote the high-quality development of inclusive finance business throughout the Bank. **The Bank improved systems and mechanisms to release the reform efficiency.** Actions were taken to deepen the coordination mechanism for supporting small and micro enterprise in accessing financing, promote the transformation and improve the quality of credit card localized operation, deepen the reform of the digital operation model, and actively encourage all staff to engage in inclusive finance. As a result, the Bank expanded the coverage and increased the volume of inclusive finance. The balance of inclusive loans amounted to RMB852.401 billion, representing an increase of RMB97.817 billion or 12.96% from the end of the previous year. **The Bank optimized the product and service system to serve the real economy.** Efforts were made to strengthen product innovation for small and micro enterprises, private enterprises, and individual business, create a unified credit granting business model for natural persons, promote proactive credit granting and "credit +" services, and increase the supply of first-time loans, renewal loans, credit loans, and medium- and long-term loans. **The Bank strengthened credit supply in "three rural" areas to support rural revitalization and building China's strength in agriculture.** The Bank actively engaged with key enterprise lists and project databases to strengthen financial support in key sectors such as grain, facility agriculture, agricultural technology, and agricultural industrial chains. It iterated and optimized the "Agriculture Promotion e-Loan" product system and developed distinctive online services by leveraging digital empowerment. The Bank effectively consolidated and expanded the achievements of poverty alleviation. The paired assistance programs of BOCOM has been rated as "good" for seven consecutive years. **The Bank assisted in expanding domestic demand and promoting consumption to meet the people's demand for consumer credit services.** Actively responding to the national action plan to boost consumption, the Bank comprehensively upgraded the unsecured personal consumer lending product, increased the supply of consumer credit products in multiple scenes such as cultural tourism, healthcare, accommodation services, and the silver economy, actively carried out trade-in programs and "Super Red Friday" activities for credit cards, and promoted the transformation of auto finance

business. The balance of credit card installments increased by 20.2% year-on-year. **The Bank enhanced wealth management capabilities to increase residents' property income through multiple channels.** Efforts were made to enrich the supply of inclusive wealth management products, manage product performance at a high standard, improve the inclusive insurance system, and increase the supply of insurance cover for specific groups such as the sub-healthy, low- and middle-income groups, and new city residents. **The Bank served the needs of the people by improving the capacity of basic financial services.** It made efforts to strengthen comprehensive services for individual business, new city residents, and the elderly, improve the consumption payment service system, and enhance the capacity of basic financial services. **The Bank strengthened risk prevention and control in key areas to enhance the quality and efficiency of protecting consumers' rights and interests.** The Bank took actions to optimize risk assessment and credit approval models, applied AI and other tools to improve quality and efficiency of post-loan management and stabilize asset quality. It also strengthened the governance of complaint points in key business areas such as credit cards and retail loans, innovated financial promotion and education, and further advanced the technology empowerment for protecting consumers' rights and interests, thereby improving the quality and efficiency of protecting consumers' rights and interests throughout the Bank.

**Ageing finance.** The Bank formulated a plan for the construction of an elderly care financial service system, with a vision of “building a senior-friendly bank” for the development of elderly care finance. The Bank advanced the construction of a service system covering five major areas: finance for the elderly care industry, ageing finance, pension wealth finance, pension consumer finance, and the improvement of ageing-friendly financial services. **The Bank actively supported the development of elderly care services and the silver economy, and the coverage of financial services for the elderly care industry continued to expand.** As at the end of the Reporting Period, the balance of loans to the elderly care industry increased by 21.39% compared to the end of the previous year. The Bank served the construction of the social security system, and the scale of ageing finance business grew rapidly. The scale of social security cards and personal pension business significantly expanded, with the scale of pension under custody ranking among the top in the industry. The Bank enriched the product supply for pension wealth finance, helping residents preserve and increase the value of their retirement savings. Our subsidiaries maintained advantages in the management scale of pension target funds and the yield of pension wealth management products. **The Bank advanced the construction of an elderly care ecosystem that incorporated financial services.** The prepayment fund supervision service for elderly care institutions was implemented in many places across China. The initiative to build a senior-friendly bank was selected as an outstanding case in financial consumer protection and service innovation by China Banking and Insurance News, and won the 2025 “Best Elderly Financial Services in China” award from The Asian Banker.



**Digital finance.** The Bank strengthened strategic planning and the reform of systems and mechanisms. It revised the digital finance action plan to 2027, enhancing the adaptability and inclusiveness of digital financial products and services to major strategies, key areas, and weak links. Establishing a digital operation center, the Bank fortified the financial business operation system driven by data and intelligence, forming a collaborative operation mechanism of online direct sales with offline expansion, and online empowerment with offline delivery. The Bank cultivated new quality productive forces with “data factor ×” and “AI +” initiatives. The Bank deeply integrated digital finance with serving the real economy. Efforts were made to build an open ecosystem covering supply chain finance, cross-border services and platform economy, and deepen the construction of payment scenes with both traditional and innovative payments as a driving force. Measures were taken to enrich the supply of “digital +” products, deepen the reengineering of business processes, innovate the proactive credit granting model for sci-tech innovation and inclusive finance, and forge a “one-stop” comprehensive service solution for cross-border finance. The Bank deployed batches of digital employees, and upgraded digital and intelligent platform tools to improve the quality and efficiency of digital operation and management. As at the end of the Reporting Period, the balance of loans to the core industries of digital economy exceeded RMB286 billion, and internet loans increased by 8.52% from the end of the previous year.

**Leveraging the advantage of a Shanghai-based bank.** Starting from strengthening financial service functions, the Bank has been committed to reshaping the service model and business processes with the “one thing” mindset and digital means, fully supporting building Shanghai into “five centers” and bolstering Shanghai’s high-quality economic and social development. During the Reporting Period, the Bank established cooperation for 60 municipal-level major projects and 118 district-level major projects, and deeply integrated into the construction of Shanghai’s financial market, achieving over RMB488.0 billion in Bond Connect transactions and over RMB491.0 billion in Swap Connect transactions. The Bank continuously advanced the construction of cross-border RMB infrastructure, maintaining a leading position in the market in terms of the number of cooperative clients for CIPS standardized sender-receiver. The Bank obtained the qualification as a custodian and clearing bank for Southbound Bond Connect, contributing to enhancing Shanghai’s status as a cross-border capital hub. It jointly released the Shanghai Clearing House BOCOM Wealth Management Sci-Tech Finance Bond Index with the Shanghai Clearing House and issued China’s first wealth management product linked to this index. The Bank wholeheartedly served Shanghai’s high-level opening-up, formulated and implemented the action plan for stabilizing foreign trade, innovatively developed the “BOCOM Shipping-Trade” platform, and explored an upgraded “working capital loans + derivatives” solution for foreign trade fast loans. The Bank continuously built up the characteristics of sci-tech finance, setting up 23 sub-branches with sci-tech characteristics in Shanghai to achieve full coverage of sci-tech financial services across the city. The Bank strengthened the equity, loan, bond, leasing, and custody ecosystem, increasing equity investment in technology-based enterprises in Shanghai by over RMB2.7 billion, and leading the underwriting of the first sci-tech innovation bond in the inter-bank market in Shanghai. The Bank continuously promoted digital RMB. As the only selected banking institution, the Bank promoted the gate renovation projects for Shanghai Shentong Metro and Shanghai Maglev; and as the exclusive cooperative bank, implemented the first digital RMB gas bill payment scene in Shanghai.

## 2. *Corporate Banking*

- ◆ The Bank continued to promote an increase in total credit balance with structural optimization. As at the end of the Reporting Period, the Group's corporate loans increased by RMB364.787 billion or 6.55% from the end of the previous year, in which loans to sci-tech enterprises, inclusive small and micro enterprises and elderly care industry increased by 12.73%, 11.45% and 21.39%, respectively, all exceeding the Group's average loan growth rate.

### *(1) Customer development*

The Bank continuously carried out the management of corporate customers by tiered classification and built a refined and professional service system. As at the end of the Reporting Period, the total number of corporate customers of domestic banking institutions reached 2.95 million, representing an increase of 3.75% from the end of the previous year. For group customers, the Bank strengthened its services and support for customers involved in the focused areas such as sci-tech finance, manufacturing powerhouse build-up, green development, digital economy and agriculture powerhouse build-up. It also committed to establishing a group-wide integrated and collaborative service system and continued to optimize customer service policies and credit procedures in order to improve service level and business synergy. At the end of the Reporting Period, the total number of group customers was 120,500, representing an increase of 8,700 from the end of last year. In terms of government institution customers, the Bank actively participated in the construction of digital government and the process of digital transformation of cities, helped to provide convenient administrative services, and built the intelligent government products system. As at the end of the Reporting Period, the number of government institution customers reached 82,000, representing an increase of 1,358 from the end of the previous year. For the basic small and micro enterprise customers, the Bank has developed an online operational framework for long-tail corporate customers, facilitating seamless customer engagement through diverse channels like outbound calling and enterprise WeChat. Concentrating on high-frequency business scenes, the Bank has been constantly improving services such as account opening, fund transfers, and payment settlements. Moreover, an integrated online-offline service model has been instituted to deliver precise digital financial support. As at the end of the Reporting Period, the number of the basic small and micro enterprise customers reached 2,652.9 thousand, representing an increase of 92.1 thousand from the end of the previous year.

(2) *Scene construction*

The Bank intensively explored scene construction through digital thinking, gaining noticeable achievements in subdivided scenes such as medical care, central corporate treasury and inter-bank fund management. Credit+Medicare service has been launched in 103 cities including Shanghai, Dalian, Guangzhou, Xiamen and Zibo, etc., to alleviate the patients from the trouble of queuing for medical treatment via enabling them to receive medical treatment before paying the fees. The Bank continuously enhanced the core capability of BOCOM e-supervision digital integrated service platform to provide users with safe, flexible, accurate and efficient full cycle fund supervision services, and launched nearly 4,000 projects accumulatively. The Bank built a cloud-based cross-bank treasury management ecosystem, with direct connectivity to accounts of over 230 domestic and foreign commercial banks, delivering comprehensive cross-bank fund management services including bank-corporate payment, payroll agency business, intelligent bookkeeping, and cross-border settlement for 1,314 groups and units. By continuously optimizing service matrix and pursuing technological innovation, the Bank forged a differentiated service advantage with industry-leading position. It upgraded the one-stop scene scheme of BOCOM Grid Connect ver. 2.0, adding new charging pile service scenes vertically, and continuously offering comprehensive “financing + settlement” services to meet the financial needs of power grid groups as well as upstream and downstream customer groups in the links of power sales, power transmission, power construction, and power consumption horizontally. The Bank acquired 2,222 new customers, representing an increase of 28.89% compared to the same period last year. The new issuance of financing amounted to RMB35.988 billion, representing an increase of 49.94% compared to the same period last year.

(3) *Services to inclusive small and micro enterprises*

To deepen the coordination mechanism to support small and micro enterprises financing, the Bank gave full play to the four-tier special task forces covering the Head Office, tier-1 and tier-2 branches, and sub-branches. Through the Five-One (i.e. one visit, one enterprise-bank meeting, one financing roadshow, launch one batch of financing products and form one batch of duplicable experiences) Special Action jointly with the Torch High Technology Industry Development Center of the Ministry of Industry and Information Technology, the Bank successfully unfolded a campaign of visiting thousands of enterprises. The Bank continuously optimized credit structures, increased loan extensions to small and micro customers in key areas such as foreign trade, private enterprises, science and technology, and consumption, and promoted the credit supply of inclusive finance by ensuring the amount, improving the quality, stabilizing the prices, and optimizing the structure. The brand connotation of BOCOM Zhan Ye Tong (literally, BOCOM Personal Business Promotion) and BOCOM Yi Nong Tong (literally, BOCOM Agriculture Promotion) enhanced the online functions of the series products under the brands of Zhan Ye E-loan (literally, Personal Business E-loan) and Yi Nong E-loan (literally, Agriculture Promotion E-loan), with a view to delivering standard products and scene-customized products to customers. To deepen the “credit +” service model, the Bank continuously carried out a special marketing activity known as the “BOCOM Personal Business Promotion Weekly Award”, and strengthened corporate-personal synergized marketing to provide small and micro enterprise customers with comprehensive services such as settlement, payroll and financing service. The Bank continued to carry forward the integrated growth of inclusive finance and sci-tech finance. Efforts were made to optimize Ke Chuang Yi Dai (literally, Sci-Tech Loan Easy), a specialized product line exclusively designed for sci-tech small and micro enterprises, and expanded the targets of proactive loan extension from sci-tech small and micro enterprises to a broader range of small and micro enterprise customers. By accelerating digital empowerment, the Bank further enhanced digital risk control capabilities, and strengthened post-loan management and compliance management to firmly uphold the bottom line of risk compliance.

As at the end of the Reporting Period, the balance of inclusive loans provided to small and micro enterprises was RMB849.317 billion, representing an increase of RMB87.245 billion or 11.45% from the end of the previous year. The number of customers with loan balances totaled 461.0 thousand, representing an increase of 44.8 thousand from the end of the previous year. The average interest rate of incremental inclusive loans to small and micro enterprises in the first half of the year was 2.99%.

(4) *Industrial chain services*

Based on the needs of modern industrial system construction and development, the Bank has introduced the “Winto E-chain” brand portfolio, delivering digital, scene-driven, and streamlined comprehensive financial service solutions for enterprises across the industrial chain. This initiative aims to reinforce, supplement, and extend the industrial chains of the real economy. Adopting a customer-centric approach, the Bank concentrated on key client groups including central and state-owned enterprises, strategic partners, and leading industrial firms, advancing the second-stage development of “smart transaction chain” platform. The Bank has continued to promote the docking with core enterprises and third-party supply chain platform systems, and created a digital scene service feature of industrial chain finance. The Group innovated the “second-level” financing product line, leveraging technology empowerment to improve service efficiency and customer experience, and continuously enhanced the level of financial digitalization and scene-based development in the industrial chain. During the Reporting Period, the business volume of industrial chain finance amounted to RMB319.163 billion, representing a year-on-year increase of 4.90%, serving a total of 38,200 upstream and downstream enterprises on the industrial chain, increasing by 3.99% year-on-year.

(5) *Services to sci-tech enterprises*

The Bank actively aligned with China’s strategy of building a science and technology powerhouse, and established and improved a financial service system that was highly compatible with the goal of realizing high-level self-reliance and building a science and technology powerhouse. The Bank made overall use of creditor’s rights, equity and other means to provide life-cycle, full-chain, and relay-type financial services for sci-tech enterprises, promoting the deep integration of sci-tech innovation and industrial innovation. In key industries such as strategic emerging industries and high-tech manufacturing, the Bank made efforts to concentrate its financial resources on science and technology sector to promote the high-quality development of sci-tech finance. Focusing on key customer segments including new and high technology enterprises, technology-based SMEs, National Manufacturing Single Item Champions, Specialized, Refined, Distinctive and Innovative “Little Giants” Enterprises and SMEs, National Technological Innovation Demonstration Enterprises, and innovative SMEs, the Bank perfected the four-tier service system composed of the Head Office, tier-1 branches, tier-2 branches and sub-branches, enriched the full life-cycle and full-chain product system, and developed a sci-tech finance ecosystem. As at the end of the Reporting Period, the number of sci-tech enterprise customers with loan facilities increased by 11.12% from the end of the previous year. The number of technology-based small and medium-sized enterprises with loan facilities was 32,300 and the loan balance increased by 22.93% from the end of the previous year.

(6) *Investment banking business*

The Bank proactively served the national strategies and integrated into its offerings diversified investment and financing products such as domestic and overseas bonds, equities and M&A financing, and actively served technological innovation, green low-carbon, high-level opening up, and regional development strategies. During the Reporting Period, the Bank's scale of underwriting of bonds under NAFMII calibre (debt financing instruments issued by non-financial enterprises) amounted to RMB77.04 billion. The Bank provided sci-tech enterprises and sci-tech related enterprises with various financing and investment services such as bond underwriting, M&A financing, equity investment and financial leasing, amounting to RMB39.344 billion. The Group enhanced the service for Shanghai's international center ambition via equity investment, with continued efforts in further highlighting its strength in equity investment service by leveraging its advantages as a Shanghai-based bank. In the first half of 2025, a total of RMB4.5 billion worth of equity investment agreements were signed for the key Shanghai municipal projects, with a cumulative paid-in amount of RMB2.89 billion.

**3. *Personal Banking***

- ◆ The scale of personal deposits, loans and AUM grew steadily. As at the end of the Reporting Period, the balance of personal deposits increased by 6.18% from the end of the previous year. The balance of personal loans increased by 2.83% from the end of the previous year. Among this, the balance growth rate of personal consumer lending extended by domestic banking institutions outpaced the industry, with the market share climbing 0.80 percentage point from the end of last year. The scale of AUM increased by 5.52% from the end of last year.

(1) *Retail customers and assets under management (AUM)*

The Bank deepened customer segmentation management, continuously expanded the coverage of high-quality scenes, customer services, and product offerings, and enhanced the full life-cycle operation and management model for customer acquisition, engagement, and retention. By leveraging professional and intelligent capabilities, the Bank continuously improved customer services in terms of convenience, satisfaction, and coverage, consolidated the customer base, and promoted the sustained and stable growth in AUM scale. As at the end of the Reporting Period, the number of retail customers of domestic banking institutions increased by 1.30% from the end of the previous year to 202 million (including debit card holders and credit card holders), the number of qualified OTO Fortune customers increased by 6.76% from the end of the previous year to 2.8321 million. The scale of AUM increased by 5.52% from the end of the previous year to RMB5,792.553 billion.



