中国光大银行
CHINA EVERBRIGHT BANK

中國光大銀行股份有限公司
China Everbright Bank Company Limited

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

(Stock code: 6818)

2026 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of China Everbright Bank Company Limited (the "**Company**") hereby announces the unaudited results of the Company and its subsidiaries for the six-month period ended 30 June 2026. This announcement contains the full text of the 2026 Interim Report of the Company and complies with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the information to be included in an interim results announcement. The Company's 2026 Interim Report will be published on the website of the Company (www.cebbank.com) and on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) in September 2026, and will be dispatched to the H shareholders of the Company in the manner in which the H shareholders of the Company have elected to receive corporate communications.

PUBLICATION OF RESULTS ANNOUNCEMENT

Both the Chinese and English versions of this results announcement are available on the website of the Company (www.cebbank.com) and on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). In the event of any discrepancies in interpretations between the English version and the Chinese version, the Chinese version shall prevail.

The Company also prepared the Interim Report in Chinese in accordance with the PRC Generally Accepted Accounting Principles, which is available on the websites of the Company (www.cebbank.com) and Shanghai Stock Exchange (www.sse.com.cn).

DIVIDEND DISTRIBUTION

The meeting of the Board of the Company held on 28 August 2026 approved the dividend distribution plan to declare interim cash dividends to the ordinary shareholders including A shareholders and H shareholders as registered on the register of members on the record date(s) as indicated in the notice of the extraordinary general meeting to consider the dividend distribution plan (the "**EGM**") to be published by the Company in due course. Based on the Company's total issued share capital of 59.086 billion shares as of the end of the reporting period, the total interim cash dividends will amount to RMB4.786 billion, representing a cash dividend of RMB0.81 (tax included) for every 10 shares. The distribution of the 2026 interim cash dividends will provide H shareholders with RMB dividends currency option. H shareholders will be given the option to elect to receive the interim dividends for H shares entirely in RMB or HKD (partial election of currency option is only applicable to Hong Kong Securities Clearing Company Nominees Limited). The actual amount paid in HKD shall be calculated based on the average benchmark exchange rate of RMB against HKD announced by the People's Bank of China one week prior to the date of the EGM (including the date of the EGM). The above dividend distribution plan is subject to approval by the EGM. Such dividends are expected to be paid to the Company's shareholders within two months following the EGM. Further information relating to the dividend payment will be announced by the Company in a timely manner thereafter.

Notice of the EGM will announce the date and arrangement for closure of register of members of the EGM as well as the arrangement for closure of register of members in respect of the dividend distribution.

The Board of Directors of
China Everbright Bank Company Limited

Beijing, the PRC
28 August 2026

As at the date of this announcement, the Executive Directors of the Company are Mr. Hao Cheng and Ms. Qi Ye; the Non-executive Directors are Mr. Wu Lijun, Mr. Cui Yong, Ms. Zhao Jingjing, Mr. Yao Wei, Mr. Zhang Mingwen and Mr. Li Wei; and the Independent Non-executive Directors are Mr. Li Yinquan, Mr. Liu Shiping, Mr. Huang Zhenzhong, Mr. Liu Qiao, Mr. Hu Xiang and Ms. Li Yingqi.

2026 Interim Report of China Everbright Bank Company Limited

IMPORTANT NOTICE

The Board of Directors, Directors and Senior Management of the Bank hereby warrant the authenticity, accuracy and completeness of the contents of this Report and that there are no false representations, misleading statements or material omissions, and jointly and severally assume full responsibility for the information in this Report.

The Bank convened a meeting of the Board of Directors on 28 August 2026, at which this Report was considered and approved. 14 out of 14 Directors attended this meeting.

The financial statements of the Bank for the first half of 2026 were prepared in accordance with the PRC Generally Accepted Accounting Principles ("PRC GAAP") and the International Financial Reporting Standards ("IFRS Accounting Standards") and have been reviewed by KPMG Huazhen LLP and KPMG in accordance with the China Standards on Auditing (CSA) and the International Standards on Auditing (ISA), respectively.

Chairman Mr. Wu Lijun, President Mr. Hao Cheng, Executive Vice President & CFO Ms. Liu Yan, and General Manager of Finance and Accounting Department of the Bank Mr. Lin Zezhong, hereby warrant the authenticity, accuracy and completeness of the financial statements in this Report.

Unless otherwise stated, all monetary sums stated in this Report are expressed in Renminbi/RMB.

The Board of Directors of the Bank proposed distributing an interim ordinary share dividend of RMB0.81 (tax included) per 10 shares for the year 2026. Please refer to "Section VI Significant Events" for details.

Forward-looking statements, such as future plans of the Bank mentioned in this Report do not constitute actual commitments of the Bank to the investors. The investors and related parties should be fully aware of the risks and understand the difference among plans, predictions and commitments.

The Bank has disclosed herein major risks and proposed risk management measures accordingly. Please refer to the relevant contents in "Section IV Management Discussion and Analysis" for details.

In this Report, "the Bank", "whole Bank" and "China Everbright Bank" all refer to China Everbright Bank Company Limited, and "the Group" refers to China Everbright Bank Company Limited and its subsidiaries.

The Board of Directors of
China Everbright Bank Company Limited
28 August 2026

Contents

Section I	**Definitions and Documents for Reference**
Section II	**Profile of the Bank**
Section III	**Key Accounting Data and Financial Indicators**
Section IV	**Management Discussion and Analysis**
Section V	**Environmental, Social and Governance**
Section VI	**Significant Events**
Section VII	**Changes in Share Capital and Shareholders**
Section VIII	**Directors, Senior Management, Staff and Business Outlets**
Section IX	**Corporate Governance**
Section X	**Review Report and Interim Financial Statements**

Section I Definitions and Documents for Reference

I. DEFINITIONS

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

MOF: Ministry of Finance of the People's Republic of China

PBOC: The People's Bank of China

NFRA: National Financial Regulatory Administration

CSRC: China Securities Regulatory Commission

CHI: Central Huijin Investment Ltd.

CEG: China Everbright Group Ltd.

CITIC Financial AMC: China CITIC Financial Asset Management Co., Ltd.

OCT Group: Overseas Chinese Town Holdings Company

CEB International: CEB International Investment Corporation Limited

CEB Europe: China Everbright Bank (Europe) S.A.

SSE: Shanghai Stock Exchange

HKEX: Hong Kong Exchanges and Clearing Limited

SEHK: The Stock Exchange of Hong Kong Limited

Company Law: *Company Law of the People's Republic of China*

Articles of Association of the Bank: *Articles of Association* of China Everbright Bank Company Limited

Hong Kong Listing Rules: *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*

Model Code: Appendix C3 to the *Hong Kong Listing Rules - The Model Code for Securities Transactions by Directors of Listed Issuers*

"Two Renewals": the large-scale renewal of equipment and the trade-in of consumer goods

“Two Majors”: encouraging greater private sector participation in major national projects and programs including those aligned with major national strategies, and building up security capacity in key areas

II. DOCUMENTS FOR REFERENCE

i. Financial statements bearing the signatures and seals of Chairman, President, Executive Vice President & CFO and General Manager of the Finance and Accounting Department of the Bank

ii. The original auditor’s reports bearing the seals of the accounting firms and the signatures and seals of certified public accountants

iii. The originals of documents and announcements of the Bank disclosed to the public during the reporting period

iv. A share interim report published by the Bank on the website of SSE during the reporting period

The originals of the aforesaid documents for reference shall be kept at the Office of the Board of Directors of the Bank.

Section II Profile of the Bank

I. NAME OF THE BANK

Registered Chinese Company Name: 中國光大銀行股份有限公司 (Abbreviation: 中國光大銀行 or 光大銀行)

Registered English Company Name: CHINA EVERBRIGHT BANK COMPANY LIMITED (Abbreviation: CEB BANK)

II. RELEVANT PERSONS[1]

Legal Representative: Wu Lijun
Authorized Representatives: Hao Cheng, Qi Ye
Secretary to the Board of Directors: Zhang Xuyang
Joint Company Secretaries: Zhang Xuyang, Yeung Siu Wai Kitty

III. CONTACTS

Contact Address: China Everbright Center, No. 25 Taipingqiao Street, Xicheng District, Beijing
Postal Code: 100033
Tel: 86-10-63636363
Fax: 86-10-63639504
E-mail: IR@cebbank.com
Investor Hotline: 86-10-63636388
Customer Service Hotline & Customer Complaint Hotline: 95595

IV. CORPORATE INFORMATION

Office Address: China Everbright Center, No. 25 and No. 25 A Taipingqiao Street, Xicheng District, Beijing
Registered Address and Its Change Records:
1992-1995: 16/F, New Century Hotel Office Building, No. 6 Shoudutiyuguan South Road, Beijing
1995-2012: Everbright Building, No. 6 Fuxingmenwai Street, Xicheng District, Beijing
2012-today: China Everbright Center, No. 25 and No. 25 A Taipingqiao Street, Xicheng District, Beijing
Website of the Bank: www.cebbank.com
Unified Social Credit Code: 91110000100011743X
Financial Institution License Code: B0007H111000001
Registered Capital: RMB59,085,551,061

[1]As at the end of the reporting period, the Bank had no designated securities affairs representative.

Scope of Business: banking business, securities investment fund custody, and distribution of publicly-offered securities investment funds. (For business items subject to approval in accordance with the law, business activities may be carried out only upon approval by the relevant competent authorities. Specific business items shall be subject to the approval documents or permits issued by the relevant competent authorities.)

V. PRINCIPAL PLACE OF BUSINESS IN HONG KONG

CEB Hong Kong Branch: 23/F, Everbright Center, 108 Gloucester Road, Wan Chai, Hong Kong

VI. WEBSITES AND MEDIA DESIGNATED FOR INFORMATION DISCLOSURE

Websites designated for publication of A share interim report:
  SSE's website: www.sse.com.cn
  The Bank's website: www.cebbank.com
Media designated for publication of A share interim report:
  China Securities Journal: www.cs.com.cn
  Securities Times: www.stcn.com
  Securities Daily: www.zqrb.cn
Websites designated for publication of H share interim report:
  HKEXnews website: www.hkexnews.hk
  The Bank's website: www.cebbank.com
Copies of this interim report are available at:
  Office of the Board of Directors of the Bank
  Shanghai Stock Exchange

VII. STOCK EXCHANGES FOR LISTING OF SHARES

A Shares: Shanghai Stock Exchange (SSE)
Abbreviated Name of Ordinary Shares: Everbright Bank, Code: 601818
Abbreviated Name of Preference Shares: Everbright P1, Everbright P2, Code: 360013, 360022
H Shares: The Stock Exchange of Hong Kong Limited (SEHK)
Abbreviated Name: CEB BANK, Code: 6818

VIII. AUDITORS DURING THE REPORTING PERIOD

Domestic Auditor: KPMG Huazhen LLP
Office Address: 8/F, Office Tower E2, Oriental Plaza, No. 1 East Chang An Avenue, Beijing
Certified Public Accountants for Signature: Huang Aizhou, Ge Mingyi
Overseas Auditor: KPMG
Office Address: 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong
Certified Public Accountant for Signature: Fong Hoi Wan

IX. LEGAL ADVISORS TO THE BOARD OF DIRECTORS DURING THE REPORTING PERIOD

A Share Legal Advisor: JunHe LLP
H Share Legal Advisor: Clifford Chance LLP

X. SECURITIES DEPOSITORY

A Share Ordinary Shares and Preference Shares Depository: Shanghai Branch, China Securities Depository and Clearing Corporation Limited
Office Address: No. 188 Yanggao South Road, Pudong New Area, Shanghai
H Share Registrar: Computershare Hong Kong Investor Services Limited
Office Address: Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wan Chai, Hong Kong

Section III Key Accounting Data and Financial Indicators

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

Item	January-June 2026	January-June 2025	Change (%)	January-June 2024
Operating performance (RMB million)				
Net interest income	46,871	45,432	3.17	48,111
Net fee and commission income	9,676	10,443	(7.34)	10,533
Operating income	63,108	65,951	(4.31)	69,866
Operating expenses	(18,009)	(19,357)	(6.96)	(19,763)
Impairment losses on assets	(20,886)	(15,913)	31.25	(20,298)
Profit before tax	24,213	30,681	(21.08)	29,815
Net profit	18,838	24,741	(23.86)	24,610
Net profit attributable to equity shareholders of the Bank	18,711	24,622	(24.01)	24,487
Per share (in RMB)				
Basic earnings per share[1]	0.28	0.38	(26.32)	0.37
Diluted earnings per share[2]	0.28	0.38	(26.32)	0.37
Item	**30 June 2026**	**31 December 2025**	**Change (%)**	**31 December 2024**
Net assets per share attributable to ordinary shareholders of the Bank[3]	8.59	8.46	1.54	8.17
Scale indicators (RMB million)				
Total assets	7,251,234	7,165,319	1.20	6,959,021
Total loans and advances to customers	4,068,283	3,980,218	2.21	3,933,902
Provision for impairment losses of loans[4]	87,666	88,069	(0.46)	88,582
Total liabilities	6,636,125	6,557,877	1.19	6,368,790
Deposits from customers	4,192,705	4,102,458	2.20	4,035,687
Total equity	615,109	607,442	1.26	590,231
Total equity attributable to shareholders of the Bank	612,512	604,800	1.28	587,700
Share capital	59,086	59,086	–	59,086

Item	January-June 2026	January-June 2025	Change	January-June 2024
Profitability indicators (%)				
Return on average total assets	0.52	0.70	-0.18 percentage point	0.73
Return on weighted average equity[5]	6.56	9.13	-2.57 percentage points	9.51
Net interest spread	1.36	1.31	+0.05 percentage point	1.46
Net interest margin	1.42	1.40	+0.02 percentage point	1.54
Proportion of net fee and commission income in operating income	15.33	15.83	-0.50 percentage point	15.08
Cost-to-income ratio	27.35	28.10	-0.75 percentage point	27.03
Item	**30 June 2026**	**31 December 2025**	**Change**	**31 December 2024**
Asset quality indicators (%)				
NPL ratio	1.44	1.27	+0.17 percentage point	1.25
Provision coverage ratio[6]	150.02	174.14	-24.12 percentage points	180.59
Loan provision ratio[7]	2.16	2.22	-0.06 percentage point	2.26

Notes:

1. Basic earnings per share = net profit attributable to ordinary shareholders of the Bank/weighted average number of ordinary shares outstanding; net profit attributable to ordinary shareholders of the Bank = net profit attributable to equity shareholders of the Bank – dividends of the preference shares and interest of non-fixed-term capital bonds declared during the period.

2. Diluted earnings per share = (net profit attributable to ordinary shareholders of the Bank + effect of dilutive potential ordinary shares on net profit attributable to ordinary shareholders of the Bank)/(weighted average number of ordinary shares outstanding + weighted average number of potential dilutive ordinary shares converted into ordinary shares).

3. Net assets per share attributable to ordinary shareholders of the Bank = (net assets attributable to equity shareholders of the Bank – preference shares related portion of other equity instruments and non-fixed-term capital bonds)/total number of ordinary shares as at the end of the reporting period.

4. It only includes provision for impairment losses of loans measured at amortized cost.

5. Return on weighted average equity = net profit attributable to ordinary shareholders of the Bank/weighted average equity attributable to ordinary shareholders of the Bank. It was presented in annualized form.

6. Provision coverage ratio = (provision for impairment losses of loans measured at amortized cost + provision for impairment losses of loans at fair value through other comprehensive income)/balance of non-performing loans.

7. Loan provision ratio = (provision for impairment losses of loans measured at amortized cost + provision for impairment losses of loans at fair value through other comprehensive income)/total loans and advances to customers.

The above figures with notes 1, 2, 3 and 5 were calculated according to the *Compilation Rules for Information Disclosure by Companies that Offer Securities to the Public (No.9): Calculation and Disclosure of Rate of Return on Equity and Earnings per Share* issued by the CSRC.

II. SUPPLEMENTARY FINANCIAL INDICATORS

Unit: %

Item		Standard value	30 June 2026	31 December 2025	31 December 2024
Liquidity ratio	RMB	≥25	85.45	83.74	83.42
	Foreign currencies	≥25	82.48	102.62	69.53
Percentage of loans to single largest customer		≤10	1.50	1.51	2.08
Percentage of loans to top ten customers		≤50	8.89	8.48	10.23

Note: The above indicators were calculated on a non-consolidated basis.

III. CAPITAL COMPOSITION AND CHANGES

The capital adequacy ratio (CAR) indicators calculated in accordance with the *Rules on Capital Management of Commercial Banks* (Decree No. 4 of NFRA in 2023) are as follows:

Unit: RMB million, %

Item	30 June 2026		31 December 2025		31 December 2024	
	Consolidated[1]	Non-consolidated	Consolidated[1]	Non-consolidated	Consolidated[1]	Non-consolidated
Net capital[2]	693,744	656,098	699,961	663,213	687,077	653,449
Common equity Tier 1 capital	508,824	485,225	501,168	479,603	483,973	466,431
Common equity Tier 1 capital deductions	(6,194)	(16,940)	(6,348)	(17,370)	(6,257)	(17,296)
Net common equity Tier 1 capital[2]	502,630	468,285	494,820	462,233	477,716	449,135
Additional Tier 1 capital	105,119	104,947	105,078	104,906	105,056	104,899
Additional Tier 1 capital deductions	–	–	–	–	–	–
Net Tier 1 capital[2]	607,749	573,232	599,898	567,139	582,772	554,034
Tier 2 capital	85,995	82,866	100,063	96,074	104,305	99,415
Tier 2 capital deductions	–	–	–	–	–	–
Credit risk-weighted assets	4,834,212	4,688,975	4,775,075	4,633,653	4,518,186	4,391,695
Market risk-weighted assets	111,519	108,086	79,555	76,473	79,291	73,948
Operational risk-weighted assets	251,608	239,426	251,608	239,426	265,643	254,582
Total risk-weighted assets	5,197,339	5,036,487	5,106,238	4,949,552	4,863,120	4,720,225
Common equity Tier 1 CAR	9.67	9.30	9.69	9.34	9.82	9.52
Tier 1 CAR	11.69	11.38	11.75	11.46	11.98	11.74
CAR	13.35	13.03	13.71	13.40	14.13	13.84

Notes:

1. All domestic and overseas branches, as well as invested financial institutions within the scope of consolidated management in accordance with the *Rules on Capital Management of Commercial Banks*, shall be included in the calculation of the consolidated CARs.

2. Net common equity Tier 1 capital = common equity Tier 1 capital - common equity Tier 1 capital deductions; net Tier 1 capital = net common equity Tier 1 capital + additional Tier 1 capital - additional Tier 1 capital deductions; net capital = net Tier 1 capital + Tier 2 capital - Tier 2 capital deductions.

3. The Group's capital adequacy ratios of all tiers of capital met the regulatory requirements for systemically important banks.

4. The Bank has disclosed the *Pillar 3 Disclosure Report for the First Half of 2026*. Please refer to the official website of the Bank for details.

IV. LEVERAGE RATIO

The leverage ratio indicators calculated in accordance with the *Rules on Capital Management of Commercial Banks* (Decree No. 4 of NFRA in 2023) are as follows:

Unit: RMB million, %

Item	30 June 2026	31 March 2026	31 December 2025	30 September 2025
Leverage ratio	7.24	6.93	7.27	7.20
Net Tier 1 capital	607,749	569,618	599,898	597,588
Adjusted balance of on- and off-balance-sheet assets	8,395,282	8,221,648	8,256,069	8,304,464

Note: The Group's leverage ratios met the regulatory requirements for systemically important banks.

V. LIQUIDITY COVERAGE RATIO

The liquidity coverage ratio indicators calculated in accordance with the *Measures for the Administration of Liquidity Risk of Commercial Banks* (Decree No. 3 of CBIRC in 2018) are as follows:

Unit: RMB million, %

Item	30 June 2026	31 March 2026	31 December 2025	30 September 2025
Liquidity coverage ratio	156.70	129.40	143.11	134.01
High quality liquid assets	1,108,864	1,012,018	982,358	962,916
Net cash outflows in the next 30 days	707,633	782,107	686,419	718,529

Note: All indicators of liquidity risk of the Group met regulatory requirements. There was no other additional regulatory requirement on liquidity to the Group by regulatory authorities.

VI. NET STABLE FUNDING RATIO

The net stable funding ratios calculated in accordance with the *Measures for the Information Disclosure Regarding Net Stable Funding Ratios of Commercial Banks* (CBIRC [2019] No. 11) are as follows:

Unit: RMB million, %

Item	30 June 2026	31 March 2026	31 December 2025	30 September 2025
Net stable funding ratio	107.42	107.94	107.66	107.09
Available stable funding	4,127,079	4,186,215	4,110,592	4,059,781
Required stable funding	3,841,976	3,878,449	3,818,052	3,791,094

For details of net stable funding ratio, please refer to "Unaudited Supplementary Financial Information".

Section IV Management Discussion and Analysis

I. REVIEW OF MAIN WORK OF THE BANK

During the reporting period, the Bank proactively served the real economy and national strategies, expanded key business areas, persistently enhanced core competitiveness, and continuously advanced high-quality development.

First, the Bank proactively served national strategies. The Bank fulfilled its responsibilities and mission as a financial central SOE, with a focus on three missions: serving the real economy, national strategies and social well-being. The Bank supported high-quality development in key regions including the Beijing-Tianjin-Hebei region, the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area. The Bank served the expansion of high-standard opening-up, and implemented relevant requirements on supporting Chinese enterprises to go global and stabilizing trade and investment. The Bank focused on serving the five target areas of finance, stepping up support for key areas such as domestic demand expansion, technological innovation, and micro, small and medium-sized enterprises (MSMEs).

In technology finance, relying on featured businesses supported by excellent services, products, ecosystems, industry research and digital intelligence, the Bank provided diversified full-life-cycle financial services for technology enterprises. In green finance, the Bank continuously advanced system construction, product innovation and service upgrade, building and optimizing the green finance product spectrum that consists of green loans as the foundation, various green finance featured products and other industry-specific solutions. In inclusive finance, the Bank deepened the implementation of the MSE financing coordination mechanism and the fiscal interest subsidy policy, continuously improved products such as credit loans, guarantee loans and mortgage loans, and constantly enhanced system building for anti-fraud and due diligence during the pre-lending period and early warning and monitoring during the post-lending period. In pension finance, the Bank enhanced the influence of the Sunshine Pension Premium ("He Guang Yi Xiang") brand, built two featured service systems (i.e., a service model combining finance, elderly care, healthcare and tourism, and a service model featuring banking, insurance and elderly care), continuously scaled up and set up new pension finance service centers, and stepped up financial support for the elderly care industry. In digital finance, the Bank proactively promoted transformation towards digital intelligence, enhanced AI technology research and application, deepened the integration between business and technology, strengthened technological foundation and the capability for safe development, and continuously improved the quality and efficiency of serving digital finance.

Second, the Bank built differentiated competitive edges. The Bank continuously cultivated the features of "Sunshine Tech Innovation", strengthened operation in featured competition fields related to integrated circuits, computing power and AI, developed extensive cooperation platforms centering on the technology finance ecosystem that covers banks, government agencies, industries, industrial parks, academia, research and investment, and built high-level service models through ecosystem synergies. The Bank rigorously developed the "Sunshine Wealth" business, seized the opportunities brought by the upgrade of residents' wealth management demands, improved the "Colorful Sunshine" product system with stable and inclusive products as the mainstay of supply, promoted the rational product lineup, and enhanced the professional level of asset allocation services for customers. As at the end of the reporting period, the AUM of retail banking stood at RMB3.29 trillion, representing an increase of 4.44% from the end of the previous year, and the AUM of wealth management products stood at RMB2.10 trillion, representing an increase of 8.05% from the end of the previous year. The Bank maintained the industry-leading position of the Cloud Fee Payment platform, deeply built the inclusive "life + finance" inclusive convenient service ecosystem, and continuously expanded the service scope to cover convenient utility payment, enterprise services and government services. As at the end of the reporting period, the Cloud Fee Payment platform served 1,756 million person-times, representing a year-on-year increase of 9.07%, with the total fee payment amounting to RMB425,954 million, representing a year-on-year increase of 11.83%. The Bank optimized its "Sunshine Transaction Banking" comprehensive financial ecosystem services, focused on the upstream and downstream of supply chains and industrial chains, and built a transaction banking product toolkit that integrates supply chain finance, cross-border business and cash management. The Bank built the featured brand of "Sunshine Investment Banking", strengthened the core competitiveness of bond underwriting business, enhanced project engagement in key M&A lending scenarios, and insisted on investing in early-stage, small-scale, long-term and hard & core technology projects. During the first half of 2026, the Bank underwrote RMB203,227 million of bonds and granted RMB12,873 million of M&A loans. The Bank advanced the specialized operation of "Sunshine Financial Market" business, refined the trading strategy framework for proprietary investment, developed client-facing derivatives business, strengthened comprehensive operation for financial institution customers, and boosted comprehensive financial service capabilities.

Third, the Bank ensured both development and security. The Bank conscientiously implemented the requirements on preventing risks, strengthening regulation and boosting high-quality development, and persisted in effectively preventing and defusing various risks while promoting high-quality development. The Bank deepened credit-granting industry research to actively empower business development, continued to optimize credit-granting structure, and strove to construct high-quality and risk-resisting asset portfolios. Centering on key areas, the Bank formulated and implemented risk resolution plans, and prudently disposed of risk-prone assets. The Bank resolutely curbed the growth rate of newly-generated non-performing loans, fulfilling the control target for new NPL formation. The Bank fully implemented compliance management requirements, strictly enforced the defined responsibilities of the Chief Compliance Officer (CCO) and other compliance officers, and embedded compliance management throughout the whole process of business operation and management. The Bank also strengthened consumer protection, and standardized product information disclosure and marketing publicity.

II. DEVELOPMENT STRATEGY OF THE BANK

i. Strategic positioning

Firmly committed to ensuring that the financial work is politically-oriented and can better represent the people, the Bank takes serving the real economy and national strategies and meeting the growing financial needs of socio-economic development and the people as primary responsibility, and takes commercial banking and comprehensive finance as core businesses. The Bank adheres to focusing on core businesses, improving governance, and pursuing differentiated development. Leveraging China Everbright Group's advantages in comprehensive finance, industry-finance collaboration and cross-border operation, the Bank has placed customers at the center to accelerate transformation towards integrated, featured, asset-light and digital operation, promote the construction of an integrated financial ecosystem featuring "One Customer, One Everbright and One Service Package", and continuously strengthen comprehensive financial service capabilities. By investing more efforts in serving the five target areas of finance including technology finance, green finance, inclusive finance, pension finance and digital finance, the Bank strives to build its own distinct characteristics and competitive edges. Through professional financial services, the Bank supports economic and social development, promotes common prosperity, and contributes to social well-being, acting as a principal force in serving the real economy and a ballast stone in safeguarding financial stability.

ii. Development approaches

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank firmly upholds the overall leadership of the Communist Party of China (CPC), implements the guiding principles of the 20th CPC National Congress and all the plenary sessions of the 20th Central Committee on all fronts, and conscientiously implements the guiding principles of the Central Financial Work Conference and the Central Economic Work Conference as well as a series of decisions and deployments on the financial work made by the CPC Central Committee. The Bank fully and faithfully applies the new development philosophy on all fronts, and fully supports the building of a new development paradigm. The Bank adheres to focusing on core businesses, improving governance and pursuing differentiated development, upholds the overall work tone of pursuing progress while ensuring stability, and closely follows the main line of preventing risks, strengthening regulation and promoting high-quality development, serves three strategic priorities including serving the real economy, national strategies and social well-being, and makes efforts to serve the five target areas of finance including technology finance, green finance, inclusive finance, pension finance and digital finance. The Bank develops six featured businesses including Sunshine Tech Innovation, Sunshine Wealth, Cloud Fee Payment, Sunshine Transaction Banking, Sunshine Investment Banking and Sunshine Financial Market, to elevate its comprehensive financial service capabilities. The Bank enhances six core capabilities including digital empowerment, integrated customer management, comprehensive risk management, refined management, corporate governance and professional workforce development, to improve the level of professional and convenient financial services and ensure both development and security. The Bank unswervingly follows the path of financial development with Chinese characteristics, continuously meets the growing financial needs of socio-economic development and the people, and persistently advances high-quality development.

III. CORE COMPETITIVENESS OF THE BANK

First, the Bank boasts strong capital strength with a solid operation foundation. The Bank's key indicators such as capital adequacy ratio (CAR) and Common Equity Tier 1 CAR continuously meet regulatory requirements. The Bank's long-standing corporate culture, well-conceived and well-established corporate governance system, and experienced professional teams all provide strong support for its business development and risk resilience.

Second, the Bank has a strong shareholder background. CEG, as a large state-owned financial holding conglomerate jointly established by MOF and CHI, has a complete set of financial licenses and some characteristic industries including environmental protection, culture and tourism, healthcare and elderly care, which demonstrates its advantages in comprehensive finance, industry-finance collaboration and cross-border operation. Relying on the solid and reliable support of CEG, the Bank could provide a full package of financial services and promote finance-industry coordination.

Third, the Bank offers a series of featured products with market influence. As a national joint-stock commercial bank, the Bank has consistently stayed true to its original mission, returned to the fundamentals, strengthened core businesses, and pursued differentiated development. By strengthening refined management and market trend research, the Bank has focused its efforts on discovering and expanding target customer groups that align with resource endowments, striving to enhance competitiveness and service capabilities. Businesses such as Cloud Fee Payment, Everbright Wealth Management, bond underwriting, financial market investment and Sunshine Government Treasury have gained certain market influence.

Fourth, the Bank features a well-developed overseas network. The Bank has established six overseas branches in Hong Kong, Seoul, Luxembourg, Sydney, Macao and Melbourne, two subsidiaries including CEB International Investment Corporation Limited and China Everbright Bank (Europe) S.A. and one representative office in Tokyo, amounting to nine overseas institutions. The Bank has basically formed an integrated overseas business network that covers both commercial banking and investment banking, as well as both branches and subsidiaries.

Fifth, the Bank operates in a steady manner. The Bank has always upheld a prudent risk management philosophy, persisted in stable business development strategies and taken compliant and lawful operation measures. The Bank's comprehensive risk management strategies and techniques have become increasingly diversified. Meanwhile, its proactive and forward-looking risk management capabilities are constantly enhanced, which lays a foundation for long-term sustainable development.

Sixth, the Bank boasts a strong foundation for technological development. The Bank has continuously advanced in-depth integration between business and technology, dedicated efforts to creating a technology-led and data-driven IT development system with Everbright characteristics, and accelerated digital transformation across the whole Bank, with both the foundation for technology and its capability to empower business constantly enhanced. The Bank's technology-enabled hit products have won market recognition including Enterprise Administrative Management Service Platform ("Xin Yue Tong"), Sunshine Inclusive Finance Cloud ("Yang Guang Pu Hui Yun"), Sunshine E-financing Chain ("Yang Guang Rong e Lian"), Sunshine Logistics Express ("Wu Liu Tong") and Sunshine Fast Loan ("Guang Su Dai").

IV. OVERALL OPERATIONS OF THE BANK

i. Business scale grew steadily.

The Group has continuously increased support in credit and bond businesses for the key areas of the real economy, including serving the five target areas of finance, with assets and liabilities realized steady growth and the deposit-loan structure continuously optimized. As at the end of the reporting period, the Group's total assets reached RMB7,251,234 million, representing an increase of RMB85,915 million or 1.20% over the end of the previous year. Total loans and advances to customers stood at RMB4,068,283 million, representing an increase of RMB88,065 million or 2.21% over the end of the previous year. The balance of deposits amounted to RMB4,192,705 million, representing an increase of RMB90,247 million or 2.20% over the end of the previous year.

ii. Operating performance faced phased pressure.

Since 2026, the Group's net interest margin has stabilized and risen, leading to positive growth in net interest income with a narrowed decrease in operating income as compared with the previous year. During the reporting period, the Group's operating income registered RMB63,108 million, a year-on-year decrease of 4.31%. As for the subcategories, net interest income was RMB46,871 million, a year-on-year increase of 3.17%. Net fee and commission income was RMB9,676 million, a year-on-year decrease of 7.34%. The Group realized a net profit of RMB18,838 million, a year-on-year decrease of 23.86%.

iii. Asset quality was continuously strengthened.

During the reporting period, the Group proactively mitigated risks, accelerated the disposal of non-performing assets, strictly controlled the emergence of new risks, and further consolidated asset quality. As at the end of the reporting period, the Group's NPL balance stood at RMB58,639 million, an increase of RMB7,897 million from the end of the previous year. The NPL ratio was 1.44%, up 0.17 percentage point from the end of the previous year. The provision coverage ratio was 150.02%, down 24.12 percentage points from the end of the previous year. The loan provision ratio was 2.16%, down 0.06 percentage point from the end of the previous year.

iv. CARs met regulatory requirements constantly.

As at the end of the reporting period, the Group's net common equity Tier 1 capital stood at RMB502,630 million, an increase of RMB7,810 million from the end of the previous year. Net Tier 1 capital stood at RMB607,749 million, an increase of RMB7,851 million from the end of the previous year. Net capital stood at RMB693,744 million, a decrease of RMB6,217 million from the end of the previous year. The common equity Tier 1 CAR, Tier 1 CAR and CAR stood at 9.67%, 11.69% and 13.35% respectively, all of which met regulatory requirements.

V. MAIN ITEMS OF INCOME STATEMENT

i. Changes in income statement items

Unit: RMB million

Item	January-June 2026	January-June 2025	Change
Net interest income	46,871	45,432	1,439
Net fee and commission income	9,676	10,443	(767)
Net trading gains	1,353	803	550
Net gains arising from investment securities	4,233	5,693	(1,460)
Net gains on derecognition of financial assets measured at amortized cost	167	1,974	(1,807)
Net foreign exchange (losses)/gains	(277)	710	(987)
Other operating income	1,085	896	189
Operating expenses	18,009	19,357	(1,348)
Credit impairment losses	20,879	15,902	4,977
Other impairment losses	7	11	(4)
Profit before tax	24,213	30,681	(6,468)
Income tax	5,375	5,940	(565)
Net profit	18,838	24,741	(5,903)
Net profit attributable to equity shareholders of the Bank	**18,711**	**24,622**	**(5,911)**

ii. Operating income

During the reporting period, the Group realized operating income of RMB63,108 million, a year-on-year decrease of RMB2,843 million or 4.31%. Net interest income accounted for 74.27% of the total, a year-on-year increase of 5.38 percentage points. Net fee and commission income accounted for 15.33% of the total, a year-on-year decrease of 0.50 percentage point.

Unit: %

Item	January-June 2026	January-June 2025
Proportion of net interest income	74.27	68.89
Proportion of net fee and commission income	15.33	15.83
Proportion of other income	10.40	15.28
Proportion of total operating income	**100.00**	**100.00**

iii. Net interest income

During the reporting period, the Group realized net interest income of RMB46,871 million, a year-on-year increase of RMB1,439 million or 3.17%.

The Group’s net interest spread was 1.36%, a year-on-year increase of 5 bps. Net interest margin was 1.42%, a year-on-year increase of 2 bps. Such changes were mainly due to factors such as the lower cost of interest-bearing liabilities.

Unit: RMB million, %

Item	January-June 2026			January-June 2025		
	Average balance	Interest income/ expenses	Average yield to cost ratio	Average balance	Interest income/ expenses	Average yield to cost ratio
Interest-earning assets						
Loans and advances to customers	4,024,085	67,161	3.37	4,046,482	74,043	3.69
Finance lease receivables	98,340	1,741	3.57	96,710	1,985	4.14
Investments	1,948,491	25,418	2.63	1,865,513	26,846	2.90
Deposits with the central bank	254,145	1,831	1.45	267,848	1,942	1.46
Placements and deposits with banks and other financial institutions, and financial assets held under resale agreements	327,964	2,729	1.68	278,181	2,780	2.02
Total interest-earning assets	6,653,025	98,880	3.00	6,554,734	107,596	3.31
Interest income		**98,880**			**107,596**	
Interest-bearing liabilities						
Deposits from customers	4,090,036	31,386	1.55	4,073,084	38,687	1.92
Due to the central bank, placements and deposits from banks and other financial institutions, and financial assets sold under repurchase agreements	981,888	7,872	1.62	998,731	10,092	2.04
Debt securities issued	1,335,267	12,751	1.93	1,211,562	13,385	2.23
Total interest-bearing liabilities	6,407,191	52,009	1.64	6,283,377	62,164	2.00
Interest expenses		**52,009**			**62,164**	
Net interest income		**46,871**			**45,432**	
Net interest spread[1]			**1.36**			**1.31**
Net interest margin[2]			**1.42**			**1.40**

Notes:

1. Net interest spread is the difference between the average yield of total interest-earning assets and the average cost of total interest-bearing liabilities.

2. Net interest margin is the net interest income divided by the average balance of total interest-earning assets. It was presented in annualized form.

The following table sets forth the changes in interest income and interest expenses of the Group due to changes in business scale and interest rate:

Unit: RMB million

Item	Scale factor	Interest rate factor	Change in interest
Loans and advances to customers	(410)	(6,472)	(6,882)
Finance lease receivables	33	(277)	(244)
Investments	1,194	(2,622)	(1,428)
Deposits with the central bank	(99)	(12)	(111)
Placements and deposits with banks and other financial institutions, and financial assets held under resale agreements	498	(549)	(51)
Change in interest income	**1,216**	**(9,932)**	**(8,716)**
Deposits from customers	161	(7,462)	(7,301)
Due to the central bank, placements and deposits from banks and other financial institutions, and financial assets sold under repurchase agreements	(170)	(2,050)	(2,220)
Debt securities issued	1,367	(2,001)	(634)
Change in interest expenses	**1,358**	**(11,513)**	**(10,155)**
Net interest income	**(142)**	**1,581**	**1,439**

iv. Interest income

During the reporting period, the Group realized an interest income of RMB98,880 million, a year-on-year decrease of RMB8,716 million or 8.10%. Such change was mainly due to the declining interest income from loans and advances to customers.

1. Interest income from loans and advances to customers

During the reporting period, the Group's interest income from loans and advances to customers stood at RMB67,161 million, a year-on-year decrease of RMB6,882 million or 9.29%. Such change was mainly due to the decrease in loan yield.

Unit: RMB million, %

Item	January-June 2026			January-June 2025		
	Average balance	Interest income	Average yield ratio	Average balance	Interest income	Average yield ratio
Corporate loans	2,498,998	36,898	2.98	2,433,221	41,093	3.41
Retail loans	1,441,449	29,910	4.18	1,488,994	32,404	4.39
Discounted bills	83,638	353	0.85	124,267	546	0.89
Loans and advances to customers	**4,024,085**	**67,161**	**3.37**	**4,046,482**	**74,043**	**3.69**

2. Interest income from investments

During the reporting period, the Group's interest income from investments amounted to RMB25,418 million, a year-on-year decrease of RMB1,428 million or 5.32%. Such change was mainly due to the decrease in investment yield.

3. Interest income from placements and deposits with banks and other financial institutions, and financial assets held under resale agreements

During the reporting period, the Group's interest income from placements and deposits with banks and other financial institutions and financial assets held under resale agreements was RMB2,729 million, a year-on-year decrease of RMB51 million or 1.83%. Such change was mainly due to the declining return on the placements with banks and other financial institutions.

v. Interest expenses

During the reporting period, the Group's interest expenses amounted to RMB52,009 million, a year-on-year decrease of RMB10,155 million or 16.34%. Such change was mainly due to the decrease in the interest expenses on deposits from customers.

1. Interest expenses on deposits from customers

During the reporting period, the Group's interest expenses on deposits from customers reached RMB31,386 million, a year-on-year decrease of RMB7,301 million or 18.87%. Such change was mainly due to the decrease in the interest rates of deposits from customers.

Unit: RMB million, %

Item	January-June 2026			January-June 2025		
	Average balance	Interest expenses	Average cost ratio	Average balance	Interest expenses	Average cost ratio
Corporate deposits	2,687,787	20,388	1.53	2,747,839	26,024	1.91
Demand deposits	713,041	1,540	0.44	747,533	2,546	0.69
Time deposits	1,974,746	18,848	1.92	2,000,306	23,478	2.37
Retail deposits	1,402,249	10,998	1.58	1,325,245	12,663	1.93
Demand deposits	299,065	253	0.17	295,443	280	0.19
Time deposits	1,103,184	10,745	1.96	1,029,802	12,383	2.42
Total deposits from customers	**4,090,036**	**31,386**	**1.55**	**4,073,084**	**38,687**	**1.92**

2. Interest expenses on due to the central bank, placements and deposits from banks and other financial institutions, and financial assets sold under repurchase agreements

During the reporting period, the Group's interest expenses on due to the central bank, placements and deposits from banks and other financial institutions and financial assets sold under repurchase agreements totaled RMB7,872 million, a year-on-year decrease of RMB2,220 million or 22.00%. Such change was mainly due to the decrease in the interest rates on deposits from banks and other financial institutions.

3. Interest expenses on debt securities issued

During the reporting period, the Group's interest expenses on debt securities issued totaled RMB12,751 million, a year-on-year decrease of RMB634 million or 4.74%. Such change was mainly due to the decrease in the interest rates of debt securities issued.

vi. Net fee and commission income

During the reporting period, the Group's net fee and commission income stood at RMB9,676 million, a year-on-year decrease of RMB767 million or 7.34%. Such change was mainly due to the decrease in the bank card service fees.

Unit: RMB million

Item	January-June 2026	January-June 2025
Fee and commission income	**10,890**	**11,812**
Bank card service fees	3,382	3,686
Wealth management service fees	2,329	2,364
Settlement and clearing fees	2,092	2,274
Custody and other fiduciary business fees	1,043	1,133
Agency service fees	886	1,046
Underwriting and advisory fees	575	672
Acceptance and guarantee fees	570	628
Others	13	9
Fee and commission expenses	**(1,214)**	**(1,369)**
Net fee and commission income	**9,676**	**10,443**

vii. Other income

During the reporting period, the Group's other income reached RMB6,561 million, a year-on-year decrease of RMB3,515 million or 34.88%. Such change was mainly due to the decrease in net gains on derecognition of financial assets measured at amortized cost.