(2) *Wealth management*

Adhering to a customer-oriented philosophy, the Bank consistently strengthened full-chain operating capabilities in investment and research, products, sales and services for the purpose of enhancing the inclusiveness of wealth management business. The Bank enriched product offerings, actively distributed the first batch of new products with floating management fee, and further improved the category of inclusive insurance products, making financial products featuring safety, yield, and liquidity benefit a wider range of customers. The Bank strengthened product performance management by building and sustaining the reputation of “OTO Choice” products, and maintained the leading performance advantage of “OTO Choice” series of products. The Bank enhanced customer service capabilities by carrying out the “100 Cities and 10,000 Households” wealth management campaign to expand the coverage of wealth management services. By strengthening technology empowerment and optimizing digital tools such as the wealth management platform, the Bank further improved customer experience. As at the end of the Reporting Period, the balance of personal public offering funds products on consignment was RMB213.161 billion, the balance of personal wealth management products on consignment was RMB1,004.477 billion, and the balance of personal insurance products on consignment was RMB353.53 billion.

(3) *Scenes and payment*

The Bank implemented an action plan to support and boost consumption, focusing on high-frequency consumer scenes such as trade-in programs, cultural tourism, e-commerce shopping, and daily living consumption. It carried out online and offline bank card marketing campaigns to stimulate spending, launched special promotional events for major cultural tourism performances, and helped enhance customers’ willingness to consume. In line with national requirements to improve payment convenience, the Bank optimized payment and settlement services, introduced BOCOM version of “Instant Tax Refund” service for overseas visitors’ shopping, launched Quick Pass service for subway card swipes, and innovatively rolled out Mobile Phone POS project. To support urbanization, the Bank continued to enhance services for the new urban resident segment, providing a wide range of preferential benefits. As at the end of the Reporting Period, the accumulated number of debit cards issued increased by 4.2599 million from the end of the previous year, and a total of 2.5233 million New City Residents Theme Debit Cards were issued.

#### *(4) Personal lending*

The Bank actively implemented various policies to stem the downturn and restore stability in the real estate market. It strengthened all-round cooperation with key high-quality channels, and advanced the optimization of the entire process of housing mortgage business. As at the end of the Reporting Period, the balance of personal housing mortgage loans amounted to RMB1,469.583 billion, representing an increase of 0.20% from the end of the previous year. During the Reporting Period, the Bank issued over RMB100 billion of mortgage loans, with second-hand housing loans accounting for more than 40% of the total.

Actively implementing the requirements of national initiatives to boost consumption, the Bank comprehensively upgraded Hui Min Loan (literally, Loan Benefiting the People, the Bank's brand of unsecured personal consumer lending services), and expanded the supply of consumer credit products across diversified scenes including cultural tourism, healthcare, accommodation services, and the silver economy to serve key customer groups such as new city residents. The Bank continued to advance headquarter-level partnerships with new energy vehicle brands and increase credit support to facilitate green finance development. As at the end of the Reporting Period, the balance of personal consumption loans was RMB385.798 billion, representing an increase of 16.82% from the end of the previous year.

The Bank continuously enhanced the support for business entities by optimizing the personal business loan product system. Continuous efforts were made to expand and increase the volume of credit-based business. The "Benefit Business Loan" won "China's Best Inclusive Finance Project 2025" award rated by The Asian Banker. Additionally, the Bank innovatively launched the Shang Quan Hui Dai (literally, Business District Loan), a sector-specific and scene-based product for professional market customers. As at the end of the Reporting Period, the balance of personal business loans was RMB439.055 billion, representing an increase of 6.15% from the end of the previous year.

The Bank continued to promote the digital transformation of retail loans by fully utilizing the advantages of digital capabilities such as enterprise architecture, big data, and AI to innovate and improve product applications and business models. The unified management system for retail loan model covering entire products and full life cycle won the award of Excellence in Risk Management of Financial Industry AI Models rated by China Academy of Information and Communications Technology.



(5) *Private banking*

Based on the customer-oriented philosophy and guided by investment research, the Bank improved the screening mechanism for cooperative institutions, continuously optimized the private banking product system, increased the supply of inclusive, low-volatility, and stable products, and enhanced the service capability of diversified asset allocation. The performance of the “Private Banking Choice” product outperformed similar products in the market. The family wealth management business saw fast growth, and innovative services such as elderly care trust, charitable trust, and equity family trust developed rapidly. The Bank kept promoting the integrated online-offline operations. It organized roadshow activities to meet customers’ wealth management needs, and held “high-quality, low-cost, and wide-coverage” customer activities to meet the spiritual and cultural needs of the people. The activity scenes and customer coverage continued to expand, and customer satisfaction was effectively improved. As at the end of the Reporting Period, there were 102,600 private banking customers of the Group, representing an increase of 8.94% from the end of the previous year; the assets of private banking customers under management of the Group were RMB1,388.874 billion, representing an increase of 7.20% from the end of the previous year.

(6) *Credit cards*

In line with national policies on expanding domestic demand and boosting consumption, the Bank actively carried out inclusive promotional campaigns across all card products, focusing on key consumer areas such as cultural tourism, cuisine, shopping, and travelling. It further deepened the brand ecosystem of “Super Red Friday”, enhancing its scene-based service offerings. The Bank drove the penetration of services through the credit card marketing activity themed “10,000 Stores across 100 Counties for the Benefit of People’s Livelihood”. The initiative targeted high-traffic consumption areas in county-level regions, engaging over 10,000 new merchants to implement diversified promotional activities for livelihood-focused card usage, thereby creating new growth drivers for boosting consumption. The Bank refined customer management by launching the Super Elite Platinum Credit Card, which redefined the annual fee product benefit system with an innovative “Benefits 3 + 1” combination model. By integrating inclusive services for all customers with customized solutions for premium customer groups, the Bank executed tiered operations with targeted strategies to achieve sustainable development for steady business growth.

As at the end of the Reporting Period, the overdraft balance of credit card of domestic banking institutions reached RMB532.582 billion, and the number of credit cards registered was 60,098,500. During the Reporting Period, the total consumption of credit cards reached RMB1,096.6 billion.

(7) *Ageing finance*

Taking “building a senior-friendly bank” as a development goal, the Bank constructed a business system that was friendly in terms of products, channels, services, workforce, and ecosystems. This initiative fortified the business foundation characterized by stable service entities, stable product access, stable portfolio strategies, stable property security, and stable service quality. The Bank comprehensively built an elderly care ecosystem and integrated financial services into the ecosystem.

The coverage of financial services for the elderly care industry continued to expand. The Bank optimized the credit policies for the healthcare industry, elderly care industry, and silver economy, and actively leveraged structural monetary policy tools and local guarantee policies to support the development of elderly care service providers and silver economy entities. As at the end of the Reporting Period, the entire Bank’s balance of loans to the elderly care industry increased by 21.39% compared to the end of the previous year.

The scale of ageing finance business grew rapidly. The Bank vigorously promoted social security cards and personal pension business, and built a one-stop personal pension service system covering “account opening, fund pay-in, product investment, and comprehensive services”. The Bank continued to strengthen account management and custody services for the National Social Security Fund, Basic Pension Funds and Enterprise (Occupational) Annuities, ranking at the forefront of the industry in terms of the scale of the pension under custody.

The Bank enriched the product supply for pension wealth finance. It continuously improved “Elderly Care Choice” product series, and launched 382 aging-friendly wealth management products spanning savings, funds, insurance and wealth management categories, ranking at the forefront of the industry in terms of total number of products. The Bank fully leveraged the advantages of integrated operations. The management scale of pension target funds and the yield of pension wealth management products remained remarkably strong.

The Bank enhanced financial support for elderly care consumption by relaxing the age restrictions on auto loans and credit card applications for the elderly, and launched consumption payment discounts for elderly customer groups in selected regions to promote silver consumption.

The aging-friendly financial services were continuously improved. The Bank established senior-friendly branches and enhanced aging-friendly facilities and services. The Bank continuously improved the elderly-friendly version of Mobile Banking, “BOCOM On-cloud” and other online channels to facilitate senior-aged users to handle business online. The Bank continuously carried out anti-fraud and anti-scam education for senior customers.

The Bank advanced the development of an ageing finance ecosystem. The Bank vigorously promoted the prepayment fund supervision service for elderly care institutions and implemented it in many places across China. The Bank built an “elderly care + finance” ecosystem centering on the core life scenes of silver-haired populations, including medical care, food, housing, transportation, travel, elderly care, and learning.

#### **4. *Inter-bank and Financial Market Business***

- ◆ The Bank actively served Shanghai’s international financial center construction, intensively participated in the development of financial markets including bond market, money market and foreign exchange market within China, strengthened its market making and quotation abilities, intensified its business cooperation in the financial markets, and optimized its professional custody services, aiming to transform financial market products into quality services that meet the needs from various circles of customers, and constantly strengthen its capabilities to serve the real economy.

##### **(1) *Inter-bank business***

The Bank intensified services across the financial factor market to support the development of a modern financial market system. Efforts were made to support the inter-bank market in improving settlement efficiency, and expand businesses such as fiduciary central counterparty clearing service and foreign exchange trading settlement banking service. The Bank facilitated the injection of insurance funds and other long-term and stable funds into the gold market, becoming the first-in-market provider of settlement services for insurance funds investing in gold. The Bank also improved the intelligent settlement services in the securities and futures markets to underpin the safe and stable operation of the capital market. During the Reporting Period, the Bank’s fiduciary clearing volume at the Shanghai Clearing House, the fiduciary settlement volume at the Shanghai Gold Exchange, and the settlement volume in securities, futures and other factor markets ranked at the forefront in the market.

The Bank enriched inter-bank cooperation scenes to jointly serve the real economy. Supporting capital market development, the Bank cooperated with 108 securities companies in third-party depository business, 93 securities companies in margin selling and short selling depository business, and 147 futures companies in bank-futures transfer business, providing settlement and other services for enterprises and individual customers to participate in capital market investment and trading. The Bank continuously strengthened cooperation with the cross-border clearing companies to promote the application and deployment of innovative products in the Cross-border Inter-bank Payment System. As an operating institution of digital RMB, the Bank supported cooperative banks in successfully issuing digital RMB financial bonds, fully leveraging the advantages of digital RMB in enhancing transaction efficiency and reducing transaction costs to facilitate the investment and financing of market entities.

(2) *Financial market business*

The Bank utilized a vast range of investment, trading and other means to support the financial needs arising from the major strategies, key sectors and weak links, thereby contributing to high-quality economic and social development.

During the Reporting Period, the Bank was among the first to reach credit derivative transactions with technology-based enterprises as reference entities, launched the inaugural batch of inter-bank borrowings dedicated to supporting green businesses, and was the first to conduct transactions regarding new Hong Kong gold contracts on the Shanghai Gold Exchange as well as other innovative businesses. These achievements maintained our position as an active trading bank in the market.

(3) *Custody business*

The Bank continuously enhanced custody services under the three-pillar pension system, with a focus on enhancing the annuity custody service capability for enterprise customers to improve the quality and coverage of enterprise annuity schemes, thereby advancing the ageing finance. The Bank bolstered custody services for public offering funds by offering custody services for the market's first batch of innovative products such as Floating Management Fee Products, Sci-tech Innovation Composite Index ETF, and Free Cash Flow ETF, thereby contributing to the high-quality development of the public fund industry. Leveraging private equity custody business, the Bank utilized comprehensive financial services to support the development of sci-tech innovation enterprises, driving progress in sci-tech finance. The Bank enhanced the efficiency of custody system and mechanism reform, and was approved as a custody and clearing bank for the Southbound Bond Connect. The Bank designed its signature custody service solutions for Cross-border Connect to provide professional, safe and efficient services for the “going global” and “bringing in” of domestic and foreign investors. As at the end of the Reporting Period, the Bank's scale of assets under custody reached RMB16.84 trillion.

## 5. *Universal Banking Services*

- ◆ The Group has established a development pattern with commercial banking as the main body, in close coordination and connection with other financial services including financial leasing, fund management, wealth management, trust, insurance, overseas securities and debt-to-equity swap, so as to provide comprehensive financial services for customers.
- ◆ During the Reporting Period, the Bank's subsidiaries<sup>1</sup> earned a net profit attributable to shareholders of the parent company of RMB4.561 billion, representing 9.91% of the Group's net profit. As at the end of the Reporting Period, total assets of the subsidiaries stood at RMB784.731 billion, representing 5.08% of the Group's total assets.

**Bank of Communications Financial Leasing Co., Ltd.** As the Bank's wholly owned subsidiary, the company was set up in December 2007 with a registered capital of RMB20.0 billion. The main business scope includes financing leasing and operating leasing in sectors such as aviation, shipping and energy power, transportation infrastructure, equipment manufacturing and livelihood services. The company is the Chief Administration Unit of the China Banking Association's (CBA) Financial Leasing Committee as well as the Chief Administration Unit of the Shanghai Banking Association's Financial Leasing Committee. The company adhered to the development strategy of "specialization, internationalization, differentiation and specialization", and deepened its efforts in shipping, aviation, equipment leasing and other business sectors. As at the end of the Reporting Period, total assets were RMB467.954 billion, and the balance of leasing assets was RMB410.748 billion. The balance of net assets was RMB51.14 billion. The company owned and managed 479 ships. The balance of aircraft charter assets amounted to RMB166.37 billion. The company was the largest leasing company in the domestic merchant fleet. The company also had a fleet of 310 planes and a balance of aviation leasing assets amounting to RMB99.037 billion. During the Reporting Period, the company generated operating income of RMB16.779 billion, representing a year-on-year increase of 11.09%; and net profit was RMB2.322 billion, representing a year-on-year increase of 8.19%. The Bank received a total of 16 prestigious awards, among which the case titled "Proactively Serving National Strategies and Telling China's Financial Stories Well" was selected as the Case of the Year – Brand Communication under the Outstanding Brand Case of the Year – Financial Industry.

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<sup>1</sup> Excluding Bank of Communications (Luxembourg) S.A., Bank of Communications (Brazil) Co., Ltd. and Bank of Communications (Hong Kong) Limited, same applies hereinafter.

During the Reporting Period, the company continued to pursue transformation and innovation. The company invested RMB20.103 billion in new infrastructure and new energy leasing business, accounting for nearly 70% of investment in equipment leasing business. The company launched its first power battery operating lease project and established its first power battery asset management system, achieving battery-vehicle-fleet multi-scene data monitoring and management. It substantively supported high-level self-reliance and strength in science and technology, with an investment of RMB5.776 billion in technology leasing business, accounting for nearly 20% of the investment in equipment leasing business. The company served 53 technology-based enterprise customers. The company actively served the strategy of building China's strength in manufacturing. As at the end of the Reporting Period, the balance of leasing assets in the manufacturing industry amounted to RMB31.887 billion, accounting for approximately 22% of the balance of equipment leasing assets. The company spearheaded the "China Intelligent Manufacturing • Financial Empowerment – C919/C909 Global Promotion and Financial Solution Exchange Conference" to support building China's strength in aviation. The company continuously deepened transformation and innovation, and maintained industry leadership with operating lease assets accounting for 51.80% and direct lease business accounting for 57.96% as at the end of the Reporting Period.

During the Reporting Period, the company facilitated RMB23.109 billion in collaborative financing with 25 provincial branches of the Bank. It executed the first "Digital Chain Financial Leasing" business within the Group with the Shanghai Branch of the Bank, effectively building a three-dimensional collaborative system through "technology empowerment of the Head Office+ scene outreach of branches + professional services of subsidiaries" to deeply integrate sci-tech finance and inclusive finance within leasing scenes, and create a new model of bank-leasing collaboration. The company jointly launched its first zero-carbon hydrogen/ammonia project leasing business with the Shanghai Branch of the Bank. This project represents the world's largest integrated green power-to-hydrogen/ammonia demonstration facility. This project employs an off-grid production model for green hydrogen and green ammonia products, with all indicators rigorously compliant with the EU REDII certification standards, reaching the international leading level in terms of low-carbon environmental attributes.



**Bank of Communications International Trust Co., Ltd.** The company was set up in October 2007 with a registered capital of RMB5.765 billion, of which the Bank and Hubei Provincial Communications Investment Group Co., Ltd. contributed 85% and 15% shares, respectively. The main business scope includes trust loans, equity investment trusts, securities investment trusts, credit asset securitization, corporate asset securitization, qualified domestic institutional investor (QDII), family trusts, charitable trusts, etc. During the Reporting Period, the company adhered to the principle of stability, took the strategic goal of creating “the most trustworthy first-class trust company”, actively served the real economy, accelerated the transformation and development, and deepened the synergy of the Group. As at the end of the Reporting Period, the total assets were RMB21.122 billion, the net assets were RMB17.249 billion and the trust assets under management of the company amounted to RMB644.4 billion, representing a year-on-year increase of 7.05%. The company’s net profit was RMB398 million during the Reporting Period.

During the Reporting Period, the company earnestly implemented the regulatory policy requirements by comprehensively utilizing trust loans, bond investments, equity investments, and service trusts. Efforts were made to continuously expand investment in sci-tech innovation bonds and green bonds, complete the fundraising for the Jiaoying HuiXin Fund, and actively cultivate patient capital for sci-tech innovation. Returning to its fundamental purpose, the company leveraged the advantages of the trust system and functions to establish 95 family service trusts, execute 65 elderly care service trusts, and set up 10 public welfare and charity trusts. These initiatives provided care and support for rural revitalization, elderly care and child assistance, education and medical care.

**Bank of Communications Schroder Fund Management Co., Ltd.** The company was set up in August 2005 with a registered capital of RMB200 million. It was jointly contributed by the Bank, Schroder Investment Management Limited and China International Marine Containers (Group) Co., Ltd., with the shares accounting for 65%, 30% and 5%, respectively. The primary businesses include fund raising, fund sales and asset management. The company resolutely implemented the decisions and deployments of the CPC Central Committee and regulatory authorities regarding “vigorously promoting the entry of medium and long-term funds into the capital market” and “vigorously developing equity-based public offering funds”. As at the end of the Reporting Period, the company had a total of 76 active funds with equity assets, with an aggregate AUM of RMB99.2 billion, accounting for 39% of the total size of non-money funds. As at the end of the Reporting Period, the company yielded a total assets of RMB8.430 billion, and net assets of RMB7.216 billion, the AUM of public offering funds of RMB498.2 billion. During the Reporting Period, the company had net profit of RMB409 million.

During the Reporting Period, pursuant to the requirements of the *Action Plan for Promoting the High-Quality Development of Public Offering Funds* regarding practicing long-term investment concepts and strengthening the stability of investment behaviors, the company prioritized investor needs by positioning as a main provider of “stable” fund products. The company was committed to building a core competitiveness of “controllable risks, predictable returns, and long-term development”, promoting the co-construction and co-prosperity of its professional value and investor wealth growth, and achieving steady and long-term development.



**BOCOM Wealth Management Co., Ltd.** As a wholly-owned subsidiary of the Bank, the company was set up in June 2019 with a registered capital of RMB8.0 billion. It primarily issues wealth management products of fixed income, equity, commodities, financial derivatives and hybrid categories to customers. During the Reporting Period, the company adhered to the customer-centric principles and established an open and diversified omni-channel system with the Bank as the main body. The company continuously developed a product line with low volatility, stability and strong predictability, aiming to create stable and sustainable value returns for investors. As at the end of the Reporting Period, the balance of wealth management products managed by the company increased by 5.15% from the end of the previous year to RMB1,701.318 billion. The company's total assets and net assets were RMB15.457 billion and RMB14.794 billion, respectively. The company's net profit during the Reporting Period was RMB773 million, representing a year-on-year increase of 8.73%.

During the Reporting Period, the company adhered to the “dual drive” of assets and liabilities. It concentrated on improving product performance and investment capabilities, accelerated digital transformation, and strictly controlled risks to assist the Group in building a wealth finance characteristic. The company successively won multiple awards such as the Golden Toad Award, Jiefu Award, and Golden Honour Award. The “Books Bring Light” and the “Full-process Management Case of BOCOM Wealth Management Reputation Risk” were selected as the “Seventh Session of Outstanding Brand Cases of the Year in Finance Industry” rated by China Finance Magazine.

**BOCOM MSIG Life Insurance Company Limited.** The company was set up in January 2010 with a registered capital of RMB5.1 billion, of which the Bank and the MS&AD Insurance Group hold 62.50% and 37.50% shares, respectively. The business scope includes life insurance, health insurance, accident insurance and reinsurance businesses of the aforementioned insurances in Shanghai as well as regions where its branches were established. As at the end of the Reporting Period, the company's total assets and net assets were RMB168.991 billion and RMB9.378 billion, respectively. During the Reporting Period, the company focused on its main business – insurance – actively responded to market demands, and accelerated product upgrades and business transformation, and achieved a cumulative income of RMB1.412 billion from insurance services, representing a year-on-year increase of 13.06%. Meanwhile, operating revenue was RMB4.223 billion, representing an increase of 21.17% year-on-year; and net profit was RMB636 million, representing a decrease of 19.29% year-on-year.

During the Reporting Period, the company leveraged its insurance expertise to strengthen the bank-corporate strategic synergy, and deepened the business features of “inclusive finance, ageing finance, and wealth finance”. In terms of inclusive finance, the company expanded both the breadth and depth of inclusive insurance coverage by participating in the “Hu Hui Bao” (a Shanghai-customized commercial supplementary medicare insurance product) co-insurance plan, a city-customized commercial medical insurance initiative, for the third consecutive year. The number of people covered by inclusive insurance reached 211,000 as at the end of the period. In terms of ageing finance, the company improved commercial insurance annuities and other product system, and expanded the product offerings of personal pension insurance. The number of existing pension insurance policies reached 64,860 as at the end of the Reporting Period, with a scale of RMB13.136 billion. In terms of wealth finance, the company leveraged insurance funds and insurance fund trusts to consolidate the bank-corporate long-term cooperation mechanism, optimized the high-end customer service brand, and strengthened the professional team building, as a way to meet the one-stop service needs of customers within the Group.

**BOCOM Financial Asset Investment Co., Ltd.** As a wholly-owned subsidiary of the Bank, it was set up in December 2017 with a registered capital of RMB15.0 billion. As one of the first pilot banks to implement debt-to-equity swap as determined by the State Council, it is mainly engaged in debt-to-equity swap and supporting services. As at the end of the Reporting Period, the company’s total assets and net assets were RMB74.564 billion and RMB26.574 billion, respectively. During the Reporting Period, the company realized a net profit on the books of RMB532 million, representing a year-on-year decrease of 64.45%.

During the Reporting Period, the company closely followed the guidance of the “14th Five-Year Plan” of the Group, leveraging the functional advantages of equity investment, and strengthening the capability and mechanism foundation of sci-tech finance services to assist the entire Bank in developing sci-tech finance characteristics. The company focused on sci-tech finance, green finance, and supporting the private economy, and supported the sound development of the real economy. The company optimized the collaborative service mechanism to strengthen the business connection with branches, and established a bidirectional engagement model featuring project referrals by branches and project execution by the company, enabling horizontal communication, synchronized advancement, and integrated development. The company actively enhanced the presence of a Shanghai-based bank, and consolidated the efficiency of serving the real economy. During the Reporting Period, the company additionally invested RMB5.292 billion in manufacturing industry, accounting for 99.63% of the investment in the first half of the year. The linked investment scale of the company reached RMB7.588 billion, achieving a group-linked income of RMB57 million, maintaining a relatively high level. As at the end of the Reporting Period, the company had set up 41 funds through its subsidiary, BOCOM Capital Management Co., Ltd. with a contribution scale of RMB26.260 billion, representing an increase of 41.72%, further enhancing the development momentum of equity investment business.

**BOCOM International Holdings Company Limited.** The company was set up in June 1998 (formerly known as Communications Securities Co., Ltd. It changed its name to BOCOM International Holdings Company Limited in May 2007). It was listed on the main board of Hong Kong Stock Exchange on 19 May 2017. The main businesses include securities brokerage and margin financing, corporate financing and underwriting, asset management and consulting, investment and loan. As at the end of the Reporting Period, the Bank contributed 73.14% shares of the company. During the Reporting Period, the company focused its main business and responsibilities, endeavored to reduce operating losses and continuously promoted the transformation of its operating structure. At the end of the Reporting Period, the company had total assets of HKD16.809 billion and net assets of HKD801 million. During the Reporting Period, the company's loss decreased year-on-year, with a net loss of HKD283 million.

**China BOCOM Insurance Co., Ltd.** As a wholly-owned subsidiary of the Bank, it was set up in November 2000 with a registered capital of HKD400 million. The main business includes the operation of 17 types of general insurances approved by the Insurance Authority of Hong Kong. At the end of the Reporting Period, the company had total assets of HKD1.241 billion and net assets of HKD583 million. During the Reporting Period, the company realized a net profit of HKD9.15 million, representing a year-on-year decrease of 15%.

The company worked closely with the Group to promote the high-quality development of the principle insurance business. It actively met the risk guarantee needs of Hong Kong residents in residence, travel, and medical care, provided property insurance and liability insurance for public hospitals, communities, and schools, and offered commercial comprehensive insurance coverage to small and medium-sized enterprises in the real economy. The company continuously supported insurance coverage in offshore wind power, new energy vehicles, and photovoltaics; cooperated with the insurance peers in the Chinese mainland to provide personal accident insurance coverage for the elderly in China; actively participated in various activities of the Hong Kong Chinese Insurance Association Limited and the Hong Kong Federation of Insurers, and deeply discussed topics such as innovative technology, low-altitude economy, southbound travel for Guangdong vehicles, cross-border insurance, and climate risk, making positive contributions to the construction of Hong Kong as an international risk management center.

## 6. *Global Service Capabilities*

- ◆ The Group formed an overseas operating network covering major international financial centers, spanning across five continents, with 24 overseas branches (subsidiaries) and representative offices, and 67 overseas operating outlets.
- ◆ During the Reporting Period, the net profit of overseas banking institutions amounted to RMB6.152 billion, accounting for 13.37% of the Group's net profit. As at the end of the Reporting Period, the total assets of overseas banking institutions amounted to RMB1,263.561 billion, accounting for 8.19% of the Group's total assets.

### *(1) Internationalization development*

The Group actively responded to changes in internal and external situations, steadily and orderly conducted operation and management, continuously optimized the development structure, and coordinated development and security. The overseas banking institutions of BOCOM leveraged their geographical advantages, refined their functional positioning, provided financial support for Chinese enterprises going global in line with the national strategy, actively built financial bridges connecting the domestic and international markets, and continuously improved the cross-border financial service system to promote high-quality Belt and Road construction and serve high-level opening-up.

### *(2) International settlement and trade finance*

The Bank actively supported stabilizing foreign investment and foreign trade. For foreign trade customers, the BOCOM Shipping-Trade Through platform was launched, featuring a dual-interface mode of "visitor version + account holder version" to build a new ecosystem of cross-border financial services, effectively promoting the leapfrog development of service quality and efficiency for small and medium-sized foreign trade enterprises. Differentiated financial service solutions were provided to match the foreign trade characteristics of inclusive finance customers, supporting the financing and exchange rate risk management needs of small and micro foreign trade enterprise customers. During the Reporting Period, the business volume of foreign-related letters of guarantee to countries and regions along the Belt and Road increased by 24.47% year on year.

The Bank enhanced the capability of scene-based financial services. The "Shipping Manager" (COSCO version) was launched, leveraging the "Bank-Enterprise Payment" interface to establish invoice data exchange with COSCO Shipping Lines, achieving the industry's first cross-bank, fully-automated, and non-landing foreign currency remittance. The "Smart Forex Express" scene-based financial solution was developed, offering a package of services including automated declaration, invoice matching, exchange rate management, and financing support. A total of 15 cross-border/domestic industrial chain collaboration projects were implemented, with the business volume surging by 54.32% year-on-year, efficiently meeting the centralized and automated financial management needs of key customers in trade finance. During the Reporting Period, the Bank's international settlement volume was USD299.965 billion, increasing by 24.38% year-on-year.

(3) *Overseas service network*

The layout of offshore service network was progressing steadily. As at the end of the Reporting Period, the Group had 24 overseas branches and representative offices in Hong Kong, New York, London, Singapore, Tokyo, Frankfurt, Luxembourg and Sydney, etc., with 67 overseas operating outlets (excluding representative offices) providing customers with comprehensive financial services including deposits, loans, international settlements, trade finance and foreign exchange, etc. As at the end of the Reporting Period, the Bank had established an overseas service network with the head offices of 1,093 banks in 133 countries and regions, and opened 176 cross-border RMB accounts for 93 overseas RMB participating banks in 30 countries and regions. A total of 114 foreign currency clearing accounts in 29 currencies were opened in 67 banks in 32 countries and regions.

(4) *Cross-border RMB business*

The Bank steadily, prudently and solidly promoted the internationalization of RMB. The Bank, as one of the first pilot banks, launched the cross-border payment connect business, which broadened the application of RMB in cross-border scenes and enhanced the cross-border RMB remittance experience between the Chinese mainland and Hong Kong. The Hong Kong Branch of BOCOM was among the first to implement the RMB Trade Financing Liquidity Facility (RMB TFLF) borrowing business, a significant measure by the People's Bank of China and the Hong Kong Monetary Authority to deepen financial cooperation between the Chinese mainland and Hong Kong. During the Reporting Period, the cross-border RMB settlement volume of domestic banking institutions was RMB1.37 trillion, increasing by 56.65% year-on-year.

The Bank actively served the construction of free trade zone. The Bank continuously advanced the construction of a “investors + underwriters + trustees + clearing banks + settlement banks” five in one FTZ offshore bond comprehensive financial service system, maintaining its top market ranking in the clearing market. It progressed in building the Free Trade Accounting Unit (FTU) and actively participated in expanding the scope of free trade account services.

(5) *Offshore service*

The Group deepened the integrated development of offshore and onshore business and the integrated operation of non-resident accounts, and fully tapped the business potential of the Yangtze River Delta integration and the new Lingang area of the Shanghai Free Trade Zone. At the end of the Reporting Period, the asset balance of offshore business amounted to USD13.719 billion.

## 7. *Channel Construction and Operation*

- ◆ The Bank enhanced its digital operation capabilities by taking the customer perspective as both the entry point and the foundation. Leveraging technologies such as AI and big data, the Bank strengthened its data-driven business decision-making and resource allocation capabilities, while building an integrated online-offline service system to continuously improve the inclusiveness, convenience, and accessibility of financial services.

### *(1) Corporate online banking and corporate mobile banking*

The Bank expanded the corporate e-channel basic services, and improved the assembly and iteration efficiency to respond quickly to the market. The Bank successively rolled out specialized versions of corporate online banking and corporate mobile banking for offshore, fiscal and inclusive finance sectors. As at the end of the Reporting Period, the number of contracted customers of corporate online banking (bank-corporate direct link) increased by 4.96% from the end of the previous year. During the Reporting Period, the number of customers that conducted trades increased by 6.85% on a year-on-year basis; the number of contracted customers of corporate mobile banking increased by 5.33% from the end of the previous year. During the Reporting Period, the cumulative transaction volume increased by 11.64% on a year-on-year basis, and the number of customers that conducted trades increased by 2.15% on a year-on-year basis.

### *(2) Personal mobile banking*

The Bank continuously optimized mobile financial services, with an aim to make it more inclusive, simple and easy to use. It was among the first in the industry to pilot the launch of cross-border payment connect services, enabling convenient online operations. It was also the first in the industry to introduce non-real-time insurance purchase services on mobile banking, moving more insurance purchase services that were originally handled at the counter to the online platform to breaking through the time limit of traditional counter services. It launched a one-click credit assessment function for small and micro enterprises, improving the quality and efficiency of inclusive financial services. As at the end of the Reporting Period, the number of monthly active users (MAU) of personal mobile banking totaled 49.1228 million, representing a year-on-year increase of 8.63%.



(3) *Go Pay APP*

Guided by the vision of a “Better Life”, the Bank continued to refine its online services and scene offerings, striving to create a one-stop digital service platform that integrates both financial and lifestyle services. The Bank actively implemented the national strategies and policies to boost consumption. It launched the “State Subsidies Zone” on the Go Pay APP, covering multiple categories such as home appliances, digital products, home decoration and furniture to promote consumption with a “state + bank” dual-subsidy mechanism. Capitalizing on cultural tourism consumption trends, the Bank developed localized cultural tourism scenes on the Go Pay APP. It introduced high-quality resources such as local tourism annual card, ticket and hotel benefits to establish an online cultural tourism ecosystem integrating dining, accommodation, sightseeing, shopping and entertainment”. This activated the cultural tourism consumption potential of credit card users. By virtue of the business characteristics and advantages of branches, the Bank actively expanded the interest-free installment business for merchants. The Bank built a more complete “finance + life” service ecosystem, and improved the quality and expanded the scale of consumption by introducing high-frequency life services such as music and audiobook recharges. As at the end of the Reporting Period, the cumulative number of customers who bundled their cards with the Go Pay APP reached 80.4867 million, and the number of MAU reached 26.5997 million.

(4) *Open Banking*

The Bank deepened the development of open banking ecosystem by pioneering a new G-B-C synergy model in “platform economy and cross-border trade”. The Bank built a comprehensive service solution integrating accounts, factoring, guarantees, bills, letters of credit and other products based on scene demands, providing settlement and financing services to core enterprises, upstream suppliers, downstream distributors and end users. Through the online chain financial services of open banking, the Bank issued a financing amount of RMB143.564 billion, representing a year-on-year increase of 6.32%. It accelerated the cultivation of new drivers of foreign trade such as cross-border e-commerce and smart freight trains, and innovated the supply of digital cross-border settlement products, achieving a transaction volume of RMB28.469 billion through open banking in the current year. The Bank built a financial ecosystem cloud service matrix, comprising five service solutions, namely digital intelligent government affairs, digital intelligent micro and small enterprises, digital intelligent parks, digital intelligent livelihood and digital intelligent sci-tech innovation, with a total of 15 cloud services launched and 80,100 institutions signed up.