Unit: RMB million

Item	January-June 2026	January-June 2025
Net trading gains	1,353	803
Net gains arising from investment securities	4,233	5,693
Net gains on derecognition of financial assets measured at amortized cost	167	1,974
Net foreign exchange (losses)/gains	(277)	710
Other operating income	1,085	896
Total other income	**6,561**	**10,076**

viii. Operating expenses

During the reporting period, the Group's operating expenses totaled RMB18,009 million, a year-on-year decrease of RMB1,348 million or 6.96%. The cost-to-income ratio stood at 27.35%, a year-on-year decrease of 0.75 percentage point.

Unit: RMB million

Item	January-June 2026	January-June 2025
Staff costs	9,659	10,494
Premises and equipment expenses	3,821	3,894
Tax and surcharges	752	822
Other general and administrative expenses	3,777	4,147
Total operating expenses	**18,009**	**19,357**

ix. Impairment losses on assets

During the reporting period, the Group sustained impairment losses on assets totaling RMB20,886 million, a year-on-year increase of RMB4,973 million or 31.25%. Such change was mainly due to the increase in impairment losses on loans and advances to customers.

Unit: RMB million

Item	January-June 2026	January-June 2025
Impairment losses on loans and advances to customers	22,024	15,399
Loans and advances to customers measured at amortized cost	22,010	15,501
Loans and advances to customers at fair value through other comprehensive income	14	(102)
Impairment losses on debt instruments at fair value through other comprehensive income	(210)	353
Impairment losses on financial investments measured at amortized cost	(866)	(940)
Impairment losses on finance lease receivables	(402)	(150)
Other impairment losses	340	1,251
Total impairment losses on assets	**20,886**	**15,913**

x. Income tax expenses

During the reporting period, the Group's income tax expenses totaled RMB5,375 million, a year-on-year decrease of RMB565 million or 9.51%.

VI. BALANCE SHEET ANALYSIS

i. Assets

As at the end of the reporting period, the Group's total assets stood at RMB7,251,234 million, an increase of RMB85,915 million or 1.20% as compared with the end of the previous year. Such increase was mainly due to the increase in loans and advances to customers.

Unit: RMB million, %

Item	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Total loans and advances to customers	4,068,283		3,980,218	
Loan accrued interest	20,005		19,230	
Provision for impairment losses of loans[Note]	(87,666)		(88,069)	
Net loans and advances to customers	4,000,622	55.17	3,911,379	54.59
Finance lease receivables	93,833	1.29	94,415	1.32
Deposits with banks and other financial institutions	109,836	1.51	107,162	1.50
Cash and deposits with the central bank	292,530	4.03	339,232	4.73
Investment in securities and other financial assets	2,396,328	33.05	2,377,429	33.18
Precious metals	3,157	0.04	1,892	0.03
Placements with banks and other financial institutions, and financial assets held under resale agreements	212,229	2.93	197,301	2.75
Property and equipment	30,964	0.43	31,491	0.44
Right-of-use assets	8,759	0.12	9,286	0.13
Goodwill	1,281	0.02	1,281	0.02
Deferred tax assets	35,121	0.48	35,218	0.48
Other assets	66,574	0.93	59,233	0.83
Total assets	**7,251,234**	**100.00**	**7,165,319**	**100.00**

Note: It only includes provision for impairment losses of loans measured at amortized cost.

1. Loans and advances to customers

As at the end of the reporting period, the Group's total loans and advances to customers reached RMB4,068,283 million, an increase of RMB88,065 million or 2.21% as compared with the end of the previous year. The proportion of loans and advances to customers in total assets was 56.10%, an increase of 0.55 percentage point as compared with the end of the previous year.

Unit: RMB million, %

Item	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Corporate loans	2,547,819	62.62	2,429,212	61.03
Retail loans	1,415,272	34.79	1,466,162	36.84
Discounted bills	105,192	2.59	84,844	2.13
Total loans and advances to customers	**4,068,283**	**100.00**	**3,980,218**	**100.00**

2. Investment in securities and other financial assets

As at the end of the reporting period, the Group's investment in securities and other financial assets stood at RMB2,396,328 million, an increase of RMB18,899 million as compared with the end of the previous year, accounting for 33.05% of the total assets, down 0.13 percentage point as compared with the end of the previous year.

Unit: RMB million, %

Item	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Financial assets at fair value through profit or loss	405,777	16.93	458,638	19.29
Derivative financial assets	6,204	0.26	5,528	0.23
Debt instruments at fair value through other comprehensive income	775,459	32.36	678,425	28.54
Financial investments measured at amortized cost	1,207,748	50.40	1,233,695	51.89
Equity instruments at fair value through other comprehensive income	1,140	0.05	1,143	0.05
Total investments in securities and other financial assets	**2,396,328**	**100.00**	**2,377,429**	**100.00**

3. Types and amounts of financial bonds held

As at the end of the reporting period, the financial bonds held by the Group amounted to RMB597,071 million, an increase of RMB47,729 million as compared with the end of the previous year. Of these, the financial bonds measured at amortized cost occupied a proportion of 41.06% in total.

Unit: RMB million, %

Item	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Financial assets at fair value through profit or loss	45,174	7.57	71,608	13.04
Financial investments measured at amortized cost	245,148	41.06	271,346	49.39
Debt instruments at fair value through other comprehensive income	306,749	51.37	206,388	37.57
Total financial bonds held	**597,071**	**100.00**	**549,342**	**100.00**

4. Top 10 financial bonds held in nominal value

Unit: RMB million, %

Name of bond	Nominal value	Annual interest rate	Maturity date	Allowance for impairment losses
2025 policy bank bond	34,350	1.79	2030-10-22	-
2026 policy bank bond	22,570	1.69	2031-03-11	-
2017 policy bank bond	20,970	4.04	2027-04-10	-
2017 policy bank bond	18,790	4.24	2027-08-24	-
2016 policy bank bond	18,150	3.05	2026-08-25	-
2025 policy bank bond	16,950	1.69	2030-08-07	-
2017 policy bank bond	14,930	4.39	2027-09-08	-
2019 policy bank bond	12,480	3.86	2029-05-20	-
2018 policy bank bond	12,361	4.04	2028-07-06	-
2018 policy bank bond	12,140	4.65	2028-05-11	-

5. Goodwill

The cost of the Group's goodwill stood at RMB6,019 million. As at the end of the reporting period, the allowance for impairment losses on goodwill was RMB4,738 million, and the book value of goodwill registered RMB1,281 million, on par with that as at the end of the previous year.

6. For details about the pledged assets of the Bank as at the end of the reporting period, please refer to "Notes to the Unaudited Condensed Consolidated Financial Statements".

ii. Liabilities

As at the end of the reporting period, the Group's total liabilities stood at RMB6,636,125 million, an increase of RMB78,248 million or 1.19% as compared with the end of the previous year, mainly due to the increase in deposits from banks and other financial institutions.

Unit: RMB million, %

Item	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Due to the central bank	174,718	2.63	154,678	2.36
Deposits from customers	4,192,705	63.18	4,102,458	62.56
Deposits from banks and other financial institutions	598,702	9.02	506,454	7.72
Placements from banks and other financial institutions	179,609	2.71	208,607	3.18
Derivative financial liabilities	4,372	0.07	5,547	0.08
Financial assets sold under repurchase agreements	159,494	2.40	158,118	2.41
Accrued staff costs	16,977	0.26	18,908	0.29
Taxes payable	5,666	0.09	6,368	0.10
Lease liabilities	8,974	0.14	9,534	0.15
Debt securities issued	1,218,539	18.36	1,328,801	20.26
Other liabilities	76,369	1.14	58,404	0.89
Total liabilities	**6,636,125**	**100.00**	**6,557,877**	**100.00**

As at the end of the reporting period, the balance of the Group's deposits from customers stood at RMB4,192,705 million, an increase of RMB90,247 million or 2.20% as compared with the end of the previous year.

Unit: RMB million, %

Item	30 June 2026		31 December 2025	
	Balance	**Percentage**	**Balance**	**Percentage**
Corporate deposits	2,262,953	53.98	2,216,774	54.03
Demand deposits	794,192	18.95	700,340	17.07
Time deposits	1,468,761	35.03	1,516,434	36.96
Retail deposits	1,408,731	33.60	1,361,538	33.19
Demand deposits	309,234	7.38	299,406	7.30
Time deposits	1,099,497	26.22	1,062,132	25.89
Margin deposits	458,788	10.94	450,705	10.99
Corporate	445,795	10.63	443,500	10.81
Retail	12,993	0.31	7,205	0.18
Other deposits	931	0.02	731	0.02
Accrued interest	61,302	1.46	72,710	1.77
Total deposits from customers	**4,192,705**	**100.00**	**4,102,458**	**100.00**

iii. Equity of shareholders

As at the end of the reporting period, the Group's equity attributable to shareholders of the Bank stood at RMB612,512 million, a net increase of RMB7,712 million as compared with the end of the previous year, mainly due to the retained profits in the current period.

Unit: RMB million

Item	30 June 2026	31 December 2025
Share capital	59,086	59,086
Other equity instruments	104,947	104,906
Capital reserve	74,407	74,464
Other comprehensive income	6,514	4,981
Surplus reserve	29,543	29,543
General risk reserve	91,554	91,369
Retained earnings	246,461	240,451
Total equity attributable to shareholders of the Bank	612,512	604,800
Equity of minority shareholders	2,597	2,642
Total equity	**615,109**	**607,442**

iv. Off-balance-sheet items

The Group's off-balance-sheet items are mainly credit commitments, including loan and credit card commitments, acceptance, letters of guarantee, letters of credit and guarantees. As at the end of the reporting period, the total amount of credit commitments was RMB1,706,921 million, an increase of RMB19,230 million as compared with the end of the previous year.

Unit: RMB million

Item	30 June 2026	31 December 2025
Loan and credit card commitments	689,887	688,912
Acceptance	721,168	699,827
Letters of guarantee	105,632	108,689
Letters of credit	190,054	190,083
Guarantees	180	180
Total credit commitments	**1,706,921**	**1,687,691**

VII. CASH FLOWS

The Group's net cash inflows from operating activities amounted to RMB60,884 million, of which cash inflows from operating activities stood at RMB27,154 million, cash outflows arising from changes in operating assets stood at RMB146,785 million, and cash inflows arising from changes in operating liabilities totaled RMB180,515 million.

The Group's net cash outflows from investing activities amounted to RMB1,835 million, of which cash inflows arising from disposal and redemption of investments stood at RMB600,417 million and cash outflows arising from payments on acquisition of investments registered RMB627,726 million.

The Group's net cash outflows from financing activities were RMB132,976 million, of which net proceeds from issuance of debts posted RMB406,654 million and cash outflows arising from repayment of debts issued amounted to RMB517,467 million.

VIII. LOAN QUALITY

i. Industry concentration of loans

Unit: RMB million, %

Industry	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Manufacturing	576,957	22.65	559,499	23.02
Leasing and commercial services	535,863	21.03	456,636	18.80
Water, environment and public utility management	321,883	12.63	330,368	13.60
Wholesale and retail trade	213,541	8.38	196,252	8.08
Real estate	149,299	5.86	155,846	6.42
Transportation, storage and postal services	145,931	5.73	143,190	5.89
Construction	141,290	5.55	145,780	6.00
Finance	128,843	5.06	119,654	4.93
Production and supply of power, gas and water	115,610	4.54	109,507	4.51
Mining	62,859	2.47	57,826	2.38
Others	155,743	6.10	154,654	6.37
Subtotal of corporate loans	**2,547,819**	**100.00**	**2,429,212**	**100.00**
Retail loans	**1,415,272**		**1,466,162**	
Discounted bills	**105,192**		**84,844**	
Total loans and advances to customers	**4,068,283**		**3,980,218**	

Note: "Others" includes agriculture, forestry, animal husbandry and fishery; accommodation and catering; public administration and social organization; information transmission, computer services and software; health, social security and social welfare; residential services and other services; scientific research, technical services and geological prospecting; culture, sports and entertainment; and education.

ii. Distribution of loans by region

Unit: RMB million, %

Region	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Yangtze River Delta	1,059,175	26.03	1,007,579	25.31
Central China	694,291	17.07	676,051	16.99
Pearl River Delta	633,322	15.57	623,788	15.67
Bohai Rim	631,229	15.52	603,864	15.17
Western China	500,029	12.29	492,998	12.39
Northeastern China	84,844	2.09	89,907	2.26
Head Office	355,560	8.74	368,639	9.26
Overseas	109,833	2.69	117,392	2.95
Total loans and advances to customers	**4,068,283**	**100.00**	**3,980,218**	**100.00**

iii. Types and proportions of loans by collateral

Unit: RMB million, %

Type	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Unsecured loans	1,560,938	38.36	1,507,660	37.88
Guaranteed loans	1,017,687	25.02	927,324	23.30
Mortgage loans	1,207,471	29.68	1,351,988	33.97
Pledged loans	282,187	6.94	193,246	4.85
Total loans and advances to customers	**4,068,283**	**100.00**	**3,980,218**	**100.00**

iv. Top ten loan customers

Unit: RMB million, %

Name	Industry	Balance of loans as at 30 June 2026	Proportion in total loans and advances	Proportion in net capital[1]
Borrower 1	Transportation, storage and postal services	10,416	0.26	1.50
Borrower 2	Real estate	6,789	0.17	0.98
Borrower 3	Manufacturing	6,413	0.16	0.92
Borrower 4	Mining	6,310	0.15	0.91
Borrower 5	Leasing and commercial services	5,997	0.15	0.87
Borrower 6	Leasing and commercial services	5,630	0.14	0.81
Borrower 7	Construction	5,118	0.13	0.74
Borrower 8	Manufacturing	5,031	0.12	0.73
Borrower 9[2]	Leasing and commercial services	4,997	0.12	0.72
Borrower 10	Manufacturing	4,950	0.12	0.71
Total		**61,651**	**1.52**	**8.89**

Notes:

1. The proportion of balance of loans in net capital is calculated according to the requirements of the NFRA.

2. Borrower 9 is a related party of the Bank, and therefore its transactions with the Bank constitute related party transactions.

v. Five-category loan classification

Unit: RMB million, %

Type	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Normal loans	3,940,789	96.87	3,856,028	96.88
Special mention loans	68,855	1.69	73,448	1.85
Substandard loans	21,285	0.52	18,368	0.46
Doubtful loans	8,176	0.20	12,889	0.32
Loss loans	29,178	0.72	19,485	0.49
Total loans and advances to customers	**4,068,283**	**100.00**	**3,980,218**	**100.00**
Performing loans	4,009,644	98.56	3,929,476	98.73
Non-performing loans	58,639	1.44	50,742	1.27

Note: Performing loans comprise normal loans and special mention loans, and non-performing loans comprise substandard loans, doubtful loans and loss loans.

vi. Loan migration ratio

Unit: %

Item	30 June 2026	31 December 2025	Change over the end of the previous year
Migration ratio of normal loans	1.27	1.56	-0.29 percentage point
Migration ratio of special mention loans	19.37	14.63	+4.74 percentage points
Migration ratio of substandard loans	70.38	77.88	-7.50 percentage points
Migration ratio of doubtful loans	92.40	69.06	+23.34 percentage points

vii. Restructured loans and overdue loans

1. Restructured loans

Unit: RMB million, %

Type	30 June 2026		31 December 2025	
	Balance	Proportion of loans and advances in total principal	Balance	Proportion of loans and advances in total principal
Restructured loans and advances to customers	24,019	0.59	24,755	0.62
Restructured loans and advances to customers overdue for more than 90 days	2,346	0.06	2,025	0.05

2. Overdue loans

Unit: RMB million, %

Item	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Overdue within 3 months	32,885	36.68	34,750	41.01
Overdue from 3 months up to 1 year	27,738	30.94	24,976	29.47
Overdue from 1 year up to 3 years	22,884	25.53	17,699	20.88
Overdue for more than 3 years	6,145	6.85	7,321	8.64
Total principal of overdue loans	**89,652**	**100.00**	**84,746**	**100.00**

viii. NPLs by business type

Unit: RMB million, %

Type	30 June 2026		31 December 2025	
	Balance	**Percentage**	**Balance**	**Percentage**
Corporate loans	36,884	62.90	29,302	57.75
Retail loans	21,755	37.10	21,440	42.25
Discounted bills	–	–	–	–
Total NPLs	**58,639**	**100.00**	**50,742**	**100.00**

ix. Distribution of NPLs by region

Unit: RMB million, %

Region	30 June 2026		31 December 2025	
	Balance	**Percentage**	**Balance**	**Percentage**
Pearl River Delta	15,622	26.64	11,724	23.11
Yangtze River Delta	9,182	15.66	6,789	13.37
Central China	7,745	13.21	6,437	12.69
Bohai Rim	6,501	11.09	5,451	10.74
Western China	5,012	8.55	4,669	9.20
Northeastern China	4,460	7.61	4,340	8.55
Head Office	9,105	15.53	8,599	16.95
Overseas	1,012	1.71	2,733	5.39
Total NPLs	**58,639**	**100.00**	**50,742**	**100.00**

x. Distribution of NPLs by industry

Unit: RMB million, %

Industry	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Real estate	10,701	18.25	7,700	15.18
Manufacturing	8,300	14.15	7,601	14.99
Wholesale and retail trade	4,613	7.87	3,419	6.74
Leasing and commercial services	3,646	6.22	2,290	4.51
Construction	2,228	3.80	1,986	3.91
Information transmission, computer services and software	872	1.49	685	1.35
Transportation, storage and postal services	855	1.46	732	1.44
Mining	798	1.36	753	1.48
Accommodation and catering	779	1.33	832	1.64
Health, social security and social welfare	776	1.32	777	1.53
Others	3,316	5.65	2,527	4.98
Subtotal of corporate loans	**36,884**	**62.90**	**29,302**	**57.75**
Retail loans	**21,755**	**37.10**	**21,440**	**42.25**
Discounted bills	–	–	–	–
Total NPLs	**58,639**	**100.00**	**50,742**	**100.00**

Note: "Others" includes agriculture, forestry, animal husbandry and fishery; scientific research, technical services and geological exploration; finance; public administration and social organization; production and supply of power, gas and water; residential services and other services; education; culture, sports and entertainment; and water, environment and public utility management.

xi. Distribution of NPLs by collateral type

Unit: RMB million, %

Type	30 June 2026		31 December 2025	
	Balance	Percentage	Balance	Percentage
Unsecured loans	16,056	27.38	14,557	28.69
Guaranteed loans	9,888	16.86	6,958	13.71
Mortgage loans	28,643	48.85	28,923	57.00
Pledged loans	4,052	6.91	304	0.60
Total NPLs	**58,639**	**100.00**	**50,742**	**100.00**

xii. Repossessed assets and provision for impairment losses

Unit: RMB million

Item	30 June 2026	31 December 2025
Repossessed assets	207	182
Provision for impairment losses	(118)	(118)
Net value of repossessed assets	89	64

Note: Repossessed assets (non-financial instruments) mainly refer to land, buildings and structures.

xiii. Provision for impairment losses of loans and write-off

After determining the credit risk of financial instruments on the balance sheet date, the Group made provision for the expected credit loss for loans of varied risk levels according to their potential risk based on the expected credit loss model and such quantitative risk parameters as PD (probability of default) and LGD (loss given default) of customers. The provision for impairment losses was recognized through current profit or loss.

Unit: RMB million

Item	As at 30 June 2026	As at 31 December 2025
Balance at the beginning of the reporting period[1]	88,069	88,582
Charge for the current period[2]	22,010	36,489
Recovery of loans and advances written-off	5,287	11,098
Write-off and disposal for the current period	(27,360)	(47,456)
Others	(340)	(644)
Balance at the end of the reporting period[1]	**87,666**	**88,069**

Notes:

1. It excludes provision for impairment losses of discounted bills and forfaiting business measured at fair value through other comprehensive income.

2. It includes provision for impairment losses of loans made due to the change of stage and change in cash flow resulting in loan contract not being derecognized.

IX. CAR ANALYSIS

For details, please refer to "Section III Key Accounting Data and Financial Indicators" and the Bank's *Pillar 3 Disclosure Report for the First Half of 2026*.

X. SEGMENT PERFORMANCE

Unit: RMB million

Region	January-June 2026		January-June 2025	
	Operating income	Profit before tax	Operating income	Profit before tax
Bohai Rim	13,495	6,846	12,726	6,824
Yangtze River Delta	11,862	6,190	12,002	7,518
Central China	10,138	4,192	9,937	5,248
Pearl River Delta	7,858	339	8,481	514
Western China	6,654	2,315	7,129	4,386
Northeastern China	1,743	419	1,810	1,098
Head Office	10,518	3,710	12,614	4,906
Overseas	840	202	1,252	187
Total	**63,108**	**24,213**	**65,951**	**30,681**

Please refer to "Notes to the Unaudited Condensed Consolidated Financial Statements" for details of performance by business segment.

XI. OTHERS

i. Changes in major financial indicators and reasons

Unit: RMB million, %

Item	30 June 2026	31 December 2025	Change (%)	Main reason for change
Precious metals	3,157	1,892	66.86	Increase in the business scale of precious metal leasing
Financial assets held under resale agreements	44,685	12,923	245.78	Increase in the scale of financial assets held under resale agreements
Other liabilities	76,369	58,404	30.76	Increase in other credit-side settlement balances pending allocation
Other comprehensive income	6,514	4,981	30.78	Increase in valuation of bonds measured at fair value through other comprehensive income
Item	**January-June 2026**	**January-June 2025**	**Change (%)**	**Main reason for change**
Net trading gains	1,353	803	68.49	Increase in net trading gains
Net gains on derecognition of financial assets measured at amortized cost	167	1,974	(91.54)	Decrease in gains from the disposal of financial assets measured at amortized cost
Net foreign exchange (losses)/gains	(277)	710	N/A	Decrease in net foreign exchange gains
Credit impairment losses	(20,879)	(15,902)	31.30	Increase in credit impairment losses
Impairment losses on other assets	(7)	(11)	(36.36)	Decrease in provision accrual for repossessed assets

ii. Interest receivables

In accordance with the requirements of the MOF, the Group included interest accrued on financial instruments using the effective interest method within the carrying amounts of the respective financial instruments, and presented such interest under relevant line items in the financial statements. “Interest receivables” classified under “other assets” in the financial statements solely represents interest which has fallen due for collection but remains outstanding at the balance sheet date in respect of relevant financial instruments. For details of the Group’s interest receivables as at the end of the reporting period, please refer to “Notes to the Unaudited Condensed Consolidated Financial Statements”.

iii. Other receivables and provision of allowance for related bad debts

1. Change in other receivables

Unit: RMB million

Item	30 June 2026	31 December 2025	Change
Other receivables	47,811	41,396	6,415

2. Provision of allowance for bad debts of other receivables

Unit: RMB million

Item	30 June 2026	31 December 2025	Change
Balance of allowance for bad debts of other receivables	1,073	1,125	(52)

XII. PERFORMANCE OF BUSINESS SEGMENTS

i. Corporate banking

The Bank's corporate banking line actively served the real economy, made steady headway in serving the five target areas of finance, and enhanced high-quality financial services for major strategies, key sectors and weak links, steering its business structure towards emerging industries and high-quality assets. The Bank thoroughly implemented the package of policies for boosting domestic demand through fiscal and financial coordination, made full use of policy instruments such as structural re-lending and loan interest subsidies, further optimized resource allocation, and improved service quality and efficiency. Adhering to the orientation of high-quality development, the Bank focused on the key priority areas under the 15th Five-Year Plan and 109 major projects, served key areas including six emerging pillar industries, six future industries, and "Six Networks" infrastructure construction including water, power, computing, telecommunications, urban pipelines and logistics, and facilitated a smooth transition from traditional to new growth drivers. Taking account of regional characteristics and resource endowments, the Bank focused on key competition fields including integrated circuits, computing power, artificial intelligence, embodied intelligence, intelligent connected new-energy vehicles and automated driving to pursue distinctive and differentiated development in light of local conditions. Centering on key areas of innovation chains, industrial chains, funding chains and talent chains, the Bank strengthened the construction of an ecosystem that covers banks, government agencies, industries, industrial parks, academia, research and investment, enhanced integrated service capabilities in scenarios such as equity, credit, bond, custody and private banking, and continuously improved the quality and efficiency of key businesses such as Sunshine Tech Innovation, Sunshine Transaction Banking and Sunshine Investment Banking. The Bank placed equal emphasis on customer acquisition and customer activation. In customer acquisition, the Bank focused on the coverage of value customers and high-quality market entities, and promoted whitelist-based and ecosystem-based customer acquisition to strengthen core customer base. In customer activation, the Bank focused on active customers and "Five Mains" customers who take the Bank as the main bank for credit granting, fund settlement, cash management, agency payroll and ecosystem services, concentrated on high-frequency transaction scenarios including payment and settlement, FPA (Finance Product Aggregate), supply chain finance, corporate treasury and cash management, institutional special accounts and cross-border services, and enhanced the breadth, depth and intensity of comprehensive services. The Bank continued to develop a differentiated service model based on customer needs, customer value and service tiers, promoted the systematic management of strategic customers, adopted graph-based customer acquisition, table-driven progress tracking and chain-based management, and strengthened support and empowerment for frontline staff, thereby improving the quality and efficiency of its corporate banking business. During the reporting period, the Bank's corporate banking business line registered operating income of RMB24,732 million, accounting for 39.19% of the Bank's total operating income. As at the end of the reporting period, the total FPA across the Bank amounted to RMB5.69 trillion, representing an increase of RMB167,221 million over the end of the previous year. The total number of corporate banking customers was 1.0187 million, representing an increase of 0.42% over the end of the previous year.

1. Corporate deposits and loans

Closely following national policy orientation and the development needs of key industries, the Bank ensured both development and security, driving effective qualitative improvement and reasonable quantitative expansion for business operation. On the corporate lending side, focusing on the key areas under the 15th Five-Year Plan and high-quality market entities, the Bank expanded new business, consolidated existing business, prevented business attrition, appropriately extended the duration of credit facilities, and increased financial support for the key areas of the real economy. The Bank insisted on coordinated efforts among its front, middle and back offices to improve the end-to-end conversion of credit projects. On the corporate deposit side, the Bank adhered to a scale-price balancing business strategy, deepened high-frequency customer transaction scenarios to retain high-quality demand deposits, and continued to promote product innovation and strategy optimization for corporate banking, in order to reduce the cost of corporate deposits, improve the deposit structure and maintain a stable deposit base. As at the end of the reporting period, the balance of corporate deposits (including the corporate business-related portion of margin deposits) was RMB2,708,748 million, representing an increase of RMB48,474 million or 1.82% over the end of the previous year. The balance of corporate loans (excluding discounted bills) was RMB2,547,819 million, representing an increase of RMB118,607 million or 4.88% over the previous year.

2. Inclusive finance

Relying on the dedicated Inclusive Finance Online Lending Task Force, the Bank iteratively upgraded its online products such as credit, guarantee, pledge & mortgage and tech innovation products, supported branches to conduct featured businesses, and continuously strengthened product innovation. The Bank made solid efforts to engage with the financing needs of MSEs and foreign trade enterprises, implemented national interest subsidy policies, and continuously improved inclusive finance service capabilities. As at the end of the reporting period, the balance of inclusive loans amounted to RMB446,519 million, and the Bank served 451.8 thousand inclusive finance customers. During the first half of the year, the weighted average interest rate of newly issued loans was 3.22%, representing an increase of 3 bps from the end of the previous year.

Case 1: Inclusive finance featured businesses

Deepening services for industrial parks and building a new financial service ecosystem

CEB Xiamen Branch established a coordinated cooperation mechanism involving government agencies, industrial parks and the Bank, creating a closed-loop and full-life-cycle "industrial park + finance" inclusive service ecosystem. By stationing customer managers at industrial parks, regularly conducting policy publicity, financing seminars and bank-enterprise matchmaking, the branch identified corporate needs at an early stage to provide timely follow-up services. The branch developed customized products including U-Valley e-Loan, Fixed Asset e-Loan and Torch Credit Loan, and relied on multidimensional data such as operating cash flows, utility usage and industrial park information to grant comprehensive credit lines, which moves beyond the traditional risk control model that overemphasizes collateral and financial statements, so as to provide targeted financial support for the development of enterprises. As at the end of the reporting period, CEB Xiamen Branch provided credit facilities of more than RMB2.5 billion for enterprises operating in a high-tech development zone.

Innovating farmer-benefiting financial solutions and channeling financial resources to support rural revitalization

The upstream cooperatives of a leading national agricultural industrialization enterprise faced financing difficulties, such as insufficient collateral, limited financing channels and high financing costs. To address these difficulties, CEB Shijiazhuang Branch extended inclusive finance services to the grassroots level to benefit farmers by designing a "domestic letter of credit + negotiation financing" customized solution. Through this solution, the branch established an inclusive finance service model for agricultural industrial chains. Using the supply chain platform, the branch flexibly allocated credit lines and issued letters of credit for precise payment requirements, so as to effectively address the issue of difficult, expensive and slow financing faced by agricultural market entities, stabilize the capital supply for agricultural production and agricultural product distribution, promote coordinated development among the core enterprise, agricultural cooperatives and farming households, enhance the quality and efficiency of the agricultural industry, and help farmers increase their incomes and achieve prosperity. As at the end of the reporting period, CEB Shijiazhuang Branch extended loans totaling RMB33 million to four agricultural cooperatives.

3. Investment banking

The Bank's investment banking business line remained committed to the fundamental mission of serving the real economy, deepened integrated customer operation for high-quality entities and customers in industries of competitive advantages, promoted optimized service models, and continuously built the Sunshine Investment Banking brand. During the reporting period, the Bank continued to enhance its full-category bond underwriting and distribution capabilities, and underwrote debt financing instruments for non-financial enterprises, non-policy financial bonds and credit asset-backed securities in the interbank bond market with a total underwriting volume of RMB203,227 million. The Bank helped issue technological innovation bonds of RMB22,800 million and green bonds of RMB7,895 million. The Bank continued to grant M&A loans and syndicated loans to key areas such as technological innovation and strategic emerging industries. Focusing on enterprises' investment and financing needs throughout their life cycles, the Bank worked with non-bank financial institutions to develop an integrated financial service system, and completed a number of leasing matchmaking projects in new infrastructure sectors such as computing power, and facilitated direct equity investment in enterprises operating in frontier technology fields including integrated circuits and quantum computing.

4. Transaction banking

The Bank deeply cultivated its "Sunshine Transaction Banking" featured business characterized by the integrated development of supply chain finance, cross-border business and cash management, and established a comprehensive finance service platform covering local and foreign currencies, domestic and overseas businesses, and onshore and offshore markets. Focusing on the upstream and downstream participants of supply chains and industrial chains, the Bank strengthened ecosystem-based empowerment to steadily advance product upgrade, scenario expansion and digital transformation, so as to improve customer experience. The Bank actively implemented the strategic deployment for stabilizing foreign trade and advancing RMB internationalization, supported Chinese enterprises in exporting and going global, and strengthened cross-border financial service capabilities through technological empowerment, product innovation, institutional development and coordinated collaboration. The Bank strove to enhance the digital and intelligent service capabilities of its cash management products, improved the quality and efficiency of its corporate treasury management product offering, and innovatively expanded service scenarios for key industries and priority areas. As at the end of the reporting period, the balance of on- and off-balance-sheet trade finance stood at RMB519,558 million.

ii. Retail banking

Committed to building the industry-leading digital retail banking, the Bank adhered to the customer-centered business philosophy, focused on the diversified needs of customers, enriched financial product and service supply, enhanced digital tool empowerment and AI application, deepened the tiered and grouped operation model. By strengthening coordinated collaboration and comprehensive operation, the Bank built integrated channel service capabilities based on branch outlets, remote banking center and mobile banking to deliver consistent service experience, thereby effectively enhancing customer loyalty. On the liability side, the Bank improved both the scale and price of retail deposits with four growth drivers, including source fund introduction, sales-led growth, customer group management and business traffic fund retention, which led to the growing scale, optimized structure and improved cost efficiency of retail deposits. On the asset side, the Bank promoted high-quality development by continuously satisfying residents' reasonable housing demand, actively developed consumer finance and inclusive finance, optimized product policies and pricing mechanisms, and improved service accessibility, thereby contributing to boosting consumption and the real economy. The Bank seized the opportunities arising from the demand upgrade of customers' wealth management and capital market development, continuously optimized wealth product system, strengthened asset allocation service capabilities, innovated personalized service models, and deepened the building of the "Sunshine Wealth" featured brand to enhance the core competitiveness of wealth management. During the reporting period, the Bank's retail banking business line realized operating income of RMB24,271 million, accounting for 38.46% of the Bank's total operating income.

1. Retail customers and AUM

The Bank placed equal emphasis on customer acquisition and customer management, continued to deepen the operation strategy featuring tiered and grouped management, data-driven operation, channel coordination and conversion from transaction to contribution, and accelerated AI application to improve the quality and efficiency of customer services. The Bank strengthened customer acquisition by strengthening coordination between corporate banking and retail banking to develop agency payroll business and enhancing the capability to acquire customers in batches through diversified scenarios, optimized tiered customer management system, and realized chain-based referral and conversion among all tiers of customers to continuously increase both the scale and the value contribution of customers. For basic customers, the Bank strengthened data insights and strategy iteration, expanded customer coverage and reach, and improved the effectiveness of centralized customer management. For wealth customers and private banking customers, the Bank leveraged the strengths of dedicated customer managers, advisory teams and intelligent assistants to provide more personalized and professional services, thereby increasing both the scale and value contribution of customers. The Bank strengthened grouped customer management with a focus on core target groups including the elderly making retirement provisions, professionals and technical specialists, the youth, middle and senior management, and students studying overseas. Based on their diversified needs, the Bank developed an intelligent customer profiling system, and devised differentiated operation strategies to improve the precision and professionalism of integrated customer management. The Bank further capitalized on the leading advantages of the social finance platform of "Golden Cicada Community and Wealth Manager Workshop" to strengthen content-based operation. During the reporting period, the cumulative transaction volume on the platform exceeded RMB127,758 million. The Bank promoted business coordination and cross-marketing, and adopted a customer-centered approach to research on the market, design products, optimize procedures and improve experience, thereby enhancing customer experience and the quality and efficiency of its integrated services on all fronts. As at the end of the reporting period, the Bank had 163.7972 million retail customers (including holders of debit and credit cards), representing an increase of 1.07% from the end of the previous year. The balance of AUM totaled RMB3.29 trillion, representing an increase of 4.44% from the end of the previous year.

2. Retail deposits

Guided by the operation orientation of "achieving coordination among scale, price and profitability", the Bank comprehensively promoted cost reduction, quality improvement and efficiency enhancement for retail deposits through four growth drivers including source fund introduction, sales-led growth, customer base management, and business traffic retention. The Bank strengthened coordination between corporate banking and retail banking to further develop agency payroll services, and actively promoted Enterprise Administrative Management Service Platform ("Xin Yue Tong"), an enterprise administrative management service platform, and enhanced the "Wage Butler" integrated service system for agency payroll customers, optimized online and offline procedures of agency payroll services, promoted standardized operation and service paradigms, and enriched exclusive products and benefit activities to improve the quality and efficiency of customer services and increase source fund retention from agency payroll business. Focusing on customers' diversified asset allocation needs, the Bank established a full-spectrum wealth product distribution system, and treated retail deposits as customers' foundational assets in asset allocation, thereby improving the efficiency of fund flows and the capability to retain low-cost deposits. The Bank deepened integrated customer operation by strengthening the synergy between debit card and credit card businesses for customer acquisition and activation, expanding quick payment business by linking CEB cards to third parties, and increasing transaction volume via online platforms to retain settlement funds. The Bank vigorously expanded card business scenarios, and boosted batch customer acquisition and scenario-based traffic fund retention centering on key livelihood scenarios such as social security, livelihood services, tourism, consumption, healthcare, medical care, and home-based elderly care. As at the end of the reporting period, the balance of retail deposits (including the retail portion in margin deposits) of the Bank was RMB1,421,724 million, representing an increase of RMB52,981 million or 3.87% over the end of the previous year.

3. Retail loans

The Bank resolutely implemented the national financial policies for the real estate industry, solidly advanced inclusive finance, and continued to promote the development of consumer finance. In terms of personal housing loans, the Bank closely followed new trends in the real estate market, implemented city-specific policies, and provided stronger support to meet people's rigid demand and improved demand for housing. In terms of personal business loans, the Bank focused on inclusive finance scenarios, accelerated online transformation, optimized supporting policies, innovatively explored featured inclusive finance projects, and improved accessibility and coverage of inclusive loans. In terms of personal consumer loans, the Bank actively implemented national policies for consumption stimulation and fiscal subsidy, and continued to enrich consumption financing products and optimize product policies, so as to satisfy the individualized and diversified consumption needs of customers and enhance the role of finance in boosting consumption. In risk management and control, the Bank improved its anti-fraud identification and management system, strengthened customer eligibility investigations and reviews, and strictly controlled incremental risks. The Bank also enhanced post-lending monitoring and early-warning mechanisms, intensified the recovery and disposal of non-performing loans, and disposed of risky assets in an orderly manner. As at the end of the reporting period, the balance of retail loans (excluding credit card business) amounted to RMB1,061,520 million, representing a decrease of RMB36,016 million or 3.28% over the end of the previous year.

4. Wealth management

The Bank remained committed to the high-quality development of wealth management business, further developed the “Sunshine Wealth” featured brand, and established a wealth management service system covering the full life cycles of customers, with an aim to meet the differentiated and personalized wealth management needs of different customer groups. The Bank strengthened product selection and customization, developed a diversified product shelf covering wealth management products, funds, insurance and gold, actively expanded its presence in pension finance and inclusive finance, regarded stable and inclusive products as the mainstay, reasonably allocated assets in equity-linked products, and enriched the multi-asset multi-strategy product system to meet customers’ diversified asset allocation needs. Leveraging its innovative capabilities, the Bank optimized and upgraded its personalized scenario-based service model, introduced functions such as “auto-purchase after redemption” and “regular investment hub” to improve the efficiency of customers’ fund allocation. The Bank upgraded service and operation capabilities, enhanced technological empowerment through digital tools, strengthened marketing outreach throughout the customer journey, and accurately matched services with customers’ differentiated needs to improve customer experience. Drawing on the expertise of its retail banking workforce, the Bank provided customers with customized asset allocation and wealth planning solutions. The Bank strengthened its digital capabilities for investment research, iteratively upgraded digital asset allocation tools such as “wealth ladder” and “income statement”, and served customers for 1.4323 million person-times during the reporting period. The Bank reinforced its compliance foundation, strengthened risk management, improved its full-life-cycle product management system, embedded risk management throughout all links of product distribution, and provided customers with long-term and stable wealth management solutions. During the reporting period, the Bank’s net fee income from personal wealth management stood at RMB3,598 million, accounting for 37.18% of the Bank’s total net fee income.

Topic 1: Deepening the Sunshine Pension Premium (“He Guang Yi Xiang”) brand and building a five-in-one pension finance service system

Actively fulfilling the mission of delivering benefits for the people, the Bank leveraged China Everbright Group’s strengths in the synergies between comprehensive finance and industries such as healthcare, elderly care, culture & tourism to meticulously build the Sunshine Pension Premium (“He Guang Yi Xiang”) pension finance service brand. Focusing on the goal and vision of “One Customer, One Everbright and One Service Package”, the Bank established a five-in-one pension finance service system comprising a card, a suite of products, a package of featured value-added services, a series of age-friendly services and a team of pension planners. Through this system, the Bank provides customers with one-stop integrated pension finance services throughout their life cycles.

A card providing access to value-added elderly care services

Focusing on the core needs of senior customers, the Bank launched the Sunshine Pension Premium Card (“Yi Xiang Yang Guang Ka”), an exclusive financial product that serves as an enterprise-level service gateway through resource integration to deeply link financial services with healthcare and elderly care scenarios. Relying on the high-quality resources of the subsidiaries under China Everbright Group including Everbright Senior Healthcare and CYTS Tours, cardholders can gain access to various value-added services covering elderly care, tourism and healthcare through a single card. The Sunshine Pension Premium Card (“Yi Xiang Yang Guang Ka”) fully reflects the concept of inclusive finance by offering fee concessions including waivers of card loss reporting fees, card issuance fees and domestic ATM withdrawal fees, thereby enabling customers to enjoy more convenient and cost-effective financial services.

A suite of products meeting diversified financial needs

Leveraging its professional product selection capabilities, the Bank continued to improve its pension finance product system covering deposits, wealth management products, insurance, funds and China Saving Bonds to meet customers’ diversified asset allocation needs. The Bank’s products and services cover full-life-cycle scenarios, including retirement investment education for young customers, stable wealth appreciation for middle-aged customers, and wealth succession planning for senior customers. With more than 1,000 selected pension finance products, the Bank can help customers achieve their retirement preparation goals.

A package of featured value-added services creating an integrated service ecosystem

Using the Pension Finance Zone on CEB Mobile Banking as the platform, the Bank established a featured value-added service system combining finance, elderly care, healthcare and tourism to match customers' diversified pension finance needs and create an integrated service ecosystem. Leveraging China Everbright Group's finance-industry synergies, the Bank introduced a range of innovative value-added services covering institutional elderly care, sojourn-based elderly care and health management, and provided customers with a comprehensive and integrated pension finance service platform. The Bank integrated high-quality market resources to develop a distinctive coordinated service model featuring banking, insurance and elderly care. Driven by the dual pillars of insurance and services, the model covers three core scenarios including institutional elderly care, sojourn-based elderly care and home-based elderly care to provide customers with full-life-cycle planning services covering elderly care, wealth protection and wealth succession. As at the end of the reporting period, the "Yi Xiang Community" of the Pension Finance Zone brought together resources from 105 high-quality elderly care institutions.

A series of age-friendly services providing attentive support for gray-haired customers

The Bank launched the "Age-friendly" version of CEB Mobile Banking. Through functions such as enlarging font sizes, simplifying interfaces and reducing promotional pop-ups, the Bank improved the accessibility of online operation for gray-haired customers. The Bank set up the 95595 "Everbright Silver Age" service hotline, providing customers aged 60 and above with quick human-agent access and dedicated-agent priority services. During the reporting period, the hotline served senior customers for 649.6 thousand person-times with a satisfaction rate of 99.74%. For two consecutive years, the Bank had conducted the nationwide "Elderly Care Service Month" campaign, organized nearly 1,500 activities, and served customers for over 500 thousand person-times, delivering tangible implementation of the Sunshine Pension Premium ("He Guang Yi Xiang") brand services.

A team of pension planners safeguarding every customer's trust

The Bank continued to provide professional certification training for pension planners, built a team of pension finance advisers who are capable of policy interpretation, market analysis and professional planning to cover areas such as pension market analysis, asset allocation and pension projection, so as to support the Bank's upgrade from traditional product marketing to integrated full-life-cycle pension planning services. As at the end of the reporting period, the Bank cultivated a total of over 600 certified pension planners to provide customers with customized pension planning solutions and enhance the core pillar of the Bank's pension finance service system.

Case 2: Inclusive wealth management service

One-stop asset allocation through regular investment plans

The Bank continued to upgrade its inclusive wealth management services, deepen the digital transformation of its retail banking business, integrated regular investment services across four core asset categories (i.e., deposits, wealth management products, gold and funds), and established a one-stop regular investment asset allocation system. Through the "Regular Investment Hub" on CEB Mobile Banking, the Bank launched a matrix of four major regular investment products including Monthly Savings, Wealth Management, Gold Savings and Fund Investment, covering diversified investment models such as automatic savings, intelligent wealth management, regular gold investment and target-profit fund investment. By offering diversified regular investment options with low entry thresholds and straightforward operating procedures, the Bank created one-stop asset allocation solutions, and effectively improved the accessibility and convenience of financial services.

Sunshine Consultant

The Bank developed "Sunshine Consultant", a digital and intelligent asset allocation tool centered on four key scenarios including market analysis, product selection, customer identification and asset allocation, established a whole-process service system covering pre-investment education, during-investment diagnosis and post-investment support. Relying on the intelligent tool "AI Consultant", the Bank empowered the whole process of investment research and advisory, realized automated functions such as market anomaly alerts, asset diagnosis, intelligent customer communication scripts and report analysis, and effectively improved customer outreach and asset allocation conversion rates, thereby supporting the transformation of the wealth management business towards professional asset allocation services.

5. Private banking

The Bank actively advanced the integration of private banking development into pension finance, technology finance and digital finance to continuously foster wealth management features and brands. The Bank enriched the pension finance product shelf, improved products such as individual pension insurance, pension funds and commercial pension insurance, and provided customers with diversified pension wealth management options. The Bank integrated resources from 105 high-quality elderly care institutions in the Pension Finance Zone on CEB Mobile Banking, and introduced a “10+1” suite of flagship services covering healthcare and nursing, home-based elderly care, high-end communities, traditional Chinese medicine healthcare, etc., and provided customers with full-life-cycle pension solutions. The Bank continued to deepen the reform of customer group management, implemented tiered, categorized and grouped management, advanced the transformation of its services for three major customer groups including entrepreneurs, families and women, improved the comprehensive financial service solution for tech innovation enterprises that integrates commercial banking, investment banking and private banking, and focused on advancing wealth management activities by visiting enterprises, stock exchanges, listed companies and institutions, thereby elevating the asset allocation and wealth management service capabilities for private banking customers on all fronts. As at the end of the reporting period, the Bank served 10,554 entrepreneurs with relevant AUM rising by 6.43% from the end of the previous year. The Bank iteratively upgraded the digital investment research and advisory platform “Sunshine Consultant” to realize the full function coverage for scenarios such as market analysis, customer matching, product selection and asset allocation, launched “AI Consultant” on the platform to enable users to obtain product information, interpret reports, conduct portfolio diagnostics and prepare customer communication scripts, and served customers for a total of 1.4323 million person-times annually through this platform.

6. Credit card business

Adhering to the prudent and steady development philosophy, the Bank returned to the origin of consumption, shifted focus back to branches, and strove to stabilize asset scale and optimize asset structure. The Bank improved product spectrum, enhanced contactless payment experience, and launched the gourd-shaped “Fu” (Good Fortune) Credit Card. The Bank leveraged the synergies within the Bank by collaborating with Cloud Fee Payment to issue the Sunshine Low-carbon Credit Card, offering exclusive discounts for green fee payments. The Bank expanded service scenarios for consumer finance, launched brand campaigns such as “Yuehui Everbright” (a campaign offering preferential benefits) and “Happy Festival” with a focus on e-commerce, catering and culture & tourism, strengthened promotional support and functional development, collaborated with e-commerce platforms to conduct marketing for scenario-based installment business, and implemented the fiscal policy of interest subsidies for bill installment business, thereby meeting customers’ cross-cycle demands. The Bank deepened the management of existing customers, focused on the key stages of customer’s life cycles including activation, upgrade and retention, and formulated digital strategies covering customer group selection, benefit allocation and event trigger. Relying on channels such as AI outbound calls, the Sunshine Life app and branch outlets, the Bank reached customers more precisely, thereby improving customer experience. The Bank enhanced the level of refined risk management, dynamically optimized credit approval models, implemented differentiated approval strategies by region, improved regular monitoring and early-warning system, conducted penetrative risk investigation and resolution, further categorized non-performing assets, and applied differentiated collection strategies accordingly to improve recovery efficiency. During the reporting period, the transaction amount was RMB721,530 million, the time-point overdraft balance was RMB353,752 million, and the income from credit card business was RMB12,631 million.

7. Digital banking and Cloud Fee Payment

Insisting on the customer-centered approach, the Bank improved open and intelligent service capabilities in key areas such as Cloud Fee Payment, Enterprise Administrative Management Service Platform (“Xin Yue Tong”), scenario-based finance and the development and operation of CEB Mobile Banking, striving to build a digital finance development model with Everbright characteristics to better serve the real economy and social well-being. CEB Cloud Fee Payment maintained its advantages as China’s leading open-ended and convenient fee payment platform. Focusing on livelihood services and government affairs, the Bank continuously expanded the scope of service on the platform, and enriched service connotations, thereby contributing to safeguarding and improving people’s livelihood and enhancing the equalization of financial services. As at the end of the reporting period, the platform offered 20,399 fee payment cooperation items cumulatively, an increase of 727 items. The payment service items were exported to 928 platforms cumulatively, an increase of 15 platforms. The platform served 1,756 million person-times, a year-on-year increase of 9.07%, with the total fee payment amount reaching RMB425,954 million, a year-on-year increase of 11.83%. With Enterprise Administrative Management Service Platform (“Xin Yue Tong”), the Bank continued to optimize platform building and strengthen payroll service capabilities, developed tailored solutions for group companies and micro, small and medium-sized enterprises (MSMEs), and diversified digital value-added services for the management of general affairs covering human resources, finance and administrative affairs. As at the end of the reporting period, the platform served a total of 53 thousand corporate customers. The Bank further developed featured services for scenario-based finance by building a “life + finance” integrated service ecosystem. With Sunshine Logistics Express (“Wu Liu Tong”), the Bank deepened cooperation with leading enterprises, upgraded account systems, and extended service chains, with the transaction volume standing at RMB84,733 million during the reporting period. For Sunshine Housing Express (“An Ju Tong”), the Bank innovated service models to establish in-depth partnerships with leading enterprises in the industry, with the transaction volume standing at RMB257,942 million during the reporting period. The Bank continued to upgrade service zones such as wealth management, loan, credit card, dedicated zone and basic services on CEB Mobile Banking app, newly launched the functions and services of the “English Version”, optimized the services of “Age-friendly Version”, and explored AI application. At the same time, focusing on contents, campaigns and traffic operation, the Bank comprehensively enhanced its digital and intelligent capabilities for tiered and grouped customer management. As at the end of the reporting period, the Bank had 71.0335 million registered users on the CEB Mobile Banking app, an increase of 2.00% over the end of the previous year.

iii. Financial market business

The Bank's financial market business line adhered to the main line of development, which is "stable allocation, active trading, increased client-facing transactions and strengthened risk control", optimized investment and trading business, comprehensively promoted professional operation, and continuously improved the efficiency of financial resource allocation. The Bank promoted the high-quality development of its financial institution business, worked with partners to build a financial institution ecosystem, deepened integrated management for financial institution customers, and steadily operated the Digital Integrated Service Platform for Financial Institutions. Insisting on the investor-centered philosophy, the Bank continued to enrich the "Colorful Sunshine" product matrix, strengthened multi-asset multi-strategy systematic allocation capabilities, further developed the all-weather investment research framework, and generated stable long-term investment returns for investors through professional investment research and refined risk control. The Bank actively leveraged its custody platform, promoted integrated business operation, and continuously improved the quality, efficiency and operational effectiveness of its asset custody services. During the reporting period, the Bank's financial markets business line realized operating income of RMB14,225 million, accounting for 22.54% of the Bank's total operating income.

1. Treasury business

The Bank closely monitored market changes, and continuously strengthened research and analysis. By formulating forward-looking investment strategies, diversifying investment instruments and maintaining both stability and flexibility in bond investment and trading business, the Bank continued to improve the liquidity, safety and profitability of its investment portfolios. The Bank steadily made efforts to serve the five target areas of finance, and actively invested in themed bonds such as sci-tech innovation bonds, green bonds and manufacturing bonds. The Bank enhanced market analysis, conducted management for trading stability and liquidity, and ensured stable liabilities in an orderly manner. The Bank consistently upheld the philosophy of exchange-rate risk neutrality, and remained committed to supporting the real economy with financial services.

2. Financial institution business

The Bank actively developed a collaborative and mutually beneficial financial institution ecosystem. With the core objectives of increasing demand deposits, optimizing liability structure and reducing funding costs, the Bank continuously strengthened its systematic and professional customer service capabilities, deepened integrated customer operation for financial institution customers through tiered and grouped management, and vigorously expanded deposits from the settlement of non-bank financial institutions. Closely focusing on the key areas of the country, the Bank relied on investment instruments such as credit bonds and ABS to provide targeted support for the direct financing of real economy enterprises in manufacturing, technology, green development and inclusive finance, effectively improving the quality and efficiency of its services to the real economy. The Bank conducted forward-looking market analysis, optimized asset allocation structure, and promoted the quality and efficiency of financial institution business. The Bank adhered to a strategy-driven approach, optimized resource allocation, implemented refined management, and established a flexible and efficient asset and liability portfolio management strategy. The Bank struck a balance among liquidity security, risk prevention and operation performance in a coordinated manner to facilitate the liquidity management across the Bank. The Bank strictly controlled customer access, and reinforced risk monitoring and early warning to maintain steady improvement in asset quality.

3. Asset management

The Bank's "Sunshine Wealth Management" business adhered to the fundamental purpose of asset management, continuously iterated the "Colorful Sunshine" product spectrum, enriched product functions and formats, and refined the positioning of products' risk-return profiles to meet investors' diversified asset allocation needs more precisely. The Bank continuously enhanced its professional investment capabilities, improved its investment research and decision-making framework, enriched its multi-asset multi-strategy investment toolkit, actively expanded investment categories, accelerated the development of digital investment research tools, and steadily strengthened asset allocation and value discovery capabilities. The Bank stuck to the compliance bottom line, dynamically upgraded its comprehensive risk management system, strengthened full-life-cycle product quality control, established a professional performance quality control mechanism, and maintained industry-leading risk management standards, so as to generate stable long-term investment returns for investors. As at the end of the reporting period, the scale of the Bank's AUM of wealth management products reached RMB2.10 trillion. During the first half of the year, the Bank cumulatively issued RMB2.64 trillion of wealth management products, creating RMB19,114 million of returns for investors.

4. Asset custody

The Bank actively conducted various custody businesses, including the asset management for securities investment funds, fund companies and securities firms, bank wealth management, trust, private investment funds, insurance, pension and cross-border investment. The Bank continuously improved service quality, efficiency and operation effectiveness, duly fulfilled its responsibilities as a custodian, and advanced integrated business operation and custody ecosystem development. The Bank seized market opportunities to complete or build up a pipeline of custody mandates for equity and balanced publicly-offered funds. The Bank continued to develop custody services for industrial funds and venture capital funds to support and serve the real economy. The Bank enhanced its pension fund custody services to facilitate the sound development of pension finance. The Bank strengthened technological empowerment, continuously optimized business system, and advanced the digital development of its custody business. During the reporting period, the Bank's risk control for the asset custody business remained sound. As at the end of the reporting period, the Bank's custody scale for asset management products amounted to RMB5.33 trillion.

XIII. BUSINESS INNOVATION

The Bank continuously refined its innovation management system, established a sustainable innovation-driven guiding mechanism, ramped up efforts in innovation guidance and incentives, and effectively managed the approval, supervision and closure of innovation projects. The Bank established the annual innovation and development awards, so as to stimulate innovation across the Bank, build exemplary innovation initiatives and capture practical organizational knowledge, with a focus on key innovation directions such as the five target areas of finance and consumption stimulation, and grant rewards for outstanding innovation achievements.

XIV. FINANCIAL TECHNOLOGY

Closely aligned with national strategies and the Bank's overall work arrangements, the Bank formulated a digital finance development plan and a technology strategy plan, continued to advance key technological empowerment business projects, and supported the establishment of four dedicated task forces covering inclusive finance, supply-chain finance, online retail lending and asset quality management. The Bank expanded the application of artificial intelligence for various business areas, and developed an enterprise-level AI agent platform. Through a suite of "Intelligent Assistants", the Bank improved operational efficiency and business expansion. The Bank continued to develop its "iData" platform, an intelligent Q&A tool for data queries, thereby enhancing the intelligent management and application of data assets. The Bank strengthened technology support to contribute to the Bank's high-quality business development. The Bank continued to optimize the structure of its technology inputs, and strengthened the development of a multidisciplinary technology workforce. As at the end of the reporting period, the Bank's technology inputs amounted to RMB2,733 million. The number of IT personnel was 4,272, accounting for 8.82% of the personnel of the Bank.

The Bank remained committed to using technological innovation to promote the development of new quality productive forces, and strengthened technology-enabled business development. The Bank received seven patent authorizations in areas including secure communication and pattern recognition. The Bank's 14 systems, including the New-generation Pension Account Management System, obtained computer software copyright registration certificates. The Bank ensured cybersecurity during critical periods, successfully completed routine financial industry contingency exercises, and continuously strengthened cybersecurity, operational security and data security management, comprehensively improving its secure operation capabilities and standards. During the reporting period, the Bank's production system maintained stable operation with an overall availability rate of 100%, and there occurred no major production incidents of Level III or above.

Topic 2: Advancing "AI + finance" to support high-quality business development

The Bank actively implemented relevant requirements on developing digital finance and "AI + finance", positioning AI-centered digital and intelligent technologies as core engines for cultivating new quality productive forces and promoting the high-quality development of digital finance. Adhering to a prudent and steady approach, the Bank advanced core AI technological breakthrough and substantial deployment in a prudent and steady manner, comprehensively improving the quality and efficiency of business management and financial services.

1. Expanding innovative technology applications to unlock new drivers of business development

The Bank continued to drive the deep integration of artificial intelligence and big data analytics across operational scenarios, providing comprehensive support for the five target areas of finance. In technology finance, leveraging multiple information sources such as internal and external data assets, the innovation of scoring framework, and the high-quality development evaluation metrics for SRDI enterprises, the Bank constructed specialized credit evaluation models for tech innovation enterprises, significantly strengthening risk assessment capabilities for technology finance. In green finance, the Bank harnessed diversified data sources to develop carbon emissions trading and green finance evaluation models, providing robust analytical infrastructure for sustainability-related information disclosures. In inclusive finance, the Bank refined its enterprise evaluation and risk assessment models for MSEs, substantially enhancing the precision and targeting level of its inclusive lending services. In pension finance, the Bank introduced intelligent tools including "Pension Ledger" and "Pension Planner", assisting customers in modelling retirement funding gaps and formulating personalized pension strategies. In areas such as operational management, retail lending and customer service, the Bank launched over 2,000 automated workflow scenarios to substantially boost processing throughput, with the execution of tens of millions of automated tasks completed cumulatively.

2. Empowering intelligent workforce transformation to reshape operational paradigms

The Bank continued to optimize its "10×10" AI agent matrix across ten core business domains such as corporate banking, retail wealth and risk management, and institutionalized ten universal capabilities such as knowledge Q&A, customer analysis and task execution. By embedding Large Language Models (LLMs) into business workflows, the Bank steadily advanced the implementation of the intelligent operating model featuring "One Agent Per Role", effectively improving employees' business productivity and work efficiency. The Bank explored ways to independently develop CEB-CLAW, a dedicated employee AI agent, to empower employees to customize end-to-end business workflows, driving personalized and intelligent workspace automation. The Bank established a unified AI portal for the whole Bank to promote the sharing and reuse of high-value AI applications. The Bank rolled out the "Wish Wall" function to capture employees' demands and feedback for intelligent applications, creating an agile closed-loop management mechanism that enables rapid intake and continuous feature iteration. As at the end of the reporting period, the Bank cumulatively served nearly 23 thousand employees through LLM applications.

3. Strengthening the system of comprehensive capabilities to solidify the technological foundation of intelligent banking

The Bank systematically engineered an integrated AI support framework encompassing computing power, algorithms, data assets and talents to consolidate the foundation for high-quality intelligent development. The Bank continued to optimize the deployment of general-purpose and accelerated AI computing infrastructure and intelligent computing power to ensure the computing capacity across all business lines. The Bank adhered to the "LLMs + small models" coordinated development approach, improving model inference efficiency and output accuracy across complex business scenarios. The Bank deepened data governance by issuing the *China Everbright Bank Data Standards (2026 Edition)* to strengthen data quality control across core business scenarios, providing data assets for model training and intelligent application deployment. The Bank continued to cultivate multidisciplinary AI professionals with expertise in technology, business and data, conducted special capability-building training programs, and dispatched technical personnel directly into business scenarios, helping ensure the effective implementation of AI applications.

4. Improving AI governance to fortify operational security and compliance

The Bank strictly upheld the fintech security baseline, improved the full-life-cycle AI governance framework, and strengthened the closed-loop mechanism covering application onboarding validation, runtime monitoring, risk mitigation and accountability tracing. The Bank enhanced centralized AI administration and risk management, improved supporting policies and mechanisms, and advanced the deployment of LLM safety guardrail systems to ensure that AI innovative applications are compliant, prudent, secure and orderly.

Case 3: Digital finance featured products

"iData" intelligent analysis platform

"iData" is an intelligent data analysis platform independently developed by the Bank. Integrating AI LLMs (Large Language Models) with BI (business intelligence) technology, the platform can enable users to retrieve data within seconds through natural language queries, substantially reducing the barriers to data access and use. Guided by the principle of "supporting frontline employees and empowering business operation", the platform covers scenarios including customer acquisition and marketing, corporate due diligence, and morning-evening briefing, and promotes data services to shift from passive responses to proactive empowerment to efficiently unleash the value of data. As at the end of the reporting period, "iData" supported Q&A across over 7,400 indicators, over 1,000 reports and multiple business scenarios. Its users covered over 1,000 operation institutions, with frontline employees accounting for over 80% of users. The platform has become an efficient tool supporting employees' daily data usage and query-based analysis.

"Golden Cicada (Jin Zhi Liao)" financial service community

Using technologies such as microservices, AI and big data, the Bank developed the "Golden Cicada (Jin Zhi Liao)", an integrated financial service community that combines knowledge popularity, social interaction and digital business operation. Guided by the principle of "empowering frontline staff and serving customers", the Bank developed a smart service system on the platform that includes online stores of wealth managers and social interaction channels. The platform closely integrates online traffic and offline professional capabilities to support wealth managers in conducting targeted marketing and empower the digital transformation of retail banking business. As at the end of the reporting period, the platform cumulatively served 32.10 million users, and recorded a total of 996.4 thousand financial product sales transactions, with an aggregate transaction volume of RMB463,821 million.

XV. INVESTMENT

i. As at the end of the reporting period, the balance of the Bank's investments in subsidiaries amounted to RMB12,703 million, representing a decrease of 2.16% from the end of the previous year.

ii. Material equity investments

Unit: RMB10,000, 10,000 shares, %

Investee	Principal business	Investment amount	Number of shares held	Shareholding percentage	Partners
Everbright Financial Leasing Co., Ltd.	Financial leasing	468,000	531,000	90	Hubei Port Group Co., Ltd., Wuhan Rail Transit Construction Co., Ltd.
Everbright Wealth Management Co., Ltd.	Wealth management	500,000	–	100	Nil
Beijing Sunshine Consumer Finance Co., Ltd.	Personal consumer lending	60,000	60,000	60	China CYTS Tours Holding Co., Ltd., O-Bank Co., Ltd.
CEB International Investment Corporation Limited	Investment banking	HKD2,600 million	–	100	Nil
China Everbright Bank (Europe) S.A.	Fully-licensed banking business	EUR20 million	–	100	Nil
China UnionPay Co., Ltd.	Bank card clearing	9,750	25,500	2.56	Other commercial banks, etc.
National Financing Guarantee Fund Co., Ltd.	Re-guarantee	100,000	–	1.51	20 shareholders including MOF, China Development Bank, Industrial and Commercial Bank of China, China Merchants Bank, China Life, etc.

Note: All of the above investments were completed and involved no litigation. These are long-term investments funded with the Bank's own funds in the form of new establishment.

iii. During the reporting period, there was no material non-equity investment and the Bank conducted bond investment in the ordinary and usual course of business. Please refer to the aforementioned for details.

iv. Financial assets designated at fair value during the reporting period

The Bank held domestic and overseas bonds and financial derivative instruments measured at fair value in the ordinary and usual course of business. For more details, please refer to the "Notes to the Unaudited Condensed Consolidated Financial Statements".

XVI. DURING THE REPORTING PERIOD, THERE WAS NO ACQUISITION OR DISPOSAL OF MATERIAL EQUITY OF THE BANK.

XVII. MAJOR COMPANIES IN WHICH THE BANK HELD EQUITY

i. Everbright Financial Leasing Co., Ltd.

Established in May 2010, the company engages in financial leasing business. It was registered in Wuhan City, Hubei Province, with a registered capital of RMB5.9 billion. During the reporting period, adhering to serving the real economy and focusing on its primary responsibilities and main businesses, the company gave full play to the functional features of financial leasing such as industry-finance integration and fund-assets combination, formed certain brand advantages in professional fields such as the leasing of aircraft, vessels and vehicles, and actively expanded business into fields such as rural revitalization, computing power and energy storage, providing comprehensive, high-quality and efficient operating lease and financial leasing services for customers with a nationwide business network. As at the end of the reporting period, the company's total assets stood at RMB156,787 million, and its net assets stood at RMB19,808 million. It realized a net profit of RMB1,155 million during the reporting period.

ii. Everbright Wealth Management Co., Ltd.

Founded in September 2019, the company specializes in asset management related businesses such as the issuance of publicly-offered wealth management products, the issuance of privately-offered wealth management products and wealth management advisory and consultation. It was registered in Qingdao City, Shandong Province, with a registered capital of RMB5 billion. During the reporting period, the company improved the "Colorful Sunshine" wealth management product system, diversified product supply, optimized the construction of investment research framework, enhanced the broad-category asset allocation capabilities, directed wealth management funds to deliver targeted support for key areas, made efforts to serve the five target areas of finance, and created sustainable value and returns for investors. As at the end of the reporting period, the company's total AUM of its products reached RMB2.10 trillion, its total assets stood at RMB14,615 million, and its net assets stood at RMB13,991 million. It realized a net profit of RMB1,143 million during the reporting period.

iii. Beijing Sunshine Consumer Finance Co., Ltd.

Founded in August 2020, the company specializes in businesses related to the granting of personal consumer loans. It was incorporated in Beijing with a registered capital of RMB1 billion. During the reporting period, based on the functional positioning of specialized consumer credit with a focus on serving the real economy and boosting consumption, the company comprehensively optimized its business structure and effectively reduced financing costs for customers. The company granted consumer loans mainly to key consumption areas such as household appliances, home decoration, tourism, education and healthcare, continuously enhancing the precision and effectiveness of its services to the real economy. As at the end of the reporting period, the company's total assets reached RMB12,747 million, and its net assets stood at RMB1,348 million. It realized a net profit of RMB2.73 million during the reporting period.

iv. CEB International Investment Corporation Limited

Founded in June 2015, the company was licensed for securities trading, securities consultation, financing consultation and asset management business through its two subsidiaries. It was registered in Hong Kong SAR with a registered capital of HKD2.6 billion. During the reporting period, the company focused on conducting investment banking businesses such as listing sponsorship and underwriting, public offering and placement of new shares by listed companies, and enterprise refinancing. As at the end of the reporting period, the company's total assets reached HKD7,714 million, and its net assets stood at HKD1,111 million. It realized a net profit of HKD31.46 million during the reporting period.

v. China Everbright Bank (Europe) S.A.

The company was incorporated in Luxembourg in July 2017 with a registered capital of EUR20 million. As a fully-licensed banking institution, it mainly engages in deposit taking, lending, bill issuance, bond issuance and other businesses of credit institutions permitted by the laws in Luxembourg. During the reporting period, it mainly conducted risk participation buying, among other credit businesses. As at the end of the reporting period, the company's total assets stood at EUR97.52 million, and its net assets stood at EUR24.25 million. It realized a net profit of EUR1.91 million during the reporting period.

XVIII. STRUCTURED ENTITIES CONTROLLED BY THE GROUP

The structured entities controlled by the Group but not recognized in the consolidated financial statements mainly include funds and asset management plans. Please refer to the "Notes to the Unaudited Condensed Consolidated Financial Statements" for details.

XIX. RISK MANAGEMENT

i. Credit risk management

The Bank adhered to a prudent and sound risk management philosophy, ensured both high-quality business development and asset security, fully implemented full-scope control over unified credit-granting activities, strictly enforced the consolidated risk limit management mechanism, and reduced regional, industry and customer concentration risks in a more refined manner. In accordance with the principle of strictly controlling new risks, properly addressing existing risks and preventing sudden credit events, the Bank implemented special risk management measures in key areas, dynamically optimized the credit-granting structure for specific industries, and controlled structural risks at the source. The Bank integrated internal and external industry research and analysis resources in a coordinated manner, established an integrated credit-granting management framework combining industry-specific credit policies, credit review and approval standards, customer marketing guidance, and customer-access whitelists, opened up channels for turning industry research findings into practical credit-granting applications, and improved the quality and efficiency of business development with professional industry risk management. The Bank accelerated the digital and intelligent upgrading of its risk management framework, deeply integrated AI and large model technologies into the full process of credit risk management, covering pre-lending customer eligibility accessment, during-lending credit monitoring and post-lending early warning, and comprehensively strengthened the capability to identify, measure and resolve risks through technology. Based on the requirements on improving the quality and efficiency of risk control across the Bank, the Bank conducted targeted inspections of potential risks, institutional shortcomings and weak points in duty performance across all phases of credit granting, unified risk appetite across the Bank, strengthened compliance and risk awareness among all employees, and enforced accountability for risk management at all levels of positions. The Bank adopted multiple measures to strengthen credit risk mitigation capabilities, innovated diversified approaches to the disposal of special assets, improved the effectiveness of the recovery and disposal of non-performing assets, further reinforced the firewall for credit asset safety, and safeguarded the compliant, well-ordered, sound and sustainable development of the Bank’s credit-granting business.

The Bank upheld the fundamental mission of finance to serve the real economy, promptly refined credit policies and strategies, continued to guide the precise allocation of credit resources, made efforts to serve the five target areas of finance, increased credit support for stimulating domestic demand, fostering new quality productive forces and developing a modern industrial system, and directed financial resources towards major national strategies, key areas and weak links. The Bank pursued differentiated development to build distinctive competitive edges, and adopted differentiated layout across business segments. Through refined asset portfolio management and in-depth industry research, the Bank delved into advantageous segmented industries, refined specialized financial service scenarios, and precisely addressed customers' comprehensive financial service needs. The Bank strengthened forward-looking industry risk analysis, implemented supporting differentiated industry-specific credit-granting policies, and actively supported the transformation and upgrading of traditional industries and the development and expansion of emerging industries. The Bank improved the long-effect coordination mechanism for financial services to MSEs, fully leveraged the financing coordination mechanism for MSEs, and advanced MSE financial services featuring stable credit supply, optimized structure, improved quality and sustainability.

The Bank continuously strengthened its comprehensive risk management capabilities, further improved its full-process asset quality management mechanism, enhanced risk management and control, and safeguarded the risk bottom line. As asset quality changes dynamically, the Bank will closely monitor risk evolution, conduct rigorous asset risk classification, and reflect risk profiles dynamically and objectively. The Bank will continue to provide credit-risk impairment allowances in accordance with accounting standards and regulatory requirements, adopt reasonable provisioning policies and continuously boost risk-offsetting capacity.

As at the end of the reporting period, the balance of the Bank's NPLs rose from the end of the previous year. The Bank will keep a close watch on key areas, adopt measures for proactive risk mitigation and accelerated non-performing asset disposal, promote the orderly write-off of risky assets, strictly contain new risks and consolidate asset quality.

Please refer to "Notes to the Unaudited Condensed Consolidated Financial Statements" for more information on credit risk management.

ii. Liquidity risk management

The Bank strictly stuck to the bottom line of liquidity safety, insisted on a prudent concept for liquidity risk management, and adopted an active liquidity management strategy, in a bid to maintain liquidity at an adequate and stable level. In response to the changes in economic and financial situations at home and abroad, the Bank positively responded to the challenges in operating environment, made forward-looking evaluation and strategic planning, and made overall planning for diversified liability-taking. The Bank regularly conducted stress testing and emergency plan assessment, strictly controlled liquidity risk limits to properly strike a balance among liquidity, security and benefits, further improved its consolidated management governance system, and enhanced the risk resistance capacity of the Group.

Please refer to "Notes to the Unaudited Condensed Consolidated Financial Statements" for more information on liquidity risk management.

iii. Market risk management

The Bank closely followed the international political and economic situation as well as the domestic and overseas markets, and conducted forward-looking analysis and management on interest rate risk, exchange rate risk and commodity risk. The Bank established a market risk management system covering all links such as market risk identification, measurement, monitoring, control and reporting, and strengthened market risk limit management. The Bank conducted market risk stress testing, and improved the testing procedure and result application mechanism. The Bank also effectively implemented various risk prevention and control measures to ensure smooth operation of related businesses and prevent potential extreme market risks caused by emergency events.

Please refer to "Notes to the Unaudited Condensed Consolidated Financial Statements" for more information on market risk management.

iv. Large risk exposure management

In line with the *Measures for the Administration of Large Risk Exposures of Commercial Banks*, the Bank continuously enhanced large risk exposure management, orderly carried out work relating to measurement, monitoring and system optimization for large risk exposures, effectively brought customer concentration risk under control, and continuously enhanced its large risk exposure management capabilities. During the reporting period, all limit indicators for the Bank's large risk exposures were controlled within the regulatory scope.

v. Country risk management

The Bank established a country risk management system that fits in with its risk profile, regularly carried out country risk internal ratings, set country risk limits and monitored them on a regular basis, conducted country risk stress tests, and optimized procedures for handling material risk matters. As at the end of the reporting period, the Bank was granted above investment grades in international ratings for country risk exposures. The country risk provisions were accrued in accordance with regulatory requirements.

vi. Operational risk management

The Bank actively implemented the regulatory rules for operational risk management, and strengthened the dynamic identification and monitoring of operational risks in key areas. The Bank effectively utilized operational risk management tools to conduct risk identification, monitoring, evaluation and reporting to enhance management effectiveness. The Bank paid close attention to regulatory penalties, and ensured accountability for the principal responsibilities of risk management, so as to raise compliance awareness for all employees. The Bank reported typical cases and intensified monitoring and cautionary reporting of common risks in key areas. The Bank also actively implemented the regulatory rules on capital management and steadily advanced operational risk capital measurement.

Please refer to "Notes to the Unaudited Condensed Consolidated Financial Statements" for more information on operational risk management.

vii. Compliance risk management

The Bank strictly implemented the requirements of the *Rules on Compliance Management of Financial Institutions* to establish a Chief Compliance Officer (CCO) and compliance officer framework to further improve the professional level of compliance management. The Bank carried out special rectification work covering internal control, compliance and policy implementation to strengthen the long-effect internal control and compliance mechanism. The Bank continued to improve the effectiveness of comprehensive case governance, and persistently consolidated the system for preventing and controlling case-related risks. The Bank promoted strict and precise accountability, and strengthened employee behavior management. Meanwhile, the Bank strengthened regulatory reporting and daily management of related party transactions, and continuously improved the business operation authorization system.

viii. Reputational risk management

Upholding the fundamental principle of being "forward-looking, matching, full-coverage and effective", the Bank continued to optimize its reputational risk management system and enhance its management level and risk response capabilities. The Bank prioritized risk prevention at the source, strengthened ex-ante assessment and analysis for reputational risks, and conducted thorough reviews on potential risk exposures and source risk resolution. The Bank regularly conducted online information monitoring, and strengthened coordination and collaboration between the Head Office and branches and among business departments, to efficiently respond to reputational events. The Bank continuously enhanced brand building and publicity guidance to proactively demonstrate the Bank's sound image in implementing the 15th Five-Year Plan, serving the real economy, making efforts to serve the five target areas of finance, and fulfilling social responsibilities.

ix. Money laundering risk management

The Bank strictly implemented anti-money laundering (AML) laws, regulations and regulatory requirements. Regarding the implementation of the new customer due diligence requirements as the main line of work, the Bank optimized the AML internal control policy system, and consolidated management foundation. The Bank placed equal emphasis on technological empowerment and data governance, optimized its money laundering risk monitoring system, and improved its full-process management mechanism covering risk identification, early warning and response, thereby continuously strengthening its capability to prevent and control money laundering risks. The Bank completed a new round of institutional money laundering risk self-assessments, systematically identified money laundering risk profile, and promoted the application of assessment outcomes.

x. Credit policies for key fields

The Bank actively responded to the changes in real estate policies and market conditions, and supported the development of a new model for the real estate sector. In corporate banking, the Bank implemented the requirements of the urban real estate financing coordination mechanism, supported the development of safe, comfortable, eco-friendly and smart "quality homes", and prioritized support for the development and construction of commodity housing for first-home and better-quality needs as well as government-subsidized housing, the construction and operation of rental housing, and urban renewal projects, so as to meet the reasonable financing needs in the real estate sector and promote the sustainable and healthy development of the real estate market. At the same time, the Bank made good use of various financial support policies for the real estate sector in a coordinated manner, proactively revitalized assets associated with distressed projects, and ensured effective prevention and resolution of debt risks of property developers. In retail banking, the Bank strengthened customer screening and access, business area selection and differentiated loan-to-value ratio governance to better meet the financial needs of residents.

XX. OUTLOOK OF THE BANK'S FUTURE DEVELOPMENT

i. Implementation progress of business plan

The Bank remained committed to the fundamental purpose of serving the real economy, actively served the five target areas of finance, and continuously promoted high-quality development. During the reporting period, the Bank actively maintained sound credit supply in alignment with national policy orientations and key priority sectors, adapted to changes in financing structure, continuously optimized the investment and trading of bonds and other instruments, and intensified efforts to attract settlement funds at the source. The Bank's assets and liabilities maintained steady growth with their structure further optimized and the liability costs prominently decreased, which helped drive improvement and rebound in net interest margin. The Bank's overall operation showed steady progress amid quality improvement with risk management further strengthened.

ii. Potential risks and countermeasures

The year 2026 marks the beginning of China's 15th Five-Year Plan period. Internationally speaking, the external environment has become increasingly complex and volatile. The global economy faces insufficient growth momentum, and geopolitical conflicts and economic and trade frictions occur frequently. Major economies have seen divergent economic performances, and uncertainties persist regarding inflation trends and adjustments to monetary policies. Domestically speaking, China's economy has maintained generally stable operation, and advanced toward innovation-driven and higher-quality development, with further progress achieved in high-quality development. However, the economy still faces certain issues and challenges, including weak demand amid robust supply, structural divergence and external shocks. In addition, capital market reforms have boosted the proportion of direct financing. The rapid development of fintech, especially the in-depth application of artificial intelligence and large models, has set higher requirements for the technological governance capabilities and comprehensive risk management of the traditional banking sector. Commercial banks' traditional operating philosophies and business models are confronted with considerable challenges.

Adhering to the general principle of pursuing progress while ensuring stability, the Bank will strive to grasp the laws governing financial development in the new era, proactively cope with the low-interest-margin market environment, and better coordinate effective qualitative improvement and reasonable quantitative growth, so as to deliver high-quality financial services for economic and social development. First, the Bank will make efforts to serve the real economy, provide targeted and robust support for major strategies, key areas and weak links, deliver on the five target areas of finance including technology finance, green finance, inclusive finance, pension finance and digital finance, scale up support for the implementation of the projects of “Two Renewals” and “Two Majors”, and meet the financing needs for the construction of the “Six Networks” infrastructure including water, power, computing, telecommunications, urban pipelines and logistics. Second, the Bank will remain committed to serving social well-being, fully support the strategy of expanding domestic demand, serve the special campaign to boost consumption, provide low-cost, wide-coverage and accessible financial products and services in a more market-oriented and sustainable manner, generate sustainable value returns for urban and rural residents, and advance common prosperity. Third, the Bank will strive to enhance core competitiveness, deepen institutional and mechanism reforms, strengthen the driving role of digital intelligent transformation in business development, optimize resource allocation, coordinate regional development layout, build operational features, and better leverage the core synergies of comprehensive financial services. Fourth, the Bank will ensure both development and security, uphold risk prevention and control as the eternal theme of financial work, improve a prudent and efficient comprehensive risk management system, continuously forestall and defuse risks in key areas, strictly abide by internal control and compliance policies, refine the audit supervision system, and firmly hold onto the red line of risks.

Section V Environmental, Social and Governance

I. ENVIRONMENTAL INFORMATION

i. Green finance

1. Green finance policy

With a focus on meeting the carbon peaking and carbon neutrality goals, the Bank fully applied the green development philosophy, incorporated green finance into its long-term development strategy, and made solid efforts to serve green finance. The Bank continued to refine its green governance and policy framework, maintained a strong focus on key industries and core areas, and comprehensively addressed the diverse needs of the real economy for green investment and financing, low-carbon consumption and transition finance. Through high-quality financial services, the Bank supported enterprises in pursuing low-carbon development.

Leveraging China Everbright Group's strengths in industry-finance integration, the Bank made every effort to develop a new development model for green finance featuring "finance + industry + ecosystem". Upholding the principle of "One Customer, One Everbright and One Service Package", through synergies within China Everbright Group, the Bank built a service model for comprehensive finance encompassing commercial banking, investment banking, private banking, financial leasing and asset management. The Bank pooled resources to cultivate distinctive green competitive advantages, and provided customers with customized solutions featuring "one solution for one enterprise".

The Bank built a clearly-defined green finance governance framework to identify, assess and monitor risks and opportunities relating to green finance. The Bank continued to improve its specialized organizational governance structure and working mechanism covering the decision-making layer, the management layer and the execution layer, put forward a systematic plan for implementing and advancing green finance, and formulated a Bank-wide medium- and long-term development plan for transition finance. The Bank provided targeted support for key areas such as new energy system, green building, green transportation, industrial low-carbon renovation and green consumption, and continuously expanded emerging low-carbon service scenarios such as green consumption and green trade.

Driven by innovation in both products and business models, the Bank built the "Green Finance+" product and service system. Taking transition finance as the key to expand the scale and enhance the quality of green finance, several branches of the Bank took the lead in extending transition finance loans, forming a business pattern featuring diversified growth. The Bank innovatively extended the scope of green finance services to the liability side by conducting several standardized green deposit transactions, thereby establishing a two-way green business layout on both assets and liabilities. The Bank continued to promote financing secured by mortgage or pledge of environmental equity such as pollution discharge permits and carbon emission permits, as well as carbon financial derivatives and sustainability-linked loans, thereby building a multi-tiered green product matrix covering entire industrial chains.

The Bank strengthened data foundation for green finance, and strictly guarded against compliance risks arising from greenwashing throughout the entire process. The Bank optimized the identification and classification procedures for green projects and regularly conducted professional training and talent capability cultivation. The Bank steadily institutionalized carbon accounting for investment and financing activities in eight high-carbon industries, and rigorously implemented the requirements on mandatory environmental information disclosure.

2. Green finance performance

The Bank continuously scaled up the resource allocation of green credit, enriched its green finance product spectrum, and leveraged digital and intelligent technology to empower green businesses for quality enhancement and efficiency improvement. Core businesses such as green loans and green bond underwriting maintained steady growth. As at the end of the reporting period, the balance of green loans stood at RMB475,102 million, up RMB6,024 million as compared with the end of the previous year, accounting for 11.61% of total loans. During the reporting period, the Bank actively underwrote green bonds to support eco-friendly and low-carbon enterprises in gaining access to direct financing, supported 12 market entities to issue 17 green bonds with a cumulative underwriting volume of RMB7,895 million, and helped enterprises in clean energy power generation, new energy vehicles and some other sectors to obtain direct financing of RMB30,525 million.

Case 4: Distinctive green finance businesses

Pumped storage hydropower station

In response to the national strategy of achieving carbon peaking and carbon neutrality, the Bank's Hangzhou Branch provided a syndicated credit facility of RMB1 billion for a pumped storage hydropower station project in East China to support new energy system development. As a key project under the *Medium and Long-Term Development Plan for Pumped Storage Power (2021-2035)*, the project plans to install six pumped storage hydropower units, each with a capacity of 400 MW. Upon completion, it is expected to save approximately 480 thousand tons of standard coal equivalent for power generation and reduce carbon dioxide emissions by approximately 960 thousand tons annually. The Bank will continuously strengthen financial support for energy infrastructure and green industries, contributing financial strengths to the high-quality development of green industries.