(5) *BOCOM On-cloud*

During the year, the Bank continuously promoted its “BOCOM On-cloud” brand and pursued innovation in the application of audio and video technologies, as well as AI technologies. By offering screen-to-screen online services, the Bank enabled the development of online institutions, employees, services, and products, breaking through the physical and temporal barriers of traditional banking business. The Bank developed an innovative model for new banking services and improved the availability of and satisfaction offered by financial services. During the Reporting Period, the BOCOM On-cloud remote video outlet provided 1.29 million services, reflecting growth of 90.86% from the previous year.

The Bank also improved the featured services of new media channels such as “BOCOM” WeChat Mini Program, “BOCOM Loans” WeChat Mini Program and BOCOM On-cloud to strengthen cross-channel collaboration. As at the end of the Reporting Period, customers served by “BOCOM” WeChat Mini Program increased by 11.91% from the end of the previous year to 54.4717 million; customers served by “BOCOM Loans” WeChat Mini Program increased by 26.36% from the end of the previous year to 10.8283 million; customers served by BOCOM On-cloud amounted to 10.7055 million, representing an increase of 9.41% from the end of last year.

(6) *Digital operation*

Seizing new opportunities brought by digital technologies reshaping the financial services landscape, the Bank further advanced the application of big data, artificial intelligence, and other emerging technologies in retail customer operations. It established a digital intelligence-based operating model for managing core customer groups. By the end of the Reporting Period, the average daily balance of AUM for core customer groups increased by 8.66% year-on-year, while product holdings grew by 10.39% year-on-year. Through proactive credit granting based on risk control models, the Bank enhanced the precision and effectiveness of its direct-to-customer online services, upgrading its service model from “passive waiting” to “proactive engagement”. A unified retail risk characteristic variable library was developed, improving risk modeling efficiency by nearly 50%. An intelligent risk control system for online transaction channel was established. By building AI models and rules targeting fraud-related cases, the Bank’s online transaction risk prevention and control framework helped recover more than RMB100 million in customer fraud losses during the Reporting Period.

Business processes were streamlined to enhance service efficiency. The Bank improved the accessibility of personal credit services by fully digitizing the end-to-end loan process – from credit applications, qualification assessments, document submission, and agreement signing to loan disbursement. Customers could obtain comprehensive credit solutions covering multiple products, such as consumer loans and business loans, with a single application. An intelligent operations system was developed by adopting RPA, voice robots, intelligent quality inspection, OCR, and other digital technologies. Human-machine collaboration significantly improved operational efficiency. By the end of the Reporting Period, the approval efficiency for Huimin Credit applications rose by 63%, while loan disbursement approval efficiency increased by 75%. Actively responding to the trade-in programs policy to support household consumption upgrades in home furnishing and home appliances, the Bank provided customers with one-stop services for browsing, claiming, tracking, and using consumer vouchers via its mobile banking app.

## **8. *FinTech and Digital Transformation***

### *(1) Consolidating digital infrastructure and safety barrier*

The Bank improved the layout of infrastructure, achieving steady progress in the multi-location multi-center construction. It optimized disaster recovery system architecture through intensified real-scene drills to bolster business continuity assurance. The Bank enhanced independent control capabilities by actively advancing core technology breakthroughs, and achieved phase completion of integrating front, middle, and back offices in the financial market business, covering inter-bank lending, repurchases, and bonds. The Bank continuously fortified network and data security safeguards, promoted unified security control and operation across the Group's network, improved the terminal security protection system, strengthened the integrated data security management of the Group, and enhanced the data security control in key areas such as data transmission, data cooperation, and data download. The Bank also conducted regular data security monitoring.

(2) *Enhancing the foundation for data governance and the capability in data integration and utilization*

The Bank continuously consolidated data foundations by expanding external data sourcing in key businesses, while deepening the governance, integration, and shared application of internal and external data. The Bank provided unified data services, including indicators, tags, and model calculations based on the enterprise-level data middle platform. The Bank continuously refined the enterprise-level data asset catalog, built a data asset landscape, and pioneered a data analysis intelligent agent powered by large models to promote visualized data retrieval and intelligent data usage.

(3) *Enhancing service quality and efficiency of technology empowerment in key areas*

The Bank accelerated the “AI +” initiatives, advanced the end-to-end application in key areas such as sci-tech and inclusive finance, cross-border finance, credit risk, operation and customer service under the “1+1+N” AI construction framework and through a “one thing” mindset. The Bank enhanced human-machine collaboration, and developed financial intelligent agents to further unleash productivity. The Bank deepened system integration and innovative reform thinking. Efforts were made to integrate high-frequency cross-border financial service scenes such as cross-border settlement and foreign exchange settlement and sales. The Bank launched the “BOCOM Shipping-Trade” platform, and innovated a fully online trade financing model for bulk commodities, delivering second-level financial support to better serve the dual circulation of domestic and foreign trade. The Bank expanded and improved the efficiency of “proactive credit granting” to explore potential customer demands and optimize customer and product matching. This enhanced the online, batch and credit-based levels of credit products. Driven by traditional and innovative payments, the Bank deepened the construction of payment scenes, iteratively optimized payment and settlement products such as “Cloud Inter-bank” and “Treasury”, and innovated cross-border payment connect services to bring a new experience of “zero distance” and “instant access” to customers in both Chinese mainland and Hong Kong.

### **(III) RISK MANAGEMENT**

The Board of Directors of the Bank established the overall risk appetite of “Stability, Balance, Compliance and Innovation” for the Bank and further set specific indicators of risk limits against various risks including credit risks, market risks, operational risks, liquidity risks, bank book interest rate risks, information technology risks and sovereign risks to exercise strict control over various risk types. During the Reporting Period, the Group consistently adhered to the bottom-line thinking, achieved the coordination between development and safety, promoted the modernization construction of risk management system and governance capability, properly controlled and consolidated asset quality, promoted the unified risk management of the Group, enhanced the total risk management capability, continuously promoted the digital transformation of risk management, and promoted the high-quality development of the entire Bank with high-quality risk management.

#### **1. Risk Management Framework**

The Board of Directors of the Bank assumes ultimate responsibility and the highest decision-making authority in respect of risk management, and it leans the Bank’s risk conditions through the subordinate Risk Management and Related-Party Transaction Control Committee. At the senior management level, the Bank has established Total Risk Management and Internal Control Committee, and two business review committees, namely, Credit Review Committee and Risk Asset Review Committee. The business review committees are guided by and report regularly to Total Risk Management and Internal Control Committee. Based on the aforementioned framework, every tier-1 domestic branch, overseas branch and subsidiary company has established its own Total Risk Management and Internal Control Committee, which serves as the main body for studying how to prevent and control the Group’s systematic and regional risks and support risk management decision-making on major issues. In this way, a Total Risk Management System is rolled out within the entire Group.

#### **2. Risk Management Tools**

The Bank continued to promote the digitalization process of risk management. Being market-oriented, customer-oriented and grassroots-oriented, the Bank focused on the current “new requirements for internal management, new situations for external supervision, and new breakthroughs in technology application”, and remained committed to building a full-process and full-coverage digital risk management system, building a solid bank-wide risk database, improving enterprise-level risk management applications, strengthening the sharing and reuse of risk control capabilities, exploring the application scenes of AI technology in risk management to continuously improve the effectiveness of risk management. During the Reporting Period, the Bank leveraged the important role of the Risk Measurement Center, strengthened the supply of measurement models in strategic areas, built a unified model management system, advanced the construction of risk monitoring systems, and continuously improved the risk measurement and monitoring capabilities of the entire Group to support high-quality business development. The Bank continuously improved the work related to new capital regulations in accordance with regulatory requirements.

### **3. *Credit Risk Management***

During the Reporting Period, the Bank continued to strengthen credit risk management, actively served the real economy, optimized the structure of credit assets, supported the development of new quality productive forces, and exercised effective risk prevention and control in key areas such as real estate and local debt. The Bank continuously improved its credit policy framework system; actively implemented major national strategies and regulatory requirements; and enhanced credit and risk policies, industry credit policies, and regional credit policies. We continuously improved the degree to which credit processes are online and automated, used digital risk management to optimize the entire credit process, continuously enhanced the quality and efficiency of loan management, and maintained credit investigation compliance. Meanwhile, we strengthened the quality and efficiency of our “four early” risk management, and strictly classified asset risks to ensure that asset quality is stable and being steadily improved.

The Bank strengthened risk identification and prompted risk disposal. The business accountability mechanism for granting credit to key customers was continuously enhanced, with the approval procedures for the credit business being continuously strengthened; the digital and intelligent development of post-loan (post investment) management and risk monitoring were continuously advanced, with the purpose of upgrading the system tools. Credit risk screening and management in key areas were continuously strengthened. The Bank continued intensification of the collection of non-performing assets. During the Reporting Period, the Bank fully utilized its professional disposal capabilities and carried forward the of risk project disposals in a steady and orderly manner. The Bank disposed of a total of RMB37.83 billion of non-performing loans, representing a year-on-year increase of 27.9%, among which the cash or cash-equivalent recoveries amounted to RMB20.37 billion, representing a year-on-year increase of 54.3%, with an improved amount and efficiency in non-performing loan recovery and disposal.

The Bank adheres to the regulatory requirements and maintains stringent asset risk classification standards. The foundation of asset quality has been continuously strengthened and the level of asset quality has improved steadily. At the end of the Reporting Period, the Group’s non-performing loan balance amounted to RMB115.036 billion and the non-performing loan ratio was 1.28%, representing an increase of RMB3.359 billion and a decrease of 0.03 percentage point respectively, from the end of the previous year; and the overdue loan ratio experienced an increase from the end of the previous year. The Group adopts prudent classification criteria for overdue loans. The 60-day+ overdue corporate loans extended by domestic branches have been all included in non-performing loans, and all the 90-day+ overdue loans have been included in non-performing loans, representing 78.82% of non-performing loans.

## Distribution of loans by 5-category classification standards

(in millions of RMB unless otherwise stated)

	30 June 2025		31 December 2024		31 December 2023	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Pass	8,740,366	97.13	8,309,109	97.12	7,731,141	97.16
Special mention	143,097	1.59	134,336	1.57	120,256	1.51
<b>Total performing loans</b>	<b>8,883,463</b>	<b>98.72</b>	<b>8,443,445</b>	<b>98.69</b>	<b>7,851,397</b>	<b>98.67</b>
Sub-standard	25,388	0.28	31,100	0.37	28,523	0.36
Doubtful	27,870	0.31	24,066	0.28	32,383	0.41
Loss	61,778	0.69	56,511	0.66	44,782	0.56
<b>Total non-performing loans</b>	<b>115,036</b>	<b>1.28</b>	<b>111,677</b>	<b>1.31</b>	<b>105,688</b>	<b>1.33</b>
<b>Total</b>	<b>8,998,499</b>	<b>100.00</b>	<b>8,555,122</b>	<b>100.00</b>	<b>7,957,085</b>	<b>100.00</b>

## Distribution of special mention loans and overdue loans by business type

(in millions of RMB unless otherwise stated)

	30 June 2025				31 December 2024			
	Special mention loan balance	Special mention loan ratio (%)	Overdue loan balance	Overdue loan ratio (%)	Special mention loan balance	Special mention loan ratio (%)	Overdue loan balance	Overdue loan ratio (%)
Corporate loans	100,662	1.70	62,455	1.05	92,705	1.67	59,266	1.06
Personal loans	42,435	1.50	64,632	2.28	41,631	1.51	58,821	2.14
Mortgage	14,344	0.98	18,875	1.28	14,266	0.97	17,535	1.20
Credit cards	22,285	4.18	29,564	5.55	22,958	4.26	28,522	5.30
Personal business loans	2,940	0.67	8,417	1.92	2,175	0.53	6,871	1.66
Personal consumption loans and others	2,866	0.74	7,776	2.00	2,232	0.67	5,893	1.77
Discounted bills	0	0.00	15	0.01	0	0.00	11	0.00
<b>Total</b>	<b>143,097</b>	<b>1.59</b>	<b>127,102</b>	<b>1.41</b>	<b>134,336</b>	<b>1.57</b>	<b>118,098</b>	<b>1.38</b>

The balance of corporate overdue loan was RMB62.455 billion, increasing by RMB3.189 billion from the end of the previous year. The corporate overdue loan ratio was 1.05%, down 0.01 percentage point from the end of the previous year. The balance of personal overdue loan was RMB64.632 billion, increasing by RMB5.811 billion from the end of the previous year. The personal overdue loan ratio was 2.28%, up 0.14 percentage point from the end of the previous year.

### **Distribution of loans and non-performing loans by business type**

*(in millions of RMB unless otherwise stated)*

	30 June 2025				31 December 2024			
	Loans	Proportion (%)	Non-performing loan	Non-performing loan ratio (%)	Loans	Proportion (%)	Non-performing loan	Non-performing loan ratio (%)
Corporate loans	5,931,365	65.92	77,183	1.30	5,566,578	65.07	81,838	1.47
Personal loans	2,830,359	31.45	37,838	1.34	2,752,406	32.17	29,827	1.08
Mortgage	1,469,583	16.33	11,027	0.75	1,466,604	17.14	8,509	0.58
Credit cards	532,699	5.92	15,829	2.97	538,404	6.29	12,590	2.34
Personal business loans	439,055	4.88	5,965	1.36	413,626	4.83	4,986	1.21
Personal consumption loans and others	389,022	4.32	5,017	1.29	333,772	3.91	3,742	1.12
Discounted bills	236,775	2.63	15	0.01	236,138	2.76	12	0.01
<b>Total</b>	<b>8,998,499</b>	<b>100.00</b>	<b>115,036</b>	<b>1.28</b>	<b>8,555,122</b>	<b>100.00</b>	<b>111,677</b>	<b>1.31</b>



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

(in millions of RMB unless otherwise stated)

	30 June 2025				31 December 2024			
	Loans	Proportion (%)	Non-performing loans	Non-performing loan ratio (%)	Loans	Proportion (%)	Non-performing loans	Non-performing loan ratio (%)
<b>Corporate loans</b>	<b>5,931,365</b>	<b>65.92</b>	<b>77,183</b>	<b>1.30</b>	<b>5,566,578</b>	<b>65.07</b>	<b>81,838</b>	<b>1.47</b>
Transportation, storage and postal services	1,023,329	11.37	3,204	0.31	985,091	11.50	3,179	0.32
Manufacturing	1,147,914	12.76	15,747	1.37	1,053,309	12.31	15,068	1.43
Leasing and commercial services	1,028,893	11.43	6,020	0.59	948,410	11.09	6,754	0.71
Real estate	536,140	5.96	23,148	4.32	527,675	6.17	25,612	4.85
Water conservancy, environmental and other public facilities	459,105	5.10	2,863	0.62	467,212	5.46	2,816	0.60
Production and supply of electric power, heat, gas and water	481,710	5.35	1,552	0.32	456,439	5.34	2,675	0.59
Wholesale and retail trade	329,993	3.67	8,671	2.63	289,006	3.38	8,576	2.97
Construction	238,014	2.65	2,865	1.20	210,582	2.46	2,482	1.18
Finance	165,198	1.84	47	0.03	144,878	1.69	1,081	0.75
Education, science, culture and public health	170,493	1.89	4,702	2.76	151,490	1.77	4,641	3.06
Mining	132,658	1.47	894	0.67	123,059	1.44	986	0.80
Others	70,255	0.78	550	0.78	86,090	1.01	654	0.76
Information transmission, software and information technology services	105,736	1.18	1,663	1.57	89,510	1.05	1,697	1.90
Accommodation and catering	41,927	0.47	5,257	12.54	33,827	0.40	5,617	16.61
<b>Personal loans</b>	<b>2,830,359</b>	<b>31.45</b>	<b>37,838</b>	<b>1.34</b>	<b>2,752,406</b>	<b>32.17</b>	<b>29,827</b>	<b>1.08</b>
<b>Discounted bills</b>	<b>236,775</b>	<b>2.63</b>	<b>15</b>	<b>0.01</b>	<b>236,138</b>	<b>2.76</b>	<b>12</b>	<b>0.01</b>
<b>Total</b>	<b>8,998,499</b>	<b>100.00</b>	<b>115,036</b>	<b>1.28</b>	<b>8,555,122</b>	<b>100.00</b>	<b>111,677</b>	<b>1.31</b>

## Distribution of loans and non-performing loans by region

(in millions of RMB unless otherwise stated)

	30 June 2025				31 December 2024			
	Loans	Proportion (%)	Non-performing loans	Non-performing loan ratio (%)	Loans	Proportion (%)	Non-performing loans	Non-performing loan ratio (%)
Yangtze River Delta	2,599,568	28.89	26,005	1.00	2,432,084	28.43	24,213	1.00
Pearl River Delta	1,203,302	13.37	15,399	1.28	1,115,864	13.04	14,704	1.32
Bohai Rim Economic Zone	1,449,640	16.11	14,935	1.03	1,406,292	16.44	14,279	1.02
Central China	1,449,256	16.11	14,881	1.03	1,370,600	16.03	14,535	1.06
Western China	1,092,830	12.14	8,995	0.82	1,024,200	11.97	8,989	0.88
North Eastern China	285,656	3.18	7,573	2.65	274,860	3.21	8,902	3.24
Overseas	330,493	3.67	11,412	3.45	329,666	3.85	13,459	4.08
Head Office	587,754	6.53	15,836	2.69	601,556	7.03	12,596	2.09
<b>Total</b>	<b>8,998,499</b>	<b>100.00</b>	<b>115,036</b>	<b>1.28</b>	<b>8,555,122</b>	<b>100.00</b>	<b>111,677</b>	<b>1.31</b>

Note: Head Office included the Pacific Credit Card Center.

The Group implements differentiated one-policy-for-one-branch management based on regional economic traits and adjusts branches' business authority dynamically.

## Overdue loans and advances

(in millions of RMB unless otherwise stated)

Overdue period	30 June 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 3 months	36,429	0.40	42,389	0.50
3 months to 1 year	45,068	0.50	35,685	0.42
1 to 3 years	35,298	0.39	31,131	0.36
Over 3 years	10,307	0.12	8,893	0.10
<b>Total</b>	<b>127,102</b>	<b>1.41</b>	<b>118,098</b>	<b>1.38</b>

As at the end of the Reporting Period, the balance of overdue loans was RMB127.102 billion, increasing by RMB9.004 billion from the end of the previous year. The overdue ratio was 1.41%, representing an increase of 0.03 percentage point from the end of the previous year. The balance of 90-day+ overdue loans was RMB90.673 billion, increasing by RMB14.964 billion from the end of the previous year.

## Restructured loans

<i>(in millions of RMB unless otherwise stated)</i>				
	30 June 2025		31 December 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Restructured loans	<b>74,994</b>	<b>0.83</b>	66,959	0.78
Including: 3-month+ overdue restructured loans	<b>11,267</b>	<b>0.13</b>	7,985	0.09

Note: Calculated pursuant to regulatory standards.

## Loan migration rates

(%)	January to June 2025	2024	2023
Migration rate of pass loans	<b>0.60</b>	1.02	1.13
Migration rate of special mention loans	<b>15.74</b>	17.04	24.93
Migration rate of sub-standard loans	<b>62.77</b>	65.85	60.90
Migration rate of doubtful loans	<b>58.50</b>	66.81	65.57

Note: Calculated pursuant to regulatory standards. The data of previous periods has been retroactively adjusted.

## Credit risk concentration

As at the end of the Reporting Period, the total loans to the largest single borrower of the Group accounted for 3.77% of the Group's net capital, and the total loans to the top 10 borrowers accounted for 18.44% of the Group's net capital. The information relating to the loans to the top 10 single borrowers as at the end of the Reporting Period is shown below.

<i>(in millions of RMB unless otherwise stated)</i>			
30 June 2025			Percentage of total loans (%)
Industry	Amount		
Customer A Production and supply of electric power, heat, gas and water	61,000		0.68
Customer B Production and supply of electric power, heat, gas and water	49,998		0.56
Customer C Leasing and commercial services	35,000		0.39
Customer D Transportation, storage and postal services	32,184		0.36
Customer E Transportation, storage and postal services	28,931		0.32
Customer F Real estate	23,525		0.26
Customer G Transportation, storage and postal services	17,293		0.19
Customer H Transportation, storage and postal services	17,135		0.19
Customer I Production and supply of electric power, heat, gas and water	16,988		0.19
Customer J Transportation, storage and postal services	16,709		0.19
<b>Total of top 10 customers</b>	<b>298,763</b>		<b>3.32</b>

#### **4. *Market Risk Management***

Market risk refers to the risk of losses of on-and off-balance sheet business activities of the Bank arising from unfavourable changes in interest rates, exchange rates, commodity prices, share prices and other factors. Interest rate risk and exchange rate risk were the major market risks encountered by the Group during the Reporting Period.

The objective of the Group's market risk management is to proactively identify, measure, monitor, control and report market risks in accordance with the risk appetite determined by the Board of Directors; control market risks within tolerable and reasonable limits through the use of methods and tools such as limit management, risk hedging and risk transfer to achieve a reasonable balance between risk and return.

According to the *Administrative Measures for the Capital of Commercial Banks* issued by the National Financial Regulatory Administration and its implementation requirements, for market risk capital measurement, the Group uses the standards-based approach; and during the transition period, the non-bank subsidiaries and Brazilian sub-branches are using the simplified standards-based approach. The measurement of market risk capital should cover default risk, general interest rate risk, credit spread risk, stock risk in the transaction book of commercial banks, all-book exchange rate risk and commodity risk. The capital measurement results are applied to limit monitoring, performance appraisal, risk monitoring and analysis, etc.

During the Reporting Period, the Group kept improving the market risk management system, enhanced management policies and procedures, optimized the risk management system, strengthened product management, optimized limit setting, and improved derivatives business risk management. The Group closely monitored financial market fluctuations; strengthened market research and judgement, and risk monitoring and warning; enhanced risk assessment and inspection; and strictly controlled various market risk limits to continuously improve market risk management.

## 5. *Liquidity Risk Management*

Liquidity risk is the risk that occurs when the commercial bank cannot obtain sufficient funds in time and at a reasonable cost to repay debts when they are due, fulfil other payment obligations, or meet other funding needs in the normal course of business. The main factors affecting the liquidity risk include early withdrawal by deposit customers, deferred repayment by loan customers, mismatch of asset and liability structure, difficulty in asset realization, decline in financing capability, etc.

The governance structure of the Group's liquidity risk management includes a decision-making body consisting of the Board of Directors and its Special Committees and Senior Management, a supervisory institution consisting of the Board of Supervisors and the Audit and Supervisory Bureau, and an executive institution consisting of the Finance and Management Department, the Financial Markets Department, the Risk Management Department, the Operations and Channels Management Department, the subsidiaries, branches, and the competent authorities in charge of the head office of the various businesses.

The Group determines its liquidity risk appetite and formulates its liquidity risk management strategies and policies each year based on factors such as its business strategy, business characteristics, financial strength, financing ability, overall risk appetite and market influence.

During the Reporting Period, the Group continued to improve its liquidity risk management system, and flexibly adjusted its liquidity management strategy and business development structure and tempo when appropriate; expanded diversified financing channels, and issued long-term bonds to supplement stable funds, closely monitored liquidity risk indicators, to ensure daily liquidity safety and smooth operation of the indicators. The Group regularly carried out liquidity risk emergency drills, improved the response speed to emergencies and the ability to resolve liquidity risk.

The Group regularly launched stress tests for liquidity risk, in which various factors which may affect liquidity situation were given full consideration and stress scenes were appropriately set up. The results of stress tests showed that the Bank's liquidity risk was within a controllable range under various stress scenes.

As at the end of the Reporting Period, the table below shows the liquidity ratio indicator of the Group:

	<b>Standard value</b>	<b>30 June 2025</b>	31 December 2024	31 December 2023
Liquidity ratios (%)	≥25	<b>77.06</b>	73.34	64.92

Note: Calculated according to the regulatory standard of the NFRA.

The daily average liquidity coverage ratio of the Group during the second quarter of 2025 was 135.38%. In the first quarter of 2025, the quarter-end net stable funding ratio of the Group was 111.64%, and in the second quarter of 2025, the quarter-end net stable funding ratio of the Group was 113.19%, which all met the regulatory requirements. For further information on the Group's liquidity coverage ratio and net stable funding ratio, please refer to the *Pillar 3 Report on 30 June 2025* published on the official website of the Bank.

## **6. Other Risk Management**

The Group's risk management also includes operational risk management, legal compliance and anti money laundering, reputation risk management, cross-industry cross-border and sovereign risk management, management of large exposure risk, climate and environment management.

## **(IV) OUTLOOK**

Currently, the external environment for the operation and development of the banking industry still faces many uncertainties and challenges. However, the fundamental trend of long-term positive development of the Chinese economy remains unchanged. As various policies gradually take effect in a coordinated manner, it is expected that the overall development trend will remain stable and steady with progress in the second half of the year. In the next stage, the Group will continue to deeply practice the political and people-oriented nature of financial work. It will effectively serve as the main force in serving the real economy and the ballast stone in maintaining financial stability, and make greater contributions to implementing the "Four Stabilities" requirements and achieving national economic development targets. The Group will firmly implement the development strategy and promote high-quality development, with a focus on the following aspects:

**First, the Bank will make concrete and meticulous efforts in the "five priorities" of finance, and continue to develop its business characteristics.** It will enhance the efficiency of capital utilization, thoroughly implement a package of financial policies, and carry out the "five priorities" of finance in line with local conditions, providing full life-cycle and full-chain financial services for sci-tech innovation enterprises; improve the quality and quantity of green finance, and expand the coverage of services for micro, small and medium-sized enterprises, private enterprises, and the "Three Rural" areas through digital means; comprehensively support the development of finance for the elderly care industry, ageing finance, pension wealth finance, pension consumption finance, and the improvement of ageing-friendly financial services.

**Second, the Bank will intensify efforts to consolidate the advantages of a Shanghai-based bank.** The Bank will serve Shanghai's 5-center Initiative and develop business characteristics with efforts in enhancing the Shanghai-based bank as a driving force. It will improve the organizational service system to enhance the capacity of sci-tech finance; strengthen product and service innovation to consolidate and expand the leading advantage in financial market business; focus on integrating resources and enriching functions to develop distinctive features in offshore finance and cross-border finance; cultivate new advantages in trade finance services to support the quality improvement and upgrading of the trade center; deeply participate in the construction of the digital platform for shipping and trade to support building an international shipping center; continue to practice the concept of a people-oriented city to actively serve the construction of a modern urban system. By optimizing and strengthening the construction of a Shanghai-based bank, the Bank aims to establish a foothold in Shanghai, serve the whole country, and radiate influence worldwide.

**Third, the Bank will continue to promote digitalization to empower transformation and development.** It will promote the integration of financial services into digital scenes, expand the coverage of financial services, and implement digital business model reforms. The Bank will develop technological support capabilities and strengthen data capabilities, and drive service efficiency improvements through “data factor ×” and “AI +” to empower the development of key sectors.

**Fourth, the Bank will dynamically optimize and adjust the business structure.** It will maintain its efforts to serve the real economy, improve the quality and efficiency of services, promote the coordinated development and structural optimization of asset and liability business in terms of both volume and price, and ensure that key performance indicators are comparable among industry peers. The Bank will continuously serve major national strategies in the Yangtze River Delta, Beijing-Tianjin-Hebei, the Greater Bay Area, and the Chengdu-Chongqing metropolitan area, and continuously enhance the contribution and presence of BOCOM.

**Fifth, the Bank will advance the customer base improvement.** It will improve the customer operation and management mechanism, further deepen online-offline integration, strengthen the G-B-C coordinated development, continuously enhance the capability to acquire customers in batches. It will intensify the coordinated expansion of source fund businesses such as payroll processing, social security, and pensions, focus on consumption and payment settlement, deepen the construction of scene ecosystem, and improve customer service experience.

**Sixth, the Bank will firmly hold the bottom line and effectively prevent risks.** It will strengthen the integrated and penetrating management of the Group, continuously improve the total risk management mechanism. Efforts will be made to strengthen the bottom-line and extreme thinking, and implement the “four early” requirements to strictly prevent external shocks. The Bank will effectively manage risks in key areas such as real estate and local government debt.

## **V. OTHER INFORMATION**

### **(I) Compliance with the Corporate Governance Code**

The Bank strictly complied with the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, *Law of the People’s Republic of China on Commercial Banks* and other relevant laws, regulations and rules. The Bank actively explored the corporate governance mechanisms of large commercial banks with Chinese characteristics and consistently improved the level of corporate governance in order to sufficiently protect the rights of both domestic and overseas investors as well as other relevant stakeholders.

The directors of the Bank confirmed that, in addition to the above, during the Reporting Period, the Bank has complied with code provisions contained in the *Corporate Governance Code* of the Appendix C1 of Rules Governing the Listing of Securities on The Hong Kong Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) at all times, and complied with a majority of the recommended best practices.



## **(II) Securities Transactions of Directors, Supervisors and Senior Management**

The Bank required that the Directors, Supervisors and Senior Management of the Bank to strictly adhere to the *Management Rules for the Shares Held by Directors, Supervisors and Senior Managers of Listed Companies and their Changes* of the CSRC and the *Model Code for Securities Transactions by Directors of Listed Issuers* contained in Appendix C3 to the Hong Kong Listing Rules. Also, the Bank adopted a set of standards not less exacting than those mentioned above for the securities transactions of the Directors, Supervisors and Senior Management. Having made enquiry, all the Directors, Supervisors and Senior Management of the Bank confirmed that the securities transactions conducted by them were in compliance with the above rules during the Reporting Period.

## **(III) Profit Distribution Plan**

Pursuant to the resolution of 2025 interim profit distribution considered at the 24th meeting of the 10th Session of Board of Directors of the Bank, a cash dividend of RMB1.563 (inclusive of tax) per 10 shares will be distributed to registered shareholders of A share and H share, totaling RMB13.811 billion (inclusive of tax), which was calculated based on a total number of ordinary shares of 88.364 billion shares as at the end of the Reporting Period. The abovementioned plan complies with the provisions of the Articles of Association and review procedures, fully protects the legitimate rights and interests of small and medium-sized investors, and has been commented by independent directors. Current distribution does not involve bonus shares or share capital increase from capital accumulation fund. The 2025 interim profit distribution plan is subject to the approval of the general meeting of the Bank to be convened in due course. The distribution of the interim dividend will provide shareholders of H shares with RMB dividends currency option, and shareholders of H shares will be given the option to elect to receive the interim dividend for H shares entirely in RMB or HKD (partial election of currency option is only applicable to Hong Kong Securities Clearing Company Nominees Limited).

## **(IV) Audit Committee**

The Bank has established an Audit Committee under the Board of Directors in accordance with the requirements of the Hong Kong Listing Rules. As at the date of this report, the Audit Committee comprised six members, including Ms. Li Xiaohui, Mr. Chang Baosheng, Mr. Ai Dong, Mr. Shi Lei, Mr. Zhang Xiangdong and Mr. Wong Tin Chak. Ms. Li Xiaohui, independent non-executive director, served as the chairman. The Audit Committee and the senior management have reviewed the Bank's accounting policies and practices and discussed issues relating to internal controls and financial reporting including reviewing this Report. At the same time, the Committee is also responsible for the coordination of the Bank's senior management, internal audit department and other relevant departments as well as their communication with the external auditors so as to ensure that the internal audit department has sufficient resources to operate within the Bank and has appropriate status.

## VI. FINANCIAL REPORT

### Unaudited interim condensed consolidated statement of profit or loss and other comprehensive income

(All amounts presented in millions of RMB except when otherwise indicated)

	Six months ended 30 June	
	2025	2024
Interest income	213,961	228,038
Interest expense	(128,714)	(143,804)
<b>Net interest income</b>	<b>85,247</b>	<b>84,234</b>
Fee and commission income	22,429	22,933
Fee and commission expense	(1,971)	(1,933)
<b>Net fee and commission income</b>	<b>20,458</b>	<b>21,000</b>
Net gains/(losses) arising from trading activities	10,669	12,089
Net gains/(losses) arising from financial investments	2,275	934
<i>Including: Net gains on derecognition of financial assets \</i> <i>measured at amortised cost</i>	560	104
Net gains/(losses) on investments in associates and joint ventures	242	307
Other operating income	14,607	13,986
<b>Net operating income</b>	<b>133,498</b>	<b>132,550</b>
Credit impairment losses	(32,814)	(33,021)
Other assets impairment losses	(531)	(467)
Other operating expenses	(53,243)	(51,384)
<b>Profit before tax</b>	<b>46,910</b>	<b>47,678</b>
Income tax	(455)	(1,853)
<b>Net profit for the period</b>	<b>46,455</b>	<b>45,825</b>

**Unaudited interim condensed consolidated statement of profit or loss and other comprehensive income (continued)**

*(All amounts presented in millions of RMB except when otherwise indicated)*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Other comprehensive income, net of tax</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Changes in fair value of debt instruments measured at fair value through other comprehensive income		
<i>Amount recognised in equity</i>	<b>581</b>	8,561
<i>Amount reclassified to profit or loss</i>	<b>(1,317)</b>	(801)
Expected credit losses of debt instruments measured at fair value through other comprehensive income		
<i>Amount recognised in equity</i>	<b>621</b>	(254)
<i>Amount reclassified to profit or loss</i>	<b>–</b>	–
Effective portion of gains or losses on hedging instruments in cash flow hedges		
<i>Amount recognised in equity</i>	<b>(1,083)</b>	339
<i>Amount reclassified to profit or loss</i>	<b>1,275</b>	(31)
Translation differences for foreign operations	<b>(97)</b>	(34)
Others	<b>(1,082)</b>	(2,734)
Subtotal	<b>(1,102)</b>	5,046
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Actuarial revaluation on pension benefits	<b>(5)</b>	–
Changes in fair value of equity instruments designated at fair value through other comprehensive income	<b>1,180</b>	1,251
Changes in fair value attributable to changes in the credit risk of financial liability designated at fair value through profit or loss	<b>331</b>	(219)
Others	<b>(223)</b>	(460)
Subtotal	<b>1,283</b>	572