Special loan for carbon emission permit

CEB Lhasa Branch extended the first carbon emission permit loan of RMB5 million in the Xizang Autonomous Region to a cement enterprise covered by the National Carbon Market. The loan was earmarked for purchasing carbon emission allowances, enabling the enterprise to meet compliance surrender obligations while maintaining stable production and operation. As a supplier to a major infrastructure project of the Sichuan-Xizang Railway, the enterprise faced a shortage of emission allowances due to capacity expansion and therefore needed to purchase additional carbon emission permits to fulfill compliance obligations. CEB Lhasa Branch promptly optimized the credit facility arrangement and allocated a dedicated credit limit, effectively filling the blank in the offerings of carbon emission permit financing products in the region and supporting the green and low-carbon transition of the building materials industry.

ii. Green operation

The Bank actively improved measures to control overall resource consumption, adopted a comprehensive resource conservation approach, strengthened economical and intensive utilization of resources, and advocated a green and low-carbon lifestyle. The Bank implemented green operation measures, routinely strengthening control over electricity and water usage. The Bank improved the energy efficiency of office equipment, strictly controlling resource consumption. The Bank standardized waste sorting, improving the level of resource-based disposal of waste. The Bank promoted paperless office practices across the Bank, continuously reducing the use of paper consumables. The Bank implemented the "Clean Your Plate" campaign in staff canteens, advocating the concept of "practicing strict economy and combating waste". The Bank encouraged employees to choose eco-friendly commuting methods and practice a low-carbon lifestyle at work and in daily life.

iii. Environmental and climate risk management

1. Risk management policy

Attaching great importance to ESG risk management, the Bank formulated the *Environmental, Social and Governance Risk Management Policy*, incorporated ESG risks into the comprehensive risk management system, and adhered to basic principles of full coverage, category-specific management and whole-process management and control. The Bank optimized category-specific management standards, and strictly implemented the "one-vote veto system" for customers with major ESG risks. The Bank standardized the management process, incorporated ESG risk management requirements into all links of credit business such as due diligence, review & approval and post-lending management, and strictly exerted whole-process closed-loop management.

2. Risk management measures

The Bank strictly controlled credit access regarding environmental and climate risks, strengthened dynamic full-life-cycle ESG risk management and control, embedded standardized ESG risk identification and assessment modules into every stage of credit-granting process, including pre-lending due diligence, credit review and approval, contract management, disbursement review and post-lending management. In line with the requirements for reducing excess industrial capacity, the Bank strengthened the management of high-emission and energy-intensive industries, optimized credit structure, and supported phasing out "zombie firms"in an orderly manner. In alignment with regulatory guidelines, the Bank established a special labeling system for high-carbon customers, and regularly monitored high-carbon asset concentration and quality. The Bank included the impacts of environmental and climate change on its operation into the scope of monitoring, mapped climate risk transmission pathways, and conducted multi-scenario stress tests for climate risks, thereby providing decision-making support for the differentiated management and control of high-carbon enterprises. Meanwhile, the Bank strengthened safety precautions and emergency response against extreme weather to build a solid defense line against climate risks on the operation side.

II. INFORMATION ON SOCIAL RESPONSIBILITY FULFILLMENT

I. Consolidation of achievements in lifting people out of poverty

The Bank continued to develop a long-effect mechanism for financial assistance, actively provided industrial assistance, consumption-driven assistance, talent assistance and donation assistance, carried out regular work to prevent people from slipping back into poverty or falling into poverty, and maintained strong credit support for key counties designated to receive assistance for rural revitalization. As at the end of the reporting period, the balance of loans to key rural revitalization counties at both national and provincial levels stood at RMB23,866 million, representing an increase of RMB892 million as compared with the end of the previous year. The Bank participated in the paired assistance work in three designated assistance counties in Hunan Province (Xinhua, Xintian and Guzhang) with donations totaling RMB13 million. With a focus on regular consumption-driven assistance, the Bank's "Wonderful E-shopping" platform continued to support the integrated development of rural industries, helping 319 rural enterprises in 261 counties across the country sell 59.1 thousand units of agricultural products with a sales volume of RMB3.2558 million. A total of 22 branches of the Bank carried out assistance initiatives by selecting and dispatching 81 frontline personnel for paired assistance.

ii. Support for rural revitalization

The Bank actively implemented the national rural revitalization strategy by continuously increasing agriculture-related lending with a focus on key areas such as national food security, county-level industries for enriching residents, and the construction of a beautiful and harmonious countryside. The Bank carried out a special people-benefiting campaign known as the "Hundred Counties, Thousand Enterprises and Ten Thousand Machines" program, which covers the financing for hundreds of counties, leading agricultural enterprises and tens of thousands of agricultural machinery renewal projects, served various leading enterprises in agricultural industrialization, and supported the development of new quality productive forces in agriculture. As at the end of the reporting period, the balance of agriculture-related loans stood at RMB355,450 million, representing an increase of RMB8,287 million as compared with the end of the previous year, while the balance of inclusive agriculture-related loans stood at RMB39,122 million, representing an increase of RMB2,009 million as compared with the end of the previous year.

iii. Protection of consumer rights and interests

The Bank thoroughly implemented all requirements on consumer rights and interests protection, established a comprehensive consumer protection work system, strengthened the whole-process control, and effectively enhanced work performance and efficiency to safeguard the legitimate rights and interests of financial consumers. The Board of Directors and its Special Committees, together with the Senior Management, heard and considered reports on the work progress and plan related to consumer protection, determined the tasks of the year, and studied key measures. The Bank launched the “2026 Sunshine Consumer Protection Accompanying Your Life” education and publicity campaign, and actively carried out the “315 (15 March)” Financial Consumer Rights and Interests Protection Publicity Campaign, the “515 (15 May) National Investor Protection Awareness Day” and the “Financial Knowledge Popularization” campaign. The Bank also regularly carried out the “Sunshine Consumer Protection As Your Monthly Companion” program, and published “Consumer Protection Calendar” on a daily basis, helping consumers improve their financial literacy and risk prevention awareness. During the reporting period, the Bank carried out a total of 28.1 thousand education and publicity campaigns, reaching consumers for 398 million person-times. The Bank formulated the *2026 China Everbright Bank Age-friendly Financial Service Work Plan*, setting out detailed measures in five areas including optimizing traditional services, strengthening technological empowerment, diversifying product offerings, enhancing consumer rights and interests protection, and promoting financial education, with a view to improving the level of age-friendly services. The Bank organized special consumer protection training programs for 2026 to offer courses on suitability management, partner institution management and dispute resolution in light of new regulatory requirements, current key issues and challenges, effectively enhancing employees’ professional capabilities in consumer protection. The Bank launched two large model applications (AI-powered consumer protection review tool and consumer protection Q&A assistant), in order to advance the digital and intelligent transformation of consumer protection and expand the application of AI to specialized areas of consumer protection. Placing equal emphasis on addressing issues at source and resolving disputes through diversified mechanisms, the Bank focused on business areas such as credit cards and retail loans. By optimizing product design, standardizing service processes, strengthening prevention and control at source, and enhancing the monitoring and analysis of complaint data, the Bank advanced the transformation of complaint handling from the traditional mode of passive responses to proactive prevention and targeted governance.

III. GOVERNANCE INFORMATION

The Bank established a sound corporate governance structure and ESG governance structure with the shareholders' general meetings as the organ of authority, the Board of Directors as the decision-making organ, and the Senior Management as the executive organ, and an ESG structure consisting of three layers including decision-making, management and execution with the Board of Directors as the decision-making layer, the Head Office's Social Responsibility/Inclusive Finance Management Committee as the management layer and relevant units as the execution layer.

The Board of Directors fully leveraged its role in the strategic deployment, decision-making and guidance of ESG work. The Board and its special committees reviewed and approved the sustainability report, listened to the key points of the annual ESG work plan, and further strengthened the incorporation of ESG principles into the Bank's operation and development, thereby enhancing the level of ESG management. The Board of Directors heard reports on the progress of green finance work, and further enhanced the distinctive features of green finance development in areas such as green brand building, ESG and climate risk management. The Board of Directors considered and approved a resolution on donations to support paired assistance, so as to help advance rural revitalization on all fronts. The Board of Directors considered proposals related to consumer rights and interests protection, and heard reports on the complaint situation analysis and the performance evaluation related to consumer rights and interests protection.

The Senior Management of the Bank coordinated efforts across the Bank to fulfill environmental and social responsibilities, formulated the *2026 ESG Work Priorities*, and continued to integrate sustainability principles into the Bank's development strategy and business management. On the basis of enhancing ESG management system, the Bank advanced relevant initiatives in six directions: addressing climate change and achieving green and low-carbon development; deepening inclusive finance and enhancing the effectiveness of serving the real economy; protecting the rights and interests of financial consumers and improving customer experience; building a professional workforce and strengthening talent cultivation; carrying out volunteer activities and improving whole-process management of donations; and strengthening business ethics management and deepening corporate governance. The Bank identified work priorities in 16 areas and set 31 work targets. During the reporting period, the Senior Management proactively performed duties, considered 57 relevant proposals from an ESG perspective, and ensured that ESG management requirements were cascaded to the execution layer. The Bank continued to advance green finance, proactively addressed climate risks through measures such as conducting carbon accounting in an orderly manner and systematically implementing climate risk stress tests, and steadily promoted low-carbon operation across the Bank. The Bank actively fulfilled social responsibilities by vigorously promoting inclusive finance products and services exemplified by Cloud Fee Payment, thereby enhancing the convenience and accessibility of financial services. The Bank ensured both development and security, strengthened internal control and compliance management, optimized governance in key areas such as anti-money laundering and anti-unfair competition, and reinforced the foundation for sustainable and sound development.

IV. OTHER INFORMATION

The Bank vigorously developed green finance, supported energy conservation and environmental protection industries, adhered to green operation, and carried out environmental protection public welfare initiatives. Neither the Bank nor its subsidiaries were included in the list of enterprises obligated to disclose environmental information, as published by China's ecological and environmental authorities.

Section VI Significant Events

I. INTERIM PROFIT DISTRIBUTION PLAN

The Bank's net profit attributable to equity shareholders for the first half of 2026 on a consolidated basis stood at RMB18,711 million. The net profit in the financial statements of the parent company stood at RMB16,489 million. As at 30 June 2026, the retained profits in the financial statements of the parent company amounted to RMB229,648 million. Subject to compliance with applicable laws, regulations and the provisions set out in the *Articles of Association* of the Bank, the Bank proposes to distribute an interim cash dividend for 2026 to all ordinary shareholders at the rate of RMB0.81 (tax included) per 10 shares, calculated based on the total share capital registered on the record date for this dividend distribution. As at 30 June 2026, the Bank's total ordinary share capital stood at 59,086 million shares. On this basis, the proposed interim cash dividend for 2026 amounts to RMB4,786 million (tax included), representing 25.58% of the consolidated net profit attributable to equity shareholders of the Bank.

Should there be any change in the Bank's total ordinary share capital prior to the record date for this profit distribution, the total distribution amount shall remain unchanged, while the distribution per share will be adjusted accordingly and disclosed in the relevant announcement. The cash dividend shall be denominated and declared in RMB and payable to shareholders in RMB or HKD. The actual HKD payout amount shall be calculated based on the average benchmark exchange rate of RMB against HKD announced by the PBOC for the week preceding (including the date of) the shareholders' general meeting at which the Bank considers and approves the 2026 interim profit distribution plan.

During the first half of 2026, the Bank did not implement capitalization of capital reserve funds.

The above profit distribution plan is in compliance with the Bank's *Articles of Association* and relevant review and approval procedures. The Board of Directors carefully discussed and deliberated on the profit distribution plan, and Independent Non-executive Directors expressed independent opinions to effectively safeguard the legitimate rights and interests of minority shareholders. The above profit distribution plan will be submitted to the shareholders' general meeting, where all ordinary shareholders including minority shareholders have the right to participate and express their opinions and demands. The shareholders' general meeting of the Bank shall allow online voting, and the votes cast by minority shareholders on the profit distribution plan shall be counted separately so as to fully safeguard the legitimate rights and interests of minority shareholders.

The tax deductions concerning the interim profit distribution of the Bank shall be carried out in accordance with relevant regulations, which will be specified in the announcement on the implementation of dividend distribution.

II. IMPORTANT UNDERTAKINGS GIVEN BY THE BANK AND ITS RELATED PARTIES

During the reporting period, the Bank and its de facto controller, shareholders or other related parties did not make any new material undertakings. Please refer to the *2025 Annual Report* of the Bank for details.

III. USE OF CAPITAL BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES FOR NON-OPERATING PURPOSES

During the reporting period, there was no non-operational capital occupation by the controlling shareholder or other related parties of the Bank.

IV. MATTERS CONCERNING BANKRUPTCY OR REORGANIZATION

During the reporting period, no bankruptcy or reorganization took place at the Bank.

V. MATERIAL LITIGATION AND ARBITRATION MATTERS

The Bank was involved in some litigation and arbitration cases during its ordinary and usual course of business, most of which were initiated by the Bank for the purpose of recovering NPLs. During the reporting period, the Bank was not involved in any major sued litigation and arbitration cases. As at the end of the reporting period, the Bank was involved in 321 sued litigation and arbitration cases pending final judgment, which involved about RMB1,845 million. The above litigation and arbitration cases would not have any significant adverse impact on the financial position or operating performance of the Bank.

VI. PENALTY IMPOSED ON THE BANK OR ITS CONTROLLING SHAREHOLDER, DE FACTO CONTROLLER, DIRECTORS AND SENIOR MANAGEMENT

To the best knowledge of the Bank, during the reporting period, the Bank was not investigated for suspected crimes according to law, and none of its controlling shareholders, de facto controller, Directors and Senior Management was suspected of committing crimes or subject to any compulsory measures taken according to law; the Bank and its controlling shareholder, de facto controller, Directors or Senior Management was not subject to any criminal punishment, investigation or administrative penalty by the CSRC for suspected violation of laws and regulations, administrative regulatory measures imposed by the CSRC, disciplinary actions imposed by any stock exchange, or material administrative penalty by other competent authorities; none of the Bank's Directors or Senior Management was detained by the disciplinary inspection and supervision authorities for suspected serious disciplinary violations or duty-related crimes, or subject to any compulsory measures taken by other competent authorities for suspected violations of laws or regulations, which could affect the performance of his or her duties.

VII. CREDIBILITY OF THE BANK, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

During the reporting period, the Bank, the Bank's controlling shareholder and de facto controller had neither unfulfilled obligations specified in effective court documents nor unpaid significant matured debts.

VIII. PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES

During the reporting period, save for the redemption of "Everbright P3", the Bank and its subsidiaries did not purchase, sell or redeem other listed securities of the Bank (including sales of treasury shares). As at the end of the reporting period, the Bank did not hold any treasury shares.

Please refer to the relevant contents of "Section VII Changes in Share Capital and Shareholders" for details about the redemption of "Everbright P3".

IX. MATTERS CONCERNING CONNECTED TRANSACTIONS OF THE BANK UNDER THE *HONG KONG LISTING RULES*

In accordance with the *Hong Kong Listing Rules*, the transactions between the Bank and its connected persons (as defined in the *Hong Kong Listing Rules*) constitute connected transactions of the Bank. The Bank has monitored and managed these connected transactions in accordance with the *Hong Kong Listing Rules*. The connected transactions that occurred or subsisted during the reporting period were as follows:

i. Non-exempt connected transactions

(1) Approval of transaction limit for connected legal persons to transfer assets

On 26 December 2025, the Bank entered into an agreement with Everbright Jin'ou Asset Management Co., Ltd. ("Everbright Jin'ou"), and the Bank agreed to approve the aggregate transaction limit of RMB3 billion for Everbright Jin'ou to transfer assets. The limit shall be valid for three years from 26 December 2025 to 26 December 2028 (both dates inclusive). A single transaction amount and the accumulated annual transaction amount under the limit shall not exceed RMB1 billion, and the accumulated transaction amount for three years shall not exceed RMB3 billion. Everbright Jin'ou is a subsidiary of CEG, the Bank's controlling shareholder, and thus constitutes a connected person of the Bank according to the *Hong Kong Listing Rules*.

(2) Mutual provision of services between connected legal persons

On 29 December 2023, the Bank and CEG entered into a comprehensive service framework agreement valid from 1 January 2024 to 31 December 2026 (both dates inclusive), pursuant to which services can be provided for each other between the Bank and CEG or CEG's associates or both. CEG or CEG's associates or both provide the Bank with insurance services, joint marketing services, product management services, investment services, technology services, product services and comprehensive services, and the Bank provides asset custody services, agency sales services, product management services, investment services, product services and comprehensive services for CEG or CEG's associates or both. CEG is the controlling shareholder of the Bank. Therefore, CEG constitutes a connected person of the Bank under the *Hong Kong Listing Rules*.

On 29 November 2024, the Bank and CEG entered into a supplementary agreement to the comprehensive service framework agreement to revise the annual caps of comprehensive services provided by CEG or CEG's associates or both for the Bank and comprehensive services provided by the Bank for CEG or CEG's associates or both for the three years ended on 31 December 2026.

ii. Exemptible connected transactions

During the reporting period, a series of connected transactions were carried out between the Bank and its connected persons in the ordinary and usual course of business of the Bank. Pursuant to Chapter 14A of the *Hong Kong Listing Rules*, such connected transactions were exempted from reporting, announcement, annual review and independent shareholders' approval requirements.

X. MATERIAL CONTRACTS AND THEIR PERFORMANCE

i. Material custody, contracting and leasing

During the reporting period, apart from routine business, there was no significant event relating to material custody, contracting or leasing of other companies' assets or other companies' material custody, contracting or leasing of the Bank's assets.

ii. Significant guarantee

The provision of guarantee is in the ordinary and usual course of business of the Bank. During the reporting period, the Bank did not enter into any significant guarantee required to be disclosed save for the guarantees within its business scope as approved by the regulatory authorities or any guarantee contract in violation of laws, administrative regulations and the resolution procedures for external guarantees stipulated by the CSRC.

iii. Other material contracts

During the reporting period, apart from routine business, there was no other material contract.

XI. USE OF RAISED PROCEEDS

All the proceeds raised by the Bank in history were used for the purposes disclosed in prospectuses, offering circulars and other documents. The proceeds were used to replenish the Bank's capital, increase the capital adequacy ratio, and support the Bank's sustainable and sound business development.

In April 2026, the Bank issued RMB15 billion of perpetual capital bonds, with a coupon rate of 2.01% for the first five years. In June 2026, the Bank issued RMB20 billion of perpetual capital bonds, with a coupon rate of 1.99% for the first five years. The coupon rate of the above-mentioned bonds will be adjusted every five years and subject to the issuer's conditional redemption right on every interest payment date starting from the fifth year. The relevant proceeds were used to replenish the Bank's additional Tier 1 capital.

XII. OTHER SIGNIFICANT EVENTS

During the reporting period, for other significant events required to disclose by the Bank in accordance with securities regulatory requirements, please refer to the Bank's relevant announcements published on the websites of the SSE, the HKEKnews and the Bank.

XIII. SIGNIFICANT EVENTS OF SUBSIDIARIES

During the reporting period, the Bank's subsidiaries including Everbright Financial Leasing Co., Ltd., Everbright Wealth Management Co., Ltd., Beijing Sunshine Consumer Finance Co., Ltd., CEB International Investment Corporation Limited, China Everbright Bank (Europe) S.A. neither did any profit distribution, nor got involved in any material litigation or arbitration, acquisition and disposal of major assets, material related party transaction, material contract, judicial or administrative investigation or material penalty.

All three rural banks of the Bank had received the approval for dissolution from regulatory authorities. Shaoshan Everbright Rural Bank Co., Ltd. and Jiangsu Huai'an Everbright Rural Bank Co., Ltd. completed company cancellation registration in April 2026, and Jiangxi Ruijin Everbright Rural Bank Co., Ltd. completed company cancellation registration in July 2026. The Bank had taken over all their assets, liabilities, businesses, staff and other rights and obligations.

XIV. REVIEW OF INTERIM RESULTS

KPMG had reviewed the Bank's interim financial statements, which were prepared in accordance with the IFRS Accounting Standards and the disclosure requirements prescribed in the *Hong Kong Listing Rules*. The Board of Directors of the Bank and its Audit Committee had reviewed and approved the interim performance results and financial statements of the Bank for the six months ended 30 June 2026.

XV. PUBLICATION OF INTERIM REPORT

The Chinese and English versions of this Interim Report prepared by the Bank in accordance with the IFRS Accounting Standards and the *Hong Kong Listing Rules* are available at the websites of the HKEXnews and the Bank. In case of any ambiguity in the understanding of the Chinese and English versions of this Interim Report, the Chinese version shall prevail.

Section VII Changes in Share Capital and Shareholders

I. CHANGES IN ORDINARY SHARES

Unit: Share, %

	31 December 2025		Change during the reporting period	30 June 2026	
	Number of shares	Percentage		Number of shares	Percentage
I. Shares subject to restrictions on sales	–	–	–	–	–
Shares held by state-owned legal persons	–	–	–	–	–
II. Shares not subject to restrictions on sales	59,085,551,061	100.00	–	59,085,551,061	100.00
1. RMB-denominated ordinary shares	46,406,815,561	78.54	–	46,406,815,561	78.54
2. Overseas listed foreign shares	12,678,735,500	21.46	–	12,678,735,500	21.46
III. Total shares	59,085,551,061	100.00	–	59,085,551,061	100.00

II. SECURITIES ISSUANCE AND LISTING

During the reporting period, the Bank did not issue any new common stock or convertible corporate bond. For details regarding the Bank's bond issuance, please refer to the "Notes to the Unaudited Condensed Consolidated Financial Statements".

III. NUMBER OF THE ORDINARY SHAREHOLDERS

Unit: Shareholder

	A shares	H shares
Total number of shareholders as at the end of the reporting period	236,491	764

IV. CONFIRMATION OF COMPLIANCE WITH THE REQUIREMENT OF SUFFICIENCY OF PUBLIC FLOAT UNDER THE *HONG KONG LISTING RULES*

Based on publicly available information and to the knowledge of the Directors, as at the end of the reporting period, the Bank had maintained the minimum public float as required by the *Hong Kong Listing Rules* and the waiver granted by SEHK at the time of its listing.

V. SHAREHOLDING OF TOP TEN ORDINARY SHAREHOLDERS

Unit: Share, %

Name of shareholder	Nature of shareholder	Change in the reporting period	Class of shares	Number of shares held	Shareholding percentage	Number of shares pledged/marked/ frozen
China Everbright Group Ltd.	State-owned legal person	–	A shares	24,363,726,541	41.23	–
		–	H shares	1,782,965,000	3.02	–
China CITIC Financial Asset Management Co., Ltd.	State-owned legal person	–	A shares	4,723,302,688	7.99	–
		–	H shares	604,397,000	1.02	–
Hong Kong Securities Clearing Company Nominees Limited	Overseas legal person	39,990	H shares	5,238,866,858	8.87	Unknown
Including: Ocean Fortune Investment Limited	Overseas legal person	–	H shares	1,605,286,000	2.72	–
Overseas Chinese Town Holdings Company	State-owned legal person	–	H shares	4,200,000,000	7.11	2,058,480,000 shares pledged
China Everbright Limited	Overseas legal person	–	A shares	1,572,735,868	2.66	–
China Life Reinsurance Company Ltd.	State-owned legal person	–	H shares	1,530,397,000	2.59	–
China Reinsurance (Group) Corporation	State-owned legal person	–	A shares	413,094,619	0.70	–
		–	H shares	376,393,000	0.64	–
Shenergy (Group) Co., Ltd.	State-owned legal person	–	A shares	766,002,403	1.30	–
COSCO SHIPPING (Shanghai) Investment Management Co., Ltd.	State-owned legal person	–	A shares	723,999,875	1.23	–
Yunnan Hehe (Group) Co., Ltd	State-owned legal person	–	A shares	626,063,556	1.06	–

Notes:

1. As at the end of the reporting period, all ordinary shares of the Bank were not subject to restrictions on sales.

2. As at the end of the reporting period, the total number of H shares of the Bank held by the Hong Kong Securities Clearing Company Nominees Limited acting as the nominee for all institutional and individual investors that maintain an account with it was 5,238,866,858 H shares. Among them, 1,605,286,000, 604,397,000, 282,684,000 and 172,965,000 H shares of the Bank were held by Ocean Fortune Investment Limited, CITIC Financial AMC, China Life Reinsurance Company Ltd. and China Everbright Group Ltd., respectively. The number of remaining H shares of the Bank held under it was 2,573,534,858.

3. The Bank was aware that, as at the end of the reporting period, China Everbright Limited is a subsidiary indirectly controlled by China Everbright Group Ltd. China Life Reinsurance Company Ltd. is a wholly-owned subsidiary of China Reinsurance (Group) Corporation. COSCO SHIPPING (Shanghai) Investment Management Co., Ltd. and Ocean Fortune Investment Limited are both subsidiaries indirectly controlled by China COSCO SHIPPING Corporation Limited. Save for the above, the Bank was not aware of any related party relationships or concerted actions among the above shareholders.

4. The Bank had no special repurchase account. There was no delegation, entrustment or abstention of voting rights. No strategic investors or general legal persons became top ten shareholders due to rights issue. There was no difference in the arrangement of voting rights.

5. As at the end of the reporting period, the top ten shareholders of the Bank neither lent any shares of the Bank to engage in refinancing business nor held any shares of the Bank using credit accounts.

VI. SUBSTANTIAL ORDINARY SHAREHOLDERS

i. Controlling shareholder

As the Bank's controlling shareholder, CEG directly holds 44.25% of the Bank's shares. The controlling shareholder of CEG is CHI with 63.16% shareholding. The shares of the Bank held by CEG were not pledged, marked or frozen.

ii. Substantial shareholders holding more than 5% shares of the Bank

1. China CITIC Financial Asset Management Co., Ltd. ("CITIC Financial AMC") directly holds 9.02% shares of the Bank and dispatches a director to the Bank. As one of the Bank's substantial shareholders, the company's substantial shareholders include China CITIC Group Corporation with 26.46% shareholding, MOF with 24.76% shareholding, and Zhongbao Rongxin Private Equity Fund Management Co., Ltd. with 18.08% shareholding. The shares of the Bank held by the company were not pledged, marked or frozen.

2. Overseas Chinese Town Holdings Company ("OCT Group") directly holds 7.11% shares of the Bank and dispatches a director to the Bank. As one of the Bank's substantial shareholders, the company's controlling shareholder is the State-owned Assets Supervision and Administration Commission of the State Council of China with 100% shareholding. As at the end of the reporting period, the company had pledged 2,058,480,000 ordinary H shares of the Bank, accounting for 49.01% of its shareholdings in the Bank and 3.48% of the Bank's total share capital. The shares of the Bank held by the company were not marked or frozen.

iii. Other substantial shareholders under regulatory standards

In accordance with the *Interim Measures for Equity Management of Commercial Banks*, substantial shareholders of the Bank also include:

1. China COSCO SHIPPING Corporation Limited ("COSCO SHIPPING") indirectly holds a total of 3.94% shares of the Bank through its subsidiaries COSCO SHIPPING (Shanghai) Investment Management Co., Ltd. and Ocean Fortune Investment Limited and dispatches a director to the Bank, thus imposing a substantial influence on the Bank. The controlling shareholder of COSCO SHIPPING is the State-owned Assets Supervision and Administration Commission of the State Council of China with 90% shareholding. The shares of the Bank held by the above-mentioned two companies were not pledged, marked or frozen.

2. China Reinsurance (Group) Corporation directly and indirectly holds 3.93% shares of the Bank and dispatches a director to the Bank, thus imposing a substantial influence on the Bank. Its controlling shareholder is CHI with 71.56% shareholding. The shares of the Bank held by the company were not pledged, marked or frozen.

iv. Related party transactions with substantial shareholders

The Bank had treated a total of over 4,200 enterprises as related parties, including the above-mentioned substantial shareholders and their controlling shareholders, de facto controllers, persons acting in concert and ultimate beneficiaries, as well as legal persons or non-legal-person organizations controlled or materially influenced by the above-mentioned substantial shareholders. During the reporting period, the Bank and its controlled subsidiaries entered into 35 related party transactions with 34 related parties, with the approved amount totaling approximately RMB100,121 million. The above-mentioned related party transactions had been reported to the Board of Directors and its Related Party Transaction Control Committee of the Bank for approval or filing in accordance with relevant procedures.

VII. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE BANK UNDER HONG KONG LAWS AND REGULATIONS

As at the end of the reporting period, as far as Directors of the Bank were aware, the following persons or corporations (excluding Directors or Chief Executives of the Bank) had interests or short positions in the shares or underlying shares of the Bank as recorded in the register of interests in shares and short positions required to be kept under section 336 of the *Securities and Futures Ordinance of Hong Kong (“HKSFO”)*, or which were required to be notified to the Bank:

Name of substantial shareholder	Class of shares	Type of interest	Long/ short position	Number of shares	Percentage of relevant shares in issue (%)[5,6]	Percentage of the total issued shares (%)[5,6]
China COSCO SHIPPING Corporation Limited[1]	H shares	Interest of controlled corporation	Long position	1,605,286,000	12.66	2.72
China Shipping Group Company Limited[1]	H shares	Interest of controlled corporation	Long position	1,605,286,000	12.66	2.72
COSCO SHIPPING Investment Holdings Co., Limited[1]	H shares	Interest of controlled corporation	Long position	1,605,286,000	12.66	2.72
Ocean Fortune Investment Limited[1]	H shares	Beneficial owner	Long position	1,605,286,000	12.66	2.72
Central Huijin Investment Ltd.[2]	H shares	Interest of controlled corporation	Long position	3,773,385,000	29.76	6.39
China Everbright Group Ltd.[2]	H shares	Beneficial owner/ Interest of controlled corporation	Long position	1,866,595,000	14.72	3.16
China Reinsurance (Group) Corporation[2]	H shares	Beneficial owner/ Interest of controlled corporation	Long position	1,906,790,000	15.04	3.23
China Life Reinsurance Company Ltd.[2]	H shares	Beneficial owner	Long position	1,530,397,000	12.07	2.59
Overseas Chinese Town Holdings Company[3]	H shares	Beneficial owner	Long position	4,200,000,000	33.13	7.11
China Reform Holdings Corporation Ltd.[3]	H shares	Person having a security interest in shares	Long position	2,058,480,000	16.24	3.48
China Everbright Group Ltd.[4]	A shares	Beneficial owner/ Interest of controlled corporation	Long position	26,153,018,567	56.36	44.26
Central Huijin Investment Ltd.[4]	A shares	Interest of controlled corporation	Long position	27,182,442,186	58.57	46.01
China CITIC Financial Asset Management Co., Ltd.	A shares	Beneficial owner	Long position	4,723,302,688	10.18	7.99

Notes:

1. Ocean Fortune Investment Limited directly holds a long position in 1,605,286,000 H shares of the Bank. As far as the Bank was aware, Ocean Fortune Investment Limited is wholly owned by COSCO SHIPPING Investment Holdings Co., Limited, which is wholly owned by China Shipping Group Company Limited. China Shipping Group Company Limited is wholly owned by China COSCO SHIPPING Corporation Limited. In accordance with the *HKSFO*, the three companies mentioned above are all deemed to have interests in the H shares held by Ocean Fortune Investment Limited.

2. China Life Reinsurance Company Ltd., China Reinsurance (Group) Corporation, CEG and China Everbright Holdings Company Limited directly hold long positions in 1,530,397,000, 376,393,000, 1,782,965,000 and 83,630,000 H shares of the Bank, respectively. As far as the Bank was aware, China Life Reinsurance Company Ltd. is wholly owned by China Reinsurance (Group) Corporation, while 71.56% of the issued share capital of China Reinsurance (Group) Corporation is held by CHI. China Everbright Holdings Company Limited is wholly owned by CEG, while 63.16% of the issued share capital of CEG is held by CHI. In accordance with the *HKSFO*, China Reinsurance (Group) Corporation is deemed to have interests in the H shares held by China Life Reinsurance Company Ltd., while CEG is deemed to have interests in the H shares held by China Everbright Holdings Company Limited. Therefore, CHI is deemed to indirectly have interests in a total of 3,773,385,000 H shares of the Bank.

3. Overseas Chinese Town Holdings Company directly holds a long position in the 4,200,000,000 H shares of the Bank. In January 2025, Overseas Chinese Town Holdings Company pledged the 2,058,480,000 H Shares of the Bank held by it to China Reform Holdings Corporation Ltd.

4. CEG directly holds a long position in 24,363,726,541 A shares of the Bank, and is deemed to indirectly hold a long position in a total of 1,789,292,026 A shares of the Bank through its subsidiaries as follows:

(1) China Everbright Limited directly holds a long position in 1,572,735,868 A shares of the Bank.

(2) Meiguang Enyu (Shanghai) Properties Company Limited directly holds a long position of 148,156,258 A shares of the Bank.

(3) China Everbright Investment and Assets Management Co., Ltd. directly holds a long position of 8,000,000 A shares of the Bank.

(4) Everbright Financial Holding Asset Management Co., Ltd. directly holds a long position of 60,399,900 A shares of the Bank.

Therefore, CEG directly and indirectly holds a long position of 26,153,018,567 A shares of the Bank in total.

China Reinsurance (Group) Corporation and Central Huijin Asset Management Ltd. directly hold a long position of 413,094,619 and 616,329,000 A shares of the Bank, respectively. As far as the Bank was aware, CHI held 100%, 71.56% and 63.16% of the issued share capital of Central Huijin Asset Management Ltd., China Reinsurance (Group) Corporation and China Everbright Group Ltd., respectively. In accordance with the *HKSFO*, CHI is deemed to hold a long position in A shares held by Central Huijin Asset Management Ltd., China Reinsurance (Group) Corporation and China Everbright Group Ltd. Therefore, CHI is deemed to indirectly have interests in a total of 27,182,442,186 A shares of the Bank.

5. As at the end of the reporting period, the issued share capital of the Bank was 59,085,551,061 shares, including 46,406,815,561 A shares and 12,678,735,500 H shares.

6. The percentage of shareholdings is rounded to two decimal places.

7. The data disclosed above is based on the information provided on the website of HKEXnews and the information obtained by the Bank as at the end of the reporting period.

Save as disclosed above, as at the end of the reporting period, the Bank had not been notified by any person who had interests or short positions in the shares or underlying shares of the Bank which were required to be disclosed to the Bank under Divisions 2 and 3 of Part XV of the *HKSFO*, or which were recorded in the register of interests in shares and short positions required to be kept by the Bank under section 336 of the *HKSFO*.

VIII. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE BANK UNDER HONG KONG LAWS AND REGULATIONS

As at the end of the reporting period, as far as Directors of the Bank were aware, none of Directors and Chief Executives of the Bank had any interests or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in the *HKSFO*) which were recorded in the register of interests in shares and short positions required to be kept by the Bank under section 352 of the *HKSFO*, or which were required to be notified to the Bank and SEHK under Divisions 7 and 8 of Part XV of the *HKSFO*, or which were required to be notified to the Bank and SEHK pursuant to the *Model Code*. None of Directors and Chief Executives of the Bank was granted a right to acquire any interest in the shares or debentures of the Bank or any of its relevant corporations.

IX. ISSUANCE AND LISTING OF PREFERENCE SHARES

During the reporting period, the Bank did not issue any new preference shares.

X. TOTAL NUMBER OF PREFERENCE SHAREHOLDERS AND SHAREHOLDINGS OF TOP TEN PREFERENCE SHAREHOLDERS

i. Everbright P1 (Code: 360013)

Unit: Shareholder, Share, %

Total number of shareholders as at the end of the reporting period			23			
Name of shareholder	**Nature of Shareholder**	**Change in shareholding during the reporting period**	**Number of shares held**	**Percentage of shareholding**	**Class of shares**	**Number of shares pledged/marked/ frozen**
China Fund Management Co., Ltd.	Others	50,000	34,367,981	17.18	Domestic preference shares	–
Shanghai Everbright Securities Asset Management Co., Ltd.	Others	–	24,200,000	12.10	Domestic preference shares	–
Hwabao Trust Co., Ltd.	Others	509,600	18,206,000	9.10	Domestic preference shares	–
China Resources SZITIC Trust Co., Ltd.	Others	–	17,540,000	8.77	Domestic preference shares	–
Chongqing International Trust Inc.	Others	14,373,600	15,123,600	7.56	Domestic preference shares	–
Ping An Property & Casualty Insurance Company of China, Ltd.	Others	–	10,000,000	5.00	Domestic preference shares	–
Ping An Life Insurance Company of China, Ltd.	Others	–	10,000,000	5.00	Domestic preference shares	–
China Fortune Securities Co., Ltd.	Others	1,850,000	9,550,000	4.78	Domestic preference shares	–
CITIC Securities Co., Ltd.	Others	–	8,078,100	4.04	Domestic preference shares	–
CITIC Trust Co., Ltd.	Others	–	7,750,000	3.88	Domestic preference shares	–

Note: Shanghai Everbright Securities Asset Management Co., Ltd. is a related party of China Everbright Group Ltd. and China Everbright Limited. Ping An Property & Casualty Insurance Company of China, Ltd. and Ping An Life Insurance Company of China, Ltd. are related parties. China Fund Management Co., Ltd., CITIC Securities Co., Ltd., CITIC Trust Co., Ltd. and CITIC Financial AMC are related parties. Save for the above, the Bank was not aware of any related party relationships or concerted actions among the above preference shareholders, as well as between the above preference shareholders and the top ten ordinary shareholders.

ii. Everbright P2 (Code: 360022)

Unit: Shareholder, Share, %

Total number of shareholders as at the end of the reporting period			21			
Name of shareholder	**Nature of shareholder**	**Change in shareholding during the reporting period**	**Number of shares held**	**Percentage of shareholding**	**Class of shares**	**Number of shares pledged/marked/ frozen**
CITIC Trust Co., Ltd.	Others	–	16,470,000	16.47	Domestic preference shares	–
Ping An Trust Co., Ltd.	Others	11,590,000	12,170,000	12.17	Domestic preference shares	–
China Everbright Group Ltd.	State-owned legal person	–	10,000,000	10.00	Domestic preference shares	–
Guangdong Yuecai Trust Co., Ltd.	Others	–	9,780,000	9.78	Domestic preference shares	–
China Life Insurance Company Limited	Others	–	8,180,000	8.18	Domestic preference shares	–
China Fund Management Co., Ltd.	Others	-560,000	7,650,000	7.65	Domestic preference shares	–
Postal Savings Bank of China Co., Ltd.	Others	–	7,150,000	7.15	Domestic preference shares	–
China Resources SZITIC Trust Co., Ltd.	Others	-11,590,000	6,670,000	6.67	Domestic preference shares	–
Shanghai Everbright Securities Asset Management Co., Ltd.	Others	-1,240,000	6,550,000	6.55	Domestic preference shares	–
China Fortune Securities Co., Ltd.	Others	–	6,540,000	6.54	Domestic preference shares	–

Note: CITIC Trust Co., Ltd. and China Fund Management Co., Ltd. are related parties of CITIC Financial AMC. China Everbright Group Ltd. is the controlling shareholder of the Bank. Shanghai Everbright Securities Asset Management Co., Ltd. is a related party of China Everbright Group Ltd. and China Everbright Limited. Save for the above, the Bank was not aware of any related party relationships or concerted actions among the above preference shareholders, as well as between the above preference shareholders and the top ten ordinary shareholders.

XI. PROFIT DISTRIBUTION FOR PREFERENCE SHARES

On 21 January 2026, as approved by the 3rd Meeting of the Tenth Session of the Board of Directors of the Bank, the Bank distributed dividends to the shareholders of "Everbright P3" at a coupon rate of 3.77% with a total amount of RMB1,319.5 million (tax included). As approved by the 33rd Meeting of the Ninth Session of the Board of Directors of the Bank, the Bank redeemed all "Everbright P3" shares on 11 February 2026, and distributed dividends to the shareholders of "Everbright P3" for the period from 1 January 2026 to 10 February 2026 at a coupon rate of 3.77% with a total amount of RMB148 million (tax included).

On 25 June 2026, as approved by the 7th Meeting of the Tenth Session of the Board of Directors of the Bank, the Bank distributed dividends to the shareholders of "Everbright P1" at a coupon rate of 3.60% with a total amount of RMB720 million (tax included).

On 11 August 2026, as approved by the 7th Meeting of the Tenth Session of the Board of Directors of the Bank, the Bank distributed dividends to the shareholders of "Everbright P2" at a coupon rate of 4.01% with a total amount of RMB401 million (tax included).

XII. REDEMPTION OF PREFERENCE SHARES

On 11 February 2026, the Bank redeemed all shares of "Everbright P3" and completed cancellation and delisting. The details are as follows:

Unit: RMB100 million, %

Redemption date	Redemption price	Pricing principle	Redemption quantity	Redemption Percentage	Total redemption amount	Capital source	Subject exercising redemption rights
11 February 2026	RMB100.423/ share	Par value of the preference shares plus accrued dividends for the relevant interest-bearing year as at the announcement date of the Bank's redemption declaration	350 million shares	100.00	351.48	Proprietary funds	The Bank
Impact on the share capital structure of the Bank	During the reporting period, the total number of the Bank's preference shares was reduced from 650 million to 300 million.						
Deliberation procedure for the redemption	For details, please refer to the *Announcement on the Redemption and Delisting of the Third Tranche of Preference Shares* disclosed by the Bank on 5 February 2026.						

XIII. DURING THE REPORTING PERIOD, THERE WAS NO CONVERSION OF PREFERENCE SHARES INTO ORDINARY SHARES BY THE BANK.

XIV. DURING THE REPORTING PERIOD, THERE WAS NO VOTING RIGHT RESTORATION IN THE PREFERENCE SHARES OF THE BANK.

XV. ACCOUNTING POLICIES FOR PREFERENCE SHARES OF THE BANK AND REASONS FOR ADOPTION

According to the relevant requirements of accounting standards such as the *Accounting Standards for Enterprises No. 22 - Recognition and Measurement of Financial Instruments* and *Accounting Standards for Enterprises No. 37 - Presentation of Financial Instruments* as well as issuance terms of the Bank's preference shares, the preference shares issued by the Bank were accounted for as an equity instrument.

Section VIII Directors, Senior Management, Staff and Business Outlets

I. DURING THE REPORTING PERIOD, NONE OF INCUMBENT DIRECTORS AND SENIOR MANAGEMENT OF THE BANK AND THOSE WHO RESIGNED DURING THE REPORTING PERIOD HELD SHARES OR STOCK OPTIONS ON THE BANK'S SHARES OR WERE GRANTED ANY RESTRICTED SHARES.

II. AS AT THE END OF THE REPORTING PERIOD, THE BANK DID NOT IMPLEMENT ANY STOCK INCENTIVE PLAN OR EMPLOYEE STOCK OWNERSHIP PLAN.

III. BASIC INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

As at the disclosure date of this report, the Board of Directors of the Bank consisted of 14 members, including 2 Executive Directors (Mr. Hao Cheng and Ms. Qi Ye), 6 Non-executive Directors (Mr. Wu Lijun, Mr. Cui Yong, Ms. Zhao Jingjing, Mr. Yao Wei, Mr. Zhang Mingwen and Mr. Li Wei), and 6 Independent Non-executive Directors (Mr. Li Yinquan, Mr. Liu Shiping, Mr. Huang Zhenzhong, Mr. Liu Qiao, Mr. Hu Xiang and Ms. Li Yingqi).