**Unaudited interim condensed consolidated statement of profit or loss and other comprehensive income (continued)**

*(All amounts presented in millions of RMB except when otherwise indicated)*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
Other comprehensive income, net of tax	<u>181</u>	<u>5,618</u>
<b>Total comprehensive income for the period</b>	<b><u>46,636</u></b>	<b><u>51,443</u></b>
<b>Net profit attributable to:</b>		
Shareholders of the parent company	46,016	45,287
Non-controlling interests	<u>439</u>	<u>538</u>
	<b><u>46,455</u></b>	<b><u>45,825</u></b>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the parent company	46,072	50,710
Non-controlling interests	<u>564</u>	<u>733</u>
	<b><u>46,636</u></b>	<b><u>51,443</u></b>
<b>Basic and diluted earnings per share for profit attributable to holders of ordinary shares of the parent company (<i>in RMB yuan</i>)</b>		
	<b><u>0.59</u></b>	<b><u>0.56</u></b>

## Unaudited interim condensed consolidated statement of financial position

*(All amounts presented in millions of RMB except when otherwise indicated)*

	As at 30 June 2025	As at 31 December 2024
<b>ASSETS</b>		
Cash and balances with central banks	751,611	717,354
Due from and placements with banks and other financial institutions	971,094	974,042
Derivative financial assets	57,897	100,375
Loans and advances to customers	8,777,937	8,351,131
Financial investments at fair value through profit or loss	602,018	656,152
Financial investments at amortised cost	2,667,177	2,581,793
Financial investments at fair value through other comprehensive income	1,151,871	1,082,144
Investments in associates and joint ventures	13,788	11,601
Property and equipment	244,781	238,949
Deferred tax assets	44,162	42,752
Other assets	153,069	144,424
<b>Total assets</b>	<b>15,435,405</b>	<b>14,900,717</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Due to and placements from banks and other financial institutions	2,324,674	2,431,451
Financial liabilities at fair value through profit or loss	57,262	50,254
Derivative financial liabilities	50,196	85,473
Deposits from customers	9,171,358	8,800,335
Certificates of deposits issued	1,515,200	1,384,372
Income tax payable	4,979	8,056
Debt securities issued	711,828	691,248
Deferred tax liabilities	3,150	4,324
Other liabilities	291,988	289,607
<b>Total liabilities</b>	<b>14,130,635</b>	<b>13,745,120</b>

# **Unaudited interim condensed consolidated statement of financial position (continued)**

*(All amounts presented in millions of RMB except when otherwise indicated)*

	As at 30 June 2025	As at 31 December 2024
<b>LIABILITIES AND EQUITY (CONTINUED)</b>		
<b>EQUITY</b>		
Share capital	88,364	74,263
Other equity instruments	174,796	174,796
<i>Including: Preference shares</i>	44,952	44,952
<i>Perpetual bonds</i>	129,844	129,844
Capital surplus	217,261	111,420
Other reserves	457,600	435,562
Retained earnings	355,968	348,265
	<hr/>	<hr/>
<b>Equity attributable to shareholders of the parent company</b>	<b>1,293,989</b>	<b>1,144,306</b>
	<hr style="border-top: 1px dashed;"/>	<hr style="border-top: 1px dashed;"/>
Equity attributable to non-controlling interests of ordinary shares	8,081	7,706
Equity attributable to non-controlling interests of other equity instruments	2,700	3,585
	<hr/>	<hr/>
<b>Non-controlling interests</b>	<b>10,781</b>	<b>11,291</b>
	<hr style="border-top: 1px dashed;"/>	<hr style="border-top: 1px dashed;"/>
<b>Total equity</b>	<b>1,304,770</b>	<b>1,155,597</b>
	<hr style="border-top: 1px dashed;"/>	<hr style="border-top: 1px dashed;"/>
<b>Total equity and liabilities</b>	<b>15,435,405</b>	<b>14,900,717</b>
	<hr style="border-top: 3px double;"/>	<hr style="border-top: 3px double;"/>

# Unaudited interim condensed consolidated statement of changes in equity

(All amounts presented in millions of RMB except when otherwise indicated)

	Equity attributable to shareholders of the parent company															Non-controlling interests			
	Other equity instruments					Other reserves										Attributable to the shareholders of the parent company	Attributable to ordinary shares	Attributable to other equity instruments	Total
						Discretionary surplus reserve	Statutory general reserve	through other comprehensive income	Revaluation reserve and impairment for financial assets at fair value through profit or loss	Revaluation reserve for the changes in credit risk of the financial liabilities designated at fair value	Effective portion of gains or losses on hedging instruments in cash flow hedges	Translation differences for foreign operations	Actuarial changes reserve	Others	Retained earnings				
As at 1 January 2025	74,263	44,952	129,844	111,420	106,014	140,545	173,176	17,289	33	(25)	4,165	(104)	(5,531)	348,265	1,144,306	7,706	3,585	1,155,597	
Total comprehensive income	-	-	-	-	-	-	-	455	331	192	(112)	(5)	(805)	46,016	46,072	497	67	46,636	
Capital contribution by ordinary shareholders	14,101	-	-	105,839	-	-	-	-	-	-	-	-	-	-	119,940	-	-	119,940	
Capital contribution and reduction by other equity instruments holders	-	-	-	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(885)	(901)	
Dividends paid to ordinary shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,630)	(14,630)	(122)	-	(14,752)	
Interest paid to perpetual bond holders	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,685)	(1,685)	-	-	(1,685)	
Interest paid to non-cumulative subordinated additional tier-1 capital securities holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(67)	(67)	
Transferred to reserves	-	-	-	-	8,009	-	14,017	-	-	-	-	-	-	(22,026)	-	-	-	-	
Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	(44)	-	-	-	-	-	44	-	-	-	-	
Others	-	-	-	2	-	-	-	-	-	-	-	-	-	-	2	-	-	2	
As at 30 June 2025	88,364	44,952	129,844	217,261	114,023	140,545	187,193	17,700	364	167	4,053	(109)	(6,336)	355,968	1,293,989	8,081	2,700	1,304,770	



# Unaudited interim condensed consolidated statement of changes in equity (continued)

(All amounts presented in millions of RMB except when otherwise indicated)

	Equity attributable to shareholders of the parent company														Non-controlling interests			
	Other equity instruments				Other reserves										Attributable to the shareholders of the parent company	Attributable to ordinary shares	Attributable to other equity instruments	Total
	Share capital	Preference share	Perpetual bonds	Capital surplus	Statutory reserve	Discretionary surplus reserve	Statutory general reserve	Revaluation reserve and impairment for financial assets at fair value through other comprehensive income	Revaluation reserve for the changes in credit risk of the financial liabilities designated at fair value through profit or loss	Effective portion of gains or losses on hedging instruments in cash flow hedges	Translation differences for foreign operations	Actuarial changes reserve	Others	Retained earnings				
As at 1 January 2024	74,263	44,952	129,838	111,428	97,227	140,399	159,053	1,277	301	84	3,214	(88)	(662)	326,744	1,088,030	7,912	3,508	1,099,450
Total comprehensive income	-	-	-	-	-	-	-	7,345	(219)	307	(27)	-	(1,983)	45,287	50,710	642	91	51,443
Dividends paid to ordinary shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,849)	(27,849)	(170)	-	(28,019)
Dividends paid to preference shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,832)	(1,832)	-	-	(1,832)
Interest paid to perpetual bond holders	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,685)	(1,685)	-	-	(1,685)
Interest paid to non-cumulative subordinated additional tier-1 capital securities holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66)	(66)
Transferred to reserves	-	-	-	-	8,162	-	13,367	-	-	-	-	-	-	(21,529)	-	-	-	-
Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-	-	(38)	-	-	-	-	-	38	-	-	-	-
As at 30 June 2024	74,263	44,952	129,838	111,428	105,389	140,399	172,420	8,584	82	391	3,187	(88)	(2,645)	319,174	1,107,374	8,384	3,533	1,119,291

# **Unaudited interim condensed consolidated statement of cash flows**

*(All amounts presented in millions of RMB except when otherwise indicated)*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities:</b>		
Profit before tax:	<b>46,910</b>	47,678
Adjustments for:		
Provision for credit impairment losses	<b>32,814</b>	33,021
Provision for other assets impairment losses	<b>531</b>	467
Depreciation and amortization	<b>9,913</b>	9,512
Provision for outstanding litigation	<b>(96)</b>	51
Net gains on the disposal of property, equipment and other assets	<b>(722)</b>	(377)
Interest income on financial investments	<b>(56,479)</b>	(55,915)
Net (gains)/losses on fair value and foreign exchange	<b>(5,079)</b>	(1,693)
Net (gains)/losses on investments in associates and joint ventures	<b>(242)</b>	(307)
Net (gains)/losses arising from financial investments	<b>(2,176)</b>	(829)
Interest expense on debt securities issued	<b>9,010</b>	8,061
Interest expense on lease liabilities	<b>88</b>	89
Operating cash flows before movements in operating assets and liabilities	<b>34,472</b>	39,758
Net decrease in balances with central banks	<b>14,837</b>	29,330
Net decrease in due from and placements with banks and other financial institutions	<b>7,338</b>	7,550
Net increase in loans and advances to customers	<b>(458,863)</b>	(326,103)
Net decrease in financial assets at fair value through profit or loss	<b>58,770</b>	29,397
Net increase in other assets	<b>(8,920)</b>	(56,438)
Net decrease in due to and placements from banks and other financial institutions	<b>(114,563)</b>	(156,987)
Net increase in financial liabilities at fair value through profit or loss	<b>10,127</b>	2,007
Net increase in deposits from customers and certificates of deposit issued	<b>505,951</b>	199,135
Net increase in other liabilities	<b>9,960</b>	14,041
Net increase in value-added tax and other taxes payable	<b>295</b>	483
Income tax paid	<b>(5,925)</b>	(4,615)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>53,479</b>	(222,442)

# **Unaudited interim condensed consolidated statement of cash flows (continued)**

*(All amounts presented in millions of RMB except when otherwise indicated)*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from investing activities:</b>		
Cash payment for investment in subsidiaries, associated ventures and joint ventures	(1,973)	(117)
Cash payments for financial investments	(584,754)	(674,206)
Proceeds from disposal or redemption of financial investments	443,374	731,976
Dividends received	531	317
Interest received from financial investments	55,432	57,294
Acquisition of intangible assets and other assets	(582)	(274)
Cash received from the sale of intangible assets and other assets	20	6
Acquisition of property and equipment	(18,734)	(18,857)
Cash received from disposal of property and equipment	4,390	1,903
<b>Net cash flows generated from/(used in) investing activities</b>	<b>(102,296)</b>	<b>98,042</b>
<b>Cash flows from financing activities:</b>		
Cash received from the issuance of ordinary shares	120,000	—
Cash received from issuing other equity instruments	2,700	—
Proceeds from issue of debt securities	105,745	70,876
Repayment of principal and interest of lease liabilities	(1,066)	(1,119)
Repayment of principals of debt securities issued	(86,440)	(64,804)
Payment of interest on debt securities	(7,254)	(7,387)
Cash received for redemption of other equity instruments	(3,601)	—
Dividends paid	(29,828)	(1,685)
Cash paid for the issuance of ordinary shares	(22)	—
Dividends paid to non-controlling interests	(91)	(77)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>100,143</b>	<b>(4,196)</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents held</b>	<b>956</b>	<b>(1,081)</b>
<b>Net changes in cash and cash equivalents</b>	<b>52,282</b>	<b>(129,677)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>161,950</b>	<b>275,461</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>214,232</b>	<b>145,784</b>
<b>Net cash flows from operating activities include:</b>		
Interest received	161,898	174,448
Interest paid	(124,793)	(133,318)

## 1 Significant accounting policies

### (1) Basis of preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”, as well as with all applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

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

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

### (2) Changes in accounting policies

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

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

		Effective for annual periods beginning on or after	Note
Amendments to IAS 21	Lack of exchangeability	1 January 2025	(i)

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

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

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

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

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

(ii) IFRS 18: Presentation and Disclosure in Financial Statements

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

**(3) Significant accounting estimates and judgements in applying accounting policies**

The preparation of this interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expense. Actual results may differ from these estimates.

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

**2 Net interest income**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
<b>Interest income</b>		
Loans and advances to customers	<b>138,325</b>	150,721
Financial investments	<b>56,479</b>	55,915
Due from and placements with banks and other financial institutions	<b>13,580</b>	15,506
Balances with central banks	<b>5,577</b>	5,896
	<hr/>	<hr/>
Subtotal	<b>213,961</b>	228,038
	<hr/>	<hr/>
<b>Interest expense</b>		
Deposits from customers	<b>(81,155)</b>	(91,706)
Due to and placements from banks and other financial institutions	<b>(22,108)</b>	(28,664)
Certificates of deposit issued	<b>(16,441)</b>	(15,373)
Debt securities issued	<b>(9,010)</b>	(8,061)
	<hr/>	<hr/>
Subtotal	<b>(128,714)</b>	(143,804)
	<hr/>	<hr/>
<b>Net interest income</b>	<b>85,247</b>	84,234
	<hr/>	<hr/>

### 3 Fee and commission income

	Six months ended 30 June	
	2025	2024
Bank cards business	7,888	8,027
Custody and other fiduciary business	4,503	4,681
Wealth management business	4,121	4,121
Agency services	2,303	2,128
Guarantee and commitment	1,723	1,705
Investment banking	1,107	1,299
Settlement services	744	896
Others	40	76
	<hr/>	<hr/>
Total	<b>22,429</b>	<b>22,933</b>
	<hr/> <hr/>	<hr/> <hr/>

### 4 Credit impairment losses

	Six months ended 30 June	
	2025	2024
Loans and advances to customers at amortised cost	29,440	31,179
Due from and placements with banks and other financial institutions	1,202	494
Loans and advances to customers at FVOCI	786	137
Debt investments at FVOCI	240	(8)
Credit related commitments and financial guarantees	197	1,373
Financial investments at amortised cost	60	(261)
Others	889	107
	<hr/>	<hr/>
Total	<b>32,814</b>	<b>33,021</b>
	<hr/> <hr/>	<hr/> <hr/>

### 5 Other assets impairment losses

	Six months ended 30 June	
	2025	2024
Operating lease assets	520	409
Foreclosed assets	11	58
	<hr/>	<hr/>
Total	<b>531</b>	<b>467</b>
	<hr/> <hr/>	<hr/> <hr/>



## 6 Income tax

	Six months ended 30 June	
	2025	2024
Current income tax		
– Enterprise income tax	1,486	2,082
– Hong Kong profits tax	774	866
– Other countries or regions	597	382
Subtotal	2,857	3,330
Deferred income tax	(2,402)	(1,477)
Total	455	1,853

The provision for enterprise income tax in Chinese Mainland is calculated based on the statutory rate of 25% (2024: 25%) of the assessable income of the Bank and each of the subsidiary established in Chinese Mainland. Taxation arising in other jurisdictions (including Hong Kong) is calculated at the rates prevailing in the relevant jurisdictions, the shortfall arising from the difference between tax paid by overseas branches and the accrued tax under the regulation of Chinese Mainland shall be compensated by the head office.

The actual taxation on the Group differs from the theoretical amount calculated using the Group's profit before tax at the tax rate of 25% (2024: 25%). The major reconciliation items are as follows:

		Six months ended 30 June	
	Note	2025	2024
Profit before tax		46,910	47,678
Tax calculated at statutory rate of 25%		11,728	11,920
Effects of different tax rates prevailing in other countries or regions		(276)	(271)
Effects of non-deductible expenses	(1)	1,806	2,689
Effects of non-taxable income	(2)	(12,371)	(11,843)
Adjustments for income tax filing of prior years		(11)	(221)
Others		(421)	(421)
Income tax		455	1,853

(1) Non-deductible expenses primarily represent non-deductible write-offs.

(2) Non-taxable income primarily represents interest income from PRC treasury bonds and municipal government bonds and fund investment income.

## 7 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the period.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
Net profit attributable to shareholders of the parent company	<b>46,016</b>	45,287
Less: Dividends paid to preference shareholders	–	(1,832)
Interest paid to perpetual bond holders	<b>(1,685)</b>	(1,685)
	<hr/>	<hr/>
Net profit attributable to holders of ordinary shares of the parent company	<b><u>44,331</u></b>	<b><u>41,770</u></b>
Weighted average number of ordinary shares in issue (expressed in millions) at the end of the period	<b>75,587</b>	74,263
Basic and diluted earnings per share (expressed in RMB per share)	<b>0.59</b>	0.56

For the calculation of basic earnings per share, interests of RMB1,685 million on perpetual bond declared for the period was deducted from the amounts attributable to shareholders of the parent company.

The conversion feature of preference shares may lead to the possible existence of contingently issuable ordinary shares. The triggering events of conversion did not occur for the six months ended 30 June 2025, and therefore the conversion feature of preference shares has no effect on the calculation of the basic and diluted earnings per share.

## 8 Derivative financial instruments

A derivative is a financial instrument, the value of which changes in response to the changes in a specified foreign exchange rate, interest rate, commodity price or other similar variables. The Group utilize derivative financial instruments for trading or hedging purposes, including forwards, swaps and options.

The notional amount of a derivative represents the underlying amount of the specific financial instruments mentioned above. It indicates the volume of business transacted by the Group but does not reflect the risk.