The Senior Management of the Bank consisted of 8 members (Mr. Hao Cheng, Ms. Qi Ye, Mr. Song Bingfang, Ms. Liu Yan, Mr. Yang Wenhua, Mr. Wang Yongqi, Mr. Ma Bo and Mr. Zhang Xuyang).

For details of the resumes of Directors and Senior Management of the Bank, please refer to the *2025 Annual Report* of the Bank.

IV. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT

i. Changes in Directors

1. On 6 January 2026, Mr. Liu Qiao began to serve as Independent Non-executive Director of the Bank, and Mr. Hong Yongmiao ceased to hold office upon the expiry of the term of office.

2. On 4 February 2026, NFRA approved the qualifications of Ms. Zhao Jingjing as Non-executive Director of the Bank.

3. On 6 March 2026, NFRA approved the qualifications of Mr. Hu Xiang as Independent Non-executive Director of the Bank, and Mr. Huang Zhiling ceased to hold office upon the expiry of the term of office.

4. On 12 March 2026, NFRA approved the qualifications of Ms. Li Yingqi as Independent Non-executive Director of the Bank, and Mr. Shao Ruiqing ceased to hold office upon the expiry of the term of office.

5. On 11 August 2026, due to work adjustment, Mr. Yang Bingbing resigned as Executive Director of the Bank.

ii. Changes in Senior Management

1. On 8 January 2026, Mr. Yang Wenhua began to serve as Member of the CPC Committee of the Bank. On 2 June 2026, NFRA approved the qualifications of Mr. Yang Wenhua as Executive Vice President and Chief Compliance Officer of the Bank.

2. On 26 January 2026, Mr. Wang Yongqi began to serve as Member of the CPC Committee of the Bank. On 24 March 2026, NFRA approved the qualifications of Mr. Wang Yongqi as Executive Vice President of the Bank.

3. On 11 August 2026, due to work adjustment, Mr. Yang Bingbing resigned as Executive Vice President of the Bank.

V. CHANGES IN INFORMATION OF DIRECTORS

i. Ms. Qi Ye, Executive Director of the Bank, ceased to serve as Director of China UnionPay Co., Ltd.

ii. Mr. Zhang Mingwen, Non-executive Director of the Bank, began to serve as Chairman of Hainan COSCO SHIPPING Development Co., Ltd.

iii. Mr. Li Wei, Non-executive Director of the Bank, ceased to concurrently serve as Investment Director of China Reinsurance (Group) Corporation.

iv. Mr. Liu Qiao, Independent Non-executive Director of the Bank, ceased to serve as Dean of Guanghua School of Management at Peking University.

v. Ms. Li Yingqi, Independent Non-executive Director of the Bank, began to serve as Independent Non-executive Director of Xiamen Tungsten Co., Ltd.

VI. EMPLOYEES AND BUSINESS OUTLETS

As at the end of the reporting period, the Bank had 48,442 incumbent employees, including 872 employees in subsidiaries.

The geographical distribution of the Bank’s staff is as follows: 8,015 employees in Bohai Rim, 7,344 employees in Yangtze River Delta, 6,102 employees in Pearl River Delta, 7,835 employees in Central China, 6,442 employees in Western China, 3,735 employees in Northeastern China, and 402 employees in overseas institutions.

The Bank's employee remuneration consists of basic remuneration, performance-based remuneration and welfare income. Among them, basic remuneration is determined according to the value of position, years of service and employees' duty performance ability, and performance-based remuneration is linked to the performance assessment results of the employees and their institutions. The remuneration of employees in the audit, legal compliance and risk management departments of the Bank is determined based on their value contribution, duty performance ability and work performance, which has no direct relation with the businesses they supervise, so that they remain independent from other business sectors.

Closely aligning with its development strategy and work deployment, the Bank promoted the education and training work to facilitate business growth and staff development. The Bank formulated a well-conceived annual education and training plan, focused on Party theoretical education, Party spirit education, professional competence training, knowledge-based training to cultivate political integrity for cadres at all levels, carried out professional training programs across various business lines, and continuously advanced the building of professional talent pools. The Bank strengthened technological empowerment by enhancing the development of "Sunshine Academy", the digital learning platform of the Bank, to continuously improve the tech-enabled level of training management, trainee management and resource management across the Bank.

For details of the departmental setup of the Bank, please refer to the *2025 Annual Report* of the Bank. During the reporting period, the former Digital Banking/E-cloud Banking Services Department was renamed Digital Finance/Cloud Fee Payment Business Department, and there was no change in the setup of other departments.

During the reporting period, the Bank had a net increase of 1 banking outlet and a net decrease of 5 community banks. In the domestic market, as at the end of the reporting period, the Bank had 1,331 branches and outlets, including 39 tier-1 branches, 116 tier-2 branches and 1,176 outlets. Additionally, the Bank had 396 community banks. The outlets of the Bank extended business reach to 150 economic center cities, covering all provincial administrative regions.

In the overseas market, as at the end of the reporting period, the Bank had 7 overseas branch outlets, including Hong Kong Branch, Seoul Branch, Luxembourg Branch, Sydney Branch, Macao Branch, Melbourne Branch and Tokyo Representative Office.

Details of the Bank's branch outlets (excluding subsidiaries) are as follows:

Regional division	Institution name	Number of outlets	Total assets (RMB million)	Address
Headquarters	Head Office	1	4,102,764	China Everbright Center, No. 25 Taipingqiao Street, Xicheng District, Beijing
	Credit Card Center	1	343,833	Zhonghuixiyuan Mansion, Building 1, No. 6 Zhengda Road, Shijingshan District, Beijing
Bohai Rim	Beijing Branch	76	838,609	No. 1 Xuanwumen Inner Street, Xicheng District, Beijing
	Tianjin Branch	34	105,582	Annex Building of Zhonglian Building, No. 83 Qufu Avenue, Heping District, Tianjin
	Shijiazhuang Branch	55	127,347	No. 56 Yuhua East Road, Qiaodong District, Shijiazhuang
	Jinan Branch	40	90,271	No. 85 Jingqi Road, Shizhong District, Jinan
	Qingdao Branch	35	139,089	No. 69 Hongkong West Road, Shinan District, Qingdao
	Yantai Branch	17	77,579	No. 111 Nandajie Street, Zhifu District, Yantai
Yangtze River Delta	Shanghai Branch	58	470,152	No. 1118 Century Avenue, Pudong New Area, Shanghai
	Nanjing Branch	71	371,542	No. 120 Hanzhong Road, Gulou District, Nanjing
	Hangzhou Branch	48	293,474	Zheshang Times Building, No. 1 Miduqiao Road, Gongshu District, Hangzhou
	Suzhou Branch	20	152,075	No. 188 Xinghai Street, Industrial Park District, Suzhou
	Ningbo Branch	19	84,391	Building 1, Hengfu Plaza, No. 828 Fuming Road, Jiangdong District, Ningbo
	Wuxi Branch	11	111,804	No. 20-1, Jinrong 8th Street, Binhu District, Wuxi

Regional division	Institution name	Number of outlets	Total assets (RMB million)	Address
Pearl River Delta	Guangzhou Branch	91	344,160	No. 685 Tianhe North Road, Tianhe District, Guangzhou
	Shenzhen Branch	49	262,218	No. 18 Zizhuqi Avenue, Zhuzilinsi Road, Futian District, Shenzhen
	Fuzhou Branch	40	129,644	Building 1, Zhengxiang Center, No. 153 Wuyi North Road, Gulou District, Fuzhou
	Xiamen Branch	17	50,107	No. 160 Hubin Middle Road, Siming District, Xiamen
	Haikou Branch	23	48,054	Jinlong City Plaza Building, South of Jinlong Road, Longhua District, Haikou
Central China	Zhengzhou Branch	52	128,162	No. 22 Middle Ring Road, Financial Island, Zhengzhou Area (Zhengdong) of Henan Pilot Free Trade Zone, Zhengzhou
	Taiyuan Branch	42	134,442	No. 295 Yingze Street, Yingze District, Taiyuan
	Changsha Branch	63	150,808	No. 142 Section 3 of Furong Middle Road, Tianxin District, Changsha
	Wuhan Branch	41	141,304	No. 143-144 Yanjiang Avenue, Jiang’an District, Wuhan
	Hefei Branch	56	202,870	No. 200 Changjiang West Road, Shushan District, Hefei
	Nanchang Branch	33	101,013	No. 1333 Fenghezhong Avenue, Honggutan New Area, Nanchang

Regional division	Institution name	Number of outlets	Total assets (RMB million)	Address
Western China	Xi’an Branch	39	82,535	Building 9, No. 1 Taoyuan South Road, Lianhu District, Xi’an
	Chengdu Branch	31	99,974	No. 79 Dacisi Road, Jinjiang District, Chengdu
	Chongqing Branch	26	129,653	No. 168 Minzu Road, Yuzhong District, Chongqing
	Kunming Branch	22	56,483	No. 28 Renmin Middle Road, Wuhua District, Kunming
	Nanning Branch	29	76,501	Taiping Financial Mansion, No. 16 Songxiang Road, Liangqing District, Nanning
	Huhhot Branch	19	33,894	Tower D, Dongfangjunzuo, Chilechuan Street, Saihan District, Huhhot
	Urumqi Branch	8	26,830	No. 177 Jiefang North Road, Tianshan District, Urumqi
	Guiyang Branch	13	44,863	West Tower III, Financial Center, Zone B, Convention and Exhibition City, Changling North Road, Guanshanhu District, Guiyang
	Lanzhou Branch	11	23,626	No. 555 Donggang West Road, Chengguan District, Lanzhou
	Xining Branch	2	7,896	No. 57-7 Wusi West Road, Chengxi District, Xining
	Yinchuan Branch	5	9,896	No. 219 Jiefang West Road, Xingqing District, Yinchuan
	Lhasa Branch	2	6,569	Taihe International Culture Square, No. 7 Jinzhu Middle Road, Chengguan District, Lhasa
Northeastern China	Heilongjiang Branch	37	63,174	No. 278 Dongdazhi Street, Nangang District, Harbin
	Changchun Branch	35	39,734	No. 2677 Jiefang Road, Chaoyang District, Changchun
	Shenyang Branch	39	57,547	No. 156 Heping North Street, Heping District, Shenyang
	Dalian Branch	22	27,127	No. 4 Wuwu Road, Zhongshan District, Dalian

Regional division	Institution name	Number of outlets	Total assets (RMB million)	Address
Overseas	Hong Kong Branch	1	145,026	23/F, Everbright Center, 108 Gloucester Road, Wan Chai, Hong Kong SAR
	Seoul Branch	1	34,397	23/F, Youngpoong Building, 41 Cheonggyecheon-ro, Jongro-ku, Seoul, Republic of Korea
	Luxembourg Branch	1	21,610	10 Avenue Emile Reuter, Luxembourg City, Grand Duchy of Luxembourg
	Sydney Branch	2	42,346	28/F, International Tower 1, 100 Barangaroo Avenue, Sydney, Commonwealth of Australia
	Macao Branch	1	13,014	23 Andar A, Finance and IT Center of Macao, 320 Avenida Doutor Mario Soares, Macao SAR
	Tokyo Representative Office	1	–	TOFROM YAESU TOWER 910, 1-6-1 Yaesu, Chuo-ku, Tokyo, Japan
Consolidation adjustment			(2,970,569)	
Total		1,340	7,073,420	

Section IX Corporate Governance

I. OVERVIEW

During the reporting period, the Board of Directors of the Bank considered and approved the capital bond issuance plan and submitted it to the shareholders' general meeting for approval, so as to consolidate the capital base and promote high-quality development; actively fulfilled social responsibilities by making donations to support paired assistance; implemented regulatory requirements by formulating and revising relevant policies; prudently performed the selection and appointment procedures of Senior Management, and adjusted the composition of the Special Committees of the Board of Directors in a timely manner; and further optimized the related party transaction management mechanism, and strictly reviewed material related party transactions.

The Bank's corporate governance had no major deviation from the *Company Law* and the relevant provisions of the NFRA, CSRC, SSE and SEHK.

II. SHAREHOLDERS' GENERAL MEETINGS

The Bank convenes shareholders' general meetings in strict accordance with the *Articles of Association* and the *Rules of Procedure of the Shareholders' General Meetings* to ensure shareholders' general meetings make decisions on material matters according to law, so as to effectively safeguard shareholders' legitimate rights and interests. The details of the shareholders' general meetings convened by the Bank during the reporting period are as follows:

On 13 January 2026, the Bank convened the 2026 First Extraordinary General Meeting in Beijing, during which the interim profit distribution plan for 2025 was considered and approved. On 29 June 2026, the Bank convened the 2025 Annual General Meeting in Beijing, during which 8 proposals were considered and approved, including the work report of the Board of Directors, the financial final accounts report, the profit distribution plan, the engagement of accounting firms, the remuneration of Directors and Supervisors, the paired assistance through donations and the capital bond issuance plan, and listened to 5 reports.

The calling, notification, convening and voting procedures of the above-mentioned meetings were in conformity with the provisions of the *Company Law*, the listing rules of the place where the Bank was listed, and the *Articles of Association* of the Bank. The legal advisor engaged by the Board of Directors of the Bank witnessed the above-mentioned meetings, and the A share lawyer issued legal opinions.

For details of the duties of shareholders' general meetings, please refer to the *Articles of Association* of the Bank.

III. BOARD OF DIRECTORS AND ITS SPECIAL COMMITTEES

i. Meetings of the Board of Directors

During the reporting period, the Board of Directors of the Bank convened 6 meetings, all of which were on-site meetings. The Board of Directors considered 52 proposals and listened to 23 reports, playing an effective role in making decisions in a well-conceived manner.

For details of the duties of the Board of Directors, please refer to the *Articles of Association* of the Bank.

ii. Meetings of Special Committees of the Board of Directors

The Special Committees of the Board of Directors convened a total of 26 meetings, including 2 meetings of the Strategy Committee, 5 meetings of the Audit Committee, 4 meetings of the Risk Management Committee, 2 meetings of the Nomination Committee, 3 meetings of the Remuneration Committee, 6 meetings of the Related Party Transaction Control Committee, and 4 meetings of the Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee. These meetings considered a total of 54 proposals and listened to 35 reports.

iii. Attendance of Directors at the Meetings of the Board of Directors

Director	Shareholders' General Meeting	Board of Directors	Special Committees of the Board of Directors						
			Strategy Committee	Audit Committee	Risk Management Committee	Nomination Committee	Remuneration Committee	Related Party Transaction Control Committee	Social Responsibility, Inclusive Finance Development and Consumer Rights and Interests Protection Committee
	Number of attendance in person/Number of meetings during the term of office								
Incumbent Directors									
Wu Lijun	2/2	4/6	1/2	-	-	2/2	-	-	-
Cui Yong	1/2	5/6	2/2	-	-	-	-	-	-
Hao Cheng	2/2	6/6	2/2	-	4/4	-	-	-	4/4
Qi Ye	2/2	5/6	-	-	-	-	-	-	4/4
Zhao Jingjing	1/1	4/5	1/2	3/4	-	-	-	-	-
Yao Wei	0/2	5/6	-	4/5	-	-	-	-	3/4
Zhang Mingwen	0/2	6/6	-	-	4/4	-	-	-	4/4
Li Wei	1/2	5/6	-	-	3/4	-	3/3	-	-
Li Yinquan	2/2	6/6	-	4/5	-	2/2	3/3	5/6	-
Liu Shiping	1/2	5/6	2/2	4/5	-	2/2	-	6/6	-
Huang Zhenzhong	2/2	6/6	-	-	-	2/2	3/3	6/6	4/4
Liu Qiao	0/2	5/6	2/2	-	-	2/2	2/3	6/6	-
Hu Xiang	1/1	4/4	-	3/3	3/3	-	-	4/4	3/3
Li Yingqi	1/1	4/4	-	3/3	3/3	-	2/2	4/4	-
Former Directors									
Yang Bingbing	1/2	5/6	-	-	4/4	-	-	-	–
Shao Ruiqing	1/1	2/2	-	2/2	1/1	-	1/1	2/2	-
Hong Yongmiao	-	-	-	-	-	-	-	-	-
Huang Zhiling	0/1	2/2	-	-	1/1	-	-	2/2	1/1

Note:

1. Directors newly appointed in 2026 would start to perform their duties after their appointment qualifications were approved by NFRA.

2. For details of the change of Directors, please refer to “Section VIII Directors, Senior Management, Staff and Business Outlets”

3. “Number of attendance in person” includes on-site attendance and attendance via written resolutions.

4. Directors who were unable to attend in person the meetings of the Board of Directors and Special Committees had entrusted other Directors to attend the meetings by proxy and exercise their voting rights.

iv. Work of Independent Non-executive Directors

The Bank had 6 Independent Non-executive Directors, exceeding one-third of the Board members. In accordance with the *Articles of Association* of the Bank, the Remuneration Committee, the Nomination Committee, the Related Party Transaction Control Committee and the Audit Committee of the Board of Directors were all chaired by Independent Non-executive Directors. During the reporting period, the Independent Non-executive Directors expressed independent opinions on matters involving the interests of minority shareholders, such as the profit distribution plan, remuneration of Directors, material related party transactions, and internal control & audit. In all Board committees, they leveraged their expertise to provide constructive and professional opinions and suggestions on issues under discussion. When the Board of Directors was not in session, the Independent Non-executive Directors kept themselves well informed of regulatory feedback and the Bank's strategic implementation, internal control & audit, risk prevention and control, consumer rights and interests protection, etc., by participating in Director communication meetings and special research seminars, reviewing the Bank's internal documents and materials such as the *Reference Information for Directors*, and conducting investigation visits to branches. They actively communicated with other Directors, Senior Management and auditors so as to obtain necessary information to perform their duties. They maintained close contact with the Bank via email, phone calls and other means of communication. The relevant recommendations of Independent Non-executive Directors were highly regarded and adopted by Senior Management, which played a positive role in further strengthening risk control and promoting business development of the Bank.

IV. SENIOR MANAGEMENT

The duties of the Senior Management of the Bank include carrying out operation and management of the Bank, organizing resources to implement the resolutions of the Board of Directors, implementing the strategic plan, the business plan and the investment plan approved by the Board of Directors, developing plans for setting up the internal management structure and the basic management rules, and formulating specific administrative measures. During the reporting period, focusing on the Bank's key tasks, the Senior Management made steady headway in serving the real economy, and made solid efforts to serve the five target areas of finance including technology finance, green finance, inclusive finance, pension finance and digital finance. Please refer to "Section IV Management Discussion and Analysis" for details.

V. INFORMATION DISCLOSURE

During the reporting period, the Bank issued its *2025 Annual Report* and the *First Quarterly Report of 2026* on schedule, highlighted business features and achievements in these periodic reports, and optimized and enriched the disclosure contents. The Bank strictly followed information disclosure rules, and fully disclosed ad hoc announcements in a timely manner. In accordance with both domestic and overseas regulatory requirements, the Bank made a total of 51 A share announcements and 66 H share announcements. Meanwhile, the Bank properly conducted insider management and strictly prevented the leakage of sensitive information to ensure investors had fair access to the Bank's information.

VI. INVESTOR RELATIONS MANAGEMENT

During the reporting period, the Bank actively carried out investor relations management through various forms to enhance communication with investors. After the disclosure of the annual performance report, the Bank held the 2025 Annual Report Announcement Meeting on the SSE Roadshow Center, actively responding to market concerns. The Bank exchanged views with investors including minority shareholders by receiving institutional investors for research and participating in strategy seminars hosted by domestic and overseas securities firms. The Bank maintained communication with investors via platforms such as "SSE e-interaction", and continuously updated the contents of its official website in both Chinese and English versions to keep investors informed of the Bank's information. The Bank actively interacted with minority shareholders at shareholders' general meetings and answered their questions of concern. With the above-mentioned measures taken, the Bank realized sufficient and effective communication with its shareholders.

VII. SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Bank adopted the standards set out in the *Model Code* as the code of conduct to govern the securities transactions by Directors of the Bank. Upon enquiry, it had been confirmed that all Directors always complied with the *Model Code* during the reporting period. The Bank also formulated guidelines regarding the dealing of the Bank's securities by relevant employees and the guidelines are no less exacting than the *Model Code*. It had not come to the attention of the Bank that any employee was in violation of the guidelines during the reporting period.

VIII. STATEMENT ON COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE UNDER THE *HONG KONG LISTING RULES*

Under Provision B.3.5 of the *Corporate Governance Code* ("CG Code"), the issuer shall appoint at least one director of a different gender to the Nomination Committee. On 29 June 2026, upon approval at the meeting of the Board of Directors of the Bank, Ms. Li Yingqi was appointed as a member of the Nomination Committee, with such appointment taking effect as at the date of the Board resolution.

During the reporting period, the Bank had applied the principles as stipulated in the CG Code contained in Appendix C1 to the *Hong Kong Listing Rules* and complied with relevant code provisions in the CG Code.

Section X Review Report and Interim Financial Statements

China Everbright Bank Company Limited

For the six months ended 30 June 2026
Unaudited condensed consolidated interim financial statements and
Independent Auditor’s Report
(Prepared in accordance with International Financial Reporting Standards)

KPMG
8th Floor, Prince's Building
Central, Hong Kong
G P O Box 50, Hong Kong
Telephone +852 2522 6022
Fax +852 2845 2588
Internet kpmg.com/cn

毕马威会计师事务所
香港中环太子大厦 8 楼
香港邮政总局信箱 50 号
电话 +852 2522 6022
传真 +852 2845 2588
网址 kpmg.com/cn

Report on review of interim financial statements
To the board of directors of China Everbright Bank Company Limited
(Established in the People's Republic of China with limited liability)

Introduction

We have reviewed the accompanying interim financial statements of China Everbright Bank Company Limited (the "Bank") and its subsidiaries (together, the "Group") set out on pages 1 to 139, which comprises the condensed consolidated statement of financial position as at 30 June 2026 and the condensed consolidated statements of profit or loss, the condensed consolidated statements of comprehensive income, the condensed consolidated statements of changes in equity and the condensed consolidated statements of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and IAS 34 *Interim Financial Reporting,* issued by the International Accounting Standards Board.

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

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

KPMG
畢馬威

Report on review of interim financial statements
To the board of directors of China Everbright Bank Company Limited (continued)
(Established in the People's Republic of China with limited liability)

Conclusion

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

Certified Public Accountants

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

28 August 2026

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of profit or loss
For the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

		For the six months ended 30 June	
	Note III	*2026*	*2025*
		Unaudited	Unaudited
Interest income		98,880	107,596
Interest expense		(52,009)	(62,164)
Net interest income	1	46,871	45,432
Fee and commission income		10,890	11,812
Fee and commission expense		(1,214)	(1,369)
Net fee and commission income	2	9,676	10,443
Net trading gains	3	1,353	803
Net gains arising from investment securities	4	4,233	5,693
Net gains on derecognition of financial assets measured at amortised cost		167	1,974
Net foreign exchange (losses)/gains		(277)	710
Other operating income		1,085	896
Operating income		63,108	65,951
Operating expenses	5	(18,009)	(19,357)
Credit impairment losses	6	(20,879)	(15,902)
Other impairment losses		(7)	(11)
Operating profit		24,213	30,681
Profit before tax		24,213	30,681
Income tax	7	(5,375)	(5,940)
Net profit		18,838	24,741

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of profit or loss
For the six months ended 30 June 2026 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	Note III	*For the six months ended 30 June* 2026 Unaudited	2025 Unaudited
Net profit attributable to:			
Equity shareholders of the Bank		18,711	24,622
Non-controlling interests		127	119
Earnings per share			
Basic/Diluted earnings per share (in RMB/share)	8	0.28	0.38

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of comprehensive income
For the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

		For the six months ended 30 June	
	Note III	*2026* Unaudited	*2025* Unaudited
Net profit		18,838	24,741
Other comprehensive income, net of tax:			
Items that will not be reclassified to profit or loss:			
- Equity instruments at fair value through other comprehensive income			
- Change in fair value		(3)	3
- Related income tax effect	21(b)	1	(1)
Subtotal		(2)	2
Items that will be reclassified to profit or loss:			
- Debt instruments at fair value through other comprehensive income			
- Change in fair value		2,566	(3,484)
- Change in provision for impairment losses		(224)	36
- Reclassified to the profit or loss upon disposal		(193)	(2,194)
- Related income tax effect	21(b)	(519)	1,434
- Change in cash flow hedge		(13)	5
- Exchange differences on translation of financial statements		(87)	(16)
Subtotal		1,530	(4,219)
Other comprehensive income, net of tax		1,528	(4,217)
Total comprehensive income		20,366	20,524
Total comprehensive income attributable to:			
Equity shareholders of the Bank		20,244	20,407
Non-controlling interests		122	117
		20,366	20,524

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of financial position
As at 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

	Note III	*30 June 2026* Unaudited	*31 December 2025* Audited
Assets			
Cash and deposits with central banks	9	292,530	339,232
Deposits with banks and other financial institutions	10	109,836	107,162
Precious metals		3,157	1,892
Placements with banks and other financial institutions	11	167,544	184,378
Derivative financial assets	12	6,204	5,528
Financial assets held under resale agreements	13	44,685	12,923
Loans and advances to customers	14	4,000,622	3,911,379
Finance lease receivables	15	93,833	94,415
Financial investments	16	2,390,124	2,371,901
- Financial assets at fair value through profit or loss		405,777	458,638
- Debt instruments at fair value through other comprehensive income		775,459	678,425
- Equity instruments at fair value through other comprehensive income		1,140	1,143
- Financial investments measured at amortised cost		1,207,748	1,233,695
Property and equipment	18	30,964	31,491
Right-of-use assets	19	8,759	9,286
Goodwill	20	1,281	1,281
Deferred tax assets	21	35,121	35,218
Other assets	22	66,574	59,233
Total assets		7,251,234	7,165,319

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of financial position
As at 30 June 2026 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	Note III	*30 June 2026* Unaudited	*31 December 2025* Audited
Liabilities and equity			
Liabilities			
Due to the central bank	24	174,718	154,678
Deposits from banks and other financial institutions	25	598,702	506,454
Placements from banks and other financial institutions	26	179,609	208,607
Derivative financial liabilities	12	4,372	5,547
Financial assets sold under repurchase agreements	27	159,494	158,118
Deposits from customers	28	4,192,705	4,102,458
Accrued staff costs	29	16,977	18,908
Taxes payable	30	5,666	6,368
Lease liabilities	31	8,974	9,534
Debt securities issued	32	1,218,539	1,328,801
Other liabilities	33	76,369	58,404
Total liabilities		6,636,125	6,557,877

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of financial position
As at 30 June 2026 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	Note III	*30 June 2026* Unaudited	*31 December 2025* Audited
Liabilities and equity (continued)			
Equity			
Share capital	34	59,086	59,086
Other equity instruments	35	104,947	104,906
of which: Preference shares		29,947	64,906
Perpetual bonds		75,000	40,000
Capital reserve	36	74,407	74,464
Other comprehensive income	37	6,514	4,981
Surplus reserve	38	29,543	29,543
General reserve	38	91,554	91,369
Retained earnings	39	246,461	240,451
Total equity attributable to equity shareholders of the Bank		612,512	604,800
Non-controlling interests		2,597	2,642
Total equity		615,109	607,442
Total liabilities and equity		7,251,234	7,165,319

Approved and authorised for issue by the board of directors on 28 August 2026.

Wu Lijun	Hao Cheng	Liu Yan	Lin Zezhong
Chairman, Non-executive Director	President, Executive Director	Vice President, Chief Financial Officer	General Manager of Finance and Accounting Department

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of changes in equity
For the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

		Unaudited										
		Attributable to equity shareholders of the Bank										
			Other equity instruments									
	Note III	*Share capital*	*Preference shares*	*Perpetual bonds*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Subtotal*	*Non-controlling interests*	*Total*
Balance at 1 January 2026		59,086	64,906	40,000	74,464	4,981	29,543	91,369	240,451	604,800	2,642	607,442
Changes in equity for the period												
Net profit		-	-	-	-	-	-	-	18,711	18,711	127	18,838
Other comprehensive income	37	-	-	-	-	1,533	-	-	-	1,533	(5)	1,528
Investment and reduction of owners												
- Issuance of other equity instruments		-	-	35,000	(3)	-	-	-	-	34,997	-	34,997
- Redemption of other equity instruments		-	(34,959)	-	(41)	-	-	-	-	(35,000)	-	(35,000)
Appropriation of profit	39											
- Appropriation to general reserve		-	-	-	-	-	-	173	(173)	-	-	-
- Dividends to ordinary shareholders		-	-	-	-	-	-	-	(10,340)	(10,340)	-	(10,340)
- Dividends to other equity instrument holders		-	-	-	-	-	-	-	(2,188)	(2,188)	-	(2,188)
Others		-	-	-	(13)	-	-	12	-	(1)	(167)	(168)
Balance at 30 June 2026		59,086	29,947	75,000	74,407	6,514	29,543	91,554	246,461	612,512	2,597	615,109

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of changes in equity
For the six months ended 30 June 2025 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

		Unaudited										
		Attributable to equity shareholders of the Bank										
			Other equity instruments									
	Note III	*Share capital*	*Preference shares*	*Perpetual bonds*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Subtotal*	*Non-controlling interests*	*Total*
Balance at 1 January 2025		59,086	64,906	39,993	74,473	10,891	29,543	89,891	218,917	587,700	2,531	590,231
Changes in equity for the period												
Net profit		-	-	-	-	-	-	-	24,622	24,622	119	24,741
Other comprehensive income	37	-	-	-	-	(4,215)	-	-	-	(4,215)	(2)	(4,217)
Appropriation of profit	39											
- Appropriation to general reserve		-	-	-	-	-	-	161	(161)	-	-	-
- Dividends to ordinary shareholders		-	-	-	-	-	-	-	(11,167)	(11,167)	-	(11,167)
- Dividends to other equity instrument holders		-	-	-	-	-	-	-	(2,406)	(2,406)	-	(2,406)
Balance at 30 June 2025		59,086	64,906	39,993	74,473	6,676	29,543	90,052	229,805	594,534	2,648	597,182

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of changes in equity
For the year ended 31 December 2025 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

		Audited										
		Attributable to equity shareholders of the Bank										
			Other equity instruments									
	Note III	*Share capital*	*Preference shares*	*Perpetual bonds*	*Capital reserve*	*Other comprehensive income*	*Surplus reserve*	*General reserve*	*Retained earnings*	*Subtotal*	*Non-controlling interests*	*Total*
Balance at 1 January 2025		59,086	64,906	39,993	74,473	10,891	29,543	89,891	218,917	587,700	2,531	590,231
Changes in equity for the year												
Net profit		-	-	-	-	-	-	-	38,826	38,826	315	39,141
Other comprehensive income	37	-	-	-	-	(5,910)	-	-	-	(5,910)	(5)	(5,915)
Investment and reduction of owners												
- Capital reduction by non-controlling shareholders		-	-	-	-	-	-	-	-	-	(178)	(178)
- Issuance of other equity instruments		-	-	40,000	(2)	-	-	-	-	39,998	-	39,998
- Redemption of other equity instruments		-	-	(39,993)	(7)	-	-	-	-	(40,000)	-	(40,000)
Appropriation of profit	39											
- Appropriation to surplus reserve		-	-	-	-	-	-	-	-	-	-	-
- Appropriation to general reserve		-	-	-	-	-	-	1,478	(1,478)	-	-	-
- Dividends to ordinary shareholders		-	-	-	-	-	-	-	(11,167)	(11,167)	(21)	(11,188)
- Dividends to other equity instrument holders		-	-	-	-	-	-	-	(4,647)	(4,647)	-	(4,647)
Balance at 31 December 2025		59,086	64,906	40,000	74,464	4,981	29,543	91,369	240,451	604,800	2,642	607,442

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of cash flows
For the six months ended 30 June 2026
(Expressed in millions of Renminbi, unless otherwise stated)

	Note III	*For the six months ended 30 June* 2026 Unaudited	2025 Unaudited
Cash flows from operating activities			
Profit before tax		24,213	30,681
Adjustments for			
Credit impairment losses		20,879	15,902
Other impairment losses		7	11
Depreciation and amortisation		3,487	3,536
Interest income on impaired financial assets		(547)	(650)
Unrealised foreign exchange (gains) / losses		(1,998)	2,478
Interest income from investment securities and net gains on disposal		(27,631)	(32,915)
Net gains on derecognition of financial assets measured at amortised cost		(167)	(1,974)
Net gains on disposal of trading securities		(831)	(984)
Revaluation (gains) / losses on financial instruments at fair value through profit or loss		(3,140)	1,907
Interest expense on debt securities issued		12,751	13,385
Interest expense on lease liabilities		127	175
Net losses on disposal of property and equipment		4	27
		27,154	31,579
Changes in operating assets			
Net (increase) / decrease in deposits with the central bank, banks and other financial Institutions		(15,385)	16,826
Net decrease / (increase) in placements with banks and other financial institutions		1,276	(27,469)
Net (increase) / decrease in financial assets held under resale agreements		(31,765)	91,126
Net increase in loans and advances to customers		(110,195)	(170,946)
Net decrease / (increase) in financial assets held for trading		15,418	(20,726)
Net increase in other operating assets		(6,134)	(3,253)
		(146,785)	(114,442)

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of cash flows
For the six months ended 30 June 2026 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

		For the six months ended 30 June	
	Note III	*2026*	*2025*
		Unaudited	Unaudited
Cash flows from operating activities (continued)			
Changes in operating liabilities			
Net increase in amounts due to the central bank		20,541	66,873
Net increase / (decrease) in deposits from banks and other financial institutions		92,563	(62,818)
Net decrease in placements from banks and other financial institutions		(28,970)	(47,733)
Net increase in financial assets sold under repurchase agreements		1,398	117,002
Net increase in deposits from customers		101,655	218,782
Income tax paid		(6,999)	(8,645)
Net increase in other operating liabilities		327	11,687
		180,515	295,148
Net cash from operating activities		60,884	212,285
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		600,417	651,983
Investment income received		28,788	35,919
Payments on acquisition of investments		(627,726)	(762,637)
Proceeds from disposal of property and equipment and other long-term assets		151	180
Payments on acquisition of property and equipment, intangible assets and other long-term assets		(3,465)	(3,906)
Net cash used in investing activities		(1,835)	(78,461)

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

China Everbright Bank Company Limited
Unaudited condensed consolidated statement of cash flows
For the six months ended 30 June 2026 (continued)
(Expressed in millions of Renminbi, unless otherwise stated)

	Note III	*For the six months ended 30 June* *2026* Unaudited	*2025* Unaudited
Cash flows from financing activities			
Proceeds from issuance of debts		406,654	499,726
Repayments of debts issued		(517,467)	(514,094)
Interest paid on debt securities issued		(12,200)	(13,109)
Proceeds from issuance of other equity instruments		35,000	-
Payments for issuance of other equity instruments		(3)	-
Payments for redemption of other equity instruments		(35,000)	-
Payments for liquidation to minority shareholders of subsidiaries		(167)	-
Dividends paid		(8,362)	(8,524)
Other net cash flows from financing activities		(1,431)	(1,423)
Net cash used in financing activities		(132,976)	(37,424)
Effect of foreign exchange rate changes on cash and cash equivalents		(1,081)	158
Net (decrease) / increase in cash and cash equivalents	43(a)	(75,008)	96,558
Cash and cash equivalents as at 1 January		239,212	128,057
Cash and cash equivalents as at 30 June	43(b)	164,204	224,615
Cash flows from operating activities include:			
Interest received		72,758	81,245
Interest paid		(51,332)	(49,784)

The accompanying notes on pages 13 to 139 form part of these condensed consolidated interim financial statements.

I Background information

China Everbright Bank Company Limited (the "Bank") commenced its operations in Beijing, the People's Republic of China (the "PRC") on 18 August 1992. The A-Shares and H-Shares of the Bank were listed on the Shanghai Stock Exchange in August 2010 and the Stock Exchange of Hong Kong Limited in December 2013, respectively.

The Bank is licensed as a financial institution by the National Financial Regulatory Administration (the "NFRA"), formerly the China Banking Regulatory Commission, No. B0007H111000001 and is issued the business licence of legal enterprise No. 91110000100011743X by the State Administration of Industry and Commerce of the PRC. The registered address is China Everbright Center, No. 25 and No. 25 A Taipingqiao Street, Xicheng District, Beijing , People's Republic of China.

The principal activities of the Bank and its subsidiaries (Note III 17(a)) (collectively the "Group") are the provision of corporate and retail deposits, loans and advances, settlement, treasury business and other financial services as approved by the NFRA. The Group mainly operates in Chinese Mainland and also has a number of overseas branches and subsidiaries. For the purpose of these interim financial statements, Chinese Mainland refers to the PRC, excluding the Hong Kong Special Administrative Region of the PRC ("Hong Kong"), the Macau Special Administrative Region of the PRC ("Macau") and the Taiwan Region of the PRC. Overseas refers to countries and regions other than Chinese Mainland.

This financial statements has been approved by the Board of Directors on 28 August 2026.

II Basis of preparation

1 Compliance with International Financial Reporting Standards ("IFRS Accounting Standards")

The notes to the unaudited condensed consolidated financial statements for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. In addition, the unaudited condensed consolidated financial statements comply with the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. and should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2025.

Except as described in Note II 3 below, the principal accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the Group's consolidated annual financial statements for the year ended 31 December 2025.

II Basis of preparation (continued)

2 Use of estimates and assumptions

The preparation of the unaudited condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results in the future may differ from those reported as a result of the use of estimates and assumptions about future conditions. The nature and assumptions related to the Group's accounting estimates are consistent with those adopted in the Group's consolidated financial statements for the year ended 31 December 2025, except for the adoption of new amendments effective as of 1 January 2026.

3 Material accounting policy information

3.1 Standards and amendments effective in 2026

On 1 January 2026, the Group adopted the following standards and amendments.

Amendments to IFRS 9 and IFRS 7	*Classification and Measurement of Financial Instruments*
Annual Improvements to IFRS Accounting Standards	*Volume 11*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*

The adoption of the above standards and amendments does not have any significant impact on the condensed consolidated financial statements of the Group.

3.2 Standards and amendments that are not yet effective and have not been early adopted by the Group in 2026

		Effective for annual periods beginning on or after
IFRS 18	*Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*	1 January 2027
IFRS 20	*Regulatory Assets and Regulatory Liabilities*	1 January 2029
Amendments to IAS 28	*Fair Value Option for Investments in Associates and Joint Ventures*	1 January 2027
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Effective date has been deferred indefinitely

In addition to the impact of IFRS18 being evaluated, the Group anticipates that the adoption of the above standards and amendments will not have material impact on the condensed consolidated financial statements of the Group.

III Notes to the unaudited condensed consolidated financial statements

1 Net interest income

		For the six months ended 30 June	
	Notes	*2026*	*2025*
Interest income arising from			
Deposits with central banks		1,831	1,942
Deposits with banks and other financial institutions		635	452
Placements with banks and other financial institutions		1,878	2,087
Loans and advances to customers	(a)		
- Corporate loans and advances		36,898	41,093
- Personal loans and advances		29,910	32,404
- Discounted bills		353	546
Finance lease receivables		1,741	1,985
Financial assets held under resale agreements		216	241
Investments	(a)	25,418	26,846
Subtotal		98,880	107,596
Interest expenses arising from			
Due to the central bank		1,243	1,442
Deposits from banks and other financial institutions		2,933	4,673
Placements from banks and other financial institutions		2,337	2,479
Deposits from customers			
- Corporate customers		20,388	26,024
- Individual customers		10,998	12,663
Financial assets sold under repurchase agreements		1,359	1,498
Debt securities issued		12,751	13,385
Subtotal		52,009	62,164
Net interest income		46,871	45,432

Note:

(a) The interest income arising from impaired financial assets for the six months ended 30 June 2026 amounted to RMB 547 million (Six months ended 30 June 2025: RMB 650 million).

III Notes to the unaudited condensed consolidated financial statements (continued)

2 Net fee and commission income

	For the six months ended 30 June	
	2026	*2025*
Fee and commission income		
Bank card service fees	3,382	3,686
Wealth management service fees	2,329	2,364
Settlement and clearing fees	2,092	2,274
Custody and other fiduciary business fees	1,043	1,133
Agency services fees	886	1,046
Underwriting and advisory fees	575	672
Acceptance and guarantee fees	570	628
Others	13	9
Subtotal	10,890	11,812
Fee and commission expense		
Bank card transaction fees	457	770
Settlement and clearing fees	403	398
Wealth management service fees	17	18
Acceptance and guarantee fees	11	4
Underwriting and advisory fees	8	12
Agency services fees	1	2
Others	317	165
Subtotal	1,214	1,369
Net fee and commission income	9,676	10,443

III Notes to the unaudited condensed consolidated financial statements (continued)

3 Net trading gains

	For the six months ended 30 June	
	2026	*2025*
Trading financial instruments		
- Derivatives	16	80
- Debt securities	988	620
Subtotal	1,004	700
Precious metal contracts	349	103
Total	1,353	803

4 Net gains arising from investment securities

	For the six months ended 30 June	
	2026	*2025*
Net gains arising from financial investments at fair value through profit or loss	4,040	3,499
Net gains arising from debt instruments at fair value through other comprehensive income	130	2,178
Net gains arising from loans and advances to customers at fair value through other comprehensive income	63	16
Total	4,233	5,693

III Notes to the unaudited condensed consolidated financial statements (continued)

5 Operating expenses

	For the six months ended 30 June	
	2026	*2025*
Staff costs		
- Salaries and bonuses	6,274	7,099
- Pension and annuity	1,382	1,322
- Housing allowances	666	650
- Staff welfares	259	281
- Others	1,078	1,142
Subtotal	9,659	10,494
Premises and equipment expenses		
- Depreciation of right-of-use assets	1,270	1,374
- Depreciation of property and equipment	1,221	1,246
- Amortisation of intangible assets	818	734
- Rental and property management expenses	207	183
- Interest expense on lease liabilities	127	175
- Amortisation of other long-term assets	178	182
Subtotal	3,821	3,894
Tax and surcharges	752	822
Other general and administrative expenses	3,777	4,147
Total	18,009	19,357

III Notes to the unaudited condensed consolidated financial statements (continued)

6 Credit impairment losses

	For the six months ended 30 June	
	2026	*2025*
Loans and advances to customers		
- measured at amortised cost	22,010	15,501
- measured at fair value through other comprehensive income	14	(102)
Debt instruments at fair value through other comprehensive income	(210)	353
Financial investments measured at amortised cost	(866)	(940)
Finance lease receivables	(402)	(150)
Others	333	1,240
Total	20,879	15,902

7 Income tax

(a) Income tax:

		For the six months ended 30 June	
	Note III	*2026*	*2025*
Current tax		5,796	9,140
Deferred tax	21(b)	(421)	(3,200)
Total		5,375	5,940

III Notes to the unaudited condensed consolidated financial statements (continued)

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

		For the six months ended 30 June	
	Note	*2026*	*2025*
Profit before tax		24,213	30,681
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		6,053	7,670
Effect of different tax rates applied by certain subsidiaries		(3)	(1)
Non-deductible expenses and others		2,590	2,052
Non-taxable income	(i)	(3,265)	(3,781)
Income tax		5,375	5,940

Note:

(i) Non-taxable income mainly includes interest income of PRC government bonds and dividends of funds.

As at 30 June 2026, Pillar Two legislation has come into effect in countries where some of the Group's subsidiaries are located. The Group is subject to the global minimum top-up tax under Pillar Two legislation in those jurisdictions. The Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current income tax when it occurs. For the six months ended 30 June 2026, the impact of the top-up tax on the Group's current income tax expense is not material.

III Notes to the unaudited condensed consolidated financial statements (continued)

8 Basic and diluted earnings per ordinary share

Basic earnings per share was computed by dividing the net profit attributable to the ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share was computed by dividing the net profit attributable to the ordinary shareholders of the Bank based on assuming conversion of all dilutive potential shares for the period by the adjusted weighted average number of ordinary shares in issue.

The conversion feature of the preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur as at 30 June 2026 and 30 June 2025, therefore the conversion feature of preference shares has no effect on the basic and diluted earnings per share calculation for the above period.

The non-cumulative perpetual bonds issued by the Bank do not contain equity conversion clauses.

	For the six months ended 30 June	
	2026	*2025*
Net profit for the period attributable to equity holders of the Bank	18,711	24,622
Less: net profit for the period attributable to other equity instruments holders of the Bank	2,188	2,406
Net profit for the period attributable to ordinary shareholders of the Bank	16,523	22,216
Weighted average number of ordinary shares in issue for the period (in million shares)	59,086	59,086
Basic/diluted earnings per share (in RMB/share)	0.28	0.38

III Notes to the unaudited condensed consolidated financial statements (continued)

9 Cash and deposits with central banks

	Note	*30 June 2026*	*31 December 2025*
Cash on hand		6,124	5,866
Deposits with central banks			
- Statutory deposit reserves	(a)	222,384	215,697
- Surplus deposit reserves	(b)	52,277	110,363
- Foreign exchange risk reserves	(c)	520	449
- Fiscal deposits		11,133	6,757
Subtotal		292,438	339,132
Accrued interest		92	100
Total		292,530	339,232

Notes:

(a) The Group places statutory deposit reserves with the People's Bank of China ("PBOC") and overseas central banks where it has operations. The statutory deposit reserves are not available for use in the Group's daily business. As at the end of the reporting period, the Bank's statutory deposit reserve rates in Chinese Mainland were as follows:

	30 June 2026	*31 December 2025*
Reserve ratio for RMB deposits	5.50%	5.50%
Reserve ratio for foreign currency deposits	4.00%	4.00%

The statutory RMB deposit reserve rates applicable to domestic subsidiaries of the Group are determined by the PBOC. The amounts of statutory deposit reserves placed with the central banks of overseas countries and regions are determined by local jurisdictions.

(b) The surplus deposit reserve maintained with the PBOC is mainly for the purpose of clearing.

(c) The foreign-exchange risk reserve is the foreign-exchange risk reserve paid by the Group to the PBOC in accordance with the relevant provisions. As at 30 June 2026, the proportion of foreign-exchange risk reserve shall be 0% (31 December 2025: 20%).

III Notes to the unaudited condensed consolidated financial statements (continued)

10 Deposits with banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2026	*31 December 2025*
In Chinese Mainland		
- Banks	94,090	100,592
- Other financial institutions	7,226	874
Overseas		
- Banks	8,669	5,732
Subtotal	109,985	107,198
Accrued interest	238	373
Total	110,223	107,571
Less: Provision for impairment losses	(387)	(409)
Net balances	109,836	107,162

III Notes to the unaudited condensed consolidated financial statements (continued)

11 Placements with banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2026	*31 December 2025*
In Chinese Mainland		
- Banks	6,637	6,554
- Other financial institutions	136,989	151,103
Overseas		
- Banks	23,918	26,877
Subtotal	167,544	184,534
Accrued interest	355	200
Total	167,899	184,734
Less: Provision for impairment losses	(355)	(356)
Net balances	167,544	184,378

III Notes to the unaudited condensed consolidated financial statements (continued)

12 Derivatives and hedge accounting

(a) Analysed by nature of contract

	30 June 2026		
	Notional amount	*Fair value*	
		Assets	*Liabilities*
Interest rate derivatives			
- Interest rate swaps	474,409	2,858	(2,664)
- Treasury bond futures	39	0	(0)
Currency derivatives			
- Foreign exchange forwards	15,966	190	(230)
- Foreign exchange swaps and cross-currency interest rate swaps	462,986	3,058	(1,401)
- Foreign exchange options	13,201	98	(77)
Total	966,601	6,204	(4,372)

	31 December 2025		
	Notional amount	*Fair value*	
		Assets	*Liabilities*
Interest rate derivatives			
- Interest rate swaps	522,503	3,384	(3,391)
- Treasury bond futures	25	0	-
Currency derivatives			
- Foreign exchange forwards	10,201	67	(85)
- Foreign exchange swaps and cross-currency interest rate swaps	366,678	1,901	(1,996)
- Foreign exchange options	13,034	176	(75)
Total	912,441	5,528	(5,547)

(1) The notional amounts of derivative financial instruments refer only to the amounts outstanding at the end of the reporting period and do not represent the amounts at risk.

(2) The above derivative financial instruments include hedging instruments designated by the Group.

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Analysed by credit risk-weighted amount

	30 June 2026	*31 December 2025*
Counterparty default risk-weighted assets	3,370	3,233
Credit value adjustment risk-weighted assets	3,352	3,222
Total	6,722	6,455

As at 30 June 2026 and 31 December 2025, the risk-weighted assets for counterparty credit risk ("CCR") of derivatives of the Group were calculated in accordance with the "Regulation Governing Capital of Commercial Banks" and other relevant regulations under the advanced capital measurement approaches. For derivative transactions, risk-weighted assets for CCR include the risk-weighted assets for default risk, and the risk-weighted assets for credit valuation adjustment ("CVA").

(c) Hedging accounting

(1) Fair value hedge

The Group uses interest rate swaps to hedge fair value changes caused by interest rate changes, and the hedged items are fixed interest bonds and deposit certificates. As at 30 June 2026, the notional amount of the derivative financial instruments used by the Group for the fair value hedging instrument in the hedge accounting was RMB 25,329 million (31 December 2025: RMB19,997 million). In the above hedging instrument, derivative financial assets was RMB 347 million (31 December 2025: RMB 282 million), derivative financial liabilities was RMB 70 million (31 December 2025: RMB 193 million).

For the six months ended 30 June 2026 and 30 June 2025, the fair value changes recognised in the profit or loss attributed to the ineffective hedging were not significant.

(2) Cash flow hedge

The Group uses cross-currency swaps to hedge cash flow fluctuations resulting from exchange rate and interest rate risks. The hedged items are fixed or floating rate bonds and deposit certificates. As at 30 June 2026, the nominal amount of derivative financial instruments used by the Group as cash flow hedging instruments in hedge accounting was RMB 19,681 million (31 December 2025: RMB 22,556 million), among which derivative financial assets amounted to RMB 245 million (31 December 2025: RMB 56 million), and derivative financial liabilities amounted to RMB 273 million (31 December 2025: RMB 409 million).

For the six months ended 30 June 2026 and 30 June 2025, the profit or loss arising from the recognised invalidated portion of the cash flow hedge was not significant.

III Notes to the unaudited condensed consolidated financial statements (continued)

13 Financial assets held under resale agreements

(a) Analysed by type and location of counterparty

	30 June 2026	*31 December 2025*
In Chinese Mainland		
- Banks	7,968	2,565
- Other financial institutions	36,719	10,357
Subtotal	44,687	12,922
Accrued interest	2	2
Total	44,689	12,924
Less: Provision for impairment losses	(4)	(1)
Net balances	44,685	12,923

(b) Analysed by type of collateral held

	30 June 2026	*31 December 2025*
Bonds		
- Government bonds	11,549	5,242
- Other debt securities	33,138	7,680
Subtotal	44,687	12,922
Accrued interest	2	2
Total	44,689	12,924
Less: Provision for impairment losses	(4)	(1)
Net balances	44,685	12,923

III Notes to the unaudited condensed consolidated financial statements (continued)

14 Loans and advances to customers

(a) Analysed by nature

	30 June 2026	*31 December 2025*
Loans and advances to customers measured at amortised cost		
Corporate loans and advances	2,390,425	2,275,434
Discounted bills	-	232
Personal loans and advances		
- Personal housing mortgage loans	565,934	582,140
- Personal business loans	298,026	315,307
- Personal consumption loans	197,560	200,089
- Credit cards	353,752	368,626
Principal of loans and advances to customers measured at amortised cost	3,805,697	3,741,828
Accrued interest	20,005	19,230
Gross loans and advances to customers measured at amortised cost	3,825,702	3,761,058
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(87,666)	(88,069)
Net loans and advances to customers measured at amortised cost	3,738,036	3,672,989
Loans and advances to customers measured at fair value through other comprehensive income		
Forfaiting	157,394	153,778
Discounted bills	105,192	84,612
Net loans and advances to customers measured at fair value through other comprehensive income	262,586	238,390
Net loans and advances to customers	4,000,622	3,911,379
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(305)	(291)

As at the end of the reporting period, part of the above loans and advances to customers was pledged for repurchase agreements. See Note III 23(a).

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Analysed by industry

	30 June 2026		
	Amount	*Percentage*	*Loans and advances secured by collateral*
Manufacturing	576,957	14.18%	92,714
Leasing and commercial services	535,863	13.17%	107,778
Water, environment and public utility management	321,883	7.91%	74,546
Wholesale and retail trade	213,541	5.25%	30,513
Real estate	149,299	3.67%	99,111
Transportation, storage and postal services	145,931	3.59%	46,904
Construction	141,290	3.47%	25,624
Finance	128,843	3.17%	8,353
Production and supply of power, gas and water	115,610	2.84%	18,836
Mining	62,859	1.55%	3,177
Others	155,743	3.82%	33,224
Subtotal of corporate loans and advances	2,547,819	62.62%	540,780
Personal loans and advances	1,415,272	34.79%	843,692
Discounted bills	105,192	2.59%	105,186
Total	4,068,283	100.00%	1,489,658
Accrued interest	20,005		
Gross loans and advances to customers	4,088,288		
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(87,666)		
Net loans and advances to customers	4,000,622		
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(305)		

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025		
	Amount	*Percentage*	*Loans and advances secured by collateral*
Manufacturing	559,499	14.05%	97,898
Leasing and commercial services	456,636	11.47%	105,100
Water, environment and public utility management	330,368	8.30%	92,532
Wholesale and retail trade	196,252	4.93%	35,266
Real estate	155,846	3.92%	108,180
Transportation, storage and postal services	143,190	3.60%	50,326
Construction	145,780	3.66%	31,864
Finance	119,654	3.01%	9,083
Production and supply of power, gas and water	109,507	2.75%	19,939
Mining	57,826	1.45%	2,943
Others	154,654	3.89%	34,220
Subtotal of corporate loans and advances	2,429,212	61.03%	587,351
Personal loans and advances	1,466,162	36.84%	874,984
Discounted bills	84,844	2.13%	82,899
Total	3,980,218	100.00%	1,545,234
Accrued interest	19,230		
Gross loans and advances to customers	3,999,448		
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(88,069)		
Net loans and advances to customers	3,911,379		
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(291)		

III Notes to the unaudited condensed consolidated financial statements (continued)

(c) Analysed by type of collateral

	30 June 2026	*31 December 2025*
Unsecured loans	1,560,938	1,507,660
Guaranteed loans	1,017,687	927,324
Secured loans		
- Mortgage loans	1,207,471	1,351,988
- Pledged loans	282,187	193,246
Total	4,068,283	3,980,218
Accrued interest	20,005	19,230
Gross loans and advances to customers	4,088,288	3,999,448
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(87,666)	(88,069)
Net loans and advances to customers	4,000,622	3,911,379
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(305)	(291)

III Notes to the unaudited condensed consolidated financial statements (continued)

(d) Analysed by geographical distribution

	30 June 2026		
	Amount	*Percentage*	*Loans and advances secured by collateral*
Yangtze River Delta	1,059,175	26.03%	309,291
Central	694,291	17.07%	302,953
Pearl River Delta	633,322	15.57%	311,735
Bohai Rim	631,229	15.52%	283,125
Western	500,029	12.29%	207,872
Northeastern	84,844	2.09%	55,208
Head Office	355,560	8.74%	1,798
Overseas	109,833	2.69%	17,676
Total	4,068,283	100.00%	1,489,658
Accrued interest	20,005		
Gross loans and advances to customers	4,088,288		

	31 December 2025		
	Amount	*Percentage*	*Loans and advances secured by collateral*
Yangtze River Delta	1,007,579	25.31%	329,158
Central	676,051	16.99%	306,385
Pearl River Delta	623,788	15.67%	318,612
Bohai Rim	603,864	15.17%	285,546
Western	492,998	12.39%	224,154
Northeastern	89,907	2.26%	60,270
Head Office	368,639	9.26%	-
Overseas	117,392	2.95%	21,109
Total	3,980,218	100.00%	1,545,234
Accrued interest	19,230		
Gross loans and advances to customers	3,999,448		

III Notes to the unaudited condensed consolidated financial statements (continued)

As at the end of the reporting period, detailed information of the impaired loans and advances to customers as well as the corresponding impairment provision in respect of geographic sectors which constitute 10% or more of gross loans and advances to customers is as follows:

	30 June 2026			
	Impaired loans and advances	*Stage 1 12-month ECL*	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*
Pearl River Delta	15,622	(2,763)	(3,527)	(12,639)
Central	7,745	(2,117)	(2,334)	(5,665)
Yangtze River Delta	9,182	(4,170)	(1,586)	(6,970)
Bohai Rim	6,501	(2,492)	(1,739)	(5,399)
Western	5,011	(2,140)	(3,104)	(3,720)
Total	44,061	(13,682)	(12,290)	(34,393)

	31 December 2025			
	Impaired loans and advances	*Stage 1 12-month ECL*	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*
Pearl River Delta	11,724	(2,810)	(3,184)	(11,297)
Central	6,437	(2,136)	(2,261)	(5,094)
Yangtze River Delta	6,789	(4,383)	(1,842)	(5,968)
Bohai Rim	5,451	(2,553)	(2,185)	(5,408)
Western	4,669	(2,288)	(3,261)	(3,561)
Total	35,070	(14,170)	(12,733)	(31,328)

For the definition of regional divisions, see Note III 46(b).

III Notes to the unaudited condensed consolidated financial statements (continued)

(e) Overdue loans and advances analysed by overdue period

	30 June 2026				
	Overdue within three months or less (inclusive)	*Overdue more than three months to one year (inclusive)*	*Overdue more than one year to three years (inclusive)*	*Overdue more than three years*	*Total*
Unsecured loans	15,224	11,197	2,237	2,184	30,842
Guaranteed loans	5,116	2,283	4,516	772	12,687
Secured loans					
- Mortgage loans	11,452	11,172	15,338	3,154	41,116
- Pledged loans	1,093	3,086	793	35	5,007
Total	32,885	27,738	22,884	6,145	89,652
As a percentage of principal of loans and advances to customers	0.81%	0.68%	0.56%	0.15%	2.20%

	31 December 2025				
	Overdue within three months or less (inclusive)	*Overdue more than three months to one year (inclusive)*	*Overdue more than one year to three years (inclusive)*	*Overdue more than three years*	*Total*
Unsecured loans	18,929	10,080	2,309	1,968	33,286
Guaranteed loans	2,715	2,302	2,542	611	8,170
Secured loans					
- Mortgage loans	13,102	12,590	12,565	4,733	42,990
- Pledged loans	4	4	283	9	300
Total	34,750	24,976	17,699	7,321	84,746
As a percentage of principal of loans and advances to customers	0.87%	0.63%	0.45%	0.18%	2.13%

Overdue loans and advances represent loans and advances of which the whole or part of the principal or interest was overdue for one day or more.

III Notes to the unaudited condensed consolidated financial statements (continued)

(f) Loans and advances and provision for impairment losses

	30 June 2026			
	Stage 1 12-month ECL	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*	*Total*
Principal of loans and advances to customers measured at amortised cost	3,595,969	139,113	70,615	3,805,697
Accrued interest	13,702	5,777	526	20,005
Gross loans and advances to customers measured at amortised cost	3,609,671	144,890	71,141	3,825,702
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(24,823)	(17,528)	(45,315)	(87,666)
Net loans and advances to customers measured at amortised cost	3,584,848	127,362	25,826	3,738,036
Net loans and advances to customers measured at fair value through other comprehensive income	262,385	201	-	262,586
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(303)	(2)	-	(305)

	31 December 2025			
	Stage 1 12-month ECL	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*	*Total*
Principal of loans and advances to customers measured at amortised cost	3,525,332	146,358	70,138	3,741,828
Accrued interest	13,683	5,035	512	19,230
Gross loans and advances to customers measured at amortised cost	3,539,015	151,393	70,650	3,761,058
Less: Provision for impairment losses of loans and advances to customers measured at amortised cost	(25,074)	(17,965)	(45,030)	(88,069)
Net loans and advances to customers measured at amortised cost	3,513,941	133,428	25,620	3,672,989
Net Loans and advances to customers measured at fair value through other comprehensive income	238,355	35	-	238,390
Provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(291)	(0)	-	(291)

III Notes to the unaudited condensed consolidated financial statements (continued)

(g) Reconciliation of provision for impairment losses

		For the six months ended 30 June 2026			
	Note	*Stage 1 12-month ECL*	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*	*Total*
As at 1 January 2026		(25,074)	(17,965)	(45,030)	(88,069)
- Transfer to Stage 1		(4,220)	2,954	1,266	-
- Transfer to Stage 2		522	(1,309)	787	-
- Transfer to Stage 3		208	1,535	(1,743)	-
Net reverse/(charge) for the period	(i)	3,732	(2,743)	(22,999)	(22,010)
Write-off and disposal		-	-	27,360	27,360
Recovery of loans and advances written off		-	-	(5,287)	(5,287)
Exchange fluctuation and others		9	0	331	340
As at 30 June 2026		(24,823)	(17,528)	(45,315)	(87,666)

		2025			
	Note	*Stage 1 12-month ECL*	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*	*Total*
As at 1 January 2025		(28,676)	(21,379)	(38,527)	(88,582)
- Transfer to Stage 1		(4,415)	3,665	750	-
- Transfer to Stage 2		945	(1,533)	588	-
- Transfer to Stage 3		466	3,698	(4,164)	-
Net reverse/(charge) for the year	(i)	6,601	(2,416)	(40,674)	(36,489)
Write-off and disposal		-	-	47,456	47,456
Recovery of loans and advances written off		-	-	(11,098)	(11,098)
Exchange fluctuation and others		5	-	639	644
As at 31 December 2025		(25,074)	(17,965)	(45,030)	(88,069)

Notes:

(i) The net charge for the period/year includes the impact of provisions for impairment losses on the newly originated or purchased loans, provisions for impairment losses made/reversed in the event of updates to the impact of changes in PD, LGD, and EAD, changes in model assumptions and methodologies, and phase transfers.

(ii) The above reconciliation of provision for impairment losses only represents provision for impairment losses on loans and advances to customers measured at amortised cost.

III Notes to the unaudited condensed consolidated financial statements (continued)

15 Finance lease receivables

	30 June 2026	*31 December 2025*
Sale and leaseback receivables	84,923	90,799
Finance lease receivables	25,136	19,913
Less: Unearned finance lease income	(13,516)	(13,200)
Present value of finance lease receivables	96,543	97,512
Accrued interest	699	708
Less: Provision for impairment losses	(3,409)	(3,805)
Net balance	93,833	94,415

The finance lease receivables under finance lease and hire purchase contracts and their remaining period are as follows:

	30 June 2026	*31 December 2025*
Less than 1 year (inclusive)	30,561	32,253
1 year to 2 years (inclusive)	22,404	24,322
2 years to 3 years (inclusive)	17,548	15,514
3 years to 4 years (inclusive)	11,442	11,012
4 years to 5 years (inclusive)	6,688	6,914
More than 5 years	21,416	20,697
Total	110,059	110,712

III Notes to the unaudited condensed consolidated financial statements (continued)

16 Financial investments

	Note	*30 June 2026*	*31 December 2025*
Financial assets at fair value through profit or loss	(a)	405,777	458,638
Debt instruments at fair value through other comprehensive income	(b)	775,459	678,425
Equity instruments at fair value through other comprehensive income	(c)	1,140	1,143
Financial investments measured at amortised cost	(d)	1,207,748	1,233,695
Total		2,390,124	2,371,901

(a) Financial assets at fair value through profit or loss

	Note	*30 June 2026*	*31 December 2025*
Debt instruments held for trading	(i)	126,498	139,512
Other financial assets at fair value through profit or loss	(ii)	279,279	319,126
Total		405,777	458,638

III Notes to the unaudited condensed consolidated financial statements (continued)

(i) Debt instruments held for trading analysed by type and location of counterparty:

	Note	*30 June 2026*	*31 December 2025*
In Chinese Mainland			
- Government		40,105	39,777
- Banks and other financial institutions		36,019	54,828
- Other institutions	(1)	39,189	43,901
Overseas			
- Government		166	155
- Banks and other financial institutions		10,955	773
- Other institutions		64	78
Total	(2)	126,498	139,512
Listed	(3)	25,131	27,107
Of which: listed in Hong Kong		128	95
Unlisted		101,367	112,405
Total		126,498	139,512

Notes:

(1) Debt instruments issued by other institutions in Chinese Mainland mainly represented debt securities issued by state-owned enterprises and joint stock enterprises in Chinese Mainland.

(2) At the end of the reporting period, some of the debt instruments held for trading were pledged for repurchase agreements, time deposits and due to the central bank. See Note III 23(a).

(3) Listed investments only include debt instruments traded on a stock exchange.

III Notes to the unaudited condensed consolidated financial statements (continued)

(ii) Other financial assets at fair value through profit or loss

	30 June 2026	*31 December 2025*
Fund investments	179,177	187,588
Equity instruments	7,063	6,321
Others	93,039	125,217
Total	279,279	319,126

(b) Debt instruments at fair value through other comprehensive income

(i) Analysed by type and location of counterparty:

	Note	*30 June 2026*	*31 December 2025*
In Chinese Mainland			
- Government		352,912	352,532
- Banks and other financial institutions	(1)	270,301	178,855
- Other institutions	(2)	82,699	88,126
Overseas			
- Government		5,827	3,080
- Banks and other financial institutions		35,144	26,864
- Other institutions		20,461	21,397
Subtotal		767,344	670,854
Accrued interest		8,115	7,571
Total	(3)	775,459	678,425
Listed	(4)	76,174	78,166
Of which: listed in Hong Kong		18,837	19,075
Unlisted		691,170	592,688
Subtotal		767,344	670,854
Accrued interest		8,115	7,571
Total		775,459	678,425

III Notes to the unaudited condensed consolidated financial statements (continued)

Notes:

(1) Debt instruments issued by banks and other financial institutions mainly represent debt securities issued by banks and other financial institutions in Chinese Mainland.

(2) Debt instruments issued by other institutions mainly represent debt securities issued by state-owned enterprises and joint stock enterprises in Chinese Mainland.

(3) At the end of the reporting period, part of the debt instruments at fair value through other comprehensive income were pledged for repurchase agreements, time deposits and due to the central bank, see Note III 23(a).

(4) Listed investments only include debt instruments traded on a stock exchange.

(ii) Reconciliation of provision for impairment losses on debt instruments at fair value through other comprehensive income

	For the six months ended 30 June 2026			
	Stage 1 12-month ECL	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*	*Total*
As at 1 January 2026	(478)	(14)	(1,192)	(1,684)
- Transfer to Stage 3	-	-	-	-
Net reverse / (charge) for the period	198	12	(0)	210
Write-off and disposal	-	-	-	-
Exchange fluctuation and others	7	-	20	27
As at 30 June 2026	(273)	(2)	(1,172)	(1,447)

	2025			
	Stage 1 12-month ECL	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*	*Total*
As at 1 January 2025	(274)	(15)	(1,357)	(1,646)
- Transfer to Stage 3	-	0	(0)	-
Net charge for the year	(214)	(0)	(285)	(499)
Write-off and disposal	-	-	425	425
Exchange fluctuation and others	10	1	25	36
As at 31 December 2025	(478)	(14)	(1,192)	(1,684)

III Notes to the unaudited condensed consolidated financial statements (continued)

(c) Equity instruments at fair value through other comprehensive income

	Note	*30 June 2026*	*31 December 2025*
Listed	(i)	37	40
Unlisted		1,103	1,103
Total	(ii)	1,140	1,143

Investments in equity instruments at fair value through other comprehensive income:

	For the six months ended 30 June 2026			
	Reasons for designating as measured at fair value through other comprehensive income:	*Dividends income recognised during the current period*	*Gains and losses recognised in other comprehensive income during the current period*	*Accumulated gains or losses recognised in other comprehensive income*
Listed	*Planned to be held long-term for strategic purposes*	0	(3)	36
Unlisted	*Planned to be held long-term for strategic purposes*	-	-	(1)
Total		0	(3)	35

	2025			
	Reasons for designating as measured at fair value through other comprehensive income:	*Dividends income recognised during the current year*	*Gains and losses recognised in other comprehensive income during the current year*	*Accumulated gains or losses recognised in other comprehensive income*
Listed	*Planned to be held long-term for strategic purposes*	0	2	39
Unlisted	*Planned to be held long-term for strategic purposes*	49	1	(1)
Total		49	3	38

III Notes to the unaudited condensed consolidated financial statements (continued)

Notes:

(i) Listed investments only include equity instruments traded on a stock exchange.

(ii) The Group designated the equity instruments not held for trading as measured at fair value through other comprehensive income. For the six months ended 30 June 2026, the Group has received RMB 147,695.35 dividends from the above equity instruments (for the six months ended 30 June 2025: RMB 137,349.65).

(d) Financial investments measured at amortised cost

	Note	*30 June 2026*	*31 December 2025*
Debt securities and asset-backed instruments	(i)	1,161,316	1,180,411
Others	(ii)	43,940	50,694
Subtotal		1,205,256	1,231,105
Accrued interest		13,616	15,150
Total		1,218,872	1,246,255
Less: Provision for impairment losses		(11,124)	(12,560)
Net balance		1,207,748	1,233,695
Listed	(iii)	213,509	196,650
Of which: listed in Hong Kong		12,679	12,479
Unlisted		980,623	1,021,895
Subtotal		1,194,132	1,218,545
Accrued interest		13,616	15,150
Net balance		1,207,748	1,233,695

III Notes to the unaudited condensed consolidated financial statements (continued)

(i) Debt securities and asset-backed instruments measured at amortised cost were analysed by type and location of counterparty as follows:

	Note	*30 June 2026*	*31 December 2025*
In Chinese Mainland			
- Government		598,115	591,186
- Banks and other financial institutions		211,771	254,203
- Other institutions	(1)	280,423	276,291
Overseas			
- Government		10,557	10,289
- Banks and other financial institutions		50,425	39,994
- Other institutions		10,025	8,448
Subtotal		1,161,316	1,180,411
Accrued interest		13,393	14,993
Total	(2)	1,174,709	1,195,404
Less: Provision for impairment losses		(2,901)	(2,826)
Net balance		1,171,808	1,192,578
Fair value		1,212,223	1,228,368

Notes:

(1) Debt securities and asset-backed instruments issued by other institutions mainly represent debt securities and asset-backed instruments issued by state-owned enterprises and joint stock enterprises in Chinese Mainland.

(2) As at the end of the reporting period, part of the debt securities measured at amortised cost were pledged for repurchase agreements, time deposits, derivative transactions and due to the central bank. See Note III 23(a).

III Notes to the unaudited condensed consolidated financial statements (continued)

(ii) Other financial investments measured at amortised cost mainly include Income Certificate Issued by Securities Firms, trusts and other rights to earnings.

(iii) Listed investments only include debt instruments traded on a stock exchange.

(iv) Reconciliation of provision for impairment losses on financial investments measured at amortised cost:

	For the six months ended 30 June 2026			
	Stage 1 12-month ECL	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*	*Total*
As at 1 January 2026	(555)	(196)	(11,809)	(12,560)
- Transfer to Stage 2	0	(0)	-	-
Net (charge)/reverse for the period	(85)	91	860	866
Write-off and disposal	-	-	322	322
Exchange fluctuation and others	3	-	245	248
As at 30 June 2026	(637)	(105)	(10,382)	(11,124)

	2025			
	Stage 1 12-month ECL	*Stage 2 Lifetime ECL (without credit impairment)*	*Stage 3 Lifetime ECL (with credit impairment)*	*Total*
As at 1 January 2025	(483)	(100)	(14,424)	(15,007)
- Transfer to Stage 2	-	-	-	-
Net (charge)/reverse for the year	(76)	(97)	1,784	1,611
Write-off and disposal	-	-	260	260
Exchange fluctuation and others	4	1	571	576
As at 31 December 2025	(555)	(196)	(11,809)	(12,560)

III Notes to the unaudited condensed consolidated financial statements (continued)

17 Investments in subsidiaries

(a) Investments in subsidiaries

The Bank

	Note	*30 June 2026*	*31 December 2025*
Everbright Financial Leasing Co., Ltd.		4,680	4,680
CEB International Investment Corporation Limited		2,267	2,267
Shaoshan Everbright Rural Bank Co., Ltd.	(i)	-	105
Jiangsu Huai'an Everbright Rural Bank Co., Ltd.	(i)	-	70
China Everbright Bank (Europe) S.A.		156	156
Jiangxi Ruijin Everbright Rural Bank Co., Ltd.	(i)	-	105
Everbright Wealth Management Co., Ltd.		5,000	5,000
Beijing Sunshine Consumer Finance Co., Ltd.		600	600
Subtotal		12,703	12,983
Less: Provision for impairment losses		(1,793)	(1,793)
Total		10,910	11,190

(i) Shaoshan Everbright Rural Bank Co., Ltd., Jiangsu Huai'an Everbright Rural Bank Co., Ltd., Jiangxi Ruijin Everbright Rural Bank Co., Ltd. had been approved by local offices of the NFRA for dissolution, Shaoshan Everbright Rural Bank Co., Ltd. completed its liquidation and distribution in February 2026 and was deregistered in April 2026, Jiangsu Huai'an Everbright Rural Bank Co., Ltd. completed its liquidation and distribution in March 2026 and was deregistered in April 2026, and Jiangxi Ruijin Everbright Rural Bank Co., Ltd. completed its liquidation and distribution in May 2026 and was deregistered in July 2026.The Bank has undertaken all asset, liability, business and employees of the original rural banks.

The Bank conduct impairment testing on long-term equity investment, and the recoverable amount is determined according to the present value of the estimated future cash flow of the relevant subsidiary, and the estimated future cash flow is determined based on the financial forecast approved by the management of the corresponding subsidiary. The average growth rate, discount rate and other assumptions used to forecast cash flows reflect the specific risks associated with them.

III Notes to the unaudited condensed consolidated financial statements (continued)

As at 30 June 2026, the details of the subsidiaries are presented as follows:

Corporate name	*Registered address*	*Registered capital(RMB)*	*Investment proportion*	*Voting proportion*	*Main business*	*Economic nature/type*
Everbright Financial Leasing Co., Ltd. (Everbright Financial Leasing)	Wuhan, Hubei	5,900	90%	90%	Leasing transactions	Incorporated company
CEB International Investment Co., Ltd. (CEB International)	Hong Kong	2,267	100%	100%	Investment banking	Limited company
China Everbright Bank (Europe)S.A. (CEB Europe)	Luxembourg	156	100%	100%	Banking business	Incorporated company
Everbright Wealth Co., Ltd. (Everbright Wealth)	Qingdao, Shandong	5,000	100%	100%	Asset management business	Limited liability company
Beijing Sunshine Consumer Finance Co., Ltd. (Sunshine Consumer)	Beijing	1,000	60%	60%	Consumer finance business	Incorporated company

18 Property and equipment

	Premises (Note (i))	*Aircraft, ships and vessels* (Note (ii))	*Construction in progress*	*Electronic equipment*	*Others*	*Total*
Cost						
As at 1 January 2026	17,416	19,118	1,749	9,842	4,924	53,049
Additions for the period	4	732	19	468	30	1,253
Transfer out	-	-	(35)	-	-	(35)
Disposals for the period	(4)	(9)	-	(64)	(92)	(169)
Foreign currency conversion difference	-	(566)	-	(1)	(1)	(568)
As at 30 June 2026	17,416	19,275	1,733	10,245	4,861	53,530
Accumulated depreciation						
As at 1 January 2026	(6,888)	(2,970)	-	(7,601)	(3,936)	(21,395)
Charge for the period	(274)	(422)	-	(431)	(94)	(1,221)
Disposals for the period	-	2	-	59	60	121
Foreign currency conversion difference	-	90	-	1	1	92
As at 30 June 2026	(7,162)	(3,300)	-	(7,972)	(3,969)	(22,403)
Provision for impairment losses						
As at 1 January 2026	(163)	-	-	-	-	(163)
As at 30 June 2026	(163)	-	-	-	-	(163)
Net balances						
As at 30 June 2026	10,091	15,975	1,733	2,273	892	30,964

III Notes to the unaudited condensed consolidated financial statements (continued)

	Premises (Note (i))	*Aircraft, ships and vessels* (Note (ii))	*Construction in progress*	*Electronic equipment*	*Others*	*Total*
Cost						
As at 1 January 2025	17,105	14,708	2,027	9,654	4,885	48,379
Additions for the year	361	4,798	88	832	237	6,316
Transfer out	-	-	(366)	-	-	(366)
Disposals for the year	(50)	(2)	-	(643)	(196)	(891)
Foreign currency conversion difference	-	(386)	-	(1)	(2)	(389)
As at 31 December 2025	17,416	19,118	1,749	9,842	4,924	53,049
Accumulated depreciation						
As at 1 January 2025	(6,345)	(2,311)	-	(7,176)	(3,878)	(19,710)
Charge for the year	(548)	(721)	-	(1,061)	(206)	(2,536)
Disposals for the year	5	0	-	636	147	788
Foreign currency conversion difference	-	62	-	-	1	63
As at 31 December 2025	(6,888)	(2,970)	-	(7,601)	(3,936)	(21,395)
Provision for impairment losses						
As at 1 January 2025	(163)	-	-	-	-	(163)
As at 31 December 2025	(163)	-	-	-	-	(163)
Net balances						
As at 31 December 2025	10,365	16,148	1,749	2,241	988	31,491

Notes:

(i) As at 30 June 2026, title deeds were not yet finalised for the premises with a net balances of RMB 130 million (31 December 2025: RMB 2,148 million). Management of the Group expected that there would be no significant cost in obtaining the title deeds.

(ii) As at 30 June 2026, Everbright Financial Leasing, the Group’s subsidiary leases aircraft and vehicles to third parties under operating lease arrangements, with a net balances of RMB 15,975 million (31 December 2025: RMB 16,148 million). As at the end of the reporting period, part of the aircraft was pledged for borrowings from banks. See Note III 23(a).

III Notes to the unaudited condensed consolidated financial statements (continued)

19 Right-of-use assets

	Premises	*Transportation and others*	*Total*
Cost			
As at 1 January 2026	18,948	22	18,970
Charge for the period	815	0	815
Deductions for the period	(781)	(1)	(782)
Foreign currency conversion difference	(19)	-	(19)
As at 30 June 2026	18,963	21	18,984
Accumulated depreciation			
As at 1 January 2026	(9,672)	(12)	(9,684)
Charge for the period	(1,268)	(2)	(1,270)
Reduction for the period	717	1	718
Foreign currency conversion difference	11	-	11
As at 30 June 2026	(10,212)	(13)	(10,225)
Net balances			
As at 30 June 2026	8,751	8	8,759

	Premises	*Transportation and others*	*Total*
Cost			
As at 1 January 2025	19,172	33	19,205
Charge for the year	2,152	5	2,157
Deductions for the year	(2,356)	(16)	(2,372)
Foreign currency conversion difference	(20)	-	(20)
As at 31 December 2025	18,948	22	18,970
Accumulated depreciation			
As at 1 January 2025	(8,864)	(20)	(8,884)
Charge for the year	(2,687)	(5)	(2,692)
Reduction for the year	1,882	13	1,895
Foreign currency conversion difference	(3)	-	(3)
As at 31 December 2025	(9,672)	(12)	(9,684)
Net balances			
As at 31 December 2025	9,276	10	9,286

III Notes to the unaudited condensed consolidated financial statements (continued)

20 Goodwill

	30 June 2026	*31 December 2025*
Gross amount	6,019	6,019
Less: Provision for impairment losses	(4,738)	(4,738)
Net balances	1,281	1,281

As approved by the PBOC, the Bank and China Development Bank ("CDB") jointly signed the "Agreement between China Development Bank and China Everbright Bank for the transfer of assets, liabilities and banking premises of China Investment Bank" (the "Agreement") on 18 March 1999. According to the Agreement, CDB transferred the assets, liabilities, equity and 137 outlets of 29 branches of the former China Investment Bank ("CIB") to the Bank. The Agreement became effective on 18 March 1999. The Bank assessed the fair value of the transferred assets and liabilities, and recognised the excess of the purchase cost over the sum of the fair value of the net assets transferred and deferred tax assets as goodwill.

III Notes to the unaudited condensed consolidated financial statements (continued)

21 Deferred tax assets and liabilities

Deferred income tax assets and deferred income tax liabilities that have not been offset:

	30 June 2026	*31 December 2025*
Deferred income tax assets	38,536	37,446
Deferred income tax liabilities	(3,415)	(2,228)
Total	35,121	35,218

(a) Analysed by nature

	30 June 2026		*31 December 2025*	
	Deductible/ (taxable) temporary differences	*Deferred tax assets/ (liabilities)*	*Deductible/ (taxable) temporary differences*	*Deferred tax assets/ (liabilities)*
Deferred income tax assets				
- Provision for impairment losses	129,232	32,308	124,968	31,242
- Accrued staff costs and others	24,912	6,228	24,816	6,204
Total	154,144	38,536	149,784	37,446
Deferred income tax liabilities				
- Fair value changes	(9,496)	(2,374)	(3,780)	(945)
- Others	(4,164)	(1,041)	(5,132)	(1,283)
Total	(13,660)	(3,415)	(8,912)	(2,228)

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Movements of deferred tax

	Provision for impairment losses Note(i)	*Fair value changes of financial instruments* Note(ii)	*Accrued staff costs and others*	*Deferred tax assets/ (liabilities)*
As at 1 January 2026	31,242	(945)	4,921	35,218
Recognised in profit or loss	1,015	(860)	266	421
Recognised in other comprehensive income	51	(569)	-	(518)
As at 30 June 2026	32,308	(2,374)	5,187	35,121

	Provision for impairment losses Note(i)	*Fair value changes of financial instruments* Note(ii)	*Accrued staff costs and others*	*Deferred tax assets/ (liabilities)*
As at 1 January 2025	31,088	(4,846)	5,116	31,358
Recognised in profit or loss	163	1,303	(195)	1,271
Recognised in other comprehensive income	(9)	2,598	-	2,589
As at 31 December 2025	31,242	(945)	4,921	35,218

Notes:

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

(ii) Fair value changes of financial instruments are subject to tax when realised.

III Notes to the unaudited condensed consolidated financial statements (continued)

22 Other assets

	Note	*30 June 2026*	*31 December 2025*
Other receivables	(a)	46,738	40,271
Property and equipment purchase prepayment		6,226	4,831
Intangible assets		4,903	5,056
Interest receivables		3,478	3,339
Refundable Deposits		2,072	2,838
Long-term deferred expense		773	866
Repossessed assets		89	64
Land use right		58	61
Others		2,237	1,907
Total		66,574	59,233

Note:

(a) Other receivables mainly include items in the process of clearing and settlement, the amount of impairment allowance is not material.

23 Pledged assets

(a) Assets pledged as collateral

The Group's assets as collateral for liabilities include discounted bills, debt securities and property and equipment, which are mainly used as collateral for repurchase agreements, time deposits, derivative contracts, borrowings from banks and due to the central bank. The carrying amount of the assets pledged as collateral as at 30 June 2026 was RMB 525,422 million (as at 31 December 2025: RMB 490,057 million).

(b) Collateral received

The Group received debt securities as collateral for financial assets held under resale agreements. As at 30 June 2026, the Group held no collateral that can be resold or re-pledged unless in the event of default by the counterparties (31 December 2025: Nil). For the six months ended 30 June 2026, the Group did not resell or re-pledge any of these collateral (year ended 31 December 2025: Nil).