The notional amounts and fair values of derivative financial instruments held by the Group are set out below:

As at 30 June 2025	Contractual/ notional amount	Fair values	
		Assets	Liabilities
Foreign exchange contracts	5,129,637	28,536	(30,260)
Interest rate contracts	5,220,844	24,780	(16,616)
Commodity contracts and others	105,167	4,581	(3,320)
Total amount of derivative financial instruments recognised	10,455,648	57,897	(50,196)

  

As at 31 December 2024	Contractual/ notional amount	Fair values	
		Assets	Liabilities
Foreign exchange contracts	5,556,881	63,072	(63,594)
Interest rate contracts	5,146,982	34,855	(20,498)
Commodity contracts and others	150,332	2,448	(1,381)
Total amount of derivative financial instruments recognised	10,854,195	100,375	(85,473)

### (1) Fair value hedge

The Group uses interest rate swaps to hedge against changes in fair value arising from changes in interest rates. Some purchased interest rate swap contracts are designated as hedging instruments, whose terms are identical with those of the corresponding hedged items regarding interest rate, maturity and currency. The Group uses regression analysis and critical term match to evaluate the effectiveness of hedging. With the support of testing results, the Group's management considers the hedging relationship to be highly effective.

For the six months ended 30 June 2025 and the six months ended 30 June 2024, the gain and loss arising from the ineffective portion of fair value value hedge were immaterial.

	As at 30 June 2025			As at 31 December 2024			
	Contractual/ notional amount	Fair values		Contractual/ notional amount	Fair values		Line items in the statement of financial position
		Assets	Liabilities		Assets	Liabilities	
Interest rate contract	279,238	6,664	(2,003)	250,693	10,985	(720)	Derivative financial assets/liabilities

- (a) The changes in fair value of the hedging instruments and net gains or losses arising from the hedged risk relating to the hedged items are set out below:

	Six months ended 30 June	
	2025	2024
Net gains or losses from fair value hedges:		
Hedging instruments	(5,334)	2,131
Hedged items attributable to the hedged risk	<u>5,341</u>	<u>(1,900)</u>
Total	<u>7</u>	<u>231</u>

- (b) The following table shows the fair value hedge notional amounts with remaining maturity of:

	Up to 1 month	1 –3 months	3 –12 months	1 –5 years	Over 5 years	Total
As at 30 June 2025	4,599	11,282	24,141	155,533	83,683	279,238
As at 31 December 2024	2,778	2,467	36,312	134,073	75,063	250,693

(c) Details of the Group's hedged items in fair value hedges are as follows:

As at 30 June 2025					
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged item		Line items in the statement of financial position
	Assets	Liabilities	Assets	Liabilities	
Bonds	262,338	–	(4,654)	–	Financial investments at amortised cost/Financial investments at fair value through other comprehensive income Due from and placements with banks and other financial institutions/Loans and advances to customers/ Debt securities issued/ Certificates of deposits issued
Others	17,486	(7,456)	26	14	
Total	<u>279,824</u>	<u>(7,456)</u>	<u>(4,628)</u>	<u>14</u>	
As at 31 December 2024					
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged item		Line items in the statement of financial position
	Assets	Liabilities	Assets	Liabilities	
Bonds	225,633	–	(10,234)	–	Financial investments at amortised cost/Financial investments at FVOCI Due from and placements with banks and other financial institutions/Loans and advances to customers/ Debt securities issued/ Certificates of deposits issued
Others	15,535	(8,816)	11	(45)	
Total	<u>241,168</u>	<u>(8,816)</u>	<u>(10,223)</u>	<u>(45)</u>	

**(2) Cash flow hedge**

The Group uses foreign exchange contracts to hedge against exposures to cash flow variability primarily resulting from foreign exchange risks and uses interest rate swaps to hedge against exposures to cash flow variability primarily resulting from interest rate risks. The hedged items include due from and placements with banks and other financial institutions, loans and advances to customers, financial investments at amortised cost, financial investments at FVOCI, debt securities issued, due to and placements from banks and other financial institutions, certificates of deposits issued, other assets and other liability. The Group mainly uses regression analysis and critical term match to evaluate the effectiveness of hedging.

For the six months ended 30 June 2025 and the six months ended 30 June 2024, the gain and loss arising from the ineffective portion of cash flow hedge were immaterial.

	As at 30 June 2025			As at 31 December 2024			
	Contractual/ notional amount	Fair values		Contractual/ notional amount	Fair values		Line items in the statement of financial position
		Assets	Liabilities		Assets	Liabilities	
Foreign exchange contract	159,131	700	(1,819)	164,199	2,465	(2,061)	Derivative financial assets/liabilities
Interest rate contract	39,816	88	(162)	32,851	291	(40)	Derivative financial assets/liabilities
Total	198,947	788	(1,981)	197,050	2,756	(2,101)	

- (a) The following table shows the cash flow hedge notional amounts with remaining maturity of:

	Up to 1 month	1 –3 months	3 –12 months	1 –5 years	Over 5 years	Total
As at 30 June 2025	12,291	15,687	112,751	54,113	4,105	198,947
As at 31 December 2024	21,953	49,758	84,886	37,218	3,235	197,050

- (b) Information on the Group's risk exposures in cash flow hedges and the impact on equity and profit or loss is as follows:

### Hedged items

	As at 30 June 2025		As at 31 December 2024	
	Assets	Liabilities	Assets	Liabilities
Foreign risk	82,516	(89,340)	94,963	(105,654)
Interest risk	2,530	(32,911)	650	(30,877)
Total	<u>85,046</u>	<u>(122,251)</u>	<u>95,613</u>	<u>(136,531)</u>

### Hedging instruments

	For the six months ended 30 June 2025			
	Fair value changes on hedging instruments recognised in other comprehensive income	Reclassifications from the cash flow hedge reserve to profit or loss	Line item in the statement of profit or loss including reclassifications	cash flow hedge reserve
			Interest income, Interest expense, Net gains/(losses) arising from trading activities	
Foreign risk	1,205	(1,601)	Net gains/(losses) arising from trading activities	181
Interest risk	353	(99)		(348)
Total	<u>1,558</u>	<u>(1,700)</u>		<u>(167)</u>



For the six months ended 30 June 2024

	Fair value changes on hedging instruments recognised in other comprehensive income	Reclassifications from the cash flow hedge reserve to profit or loss	Line item in the statement of profit or loss including reclassifications	cash flow hedge reserve
			Interest income, Interest expense, Net gains/(losses) arising from trading activities	
Foreign risk	(552)	41		(307)
Interest risk	63	–	Nil	(84)
Total	<u>(489)</u>	<u>41</u>		<u>(391)</u>

## 9 Dividends

Six months ended 30 June  
2025 2024

Dividends to ordinary shareholders of the Bank	<b>14,630</b>	27,849
Dividends to preference shareholders of the Bank	–	1,832
Interest to perpetual bond holders of the Bank	<b>1,685</b>	1,685

Under PRC Company Law and the Bank's Articles of Association, the net profit after tax as reported in the PRC statutory financial statements can only be distributed as dividends after allowances for the following:

- (1) Making up cumulative losses from prior years, if any;
- (2) Allocations to the non-distributable statutory reserve of 10% of the net profit of the Bank as determined under the relevant PRC accounting standards;
- (3) Allocations to statutory general reserve;
- (4) Allocations to the discretionary reserve upon approval by the Annual General Meeting of Shareholders. These funds form part of the shareholders' equity. The cash dividends are recognised in the consolidated statement of financial position upon approval by the shareholders at Annual General Meeting.

Pursuant to the approval by the First Extraordinary General Meeting of Shareholders on 8 April 2025, the Bank appropriated a cash dividend of RMB0.197 (before tax) for each ordinary share, with total amount of RMB14,630 million, calculated based on 74,263 million shares outstanding as at 31 December 2024, will be distributed to ordinary shareholders.

The Bank distributed the interest on the 2021 undated capital bonds amounting to RMB1,685 million on 10 June 2025.

## 10 Contingencies

### *Legal proceedings*

The Group has been involved as defendants in certain lawsuits arising from its normal business operations. Management of the Group believes, based on legal advice, the final result of these lawsuits will not have a material impact on the financial position or operations of the Group. The total outstanding claims against the Group (as defendant) by a number of third parties at the end of the period/year are summarised as follows:

	As at <b>30 June</b> <b>2025</b>	As at 31 December 2024
Outstanding litigations	<b>1,083</b>	1,187
Provision for outstanding litigation	<b>301</b>	407

### *Future receivables from operating leases*

The Group acts as lessor in operating leases principally through aircrafts, vessels and equipments leasing undertaken by its subsidiaries. The future minimum lease receivables on certain aircraft, vessel and equipments under irrevocable operating leases are as follows:

	As at <b>30 June</b> <b>2025</b>	As at 31 December 2024
Within 1 year	<b>22,932</b>	21,803
After 1 year and within 2 years	<b>21,599</b>	20,779
After 2 years and within 3 years	<b>19,569</b>	19,095
After 3 years and within 4 years	<b>18,146</b>	17,005
After 4 years and within 5 years	<b>16,009</b>	15,642
After 5 years	<b>67,762</b>	60,418
Total	<b>166,017</b>	154,742

## 11 Commitments

### *Credit related commitments and financial guarantees*

Credit commitments take the form of undrawn loan facilities which are approved and contracted, unutilised credit card limits, financial guarantees, letters of credit, etc. The Group assesses and makes provisions for any probable losses accordingly.

The contractual amounts of loan commitments and credit card overdraft commitments represent the cash outflows should the contracts be fully drawn upon. The amounts of guarantees and letters of credit represent the maximum potential loss that would be recognised if counterparties failed completely to perform as contracted. Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers.

The following tables provide the contractual amounts of the Group's credit related commitments and financial guarantees which the Group has committed to its customers:

	As at 30 June 2025	As at 31 December 2024
Loan commitments		
– Under 1 year	5,813	7,491
– 1 year and above	111,591	106,714
Credit card commitments	927,958	923,923
Acceptance bills	594,803	576,578
Letters of guarantee		
– Financing Guarantee	11,493	11,096
– Non-Financing Guarantee	500,889	479,414
Letters of credit commitments		
– Sight letter of credit	28,297	37,335
– Usance letter of credit	212,779	229,078
	<hr/>	<hr/>
Total	<b>2,393,623</b>	<b>2,371,629</b>

### *Capital expenditure commitments*

	As at 30 June 2025	As at 31 December 2024
Contracted but not provided for	55,355	76,109
	<hr/>	<hr/>

### ***Commitments on security underwriting and bond acceptance***

The Group is entrusted by the Ministry of Finance (‘MOF’) to underwrite certain treasury bonds. The investors of these treasury bonds have a right to redeem the bonds at any time prior to maturity and the Group is committed to honor such redemption requests. The redemption price is calculated as the nominal value of the bond plus payable interest in accordance with the terms of the related early redemption arrangement.

As at 30 June 2025, the nominal value of treasury bonds the Group had the obligation to buy back amounted to RMB61,854 million (As at 31 December 2024: RMB56,437 million). Management of the Group expects the amount of redemption before the maturity dates of these bonds will not be material.

As at 30 June 2025, the Group had no announced but unfulfilled irrevocable commitment on security underwriting (As at 31 December 2024: Nil).

## **12 Segmental analysis**

Operating segments are identified based on the structure of the Group’s internal organization and management requirements. Management monitors the operating results of the Group’s business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

Funds are ordinarily allocated between segments. Costs of these funds are charged at the Group’s cost of capital and disclosed in inter-segment net interest income. Net interest income and expense relating to third parties are disclosed in external net interest income. There are no other material items of income or expenses between the segments.

Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The basis for allocation is mainly based on occupation of or contribution to resources. Income tax is managed on a group basis and is not allocated to operating segments.

### ***Geographical operating segment information***

The Group's Board of Directors and senior management reviews the Group's operation by the particular economic areas in which the Group's branches and subsidiaries provide products or services. The Group's geographical operating segments are decided based upon location of the assets, as the Group's branches and subsidiaries mainly serve local customers.

The Group's geographical operating segments include provincial and directly managed branches and subsidiaries (if any) in relevant regions, as follows:

- Head Office: Head Office, including the Pacific Credit Card Center;
- Yangtze River Delta: including Shanghai (excluding Head Office), Jiangsu Province, Zhejiang Province and Anhui Province;
- Central China: including Shanxi Province, Jiangxi Province, Henan Province, Hubei Province, Hunan Province, Hainan Province and Guangxi Zhuang Autonomous Region;
- Bohai Rim Economic Zone: including Beijing, Tianjin, Hebei Province and Shandong Province;
- Pearl River Delta: including Fujian Province and Guangdong Province;
- Western China: including Chongqing, Sichuan Province, Guizhou Province, Yunnan Province, Shaanxi Province, Gansu Province, Qinghai Province, Inner Mongolia Autonomous Region, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region and Tibet Autonomous Region;
- North Eastern China: including Liaoning Province, Jilin Province and Heilongjiang Province;
- Overseas: including Hong Kong, New York, Tokyo, Singapore, Seoul, Frankfurt, Macau, Ho Chi Minh City, San Francisco, Sydney, Taipei, London, Luxembourg, Brisbane, Paris, Rome, Brazil, Melbourne, Toronto, Prague, Johannesburg and Dubai.

	Six months ended 30 June 2025							Head Office	Total
	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic Zone	Central China	Western China	North Eastern China	Overseas		
External net interest income/(expense)	13,453	6,677	785	9,403	8,965	(365)	7,643	38,686	85,247
Inter-segment net interest income/(expense)	<u>11,919</u>	<u>3,107</u>	<u>11,964</u>	<u>4,664</u>	<u>257</u>	<u>3,153</u>	<u>156</u>	<u>(35,220)</u>	<u>-</u>
<b>Net interest income</b>	<b>25,372</b>	<b>9,784</b>	<b>12,749</b>	<b>14,067</b>	<b>9,222</b>	<b>2,788</b>	<b>7,799</b>	<b>3,466</b>	<b>85,247</b>
Fee and commission income	7,188	2,363	3,152	3,331	1,948	800	1,292	2,355	22,429
Fee and commission expense	<u>(600)</u>	<u>(18)</u>	<u>(37)</u>	<u>(49)</u>	<u>(17)</u>	<u>(8)</u>	<u>(127)</u>	<u>(1,115)</u>	<u>(1,971)</u>
<b>Net fee and commission income</b>	<b>6,588</b>	<b>2,345</b>	<b>3,115</b>	<b>3,282</b>	<b>1,931</b>	<b>792</b>	<b>1,165</b>	<b>1,240</b>	<b>20,458</b>
Net gains/(losses) arising from trading activities	2,406	74	169	318	58	44	1,084	6,516	10,669
Net gains/(losses) arising from financial investments	763	-	6	-	-	8	(181)	1,679	2,275
Net gains/(losses) on investments in associates and joint ventures	(5)	-	-	-	-	-	46	201	242
Other operating income	<u>13,486</u>	<u>196</u>	<u>215</u>	<u>187</u>	<u>265</u>	<u>76</u>	<u>163</u>	<u>19</u>	<u>14,607</u>
<b>Total operating income – net</b>	<b>48,610</b>	<b>12,399</b>	<b>16,254</b>	<b>17,854</b>	<b>11,476</b>	<b>3,708</b>	<b>10,076</b>	<b>13,121</b>	<b>133,498</b>
Credit impairment losses	(3,321)	(12,309)	(2,296)	(4,334)	(1,511)	215	(248)	(9,010)	(32,814)
Other assets impairment losses	(523)	-	(3)	-	(3)	(2)	-	-	(531)
Other operating expense	<u>(19,381)</u>	<u>(3,910)</u>	<u>(4,803)</u>	<u>(5,174)</u>	<u>(3,645)</u>	<u>(1,885)</u>	<u>(2,525)</u>	<u>(11,920)</u>	<u>(53,243)</u>
<b>Profit/(loss) before tax</b>	<b><u>25,385</u></b>	<b><u>(3,820)</u></b>	<b><u>9,152</u></b>	<b><u>8,346</u></b>	<b><u>6,317</u></b>	<b><u>2,036</u></b>	<b><u>7,303</u></b>	<b><u>(7,809)</u></b>	<b>46,910</b>
Income tax									<u>(455)</u>
<b>Net profit for the period</b>									<b><u>46,455</u></b>
Depreciation and amortisation	(811)	(444)	(554)	(589)	(473)	(222)	(312)	(1,461)	(4,866)
Capital expenditure	<u>(18,561)</u>	<u>(29)</u>	<u>(30)</u>	<u>(104)</u>	<u>(289)</u>	<u>(25)</u>	<u>(53)</u>	<u>(183)</u>	<u>(19,274)</u>