III Notes to the unaudited condensed consolidated financial statements (continued)

24 Due to the central bank

	30 June 2026	*31 December 2025*
Due to the central bank	173,589	153,048
Accrued interest	1,129	1,630
Total	174,718	154,678

25 Deposits from banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2026	*31 December 2025*
In Chinese Mainland		
- Banks	66,409	84,597
- Other financial institutions	530,798	420,608
Overseas		
- Banks	624	63
Subtotal	597,831	505,268
Accrued interest	871	1,186
Total	598,702	506,454

III Notes to the unaudited condensed consolidated financial statements (continued)

26 Placements from banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2026	31 December 2025
In Chinese Mainland		
- Banks	140,303	165,867
- Other financial institutions	5,249	4,769
Overseas		
- Banks	33,443	37,329
Subtotal	178,995	207,965
Accrued interest	614	642
Total	179,609	208,607

III Notes to the unaudited condensed consolidated financial statements (continued)

27 Financial assets sold under repurchase agreements

(a) Analysed by type and location of counterparty

	30 June 2026	*31 December 2025*
In Chinese Mainland		
- Banks	130,601	143,454
- Other financial institutions	500	-
Overseas		
- Banks	26,165	13,055
- Other financial institutions	1,877	1,236
Subtotal	159,143	157,745
Accrued interest	351	373
Total	159,494	158,118

(b) Analysed by collateral

	30 June 2026	*31 December 2025*
Bonds		
- Government bonds	35,575	5,922
- Other debt securities	122,918	151,078
Bills	650	745
Subtotal	159,143	157,745
Accrued interest	351	373
Total	159,494	158,118

III Notes to the unaudited condensed consolidated financial statements (continued)

28 Deposits from customers

	30 June 2026	*31 December 2025*
Demand deposits		
- Corporate customers	794,192	700,340
- Individual customers	309,234	299,406
Subtotal	1,103,426	999,746
Time deposits		
- Corporate customers	1,468,761	1,516,434
- Individual customers	1,099,497	1,062,132
Subtotal	2,568,258	2,578,566
Pledged deposits	458,788	450,705
Other deposits	931	731
Subtotal deposits from customers	4,131,403	4,029,748
Accrued interest	61,302	72,710
Total	4,192,705	4,102,458

III Notes to the unaudited condensed consolidated financial statements (continued)

29 Accrued staff costs

	Note	*30 June 2026*	*31 December 2025*
Salary and welfare payable		14,600	16,476
Pension and annuity payable	(a)	319	374
Supplementary retirement benefits payable	(b)	2,058	2,058
Total		16,977	18,908

Notes:

(a) Pension and annuity payable

Pursuant to the relevant laws and regulations in the PRC, the Group operates a defined contribution scheme for its employees arranged by local government labour and social security organisations. The Group makes contributions to the retirement scheme at the applicable rates based on the amounts stipulated by the relevant government organisations.

In addition to the pension mentioned above, the Group provides an annuity plan to the eligible employees. The Group makes annuity contributions in proportion to its employees' gross wages in the prior year, which are expensed to profit or loss when the contributions are made.

(b) Supplementary retirement benefits ("SRB")

The Group pays SRB for eligible employees. The amount represents the present value of the total estimated amount of future benefits that the Group is committed to pay for eligible employees at the end of the reporting period.

Except for (a) and (b) above, the Group has no other major responsibilities for the payment of employee retirement benefits and other post-retirement benefits. There is no balance in arrears in the above staff emoluments payable.

III Notes to the unaudited condensed consolidated financial statements (continued)

30 Taxes payable

	30 June 2026	*31 December 2025*
Income tax payable	2,185	3,388
Value added tax payable	3,145	2,466
Others	336	514
Total	5,666	6,368

31 Lease liabilities

	30 June 2026	*31 December 2025*
Within 1 year (inclusive)	2,556	2,597
1 year to 2 years (inclusive)	2,160	2,253
2 years to 3 years (inclusive)	1,529	1,790
3 years to 5 years (inclusive)	1,918	2,101
More than 5 years	1,513	1,615
Total undiscounted lease liabilities	9,676	10,356
Lease liabilities	8,974	9,534

III Notes to the unaudited condensed consolidated financial statements (continued)

32 Debt securities issued

	Note	*30 June 2026*	*31 December 2025*
Financial bonds issued	(a)	224,859	257,784
Tier 2 capital bonds issued	(b)	59,998	59,997
Interbank deposits issued	(c)	841,325	913,812
Certificates of deposit issued	(d)	61,371	60,873
Medium term notes issued	(e)	26,645	32,545
Subtotal		1,214,198	1,325,011
Accrued interest		4,341	3,790
Total		1,218,539	1,328,801

III Notes to the unaudited condensed consolidated financial statements (continued)

(a) Financial bonds issued

	Note	*30 June 2026*	*31 December 2025*
Fixed rate financial bonds maturing in May 2026	(i)	-	20,000
Fixed rate financial bonds maturing in June 2026	(ii)	-	20,000
Fixed rate financial bonds maturing in September 2026	(iii)	30,000	30,000
Fixed rate financial bonds maturing in November 2026	(iv)	28,000	28,000
Fixed rate financial bonds maturing in November 2026	(v)	2,999	2,998
Fixed rate financial bonds maturing in March 2027	(vi)	1,999	1,699
Fixed rate financial bonds maturing in March 2027	(vii)	20,000	20,000
Fixed rate financial bonds maturing in April 2027	(viii)	30,000	29,999
Fixed rate financial bonds maturing in May 2027	(ix)	2,499	2,198
Fixed rate financial bonds maturing in July 2027	(x)	2,289	2,288
Fixed rate financial bonds maturing in August 2027	(xi)	24,999	24,999
Fixed rate financial bonds maturing in August 2027	(xii)	5,000	5,000
Fixed rate financial bonds maturing in February 2028	(xiii)	2,607	2,606
Fixed rate financial bonds maturing in March 2028	(xiv)	19,999	19,999
Fixed rate financial bonds maturing in July 2028	(xv)	15,000	14,999
Fixed rate financial bonds maturing in July 2028	(xvi)	5,000	5,000
Fixed rate financial bonds maturing in November 2028	(xvii)	21,999	21,999
Floating rate financial bonds maturing in December 2028	(xviii)	5,999	6,000
Fixed rate financial bonds maturing in March 2029	(xix)	2,476	-
Fixed rate financial bonds maturing in April 2029	(xx)	3,994	-
Total		224,859	257,784

III Notes to the unaudited condensed consolidated financial statements (continued)

Notes:

(i) Fixed rate financial bonds (Phase I) of RMB 20.00 billion with a term of three years were issued by the Bank on 16 May 2023. The coupon rate is 2.68% per annum.

(ii) Fixed rate green financial bonds (Phase I) of RMB 20.00 billion with a term of three years were issued by the Bank on 19 June 2023. The coupon rate is 2.68% per annum.

(iii) Fixed rate financial bonds (Phase II) of RMB 30.00 billion with a term of three years were issued by the Bank on 21 September 2023. The coupon rate is 2.72% per annum.

(iv) Fixed rate financial bonds (Phase III) of RMB 28.00 billion with a term of three years were issued by the Bank on 7 November 2023. The coupon rate is 2.81% per annum.

(v) Fixed rate financial bonds of RMB 3.00 billion with a term of three years were issued by Everbright Financial Leasing on 8 November 2023. The coupon rate is 2.85% per annum.

(vi) Fixed rate financial bonds (Phase I) of RMB 2.00 billion with a term of three years were issued by Everbright Financial Leasing on 4 March 2024. The coupon rate is 2.45% per annum.

(vii) Fixed rate financial bonds (Phase I) of RMB 20.00 billion with a term of three years were issued by the Bank on 15 March 2024. The coupon rate is 2.43% per annum.

(viii) Fixed rate social bonds for Small and Micro Enterprises Loans of RMB 30.00 billion with a term of three years were issued by the Bank on 23 April 2024. The coupon rate is 2.15% per annum.

(ix) Fixed rate financial bonds (Phase II) of RMB 2.50 billion with a term of three years were issued by Everbright Financial Leasing on 23 May 2024. The coupon rate is 2.20% per annum.

(x) Fixed rate financial bonds (Phase III) of RMB 2.50 billion with a term of three years were issued by Everbright Financial Leasing on 23 July 2024. The coupon rate is 2.02% per annum.

(xi) Fixed rate financial bonds (Phase II) of RMB 25.00 billion with a term of three years were issued by the Bank on 23 August 2024. The coupon rate is 2.07% per annum.

III Notes to the unaudited condensed consolidated financial statements (continued)

(xii) Fixed rate special financial bonds for agriculture, rural areas and farmers (Phase I) of RMB 5.00 billion with a term of three years were issued by the Bank on 23 August 2024. The coupon rate is 2.05% per annum.

(xiii) Fixed rate green financial bonds of RMB 3.00 billion with a term of three years were issued by Everbright Financial Leasing on 25 February 2025. The coupon rate is 1.88% per annum.

(xiv) Fixed rate financial bonds (Phase I) of RMB 20.00 billion with a term of three years were issued by the Bank on 24 March 2025. The coupon rate is 1.94% per annum.

(xv) Fixed rate financial bonds (Phase II) of RMB 15.00 billion with a term of three years were issued by the Bank on 10 July 2025. The coupon rate is 1.68% per annum.

(xvi) Fixed rate green financial bonds of RMB 5.00 billion with a term of three years were issued by the Bank on 17 July 2025. The coupon rate is 1.65% per annum.

(xvii) Fixed rate financial bonds (Phase III) of RMB 22.00 billion with a term of three years were issued by the Bank on 10 November 2025. The coupon rate is 1.80% per annum.

(xviii) Floating rate financial bonds for science and technology innovation of RMB 6.00 billion with a term of three years were issued by the Bank on 18 December 2025. The coupon rate is 3MDR007+38BPS per annum.

(xix) Fixed rate green financial bonds of RMB 3.00 billion with a term of three years were issued by Everbright Financial Leasing on 10 March 2026. The coupon rate is 1.81% per annum.

(xx) Fixed rate financial bonds (Phase I) of RMB 4.00 billion with a term of three years were issued by Everbright Financial Leasing on 16 April 2026. The coupon rate is 1.68% per annum.

(xxi) As at 30 June 2026, the aforementioned financial bonds were RMB financial bonds issued in the National Interbank Bond Market as approved by the PBOC. The total fair value of the financial bonds issued approximated to RMB 226,023 million (31 December 2025: RMB 259,097 million).

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Tier 2 capital bonds issued

	Note	*30 June 2026*	*31 December 2025*
Tier 2 capital fixed rate bonds maturing in August 2032	(i)	39,998	39,998
Tier 2 capital fixed rate bonds maturing in April 2033	(ii)	10,000	9,999
Tier 2 capital fixed rate bonds maturing in August 2037	(iii)	5,000	5,000
Tier 2 capital fixed rate bonds maturing in April 2038	(iv)	5,000	5,000
Total		59,998	59,997

Notes:

(i) Fixed rate tier 2 capital bonds of RMB 40.00 billion with a term of ten years were issued by the Bank on 25 August 2022. The coupon rate is 3.10% per annum. The Bank has an option to redeem part or all of the bonds at face value on 29 August 2027.

(ii) Fixed rate tier 2 capital bonds of RMB 10.00 billion with a term of ten years were issued by the Bank on 10 April 2023. The coupon rate is 3.55% per annum. The Bank has an option to redeem part or all of the bonds at face value on 12 April 2028.

(iii) Fixed rate tier 2 capital bonds of RMB 5.00 billion with a term of fifteen years were issued by the Bank on 25 August 2022. The coupon rate is 3.35% per annum. The Bank has an option to redeem part or all of the bonds at face value on 29 August 2032.

(iv) Fixed rate tier 2 capital bonds of RMB 5.00 billion with a term of fifteen years were issued by the Bank on 10 April 2023. The coupon rate is 3.64% per annum. The Bank has an option to redeem part or all of the bonds at face value on 12 April 2033.

(v) As at 30 June 2026, the fair value of the total tier 2 capital bonds issued approximated to RMB 62,403 million (31 December 2025: RMB 61,882 million).

(c) Interbank deposits issued

As at 30 June 2026, the interbank deposits issued by the Bank were measured at amortised cost. The fair value of the outstanding interbank deposits issued was RMB 835,001 million (31 December 2025: RMB 914,017 million).

(d) Certificates of deposit issued

As at 30 June 2026, the certificates of deposit issued by the Bank's Hong Kong Branch, Macao Branch, Seoul Branch, Sydney Branch and Luxembourg Branch were measured at amortised cost. The fair value of the certificates of deposit issued approximated to their carrying amount.

III Notes to the unaudited condensed consolidated financial statements (continued)

(e) Medium term notes issued

	Notes	*30 June 2026*	*31 December 2025*
Medium term notes with fixed rate maturing on 2 March 2026	(i)	-	2,795
Medium term notes with fixed rate maturing on 14 May 2026	(ii)	-	1,500
Medium term notes with fixed rate maturing on 20 May 2026	(iii)	-	400
Medium term notes with fixed rate maturing on 22 May 2026	(iv)	-	494
Medium term notes with floating rate maturing on 12 September 2026	(v)	3,392	3,492
Medium term notes with floating rate maturing on 20 September 2026	(vi)	3,731	3,841
Medium term notes with fixed rate maturing on 19 November 2026	(vii)	1,500	1,499
Medium term notes with fixed rate maturing on 18 December 2026	(viii)	348	369
Medium term notes with fixed rate maturing on 18 December 2026	(ix)	339	349
Medium term notes with fixed rate maturing on 18 December 2026	(x)	999	999
Medium term notes with fixed rate maturing on 19 December 2026	(xi)	386	410
Medium term notes with fixed rate maturing on 21 December 2026	(xii)	999	998
Medium term notes with fixed rate maturing on 6 March 2027	(xiii)	450	450
Medium term notes with floating rate maturing on 7 April 2027	(xiv)	678	699
Medium term notes with fixed rate maturing on 26 April 2027	(xv)	499	499
Medium term notes with floating rate maturing on 14 May 2027	(xvi)	3,730	3,840
Medium term notes with floating rate maturing on 3 June 2027	(xvii)	1,018	1,048
Medium term notes with fixed rate maturing on 30 September 2027	(xviii)	1,356	1,395
Medium term notes with floating rate maturing on 30 October 2027	(xix)	1,121	1,188
Medium term notes with floating rate maturing on 19 November 2027	(xx)	2,033	2,093
Medium term notes with floating rate maturing on 22 May 2028	(xxi)	4,066	4,187
Total		26,645	32,545

III Notes to the unaudited condensed consolidated financial statements (continued)

Notes:

(i) Fixed rate medium term notes of USD 400.00 million with a term of three years were issued by the Bank's Hong Kong branch on 2 March 2023. The coupon rate is 4.99% per annum.

(ii) Fixed rate medium term notes of RMB 1.50 billion with a term of two years were issued by the Bank's Hong Kong branch on 14 May 2024. The coupon rate is 3.00% per annum.

(iii) Fixed rate medium term notes of RMB 400.00 million with a term of two years were issued by the Bank's Sydney branch on 20 May 2024. The coupon rate is 3.00% per annum.

(iv) Fixed rate medium term notes of RMB 500.00 million with a term of two years were issued by the Bank's Sydney branch on 22 May 2024. The coupon rate is 0.00% per annum.

(v) Floating rate medium term notes of USD 500.00 million with a term of three years were issued by the Bank's Hong Kong branch on 12 September 2023. The coupon rate is SOFR Compounded Index+63BPS per annum.

(vi) Floating rate medium term notes of USD 550.00 million with a term of three years were issued by the Bank's Sydney branch on 20 September 2023. The coupon rate is SOFR Compounded Index+63BPS per annum.

(vii) Fixed rate medium term notes of RMB 1.50 billion with a term of two years were issued by the Bank's Hong Kong branch on 19 November 2024. The coupon rate is 2.45% per annum.

(viii) Fixed rate medium term notes of EUR 45.00 million with a term of three years were issued by the Bank's Luxembourg branch on 18 December 2023. The coupon rate is 3.70% per annum.

(ix) Fixed rate medium term notes of USD 50.00 million with a term of three years were issued by the Bank's Luxembourg branch on 18 December 2023. The coupon rate is 5.00% per annum.

(x) Fixed rate medium term notes of RMB 1.00 billion with a term of three years were issued by the Bank's Luxembourg branch on 28 December 2023. The coupon rate is 3.00% per annum.

(xi) Fixed rate medium term notes of EUR 50.00 million with a term of three years were issued by the Bank's Luxembourg branch on 19 December 2023. The coupon rate is 3.66% per annum.

(xii) Fixed rate medium term notes of RMB 1.00 billion with a term of three years were issued by the Bank's Luxembourg branch on 29 December 2023. The coupon rate is 3.10% per annum.

III Notes to the unaudited condensed consolidated financial statements (continued)

(xiii) Fixed rate medium term notes of RMB 450.00 million with a term of three years were issued by the Bank's Luxembourg branch on 6 March 2024. The coupon rate is 3.00% per annum.

(xiv) Floating rate medium term notes of USD 100.00 million with a term of three years were issued by the Bank's Sydney branch on 28 March 2024. The coupon rate is SOFR Compounded Index+59BPS per annum.

(xv) Fixed rate medium term notes of RMB 500.00 million with a term of three years were issued by the Bank's Sydney branch on 26 April 2024. The coupon rate is 2.80% per annum.

(xvi) Floating rate medium term notes of USD 550.00 million with a term of three years were issued by the Bank's Hong Kong branch on 14 May 2024. The coupon rate is SOFR Compounded Index+52BPS per annum.

(xvii) Floating rate medium term notes of USD 150.00 million with a term of three years were issued by the Bank's Sydney branch on 3 June 2024. The coupon rate is SOFR Compounded Index+54BPS per annum.

(xviii) Fixed rate medium term notes of USD 200.00 million with a term of three years were issued by the Bank's Luxembourg branch on 30 September 2024. The coupon rate is 3.90% per annum.

(xix) Floating rate medium term notes of EUR 145.00 million with a term of three years were issued by the Bank's Luxembourg branch on 30 October 2024. The coupon rate is EURIBOR 6M+60BPS per annum.

(xx) Floating rate medium term notes of USD 300.00 million with a term of three years were issued by the Bank's Hong Kong branch on 19 November 2024. The coupon rate is SOFR Compounded Index+59BPS per annum.

(xxi) Floating rate medium term notes of USD 600.00 million with a term of three years were issued by the Bank's Hong Kong branch on 22 May 2025. The coupon rate is SOFR Compounded Index+54BPS per annum.

(xxii) As at 30 June 2026, the fair value of the medium term notes approximated to RMB 26,679 million (31 December 2025: RMB 32,631 million).

III Notes to the unaudited condensed consolidated financial statements (continued)

33 Other liabilities

	Note	30 June 2026	31 December 2025
Payment and collection clearance accounts		13,620	9,231
Bank loans	(a)	8,767	8,863
Dividend payables		4,207	41
Deposit payable of finance leases		2,390	3,864
Provisions	(b)	2,258	1,839
Dormant accounts		654	804
Others		44,473	33,762
Total		76,369	58,404

Notes:

(a) The Group's subsidiary, Everbright Financial Leasing, borrowed long-term loans with terms of 1 to 10 years. Everbright Financial Leasing should repay the loan with quarterly interest payment or interest paid off with principal.

(b) Provisions

	30 June 2026	31 December 2025
Expected credit losses on credit commitments	2,048	1,633
Litigation losses	88	90
Others	122	116
Total	2,258	1,839

III Notes to the unaudited condensed consolidated financial statements (continued)

The reconciliation of the expected credit losses on credit commitments was as follows:

	For the six months ended 30 June 2026	*2025*
As at 1 January	1,633	2,183
Net charge / (reverse) for the period/year	415	(550)
As at the end of period/year	2,048	1,633

34 Share capital

The Bank's shareholding structure as at the end of the reporting period is as follows:

	30 June 2026	*31 December 2025*
Ordinary shares listed in Chinese Mainland (A share, RMB 1 per share)	46,407	46,407
Ordinary shares listed in Hong Kong (H share, RMB 1 per share)	12,679	12,679
Total	59,086	59,086

The H shares rank pari passu in all respects with the A shares including the right to all dividend distributions declared, paid or made.

III Notes to the unaudited condensed consolidated financial statements (continued)

35 Other equity instruments

	Note	30 June 2026	31 December 2025
Preference shares	(a), (b), (c), (e)	29,947	64,906
Perpetual bonds	(d), (e)	75,000	40,000
Total		104,947	104,906

(a) Preference shares at the end of the reporting period

	Issue date	Dividend rate	Issue price (RMB/share)	Number of shares issued (million)	Issue amount (RMB million)	Conversion condition
Everbright P1	2015-6-19	3.60%	100	200	20,000	Mandatory conversion triggering events
Everbright P2	2016-8-8	4.01%	100	100	10,000	Mandatory conversion triggering events
Subtotal					30,000	
Less: Issuing costs					(53)	
Book value					29,947	

(b) Main clauses of preference shares

(i) Dividend

Fixed rate for the first 5 years after issuance;

Dividend is reset every 5 years thereafter to the sum of the benchmark rate and the fixed spread;

The fixed spread equals to the spread between the dividend rate at the time of issuance and the benchmark rate. The fixed spread will remain unchanged throughout the term of the preference shares.

(ii) Conditions to distribution of dividends

The Bank could pay dividends to preference shareholders in priority to ordinary shareholders while the Bank still has distributable after-tax profit after making up previous years' losses, contributing to the statutory reserve and making general reserve, and the Bank's capital adequacy ratio meets regulatory requirements. The Bank may elect to cancel all or part dividend, but such cancellation requires a shareholder's resolution to be passed.

III Notes to the unaudited condensed consolidated financial statements (continued)

(iii) Dividend blocker

If the Bank cancels all or part of the dividends to the preference shareholders, the Bank shall not make any dividend distribution to ordinary shareholders before the Bank pays the dividends for the current dividend year to the preference shareholders in full.

(iv) Order of distribution and liquidation method

The preference shareholders are subordinated to the depositors, ordinary creditors, holders of subordinated debt, holders of Tier 2 capital bonds, holders of convertible bonds and holders of perpetual bonds but have a higher priority in shares' distribution than the ordinary shareholders.

(v) Mandatory conversion triggering events

Upon the occurrence of an Additional Tier 1 Capital Triggering Event (adequacy ratio of common equity tier 1 capital of the Bank falling to 5.125% or below), the Bank shall have the right to convert all or part of the outstanding preference shares issued and existing at that time into A ordinary shares without obtaining the consent of preference shareholders, in order to restore the adequacy ratio of common equity tier 1 capital of the Bank to above 5.125%; If preference shares were converted to A shares, they cannot be converted to preference shares again.

Upon the occurrence of a Tier 2 Capital Triggering Event, the Bank has the right to convert all the outstanding preference shares issued and existing at that time into A ordinary shares based on the total amount without obtaining the consent of the preference shareholders. Once the preference shares converted into A ordinary shares, it will no longer be restored as preference shares in any circumstances. The Tier 2 Capital Triggering Event means the earlier of the two situations: (1) NFRA has determined that the Bank would become non-viable if there is no conversion or write-down of capital; and (2) the relevant authorities have determined that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable).

(vi) Redemption

Subject to the prior approval of the NFRA and the satisfaction of the relevant requirements, the Bank shall have the right to redeem all or part of the preference shares on any redeemable day (annual dividend of the preference shares payment day) after the fifth year following the completion date of the issuance of the preference shares. The specific commencement date of the redemption period shall be determined by the board directors in line with market conditions, subject to authorisation at a shareholders' general meeting (the authorisation can be further delegated). The redemption period for the preference shares shall commence on such commencement date of the redemption period and end on the completion date of the redemption or conversion of all the preference shares. Where redemption is in part, the preference shares shall be redeemed based on the same proportion and conditions. Preference shares shall be redeemed in cash. The redemption price shall be the par value plus the dividend declared but unpaid for the relevant period.

III Notes to the unaudited condensed consolidated financial statements (continued)

(c) Changes in preference shares outstanding

	1 January 2026		*Deductions for the period*		*30 June 2026*	
	Number of shares (million)	*Carrying value*	*Number of shares* (million)	*Carrying value*	*Number of shares* (million)	*Carrying value*
Preference shares	650	64,906	(350)	(34,959)	300	29,947

	1 January 2025		*Additions for the year*		*31 December 2025*	
	Number of shares (million)	*Carrying value*	*Number of shares* (million)	*Carrying value*	*Number of shares* (million)	*Carrying value*
Preference shares	650	64,906	-	-	650	64,906

The Bank published the Announcement on the Redemption and Delisting of the Third Tranche of Preference Shares on 5 February 2026. On 11 February 2026, the Bank had fully repaid the nominal value of the Preference Shares and payable accrued dividends for the holding period from 1 January 2026 to 10 February 2026 to holders of the Third Tranche of Preference Shares of the Bank registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited (the “CSDC Shanghai Branch”) on 10 February 2026, totalling an aggregate amount of RMB35.148 billion, for the redemption of the Third Tranche of Preference Shares. According to the notice from CSDC Shanghai Branch, the Third Tranche of Preference Shares has been cancelled on 11 February 2026. The redemption and delisting of the Third Tranche of Preference Shares of the Bank was completed.

III Notes to the unaudited condensed consolidated financial statements (continued)

(d) Main clauses of perpetual bonds

With the approvals by the relevant regulatory authorities in China, the Bank issued RMB40 billion of non-dated capital bonds (the "Bonds") with write-down clauses in the domestic interbank bond market on 18 September 2020, and completed the issuance on 22 September 2020. The denomination of the Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first five years is 4.60%, which is reset every 5 years. the "Bonds" was fully redeemed on 22 September 2025.

With the approvals by the relevant regulatory authorities in China, the Bank issued RMB40 billion of non-dated capital bonds (25 Everbright Bank Perpetual Bond 01) with write-down clauses in the domestic interbank bond market on 16 September 2025, and completed the issuance on 18 September 2025. The denomination of the Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first five years is 2.29%, which is reset every 5 years.

With the approvals by the relevant regulatory authorities in China, the Bank issued RMB15 billion of non-dated capital bonds (26 Everbright Bank Perpetual Bond 01) with write-down clauses in the domestic interbank bond market on 21 April 2026, and completed the issuance on 23 April 2026. The denomination of the Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first five years is 2.01%, which is reset every 5 years.

With the approvals by the relevant regulatory authorities in China, the Bank issued RMB20 billion of non-dated capital bonds (26 Everbright Bank Perpetual Bond 02) with write-down clauses in the domestic interbank bond market on 12 June 2026, and completed the issuance on 16 June 2026. The denomination of the Bonds is RMB100 each, and the annual coupon rate of the Bonds for the first five years is 1.99%, which is reset every 5 years.

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

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

Capital raised from the issuance of the Bonds was wholly used to replenish the Bank's additional tier one capital and to increase its capital adequacy ratio.

III Notes to the unaudited condensed consolidated financial statements (continued)

(e) Interests attributable to equity instruments' holders

Items	*30 June 2026*	*31 December 2025*
Total equity attributable to equity shareholders of the Bank	612,512	604,800
- Equity attributable to ordinary shareholders of the Bank	507,565	499,894
- Equity attributable to preference shareholders of the Bank	29,947	64,906
- Equity attributable to perpetual bonds holders of the Bank	75,000	40,000
Total equity attributable to non- controlling interests	2,597	2,642
- Equity attributable to non-controlling interests of ordinary shares	2,597	2,642

III Notes to the unaudited condensed consolidated financial statements (continued)

36 Capital reserve

	30 June 2026	*31 December 2025*
Share premium	74,473	74,473
Other capital reserve	(66)	(9)
Total	74,407	74,464

37 Other comprehensive income

	30 June 2026	*31 December 2025*
Items that will not be reclassified to profit or loss		
Fair value changes on equity instruments at fair value through other comprehensive income	26	28
Remeasurement of a defined benefit plan	705	705
Subtotal	731	733
Items that will be reclassified to profit or loss		
Debt instruments at fair value through other comprehensive income	5,834	4,204
- Change in fair value	4,391	2,589
- Change in provision for impairment losses	1,443	1,615
Change in cash flow hedge	(17)	(4)
Exchange differences on translation of financial statements	(34)	48
Subtotal	5,783	4,248
Total	6,514	4,981

III Notes to the unaudited condensed consolidated financial statements (continued)

Other comprehensive income attributable to equity holders of the Bank in the condensed consolidated statement of financial position:

	Fair value change on debt instruments at fair value through other comprehensive income	*Change in provision for impairment losses on debt instruments at fair value through other comprehensive income*	*Fair value change on equity instruments at fair value through other comprehensive income*	*Change in Cash flow hedge*	*Exchange differences on translation of financial statements*	*Remeasurement of a defined benefit plan*	*Total*
As at 1 January 2025	10,275	1,655	26	(13)	117	(1,169)	10,891
Changes in amount for the year	(7,686)	(40)	2	9	(69)	1,874	(5,910)
As at 1 January 2026	2,589	1,615	28	(4)	48	705	4,981
Changes in amount for the period	1,802	(172)	(2)	(13)	(82)	-	1,533
As at 30 June 2026	4,391	1,443	26	(17)	(34)	705	6,514

38 Surplus reserve and general reserve

(a) Surplus reserve

The surplus reserve at the end of the reporting period represented statutory surplus reserve fund. The Bank is required to allocate 10% of its net profit, after making good prior year's accumulated losses, to statutory surplus reserve fund until the reserve fund balance reaches 50% of its registered capital. As of 30 June 2026, the Bank ceased to make appropriations to the statutory surplus reserves since the balance of them has reached 50% of the share capital of the Bank(2025: Nil).

(b) General reserve

Pursuant to the Measures for Managing the Appropriation of Provisions of Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance, the Bank is required to provide for impairment losses of its assets and set aside a general reserve through the appropriation of net profits to cover potential losses against its assets. The general reserve is treated as a profit distribution and is part of the equity shareholders' interests and the general reserve through profit net of tax should not be less than 1.5% of the period-end balance of risk-bearing assets.

The Bank's subsidiaries appropriated their profits to the general reserve according to the applicable local regulations.

The Group transferred RMB185 million of profits to the general reserve for the six months ended 30 June 2026 (2025: RMB1,478 million).

The Bank transferred RMB38 million of profits to the general reserve for the six months ended 30 June 2026 (2025: RMB970 million).

III Notes to the unaudited condensed consolidated financial statements (continued)

39 Appropriation of profits

(a) At the Annual General Meeting of Shareholders held on 29 June 2026, the Shareholders approved the following profit appropriations for the year ended 31 December 2025:

- Under the Company Law of the PRC, the accumulated statutory surplus reserve has reached 50% of the registered capital and will not be withdrawn;
- Appropriated RMB 970 million to general reserve;
- Declared final cash dividends of RMB4,136 million (tax inclusive) to all ordinary shareholders, representing RMB0.70 (tax inclusive) per 10 shares. Combined with the distributed interim cash dividends, total of RMB10,340 million (tax inclusive), representing 1.75 per 10 shares in 2025.

(b) At the Board Meeting held on 2 June 2026, the dividend distribution of the Everbright P1 was approved by the Board of Directors:

- Declared cash dividends to preference shareholders of RMB 720 million (tax inclusive), representing RMB 3.60 (tax inclusive) per share, accruing from 25 June 2025, and are calculated using the 3.60% of dividend yield ratio for the Everbright P1;

(c) At the Board Meeting held on 2 June 2026, the dividend distribution of the Everbright P2 was approved by the Board of Directors:

- Declared cash dividends to preference shareholders of RMB 401 million (tax inclusive), representing RMB 4.01 (tax inclusive) per share, accruing from 11 August 2025, and are calculated using the 4.01% of dividend yield ratio for the Everbright P2;

(d) At the extraordinary general meeting on 13 January 2026, the shareholders approved the proposal on the medium-term distribution plan for 2025:

- Declared Interim cash dividend in 2025 to all ordinary shareholders of RMB6,204 million (tax inclusive), representing RMB 1.05 (tax inclusive) per 10 shares;

(e) At the Board Meeting held on 13 January 2026, the dividend distribution of the Everbright P3 for the year ended 31 December 2025 was approved by the Board of Directors:

- Declared cash dividends to preference shareholders of RMB1,319.5 million (tax inclusive), representing RMB3.77 (tax inclusive) per share, accruing from 1 January 2025, and are calculated using the 3.77% of dividend yield ratio for the Everbright P3;

(f) The Bank distributed the interest on the Undated Capital Bonds amounting to RMB 1,840 million on 22 September 2025.

III Notes to the unaudited condensed consolidated financial statements (continued)

(g) At the Annual General Meeting of Shareholders held on 27 June 2025, the Shareholders approved the following profit appropriations for the year ended 31 December 2024:

- Under the Company Law of the PRC, the statutory surplus reserve is withdrawn, amounting to RMB3,298 million;

- Appropriated RMB 3,271 million to general reserve;

- Declared final cash dividends of RMB5,022 million (tax inclusive) to all ordinary shareholders, representing RMB0.85 (tax inclusive) per 10 shares. Combined with the distributed interim cash dividends, total of RMB11,167 million (tax inclusive), representing 1.89 (tax inclusive) per 10 shares in 2024.

(h) At the Board Meeting held on 29 May 2025, the dividend distribution of the Everbright P1 was approved by the Board of Directors:

- Declared cash dividends to preference shareholders of RMB 890 million (tax inclusive), representing RMB 4.45 (tax inclusive) per share, accruing from 25 June 2024, and are calculated using the 4.45% of dividend yield ratio for the Everbright P1;

(i) At the Board Meeting held on 29 May 2025, the dividend distribution of the Everbright P2 was approved by the Board of Directors:

- Declared cash dividends to preference shareholders of RMB 401 million (tax inclusive), representing RMB 4.01 (tax inclusive) per share, accruing from 11 August 2024, and are calculated using the 4.01% of dividend yield ratio for the Everbright P2;

(j) At the extraordinary general meeting on 7 January 2025, the shareholders approved the proposal on the medium-term distribution plan for 2024:

- Declared Interim cash dividend in 2024 to all ordinary shareholders of RMB6,145 million (tax inclusive), representing RMB1.04 (tax inclusive) per 10 shares;

(k) At the Board Meeting held on 7 January 2025, the dividend distribution of the Everbright P3 for the year ended 31 December 2024 was approved by the Board of Directors:

- Declared cash dividends to preference shareholders of RMB1,516 million before tax, calculated using the 4.80% of dividend yield ratio for the Everbright P3 from 1 January 2024 to 17 July 2024 and calculated using the 3.77% of dividend yield ratio for the Everbright P3 from 18 July 2024 to 31 December 2024.

III Notes to the unaudited condensed consolidated financial statements (continued)

40 Involvement with structured entities

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

In order to make better use of the funds to obtain income, the Group has an interest in the structured entities initiated and established by third-party institutions through direct holding of investments. Structured entities that the Group does not consolidate include fund investments, asset management plans and asset-backed securities at fair value through profit or loss, asset management plans and asset-backed securities at amortised cost.

The following table sets out an analysis of the carrying amounts and maximum exposure of interests held by the Group in unconsolidated structured entities sponsored by third party institutions as at the end of the reporting period:

	30 June 2026		*31 December 2025*	
	Carrying amount	*Maximum exposure*	*Carrying amount*	*Maximum exposure*
Financial assets at fair value through profit or loss				
- Fund investments	179,177	179,177	187,588	187,588
- Asset management plans	52,971	52,971	52,977	52,977
- Asset-backed securities	22,656	22,656	37,548	37,548
Financial investments measured at amortised cost				
- Asset management plans	13,688	13,688	18,877	18,877
- Asset-backed securities	54,882	54,882	61,464	61,464
Total	323,374	323,374	358,454	358,454

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Structured entities sponsored by the Group which the Group does not consolidate but hold interests in:

The types of unconsolidated structured entities sponsored by the Group include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interests held by the Group include investments in units issued by these structured entities and fees charged by providing management services. As at 30 June 2026, the carrying amounts of the investments held directly by the Group and management fee receivables being recognised were not material to the Group.

As at 30 June 2026, the amount of assets held by the unconsolidated non-principal guaranteed wealth management products which are sponsored by the Group was RMB 2,102,535 million (31 December 2025: RMB 1,945,963 million).

For the six months ended 30 June 2026, the amount of fee and commission income received from the unconsolidated structured entities by the Group was RMB 1,728 million (Six months ended 30 June 2025: RMB 1,875 million).

For the purpose of asset-liability management, wealth management products may cause short-term financing needs to the Group. The Group is not contractually obliged to provide financing. After internal risk assessment, the Group may enter into lending transactions with these wealth management products in accordance with market principles. As at 30 June 2026, the balance related to these products was Nil (31 December 2025: Nil). For the six months ended 30 June 2026, the amount of interest income from the above financing transactions was Nil (Six months ended 30 June 2025: Nil).

In addition, please refer to Note III 41 for the interests in the unconsolidated structured entities of asset securitisation transactions held by the Group as at 30 June 2026. For the six months ended 30 June 2026, the Group's income from these structured entities was not material.

(c) Consolidated structured entities

The structured entities included in the consolidation scope of the Group are mainly single asset management plans issued by third parties. When the Group has the right to a single asset management plan issued by a third party, can enjoy significant variable returns by participating in related activities, and has the ability to use its power over the investee to affect its variable returns, the Group has control over such a single asset management plan.

III Notes to the unaudited condensed consolidated financial statements (continued)

41 Transferred financial assets

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or to structured entities. In some cases, these transfers may give rise to full or partial de-recognition of the financial assets concerned in accordance with IFRS Accounting Standards. In other cases where the transferred assets do not qualify for de-recognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

Credit asset-backed securitisation

The Group enters into credit assets transfers in the normal course of business during which it transfers credit assets to structured entities which in turn issue asset-backed securities to investors. The Group may acquire some asset-backed securities at the subordinated tranche level and accordingly, may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognise the associated credit assets by evaluating the extent to which it retains the risks and rewards of the assets.

With respect to the credit assets that were securitised and qualified for de-recognition, the Group derecognised the transferred credit assets in their entirety. The corresponding total carrying amount of asset-backed securities held by the Group in the securitisation transactions amounted to RMB 183 million as at 30 June 2026 (31 December 2025: RMB 114 million).

For those in which the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and retained control of the credit assets, the transferred credit assets are recognised on the statement of financial position to the extent of the Group’s continuing involvement. As at 30 June 2026, the Group has no continuing involvement in credit asset-backed securities (31 December 2025: Nil).

Transfer of non-performing loans

For the six months ended 30 June 2026, the Group disposed of non-performing loans with an original book value of RMB 1,843 million (for the six months ended 30 June 2025: RMB 143 million) through transfer to a third party. The Group transferred almost all the risks and rewards of the ownership of such non-performing loans, so the Group terminated the recognition of such non-performing loans.

III Notes to the unaudited condensed consolidated financial statements (continued)

Transfer of right to earnings

The Group transfers the usufruct of credit assets to the special purpose trust plan, and then the investors receive the shares of the trust plan.

With respect to the credit assets that were transferred and qualified for de-recognition, the Group derecognised the transferred credit assets in their entirety. As at 30 June 2026, the Group held no share in corresponding transaction.

As the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets and it has retained control on them, these financial assets are recognised on the statement of financial position to the extent of the Group's continuing involvement. The extent of the Group's continuing involvement is the extent to which the Group is exposed to changes in the value of the transferred assets. As at 30 June 2026, the Group retains a continuing involvement in transferred credit assets in the form of subordinated tranches, which were accounted for in other assets and other liabilities. For the six months ended 30 June 2026, there were no new credit assets in which the Group retained the continuing involvement (for the six months ended 30 June 2025: Nil). As at 30 June 2026, the carrying amount of assets that the Group continues to recognise amounted to RMB 251 million (31 December 2025: RMB 251 million).

42 Capital management

The Group's capital management includes regulatory capital management, booking capital management and economic capital management, of which the primary focus is on regulatory capital management. The Group calculates the capital adequacy ratio in accordance with guidelines issued by NFRA. The capital of the Group is categorised into common equity tier 1 capital, additional tier 1 capital and tier 2 capital.

Capital adequacy ratio management is the key in capital management. The capital adequacy ratio reflects the soundness of the Group's operations and risk management capabilities. The main objective in capital adequacy ratio management is to set an optimal capital adequacy ratio that meets the regulatory requirements by benchmarking against the capital adequacy ratio level of other banks with reference to the Group's own business environment and conditions.

The Group considers its strategic development plans, business expansion plans and risk variables when conducting scenario analysis and stress testing to forecast, plan and manage its capital adequacy ratio. The actual value related to capital is filed with the NFRA by the Group and the Bank quarterly.

With effect from 1 January 2024, the Group has started computing its capital adequacy ratios in accordance with "Rules on the Capital Management of Commercial Banks" and other relevant regulations.

III Notes to the unaudited condensed consolidated financial statements (continued)

42 Capital management (continued)

According to the “Rules on the Capital Management of Commercial Banks”, the capital adequacy ratio of commercial banks at all levels shall not be lower than the following minimum requirements: common equity tier 1 capital adequacy ratio shall not be less than 5%, tier 1 capital adequacy ratio shall not be less than 6%, and capital adequacy ratio shall not be less than 8%. Commercial banks should set aside reserve capital on the basis of minimum capital requirements which is 2.5% of risk-weighted assets and is met by common equity tier 1 capital. Commercial banks should also provide counter-cyclical capital above the minimum capital requirements and reserve capital requirements, which is 0-2.5% of risk-weighted assets (the proportion shall be determined by the regulatory authority) and is met by common equity tier 1 capital. According to the requirements of the Additional Regulatory Rules for Systemically Important Banks (for Trial Implementation), systemically important banks should meet certain additional capital requirements which are met by common equity tier 1 capital, on the basis of meeting the minimum capital requirements, reserve capital and counter-cyclical capital requirements. The Group is in the first group on the list of systemically important banks, and need to meet the additional capital requirement of 0.25%. In addition, subsidiaries or branches of the bank incorporated overseas are also directly regulated and supervised by their respective local banking supervisors, respectively. There are differences in the capital adequacy requirements of different countries.

The credit risk weighting method, market risk standard method and operational risk standard method are used by the Group to measure risk weighted assets. To measure the credit risk weighted assets of various on balance sheet assets, the corresponding impairment provision shall be deducted from the book value of the assets first, and then multiplied by the risk weight; To measure the credit risk weighted assets of various off balance sheet items, the nominal amount of off balance sheet items shall be multiplied by the credit conversion coefficient to obtain the equivalent on balance sheet assets, and then the risk weighted assets shall be measured according to the treatment method of on balance sheet assets. Risk weighted assets of counterparty credit risk exposure, including counterparty credit risk arising from derivatives transactions and securities financing transactions with counterparties.

During the reporting period, the Group's capital adequacy ratio at all levels meets regulatory requirements.

As at June 30, 2026, the capital adequacy ratio indicators of the Group calculated in accordance with the "Rules on the Capital Management of Commercial Bank" and other relevant regulations are listed in the "Pillar 3 Disclosure Report for the First Half of 2026" that the Bank has publicly disclosed.