	Six months ended 30 June 2024								Total
	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic Zone	Central China	Western China	North Eastern China	Overseas	Head Office	
External net interest income/(expense)	10,223	6,008	434	10,195	9,296	(611)	7,245	41,444	84,234
Inter-segment net interest income/(expense)	<u>14,461</u>	<u>3,378</u>	<u>12,639</u>	<u>4,730</u>	<u>398</u>	<u>3,791</u>	<u>487</u>	<u>(39,884)</u>	<u>–</u>
<b>Net interest income</b>	24,684	9,386	13,073	14,925	9,694	3,180	7,732	1,560	84,234
Fee and commission income	6,802	2,674	3,399	3,763	2,056	848	1,191	2,200	22,933
Fee and commission expense	<u>(605)</u>	<u>(13)</u>	<u>(39)</u>	<u>(40)</u>	<u>(9)</u>	<u>(7)</u>	<u>(88)</u>	<u>(1,132)</u>	<u>(1,933)</u>
<b>Net fee and commission income</b>	6,197	2,661	3,360	3,723	2,047	841	1,103	1,068	21,000
Net gains/(losses) arising from trading activities	3,155	106	216	347	100	18	1,189	6,958	12,089
Net gains/(losses) arising from financial investments	644	–	–	–	–	15	(108)	383	934
Net gains/(losses) on investments in associates and joint ventures	(10)	–	–	–	–	–	56	261	307
Other operating income	<u>12,089</u>	<u>158</u>	<u>353</u>	<u>195</u>	<u>247</u>	<u>76</u>	<u>277</u>	<u>591</u>	<u>13,986</u>
<b>Total operating income – net</b>	46,759	12,311	17,002	19,190	12,088	4,130	10,249	10,821	132,550
Credit impairment losses	(7,805)	(5,304)	(3,284)	(3,248)	(2,074)	(1,075)	(611)	(9,620)	(33,021)
Other assets impairment losses	(440)	–	–	–	–	(25)	(2)	–	(467)
Other operating expense	<u>(17,704)</u>	<u>(3,704)</u>	<u>(4,697)</u>	<u>(4,938)</u>	<u>(3,526)</u>	<u>(1,759)</u>	<u>(2,754)</u>	<u>(12,302)</u>	<u>(51,384)</u>
<b>Profit/(loss) before tax</b>	<u><u>20,810</u></u>	<u><u>3,303</u></u>	<u><u>9,021</u></u>	<u><u>11,004</u></u>	<u><u>6,488</u></u>	<u><u>1,271</u></u>	<u><u>6,882</u></u>	<u><u>(11,101)</u></u>	47,678
Income tax									<u>(1,853)</u>
<b>Net profit for the period</b>									<u><u>45,825</u></u>
Depreciation and amortisation	(835)	(475)	(574)	(590)	(470)	(243)	(295)	(1,409)	(4,891)
Capital expenditure	<u>(18,674)</u>	<u>(31)</u>	<u>(56)</u>	<u>(146)</u>	<u>(106)</u>	<u>(50)</u>	<u>(60)</u>	<u>(48)</u>	<u>(19,171)</u>



As at 30 June 2025										
	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Eliminations	Total
Segment assets	3,860,063	1,282,881	2,151,650	1,659,530	1,124,436	504,185	1,227,082	5,670,424	(2,089,008)	15,391,243
Including:										
<i>Investments in associates     and joint ventures</i>	1,526	-	-	25	-	-	1,327	10,910	-	13,788
Unallocated assets										<u>44,162</u>
<b>Total assets</b>										<b><u>15,435,405</u></b>
Segment liabilities	(3,730,198)	(1,288,129)	(2,138,477)	(1,632,164)	(1,117,906)	(505,451)	(1,108,021)	(4,696,147)	2,089,008	(14,127,485)
Unallocated liabilities										<u>(3,150)</u>
<b>Total liabilities</b>										<b><u>(14,130,635)</u></b>

As at 31 December 2024										
	Yangtze River Delta	Pearl River Delta	Bohai Rim Economic North Eastern Zone	Central China	Western China	North Eastern China	Overseas	Head Office	Eliminations	Total
Segment assets	3,701,661	1,271,976	2,151,326	1,587,010	1,073,003	505,981	1,221,484	5,623,577	(2,278,053)	14,857,965
Including:										
<i>Investments in associates     and joint ventures</i>	1,422	-	-	26	-	-	1,268	8,885	-	11,601
Unallocated assets										<u>42,752</u>
<b>Total assets</b>										<b><u>14,900,717</u></b>
Segment liabilities	(3,572,662)	(1,260,946)	(2,129,956)	(1,547,333)	(1,058,171)	(502,689)	(1,106,130)	(4,840,962)	2,278,053	(13,740,796)
Unallocated liabilities										<u>(4,324)</u>
<b>Total liabilities</b>										<b><u>(13,745,120)</u></b>

The comparative information was prepared in accordance with the categorisation of the current period since the assessment rules of the income and expense distribution between various segments have been adjusted.

## ***Business information***

The Group is engaged predominantly in banking and related financial activities. It comprises corporate banking, personal banking, treasury and other business. Corporate banking mainly comprises corporate loans, bills, trade financing, corporate deposits and remittance. Personal banking mainly comprises personal loans, personal deposits, credit cards and remittance. Treasury mainly comprises money market placements and takings, financial investment, and securities sold under repurchase agreements. Others Business segment mainly comprises items which cannot be categorised in the above business segments.

The business information of the Group is summarised as follows:

	Six months ended 30 June 2025				
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
External net interest income /(expense)	44,651	9,576	31,033	(13)	85,247
Inter-segment net interest income/(expense)	270	24,057	(24,327)	-	-
Net interest income/(expense)	44,921	33,633	6,706	(13)	85,247
Net fee and commission income	5,579	12,497	2,330	52	20,458
Net gains/(losses) arising from trading activities	1,760	927	7,873	109	10,669
Net gains/(losses) arising from financial investments	127	622	1,451	75	2,275
Net gains/(losses) on investments in associates and joint ventures	38	(5)	-	209	242
Other operating income	12,237	1,910	272	188	14,607
<b>Total operating income – net</b>	<b>64,662</b>	<b>49,584</b>	<b>18,632</b>	<b>620</b>	<b>133,498</b>
Credit impairment losses	(14,217)	(17,334)	(1,263)	-	(32,814)
Other assets impairment losses	(531)	-	-	-	(531)
Other operating expense					
– Depreciation and amortisation	(1,845)	(2,593)	(361)	(67)	(4,866)
– Others	(22,968)	(22,196)	(2,735)	(478)	(48,377)
<b>Profit before tax</b>	<b>25,101</b>	<b>7,461</b>	<b>14,273</b>	<b>75</b>	<b>46,910</b>
Income tax					(455)
<b>Net profit for the period</b>					<b>46,455</b>
Depreciation and amortisation	(1,845)	(2,593)	(361)	(67)	(4,866)
Capital expenditure	(18,775)	(415)	(70)	(14)	(19,274)

	Six months ended 30 June 2024				
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
External net interest income /(expense)	42,434	13,152	28,669	(21)	84,234
Inter-segment net interest income/(expense)	<u>1,495</u>	<u>23,274</u>	<u>(24,769)</u>	<u>–</u>	<u>–</u>
Net interest income/(expense)	43,929	36,426	3,900	(21)	84,234
Net fee and commission income	6,160	12,531	2,215	94	21,000
Net gains/(losses) arising from trading activities	2,475	203	9,292	119	12,089
Net gains/(losses) arising from financial investments	79	545	308	2	934
Net gains/(losses) on investments in associates and joint ventures	95	(10)	–	222	307
Other operating income	<u>11,031</u>	<u>2,487</u>	<u>320</u>	<u>148</u>	<u>13,986</u>
<b>Total operating income – net</b>	63,769	52,182	16,035	564	132,550
Credit impairment losses	(19,091)	(13,745)	(184)	(1)	(33,021)
Other assets impairment losses	(467)	–	–	–	(467)
Other operating expense					
– Depreciation and amortisation	(1,832)	(2,683)	(311)	(65)	(4,891)
– Others	<u>(22,136)</u>	<u>(21,454)</u>	<u>(2,349)</u>	<u>(554)</u>	<u>(46,493)</u>
<b>Profit before tax</b>	<u>20,243</u>	<u>14,300</u>	<u>13,191</u>	<u>(56)</u>	47,678
Income tax					<u>(1,853)</u>
<b>Net profit for the period</b>					<u>45,825</u>
Depreciation and amortisation	(1,832)	(2,683)	(311)	(65)	(4,891)
Capital expenditure	<u>(18,780)</u>	<u>(335)</u>	<u>(36)</u>	<u>(20)</u>	<u>(19,171)</u>

As at 30 June 2025					
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
Segment assets	6,584,911	3,073,712	5,678,513	54,107	15,391,243
Including:					
<i>Investments in associates and     joint ventures</i>	6,603	1,526	–	5,659	13,788
Unallocated assets					44,162
<b>Total assets</b>					<b>15,435,405</b>
Segment liabilities	(5,575,656)	(4,271,435)	(4,232,999)	(42,416)	(14,122,506)
Unallocated liabilities					(8,129)
<b>Total liabilities</b>					<b>(14,130,635)</b>
As at 31 December 2024					
	Corporate Banking Business	Personal Banking Business	Treasury Business	Other Business	Total
Segment assets	6,182,816	2,989,589	5,629,611	55,949	14,857,965
Including:					
<i>Investments in associates and     joint ventures</i>	4,679	1,425	–	5,497	11,601
Unallocated assets					42,752
<b>Total assets</b>					<b>14,900,717</b>
Segment liabilities	(5,376,108)	(4,046,983)	(4,259,137)	(50,512)	(13,732,740)
Unallocated liabilities					(12,380)
<b>Total liabilities</b>					<b>(13,745,120)</b>

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

The comparative information was prepared in accordance with the categorisation of the current period since the assessment rules of the income and expense distribution between various segments have been adjusted.

## 13 Liquidity risk

### *Maturity analysis*

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the end of reporting date to the contractual maturity date.

As at 30 June 2025	Overdue	Undated	On Demand	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
<b>Assets</b>									
Cash and balances with central banks	-	624,099	127,278	-	234	-	-	-	751,611
Due from and placements with banks and other financial institutions	-	-	101,466	364,872	115,667	280,583	89,163	19,343	971,094
Derivative financial assets	-	-	-	8,225	8,723	15,242	20,056	5,651	57,897
Loans and advances to customers	45,951	-	-	506,007	463,369	2,115,546	2,506,989	3,140,075	8,777,937
Financial investments at FVTPL	102	80,988	257,970	24,178	47,625	95,845	68,557	26,753	602,018
Financial investments at amortised cost	1,693	-	-	41,222	58,635	251,046	1,053,121	1,261,460	2,667,177
Financial investments at FVOCI	23	30,587	-	28,067	25,981	125,490	637,556	304,167	1,151,871
Other assets	2,482	278,104	131,052	-	-	4,958	39,204	-	455,800
<b>Total assets</b>	<b>50,251</b>	<b>1,013,778</b>	<b>617,766</b>	<b>972,571</b>	<b>720,234</b>	<b>2,888,710</b>	<b>4,414,646</b>	<b>4,757,449</b>	<b>15,435,405</b>
<b>Liabilities</b>									
Due to and placements from banks and other financial institutions	-	-	(755,824)	(599,945)	(234,520)	(638,082)	(81,004)	(15,299)	(2,324,674)
Financial liabilities at FVTPL	-	(516)	(18,372)	(1,719)	(12,754)	(10,388)	(13,513)	-	(57,262)
Derivative financial liabilities	-	-	-	(8,818)	(9,961)	(14,732)	(14,473)	(2,212)	(50,196)
Deposits from customers	-	-	(3,068,514)	(618,761)	(827,651)	(2,121,481)	(2,534,910)	(41)	(9,171,358)
Other liabilities	-	-	(104,392)	(179,595)	(348,636)	(1,155,361)	(395,711)	(343,450)	(2,527,145)
<b>Total liabilities</b>	<b>-</b>	<b>(516)</b>	<b>(3,947,102)</b>	<b>(1,408,838)</b>	<b>(1,433,522)</b>	<b>(3,940,044)</b>	<b>(3,039,611)</b>	<b>(361,002)</b>	<b>(14,130,635)</b>
<b>Net amount on liquidity gap</b>	<b>50,251</b>	<b>1,013,262</b>	<b>(3,329,336)</b>	<b>(436,267)</b>	<b>(713,288)</b>	<b>(1,051,334)</b>	<b>1,375,035</b>	<b>4,396,447</b>	<b>1,304,770</b>

As at 31 December 2024	Overdue	Undated	On Demand	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Total
<b>Assets</b>									
Cash and balances with central banks	–	638,978	78,121	–	255	–	–	–	717,354
Due from and placements with banks and other financial institutions	–	–	93,623	366,916	130,115	276,049	86,736	20,603	974,042
Derivative financial assets	–	–	–	14,755	18,032	31,446	26,248	9,894	100,375
Loans and advances to customers	45,872	–	–	495,567	472,377	1,934,984	2,358,186	3,044,145	8,351,131
Financial investments at FVTPL	64	76,246	255,515	24,234	52,866	115,567	92,099	39,561	656,152
Financial investments at amortised cost	866	–	–	15,969	31,385	255,440	1,126,341	1,151,792	2,581,793
Financial investments at FVOCI	51	17,523	–	18,993	42,452	119,591	538,425	345,109	1,082,144
Other assets	2,345	270,738	121,891	–	–	5,268	37,484	–	437,726
<b>Total assets</b>	<u>49,198</u>	<u>1,003,485</u>	<u>549,150</u>	<u>936,434</u>	<u>747,482</u>	<u>2,738,345</u>	<u>4,265,519</u>	<u>4,611,104</u>	<u>14,900,717</u>
<b>Liabilities</b>									
Due to and placements from banks and other financial institutions	–	–	(847,347)	(636,263)	(422,021)	(441,503)	(71,322)	(12,995)	(2,431,451)
Financial liabilities at FVTPL	–	(606)	(9,094)	(721)	(4,925)	(19,573)	(15,335)	–	(50,254)
Derivative financial liabilities	–	–	–	(14,660)	(19,381)	(30,633)	(18,996)	(1,803)	(85,473)
Deposits from customers	–	–	(3,125,459)	(614,315)	(809,216)	(1,513,958)	(2,710,169)	(27,218)	8,800,335)
Other liabilities	–	–	(90,458)	(139,199)	(304,696)	(1,116,700)	(364,000)	(362,554)	(2,377,607)
<b>Total liabilities</b>	<u>–</u>	<u>(606)</u>	<u>(4,072,358)</u>	<u>(1,405,158)</u>	<u>(1,560,239)</u>	<u>(3,122,367)</u>	<u>(3,179,822)</u>	<u>(404,570)</u>	<u>(13,745,120)</u>
Net amount on liquidity gap	<u>49,198</u>	<u>1,002,879</u>	<u>(3,523,208)</u>	<u>(468,724)</u>	<u>(812,757)</u>	<u>(384,022)</u>	<u>1,085,697</u>	<u>4,206,534</u>	<u>1,155,597</u>

## 14 Non-adjusting events after reporting period

In July 2025, the Bank issued a RMB30.0 billion 2025 Second Tranche of Total Loss-Absorbing Capacity Non-Capital Bonds (Bond Connect) in China's National Interbank Bond Market which consisted of two types: the first type is 4 years fixed rate bonds with an issuance size of RMB25.0 billion and coupon rate of 1.78%, for which the issuer shall have a conditional redemption right at the end of the third year; the second type is 4 years floating rate bonds with an issuance size of RMB5.0 billion, a coupon rate of 1.82% (for the first period), for which the remaining interest period will be adjusted every 3 months according to the issuance terms.

### ***Profit distribution after reporting period***

On 29 August 2025, the Board of Directors of the Bank proposed a cash dividend of RMB1.563 (before tax) for every 10 shares to both A shares and H shares registered shareholders of the Bank, totalling RMB13,811 million, calculated based on the total number of ordinary shares outstanding of 88,364 million shares as at 30 June 2025. The proposal will be subject to the approval by the General Meeting of Shareholders.

## VII. PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement will be simultaneously published on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Bank at [www.bankcomm.com](http://www.bankcomm.com). This results announcement is extracted from the 2025 Interim Report prepared in accordance with the IFRSs. The full report will be published on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Bank at [www.bankcomm.com](http://www.bankcomm.com) for the reference of shareholders and investors. The 2025 Interim Report, which is prepared in accordance with China Accounting Standard, will be available on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and the website of the Bank at [www.bankcomm.com](http://www.bankcomm.com). Investors should read the full interim report for details of interim results announcement. The 2025 Interim Report, which is prepared in accordance with the IFRSs, is expected to be dispatched to the shareholders of H shares in September 2025 according to the manner in which they have elected to receive corporate communications.

This results announcement is prepared in both Chinese and English. Should there be any inconsistency between the Chinese and English versions, the Chinese version should prevail.

By order of the Board  
**Bank of Communications Co., Ltd.**  
**Ren Deqi**  
*Chairman of the Board*

Shanghai, the PRC  
29 August 2025

*As at the date of this announcement, the directors of the Bank are Mr. Ren Deqi, Mr. Zhang Baojiang, Mr. Yin Jiuyong, Mr. Zhou Wanfu, Mr. Chang Baosheng\*, Mr. Liao, Yi Chien David\*, Mr. Chan Siu Chung\*, Mr. Mu Guoxin\*, Mr. Ai Dong\*, Mr. Luo Xiaopeng\*, Mr. Shi Lei#, Mr. Zhang Xiangdong#, Ms. Li Xiaohui#, Mr. Ma Jun#, Mr. Wong Tin Chak# and Mr. Xiao Wei#.*

\* *Non-executive directors*

# *Independent non-executive directors*