III Notes to the unaudited condensed consolidated financial statements (continued)

43 Notes to consolidated statement of cash flows

(a) Net change in cash and cash equivalents

	For the six months ended 30 June	
	2026	*2025*
Cash and cash equivalents as at 30 June	164,204	224,615
Less: Cash and cash equivalents as at 1 January	239,212	128,057
Net (decrease) / increase in cash and cash equivalents	(75,008)	96,558

(b) Cash and cash equivalents

	30 June 2026	*30 June 2025*
Cash on hand	6,124	8,889
Surplus deposit reserves	52,277	87,232
Deposits with banks and other financial institutions due within three months when acquired	90,311	113,451
Placements with banks and other financial institutions due within three months when acquired	15,492	15,043
Total	164,204	224,615

III Notes to the unaudited condensed consolidated financial statements (continued)

(c) Reconciliation of liabilities arising from financing activities

	Debt securities issued	*Lease liabilities*	*Dividend payables*	*Total*
As at 1 January 2026	1,328,801	9,534	41	1,338,376
Financing cash flows	(123,013)	(1,431)	(8,362)	(132,806)
Non-cash changes				
- Interest expense	12,751	127	-	12,878
- Net increase in leases	-	744	-	744
- Appropriation of profits	-	-	12,528	12,528
As at 30 June 2026	1,218,539	8,974	4,207	1,231,720

	Debt securities issued	*Lease liabilities*	*Dividend payables*	*Total*
As at 1 January 2025	1,231,112	10,412	14	1,241,538
Financing cash flows	(27,477)	(1,423)	(8,524)	(37,424)
Non-cash changes				
- Interest expense	13,385	175	-	13,560
- Net increase in leases	-	876	-	876
- Appropriation of profits	-	-	13,573	13,573
As at 30 June 2025	1,217,020	10,040	5,063	1,232,123

	Debt securities issued	*Lease liabilities*	*Dividend payables*	*Total*
As at 1 January 2025	1,231,112	10,412	14	1,241,538
Financing cash flows	71,578	(2,862)	(15,808)	52,908
Non-cash changes				
- Interest expense	26,111	326	-	26,437
- Net increase in leases	-	1,658	-	1,658
- Appropriation of profits	-	-	15,835	15,835
As at 31 December 2025	1,328,801	9,534	41	1,338,376

III Notes to the unaudited condensed consolidated financial statements (continued)

44 Related party relationships and transactions

(a) Related party relationships

(i) Central Huijin Investment Ltd. ("CHI") and its subsidiaries

The immediate parent of the Group is China Everbright Group Ltd. ("China Everbright Group") set up in China, and the controlling shareholder of China Everbright Group is CHI.

CHI was established as a wholly state-owned investment company on 16 December 2003. It was registered in Beijing with registered capital of RMB 828,209 million, unified social credit code: 911000007109329615. Apart from holding equity investments as authorised by the State Council of the PRC, it does not engage in any other commercial operations.

The Group's transactions with CHI and its affiliates mainly include deposit taking, purchases and sales of debt securities, money market transactions and inter-bank clearing. These transactions are priced based on market prices and conducted under normal commercial terms.

The Group has issued subordinated debts, financial bonds, interbank deposits and certificates of deposit which are tradable bearer bonds in the secondary market. Accordingly, the Group has no information in respect of the amount of the debts held by these banks and other financial institutions as at the end of the reporting date. The amounts and balances with related parties and transactions between the Group and CHI and its subsidiaries are listed in Note III 44(b).

(ii) Affiliated companies

The immediate parent of the Group is China Everbright Group. The uniform social credit code of China Everbright Group is 91100000102063897J. The affiliated companies refer to China Everbright Group and its affiliated companies. The transactions and balances with China Everbright Group and its affiliates are listed in Note III 44(b).

(iii) Other related parties

Other related parties include key management personnel (directors, supervisors, senior management personnel of the head office) and their close family members, enterprises controlled, jointly controlled or exerted significant influence by key management personnel or their close family members, shareholders holding more than 5% shares of the Group and the key management personnel in direct control party.

The amounts and balances of transactions between the Group and other related parties are shown in Note III 44(b).

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Related party transactions

(i) CHI and its affiliates

The Group's material transactions with CHI and its affiliates during the reporting period are summarised as follows:

	For the six months ended 30 June	
	2026	*2025*
Interest income	4,735	1,331
Interest expense	(2,091)	(2,947)

The Group's balances with CHI and its affiliates at the end of the reporting period are summarised as follows:

	30 June 2026	*31 December 2025*
Deposits with banks and other financial institutions	75,513	69,425
Placements with banks and other financial institutions	63,870	40,449
Derivative financial assets	675	593
Financial assets held under resale agreements	2,320	300
Loans and advances to customers	14,460	8,205
Financial investments	363,177	335,397
- Financial assets at fair value through profit or loss	63,384	109,685
- Debt instruments at fair value through other comprehensive income	176,538	98,025
- Financial investments measured at amortised cost	123,255	127,687
Other assets	938	1,072
Total	520,953	455,441
Deposits from banks and other financial institutions	37,291	57,594
Placements from banks and other financial institutions	78,554	58,235
Derivative financial liabilities	957	956
Financial assets sold under repurchase agreements	2,700	5,000
Deposits from customers	88,358	83,726
Other liabilities	332	934
Total	208,192	206,445

III Notes to the unaudited condensed consolidated financial statements (continued)

(ii) Transactions with other PRC state-owned entities

The Group operates in an economic regime currently predominated by entities directly or indirectly owned by the PRC government through its government authorities, agencies, affiliations and other organisations (“state-owned entities”). Transactions with other state-owned entities include but are not limited to: lending and deposit taking; taking and placing of inter-bank balances; entrusted lending and other custody services; insurance and securities agency, and other intermediary services; sale, purchase, underwriting and redemption of bonds issued by other state-owned entities; purchase, sale and leases of property and other assets; and rendering and receiving of utilities and other services.

These transactions are conducted in the ordinary course of the Group’s banking business on terms similar to those that would have been entered into with non-state-owned entities. The Group’s pricing strategy and approval processes for major products and services, such as loans, deposits and commission income, do not depend on whether or not the customers are state-owned entities. Having considered the substance of the relationships, the Group is of the opinion that none of these transactions are material related party transactions that require separate disclosure.

III Notes to the unaudited condensed consolidated financial statements (continued)

(iii) Affiliated companies and other related parties

The Group's material transactions and balances with China Everbright Group and the above related parties during and at the end of the reporting period are summarised as follows:

	China Everbright Group	*Affiliated companies*	*Others*	*Total*
Transactions with related parties for the six months ended 30 June 2026:				
Interest income	-	61	309	370
Interest expense	(4)	(147)	(223)	(374)
Balances with related parties as at 30 June 2026:				
Placements with banks and other financial institutions	-	-	26,806	26,806
Derivative financial assets	-	-	14	14
Loans and advances to customers	-	3,307	11,189	14,496
Financial investments	-	41,227	9,188	50,415
- Financial assets at fair value through profit or loss	-	38,162	6,027	44,189
- Debt instruments at fair value through other comprehensive income	-	-	583	583
- Financial investments measured at amortised cost	-	3,065	2,578	5,643
Total	-	44,534	47,197	91,731
Deposits from banks and other financial institutions	-	39,101	13,124	52,225
Derivative financial liabilities	-	-	5	5
Deposits from customers	3,213	9,550	16,498	29,261
Total	3,213	48,651	29,627	81,491
Significant other off-balance sheet with related parties as at 30 June 2026:				
Guarantee granted (Note)	180	-	-	180

III Notes to the unaudited condensed consolidated financial statements (continued)

	China Everbright Group	*Affiliated companies*	*Others*	*Total*
Transactions with related parties for the six months ended 30 June 2025:				
Interest income	-	397	518	915
Interest expense	(55)	(247)	(374)	(676)
Balances with related parties as at 31 December 2025:				
Placements with banks and other financial institutions	-	-	24,287	24,287
Derivative financial assets	-	-	20	20
Loans and advances to customers	-	2,916	13,925	16,841
Financial investments	-	52,915	7,765	60,680
- Financial assets at fair value through profit or loss	-	52,248	2,930	55,178
- Debt instruments at fair value through other comprehensive income	-	-	676	676
- Financial investments measured at amortised cost	-	667	4,159	4,826
Total	-	55,831	45,997	101,828
Deposits from banks and other financial institutions	-	20,728	6,665	27,393
Derivative financial liabilities	-	-	8	8
Deposits from customers	2,394	7,813	14,821	25,028
Other liabilities	-	244	272	516
Total	2,394	28,785	21,766	52,945
Significant other off-balance sheet with related parties as at 31 December 2025:				
Guarantee granted (Note)	180	-	-	180

Note: As at 30 June 2026, the Bank has guarantee obligations relating to China Everbright Group's outstanding interest obligation of RMB 180 million (31 December 2025: RMB 180 million) due to one of the state-owned commercial banks.

III Notes to the unaudited condensed consolidated financial statements (continued)

(iv) Remuneration of directors, supervisors and senior management

	For the six months ended 30 June	
	2026	*2025*
	RMB'000	RMB'000
Remuneration	6,113	7,261
- Retirement benefits	780	736
- Basic social pension insurance	264	242

(v) Loans to related natural persons

The aggregate amount of outstanding relevant loans as at 30 June 2026 to related natural persons amounted to RMB 2 million (As at 31 December 2025: RMB 2 million).

Of which the aggregate amount of outstanding relevant loans to directors, supervisors and senior management, are as follows:

The aggregate amount of outstanding relevant loans to directors, supervisors, senior management or their associates of the Group disclosed pursuant to section 78 of Schedule 11 to the revised Hong Kong Companies Ordinance, with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), are as follows:

	30 June 2026	*31 December 2025*
	RMB'000	RMB'000
Aggregate amount of relevant loans outstanding as at the end of period/year	1,180	1,124
Maximum aggregate amount of relevant loans outstanding during the period/year	1,466	1,923

The banking transactions between the group and its related parties are conducted on normal commercial terms.

III Notes to the unaudited condensed consolidated financial statements (continued)

45 Statement of financial position of the Bank

	Note III	*30 June 2026*	*31 December 2025*
Assets			
Cash and deposits with central banks		292,519	339,111
Deposits with banks and other financial institutions		81,657	81,491
Precious metals		3,157	1,892
Placements with banks and other financial institutions		175,579	192,974
Derivative financial assets		6,204	5,528
Financial assets held under resale agreements		43,881	9,139
Loans and advances to customers		3,990,185	3,900,193
Financial investments		2,354,074	2,337,310
- Financial assets at fair value through profit or loss		407,113	456,809
- Debt instruments at fair value through other comprehensive income		765,410	668,968
- Equity instruments at fair value through other comprehensive income		1,135	1,138
- Financial investments measured at amortised cost		1,180,416	1,210,395
Investments in subsidiaries	17(a)	10,910	11,190
Property and equipment		14,940	15,298
Right-of-use assets		8,608	9,156
Goodwill		1,281	1,281
Deferred tax assets		34,171	34,287
Other assets		56,254	51,344
Total assets		7,073,420	6,990,194

III Notes to the unaudited condensed consolidated financial statements (continued)

	Note III	*30 June 2026*	*31 December 2025*
Liabilities and equity			
Liabilities			
Due to the central bank		174,718	154,678
Deposits from banks and other financial institutions		603,933	517,991
Placements from banks and other financial institutions		74,907	90,694
Derivative financial liabilities		4,372	5,544
Financial assets sold under repurchase agreements		138,710	138,620
Deposits from customers		4,196,047	4,103,976
Accrued staff costs		16,343	18,143
Taxes payable		5,023	5,539
Lease liabilities		8,825	9,402
Debt securities issued		1,199,514	1,316,876
Other liabilities		60,856	44,222
Total liabilities		6,483,248	6,405,685
Equity			
Share capital		59,086	59,086
Other equity instruments		104,947	104,906
of which: Preference shares		29,947	64,906
Perpetual bonds		75,000	40,000
Capital reserve		74,407	74,464
Other comprehensive income		6,436	4,839
Surplus reserve		29,543	29,543
General reserve		86,105	86,067
Retained earnings		229,648	225,604
Total equity		590,172	584,509
Total liabilities and equity		7,073,420	6,990,194

III Notes to the unaudited condensed consolidated financial statements (continued)

46 Segment reporting

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

Corporate banking

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

Retail banking

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

Financial market business

This segment covers the Group's financial market business. The financial market business enters into inter-bank money market transactions, repurchase transactions and inter-bank investments. It also trades in debt securities, derivatives and foreign currency trading for its own accounts. The financial market business segment also covers customer-driven derivatives and foreign currency trading, as well as management of the Group's overall liquidity position, including the issuance of debts.

Others

These represent equity investments and related income.

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

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

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

III Notes to the unaudited condensed consolidated financial statements (continued)

(a) Segment results, assets and liabilities

	For the six months ended 30 June 2026				
	Corporate banking	*Retail banking*	*Financial market business*	*Others*	*Total*
Operating income					
External net interest income	16,465	18,911	11,495	-	46,871
Internal net interest income/(expense)	3,655	(146)	(3,509)	-	-
Net interest income	20,120	18,765	7,986	-	46,871
Net fee and commission income	3,464	5,443	769	-	9,676
Net trading gains	-	-	1,353	-	1,353
Net gains/(losses) arising from investment securities	63	-	4,318	(148)	4,233
Net gains on derecognition of financial assets measured at amortised cost	-	-	167	-	167
Net foreign exchange gains/(losses)	73	21	(371)	-	(277)
Other operating income	1,012	42	3	28	1,085
Operating income	24,732	24,271	14,225	(120)	63,108
Operating expenses	(7,850)	(9,266)	(823)	(70)	(18,009)
Credit impairment losses	(5,593)	(16,382)	1,096	-	(20,879)
Other impairment losses	(4)	(2)	(1)	-	(7)
Profit/(losses) before tax	11,285	(1,379)	14,497	(190)	24,213
Other segment information					
- Depreciation and amortisation	1,700	1,647	140	-	3,487
- Capital expenditure	1,424	1,893	148	-	3,465

	30 June 2026				
	Corporate banking	*Retail banking*	*Financial market business*	*Others*	*Total*
Segment assets	3,005,849	1,568,859	2,634,298	5,826	7,214,832
Segment liabilities	2,967,147	1,544,626	2,116,749	3,396	6,631,918

III Notes to the unaudited condensed consolidated financial statements (continued)

	For the six months ended 30 June 2025				
	Corporate banking	Retail banking	Financial market business	Others	Total
Operating income					
External net interest income	14,936	19,741	10,755	-	45,432
Internal net interest income/(expense)	5,427	(244)	(5,183)	-	-
Net interest income	20,363	19,497	5,572	-	45,432
Net fee and commission income	3,656	6,009	778	-	10,443
Net trading gains	-	-	803	-	803
Net gains/(losses) arising from investment securities	16	-	5,679	(2)	5,693
Net gains on derecognition of financial assets measured at amortised cost	-	-	1,974	-	1,974
Net foreign exchange gains	80	30	600	-	710
Other operating income	870	7	-	19	896
Operating income	24,985	25,543	15,406	17	65,951
Operating expenses	(8,274)	(9,684)	(953)	(446)	(19,357)
Credit impairment losses	(1,501)	(14,937)	536	-	(15,902)
Other impairment losses	(8)	(1)	(2)	-	(11)
Profit/(losses) before tax	15,202	921	14,987	(429)	30,681
Other segment information					
- Depreciation and amortisation	1,715	1,654	167	-	3,536
- Capital expenditure	1,645	2,090	171	-	3,906

	31 December 2025				
	Corporate banking	Retail banking	Financial market business	Others	Total
Segment assets	2,893,984	1,633,124	2,596,853	4,859	7,128,820
Segment liabilities	2,915,427	1,505,565	2,133,936	2,908	6,557,836

III Notes to the unaudited condensed consolidated financial statements (continued)

Reconciliation between segment assets, liabilities and total assets and total liabilities:

	Note III	*30 June 2026*	*31 December 2025*
Segment assets		7,214,832	7,128,820
Goodwill	20	1,281	1,281
Deferred tax assets	21	35,121	35,218
Total assets		7,251,234	7,165,319
Segment liabilities		6,631,918	6,557,836
Dividend payables	33	4,207	41
Total liabilities		6,636,125	6,557,877

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Geographical information

The Group operates principally in China with branches located in main provinces, autonomous regions and municipalities directly under the central government. Also, the Group has set up branches in Hong Kong, Macao, Luxembourg, Seoul, and Sydney, with subsidiaries located in Beijing, Wuhan city of Hubei Province, Shaoshan city of Hunan Province, Huai'an city of Jiangsu Province, Ruijin city of Jiangxi Province, Qingdao city of Shandong Province, Hong Kong and Luxembourg.

Non-current assets include property and equipment, right-of-use assets, land use rights and intangible assets. In presenting of geographical information, non-current assets are allocated based on geographical locations of the underlying assets. Operating income is allocated based on the locations of the branches which generate income. Geographical areas, as defined for management reporting purposes, are as follows:

- "Yangtze River Delta" refers to the following areas serviced by the following branches of the Bank and Huai'an Everbright Bank: Shanghai, Nanjing, Hangzhou, Suzhou, Ningbo and Wuxi;

- "Pearl River Delta" refers to the areas serviced by the following branches of the Bank: Guangzhou, Shenzhen, Fuzhou, Xiamen and Haikou;

- "Bohai Rim" refers to the areas serviced by the following branches of the Bank, Everbright Wealth and Sunshine Consumer: Beijing, Tianjin, Shijiazhuang, Jinan, Qingdao and Yantai;

- "Central" refers to the areas serviced by the following subsidiaries and branches of the Bank, Everbright Financial Leasing, Shaoshan Everbright Bank and Ruijin Everbright Bank: Zhengzhou, Taiyuan, Changsha, Wuhan, Hefei and Nanchang;

- "Western" refers to the areas serviced by the following branches of the Bank: Xi'an, Chengdu, Chongqing, Kunming, Nanning, Hohhot, Urumchi, Guiyang, Lanzhou, Xining, Yinchuan and Lhasa;

- "Northeastern" refers to the areas serviced by the following branches of the Bank: Heilongjiang, Changchun, Shenyang and Dalian;

- "Overseas" refers to the areas serviced by the following branches of the Bank, CEB International, CEB Europe: Hong Kong, Seoul, Luxembourg, Sydney, Macao; and

- "Head Office" refers to the head office of the Bank.

III Notes to the unaudited condensed consolidated financial statements (continued)

	Operating Income								
	Bohai Rim	*Yangtze River Delta*	*Central*	*Pearl River Delta*	*Western*	*North eastern*	*Head Office*	*Overseas*	*Total*
For the six months ended 30 June 2026	13,495	11,862	10,138	7,858	6,654	1,743	10,518	840	63,108
For the six months ended 30 June 2025	12,726	12,002	9,937	8,481	7,129	1,810	12,614	1,252	65,951

	Non-current Asset (Note (i))								
	Bohai Rim	*Yangtze River Delta*	*Central*	*Pearl River Delta*	*Western*	*North eastern*	*Head Office*	*Overseas*	*Total*
30 June 2026	3,118	3,237	18,744	3,417	2,692	919	12,328	229	44,684
31 December 2025	3,120	3,283	19,087	3,573	2,829	991	12,722	289	45,894

Note:

(i) Including property and equipment, right-of-use assets, land use rights and intangible assets.

III Notes to the unaudited condensed consolidated financial statements (continued)

47 Risk Management

The goal of the Group's financial risk management is to optimize capital allocation and achieve value creation within an acceptable range of risks, while meeting the requirements of regulatory authorities, depositors, and other stakeholders for the stable operation of banks. The Group has exposure to the following risks from its use of financial instruments: credit risk, market risk, liquidity risk and operational risk.

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

The Group's risk management policies were established to identify and analyse the risks to which the Group is exposed, to set appropriate risk limits, and to design relevant internal control policies and systems for monitoring risks and adhering to risk limits. Risk management policies and relevant internal control are reviewed regularly to reflect changes in market conditions and the Group's activities. The Audit Department of the Group undertakes both regular and ad hoc reviews of the compliance of internal control implementation with risk management policies.

(a) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its contractual obligation or commitment to the Group. It arises primarily from credit and bond investment portfolios and guarantees granted.

Credit business

The board of directors is responsible for setting the Group's development strategy, risk management strategy and the overall risk tolerance level. The board also monitors the Group's risk management process and regularly assesses the Group's risk position and risk management strategies. The board gives advice on internal controls relating to risk management. Senior management is responsible for the implementation of the development strategy, risk strategy and risk management policies set by the board of directors. Senior management is responsible for the improvement of the risk management system and establishment of risk management policies and rules. Senior management is responsible for establishment of procedures and standards to identify, measure, evaluate, monitor and control credit risks. And senior management is responsible for the management of all types of risks and ensures that the business activities of the Bank are consistent with the risk strategy, risk appetite and risk policies adopted by the board of directors.

III Notes to the unaudited condensed consolidated financial statements (continued)

The business lines of the Group are directly responsible for the management of credit risk. The Risk Management Department is responsible for the development of risk management policies and procedures, and the monitoring and management of credit risks. The Audit Department is responsible for auditing the performance and duties of business lines and the Risk Management Department, specifically as follows:

- The Corporate Finance Department/Strategic Customer Management Department/Technology Finance Centre, Investment Banking Department, Inclusive Finance Department/Rural Revitalisation Finance Department, Credit Card Centre, Retail Credit Department, Digital Finance/Cloud Fee Payment Department and other business lines carry out corporate and retail business in accordance with the risk management policies and procedures of the Bank. The business lines are directly responsible for the management of credit risk, and they are the first line of defence of internal control. The business lines independently monitor the customer relationship and the whole process of specific business in its duration, and they are firstly responsible for the compliance and security of the business.

- The Bank’s main responsible departments for credit risk management are the Risk Management Department, Credit Approval Department, Risk Monitoring Department, and Special Assets Management Department/Asset Management Department. They are the second line of defence of the internal control in credit risk management, and they are responsible for the overall execution of credit risk management. The functional departments of credit risk management determine their functional positioning in accordance with the basic procedures of “Policy and technology - Investigation and approval - During and post-lending monitoring - Collection and Resolution”.

- The Audit Department is the third line of defence of credit risk management, and undertakes the responsibility of execution and performance evaluation.

The Group continuously improves the internal control mechanism and strengthens the management of the credit business. According to the principle of effective checks and balances, the Group has established comprehensive assessment and inquiry mechanisms, assigning the credit management accountability to the relevant departments and posts.

For corporate businesses, the Group has established industry-specific limits for credit and investment approval. It has put in place dynamic monitoring mechanism, with regular reporting of credit exposures to the board. The Group’s credit risk management covers key operational phases, including pre-lending client due diligence, independent credit assessment and credit approval, loan payment and post-lending monitoring. With respect to pre-lending client due diligence, the Group assesses customer credit ratings and performs integrated analysis on the risk and return of the loan. In the credit assessment and approval phase, the Group has established standardised system and procedures for credit evaluation and approval in accordance with the principle of segregation of duties for assessment and approval as well as the hierarchical approval principle. All credit applications are approved by designated credit officers. In the loan payment phase, an independent responsible department has been established to manage and monitor the payment of the loan, ensuring that the payment conforms with the intended use of the loan approved. During the post-lending monitoring, the Group continually monitors outstanding loans and other credit related businesses. Any adverse events that may significantly affect a borrower’s repayment ability are reported immediately, and actions are taken to mitigate the risks.

III Notes to the unaudited condensed consolidated financial statements (continued)

For personal credit operation business, the Group implemented control processes of "separation of review and approval, separation of approval and lending, separation of approval and mortgage registration, and separation of loan management and archival keeping" to effectively control the operational risk. During the pre-lending process, relationship managers are required to assess the income level, credit history, and repayment ability of the applicant to strengthen the credit evaluation of the applicant. During the review and approval process, the relationship managers forward the application and their recommendations to the loan-approval departments for further approval, and a standardized review and approval policies and process in accordance with the principle of "segregation of review and approval" and "hierarchical approval" have been established for this process. The Group monitors borrowers' repayment ability, the status of collateral and any changes to their value during the post-lending phase. Once a loan becomes overdue, the Group starts the recovery process in accordance with its standardized loan recovery procedures.

The Group adopts a risk-based loan classification system to manage its loan portfolio. Loans and advances are generally classified into normal, special mention, substandard, doubtful and loss according to their levels of risk. Substandard, doubtful and loss loans are considered to be impaired loans and advances. The Group measures and manages the quality of the Group's credit assets in accordance with the Rules on Risk Classification of Financial Assets of China Everbright Bank.

The core definitions of the five categories of loans and advances are set out below:

Normal: Debtors can perform the contract and there is no objective evidence that the principal, interest or proceeds cannot be paid in full and on time.

Special mention: Although there are currently a number of factors that may adversely affect the performance of the contract, the debtors are currently able to pay the principal, interest or proceeds.

Substandard: Debtors are unable to pay the principal, interest or income in full, or the financial assets have suffered credit impairment.

Doubtful: Debtors have been unable to pay the principal, interest or income in full, and the financial assets have suffered significant credit impairment.

Loss: After all possible measures taken, only a very small part of the financial assets can be recovered, or all of the financial assets can be lost.

The Bank implemented a customer credit rating system based on the PD model. The PD model predicts the PD for customers in the coming year. The risk ratings of the customers is obtained through mapping relationship. The Group conducts recheck and optimization testing of the model according to the customer's actual default during the year to better identify the credit risk.

III Notes to the unaudited condensed consolidated financial statements (continued)

The customer credit ratings in the internal rating model are based on four categories of A, B, C and D which are further classified into twenty-four grades as AAA+, AAA, AAA-, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C and D. Credit grading D equates to defaulted customers while the others are assigned to performing customers.

Management periodically reviews various elements of the Group's credit risk management process, including loan portfolio growth, the changing portfolio mix and concentration of assets, and the evolving risk profile of the credit portfolio. From time to time, refinements are made to the Group's credit risk management processes to ensure an effective management mechanism of the Group's credit risk exposures is always in place. These refinements include, among other things, adjustments to portfolio-level controls, such as revisions to lists of approved borrowers, industry limits and underwriting criteria. Where circumstances related to specific loans or a group of loans increase the Bank's credit risk exposure, actions are taken, to the extent possible, to strengthen the security of the Group's assets.

Financial market business

The Group will incorporate the financial market business that bears credit risk into its unified credit management system, and ensure that the credit risk level borne by the financial market business meets the Group's risk appetite through differentiated access standards. Relevant standards will be dynamically adjusted.

Credit risk measurement

Measurement of ECL

The Expected credit losses ("ECL") is a weighted average of credit losses on financial instruments weighted at the probability of default. The expected credit loss is the shortfall between all receivable contractual cash flows according to the contract and all cash flows expected to be received by the Group discounted to present value at the original effective interest rate, i.e., the present value of all cash shortfalls.

According to the changes of credit risk of financial instruments since their initial recognition, the Group calculates the ECL by three stages:

- Stage 1: Financial instruments without significant increases in credit risk after initial recognition are included in Stage 1, with their impairment allowance measured at an amount equivalent to the next 12-month ECLs.

- Stage 2: Financial instruments with significantly increased credit risk since initial recognition but are not credit-impaired are included in Stage 2, with their impairment allowance measured at an amount equivalent to the lifetime ECLs.

- Stage 3: Financial assets that are credit-impaired at the end of the reporting period are included in Stage 3, with their impairment allowance measured at the amount equivalent to the lifetime ECLs.

III Notes to the unaudited condensed consolidated financial statements (continued)

For the previous financial period, the impairment allowance was measured at the amount equivalent to the ECL over the entire lifetime of the financial instrument. However, at the end of the reporting period, if the financial instrument no longer belongs to the situation of there being a significant increase in credit risk since initial recognition, the Group measures the impairment allowance of the financial instruments at the end of the reporting period according to the ECL in the next 12 months.

For purchased or originated credit-impaired financial assets, the Group only recognises the cumulative change in lifetime ECL after initial recognition as impairment allowance at the reporting date. At the end of each reporting period, the Group recognises the amount of the changes in ECL as an impairment allowance in profit or loss.

The Group shall measure ECL of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

When measuring ECL, an entity need not necessarily identify every possible scenario. However, the Group shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low.

The Group conducted an assessment of ECL according to forward-looking information and used complex models and assumptions in its measurement of expected credit losses. These models and assumptions relate to the future macroeconomic conditions and borrower's creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group adopts judgement, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards such as:

- Criteria for judging significant increases in credit risk
- Definition of credit-impaired assets
- Parameters for measuring ECL
- Forward-looking information
- Risk grouping

III Notes to the unaudited condensed consolidated financial statements (continued)

Criteria for judging significant increases in credit risk

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at the end of each reporting period. When determining whether credit risk has increased significantly since initial recognition, the Group considers that it can obtain reasonable and reliable information without paying unnecessary additional costs or efforts, including qualitative and quantitative analysis based on the Group's historical data, external credit risk rating and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments at the end of the reporting period with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria

- Credit risk is deemed to increase significantly when the forward-looking lifetime PD of an exposure increases by certain predetermined thresholds since its initial recognition. Specifically, such thresholds are met when the PD increases by a certain absolute level as well as by a relative percentage.

Qualitative criteria

- Significant adverse change in debtors' operation or financial status

- Be classified into special mention category within five-tier loan classification

Backstop criteria

- The debtor's contractual payments (including principal and interest) are more than 30 days past due

The Group continued to make judgments based on substantive risk assessment and comprehensively considered the operations and repayment capacity of borrowers, and to assess whether the credit risk of relevant financial instruments had increased significantly since initial recognition.

III Notes to the unaudited condensed consolidated financial statements (continued)

Definition of credit-impaired assets

The standard adopted by the Group to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Group assesses whether the credit impairment of debtor occurred, the following factors are mainly considered:

- Significant financial difficulty of the issuer or the debtor;
- Debtors are in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments overdue;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The debtor leaves any of the principal, advances, interest or investments in corporate bonds of the Group overdue for more than 90 days.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event.

Parameters of ECL measurement

According to whether there is a significant increase in credit risk and whether the assets are credit-impaired, the Group measures the impairment loss for different assets with ECL of 12 months or the entire lifetime. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). According to the requirements of IFRS 9, the Group takes into account the historical statistics (such as ratings of counterparties, manners of guarantees and types of collateral and repayments) and forward-looking information in order to establish the model of PD, LGD and ECL.

III Notes to the unaudited condensed consolidated financial statements (continued)

Relative definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group's PD is adjusted based on the result of the credit risk rating of customers, taking into account the forward-looking information and deducting the prudential adjustment to reflect the debtor's point-in-time (PIT) PD under the current macroeconomic environment.

- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the difference of credit products, and the type of collateral, the LGD varies. The LGD is the percentage of loss of risk exposure after the time of default, based on historical statistics, the loss rate may be different in various economic environments.

- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.

Forward-looking information

The calculation of ECL involves forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types, such as GDP, CPI, investment in property and equipment.

The impact of these economic indicators on the PD and the LGD varies across different types of business. The Group combined statistic model and experts' judgement in this process, according to the result of model and experts' judgement, the Group predicts these economic indicators at least every half year and determines the impact of these economic indicators on the PD and the LGD by conducting regression analysis.

As at 30 June 2026, the key assumptions the Group has taken include the GDP growth rate, the CPI growth rate, the investment in property and equipment growth rate. The GDP growth rate: the predicted value under the base economic scenario during the year of 2027 is 4.72%, the optimistic predicted value is 6.43%, the pessimistic predicted value is 3.01%.

In addition to providing a baseline economic scenario, the Group combines statistic model with experts' judgement to determine the weight of the other possible scenarios. The Group measures the weighted average ECL of 12 months (Stage 1) or life time (Stage 2 and Stage 3). The weighted average credit loss above is calculated by multiplying the ECL for each scenario by the weight of the corresponding scenario.

III Notes to the unaudited condensed consolidated financial statements (continued)

Risk grouping

The Group groups financial assets with similar credit risk characteristics when measuring expected credit losses. In performing the portfolio grouping of financial assets, the Group considers product type, customer industry and internal risk assessment pool. The Group regularly reviews the reasonableness of the groupings. When the credit risk characteristics of the exposure within the portfolio change, the reasonableness of the groupings is reviewed in a timely manner and, if necessary, regrouped according to the common risk characteristics of the relevant credit risk exposures.

Maximum credit risk exposure

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets, including derivative financial instruments.

	30 June 2026				
	Stage 1	*Stage 2*	*Stage 3*	*Not applicable(N/A)*	*Total*
Assets					
Deposits with central banks	286,406	-	-	-	286,406
Deposits with banks and other financial institutions	109,836	-	-	-	109,836
Placements with banks and other financial institutions	167,544	-	-	-	167,544
Financial assets held under resale agreements	44,685	-	-	-	44,685
Loans and advances to customers	3,847,233	127,563	25,826	-	4,000,622
Finance lease receivables	90,039	3,434	360	-	93,833
Financial investments	1,972,869	3,862	6,476	406,917	2,390,124
Others (Note)	48,810	3,478	-	6,204	58,492
Total	6,567,422	138,337	32,662	413,121	7,151,542
Credit commitments	1,699,023	5,713	137	-	1,704,873
Maximum credit risk exposure	8,266,445	144,050	32,799	413,121	8,856,415

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025				
	Stage 1	*Stage 2*	*Stage 3*	*N/A*	*Total*
Assets					
Deposits with central banks	333,366	-	-	-	333,366
Deposits with banks and other financial institutions	107,162	-	-	-	107,162
Placements with banks and other financial institutions	184,378	-	-	-	184,378
Financial assets held under resale agreements	12,923	-	-	-	12,923
Loans and advances to customers	3,752,296	133,463	25,620	-	3,911,379
Finance lease receivables	89,890	4,254	271	-	94,415
Financial investments	1,899,886	4,981	7,253	459,781	2,371,901
Others (Note)	43,109	3,339	-	5,528	51,976
Total	6,423,010	146,037	33,144	465,309	7,067,500
Credit commitments	1,681,160	4,856	42	-	1,686,058
Maximum credit risk exposure	8,104,170	150,893	33,186	465,309	8,753,558

Note: Others mainly comprise derivative financial assets and interests receivable, deposit margin, and other receivables recorded in other assets.

III Notes to the unaudited condensed consolidated financial statements (continued)

Credit rating

The distribution according to the credit quality of amounts due from banks and non-bank financial institutions (including deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial assets held under resale agreements for which counterparties are banks and non-bank financial institutions) is as follows:

	30 June 2026	*31 December 2025*
Impaired		
Gross amount	625	300
Provision for impairment losses	(625)	(300)
Subtotal	-	-
Neither overdue nor impaired		
- grade A to AAA	319,785	300,861
- grade B to BBB	1,792	500
- unrated (Note)	609	3,567
Provision for impairment losses	(121)	(465)
Subtotal	322,065	304,463
Total	322,065	304,463

Note: Mainly represent deposits with banks and other financial institutions.

III Notes to the unaudited condensed consolidated financial statements (continued)

The Group adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to Bloomberg Composite, or the major rating agencies where the issuers of the securities are located. The carrying amounts of debt securities investments analysed by the rating agency designations as at the end of the reporting period are as follows:

	30 June 2026	*31 December 2025*
Impaired		
Gross amount	18,030	20,254
Provision for impairment losses	(11,554)	(13,001)
Subtotal	6,476	7,253
Neither overdue nor impaired		
Bloomberg Composite		
- grade AAA	9,462	4,407
- grade AA- to AA+	27,183	25,033
- grade A- to A+	47,224	37,783
- grade lower than A-	26,198	15,770
Provision for impairment losses	(95)	(151)
Subtotal	109,972	82,842
Other agency ratings		
- grade AAA	1,865,826	1,828,172
- grade AA- to AA+	133,399	140,131
- grade A- to A+	1,552	19,712
- grade lower than A-	7,761	11,104
- unrated	24,512	34,015
Provision for impairment losses	(922)	(1,090)
Subtotal	2,032,128	2,032,044
Total	2,148,576	2,122,139

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Market risk

Market risk is the risk of loss, in respect of the Group's activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices, stock prices and other prices.

The board of directors is ultimately responsible for monitoring the Group's market risk to ensure that the Group has effectively identified, measured, monitored and managed all types of market risk. The Risk Management Committee monitors the market risk management process within the scope authorised by the board of directors, which include review and approval of market risk management strategies, policies and procedures as well as the market risk tolerance level recommended by senior management. The Group is primarily exposed to market risk in its treasury business. The Financial Market Department, Investment Banking Department and overseas institution are responsible for the Group's investments and proprietary trading business. The Assets and Liability Management Department is responsible for monitoring and managing the interest rate risk and foreign exchange risk on a daily basis under the banking book. The Risk Management Department is responsible for formulating the market risk management policies and procedures, as well as identifying, measuring and monitoring the Group's market risk, and the daily monitoring and management of interest rate risk and exchange rate risk in the Bank's trading book.

The Group classified the transactions as the banking book transactions and trading book transactions. The identification, measurement, monitoring and management of the relevant market risks are based on the nature and characteristics of these books. The trading book transactions consist of the Group's investments which are acquired or incurred primarily for the purpose of selling in the near term, or for the purpose of short-term profit taking. The banking book transactions represent non-trading businesses. Sensitivity analysis, scenario analysis and foreign currency gap analysis are the main tools employed by the Group to measure and monitor the market risk in its trading book transactions. Sensitivity gap analysis, effective duration analysis and scenario simulation analysis are the main tools used by the Group to measure and monitor the market risk of its non-trading businesses.

Sensitivity analysis is a technique which assesses the sensitivity of the Group's overall risk profile and its risk profile with reference to the interest rate risks for different maturities.

Scenario analysis is a multi-factor analysis method which assesses the impact of multiple factors interacting simultaneously, taking into consideration the probabilities of various scenarios.

Foreign currency gap analysis is a technique which estimates the impact of foreign exchange rate movements on the Group's current profit or loss. The foreign currency gap mainly arises from the currency mismatch in the Group's on/off-balance sheet items.

Sensitivity gap analysis is a technique which estimates the impact of interest rate movements on the Group's current profit or loss. It is used to work out the gap between future cash inflows and outflows by categorising each of the Group's interest-bearing assets and interest-taking liabilities into different periods based on repricing dates.

III Notes to the unaudited condensed consolidated financial statements (continued)

Scenario simulation analysis is an important technique for assessing interest rate risk. It simulates and calculates the changes in net interest income (NII) and economic value (EVE) indicators in the following year through multiple conventional scenarios and stress scenarios, including interest rate standard shocks, yield curve shifts and shape changes, historical extreme interest rate changes, customers' execution of embedded options for deposits and loans, etc. The Bank regularly re-examines important customer behaviour models such as loan prepayment and deposits from early withdrawals used in scenario simulation analysis.

Duration analysis is a technique under which sensitivity weights are assigned to repricing gaps by time band to produce weighted gaps that are then aggregated to estimate the effect of a small (generally less than 1%) parallel interest rate shift on the Bank's economic value measured as a percentage change in economic value.

Interest rate risk

The Group is primarily exposed to interest rate risk arising from gap risk, basis risk and option risk. The Assets and Liability Management Department and Risk Management Department are responsible for identifying, measuring and monitoring. In terms of measuring and monitoring risks, the Group regularly evaluates the interest rate sensitivity repricing gap of each period and the impact of interest rate changes on the Group's net interest income and economic value. The main purpose of interest rate risk management is to reduce the potential negative impact of interest rate changes on net interest income and economic value.

Gap risk

Gap risk refers to the risk caused by different repricing periods of different financial instruments when interest rates change. Changes in interest rates include both a parallel upward or downward shift of the yield curve and a change in the shape of the yield curve. Due to the different repricing periods of financial instruments, when the interest rate rises when the interest rate on liabilities is repriced earlier than the interest rate on assets, or when the interest rate falls when the interest rate on assets is repriced earlier than the interest rate on liabilities, the Bank faces a reduction in interest rate spreads or even negative interest rate differentials for a certain period of time, resulting in losses.

Basis risk

Basis risk is caused by interest rates on different pricing basis on the on-and off- balance sheet business of banking books. The risk could be different because the basis risk changes no matter the term is the same or similar.

Option risk

Option risk refers to the risk that the Bank holds option derivatives or has embedded option terms or implied options in the on-and off-balance sheet business of banking books, which allows the Bank or counterparty to change the level or the maturity of future cash flows of the financial instruments.

III Notes to the unaudited condensed consolidated financial statements (continued)

The following tables indicate the average interest rates for the respective periods, and the expected next repricing dates (or maturity dates whichever are earlier) for the assets and liabilities of the Group as at the end of the reporting period:

	30 June 2026						
	Average interest rate (Note)	*Total*	*Non-interest-bearing*	*Less than three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*
Assets							
Cash and deposits with central banks	1.45%	292,530	22,132	270,398	-	-	-
Deposits with banks and other financial institutions	1.17%	109,836	238	97,829	9,861	1,908	-
Placements with banks and other financial institutions	2.04%	167,544	355	42,556	77,455	47,178	-
Financial assets held under resale agreements	1.34%	44,685	2	44,683	-	-	-
Loans and advances to customers	3.37%	4,000,622	20,005	2,301,209	1,500,968	174,026	4,414
Finance lease receivables	3.57%	93,833	699	3,089	77,078	8,905	4,062
Financial investments	2.63%	2,390,124	248,854	165,785	331,490	1,151,947	492,048
Others	N/A	152,060	149,988	2,072	-	-	-
Total assets	N/A	7,251,234	442,273	2,927,621	1,996,852	1,383,964	500,524

III Notes to the unaudited condensed consolidated financial statements (continued)

	30 June 2026						
	Average interest rate (Note)	*Total*	*Non-interest-bearing*	*Less than three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*
Liabilities							
Due to the central bank	1.68%	174,718	1,129	14,021	159,568	-	-
Deposits from banks and other financial institutions	1.26%	598,702	871	507,231	90,600	-	-
Placements from banks and other financial institutions	2.35%	179,609	614	115,407	63,588	-	-
Financial assets sold under repurchase agreements	1.69%	159,494	351	139,076	17,214	2,853	-
Deposits from customers	1.55%	4,192,705	75,917	1,937,976	1,014,051	1,164,761	-
Debt securities issued	1.93%	1,218,539	4,341	243,035	798,750	112,415	59,998
Others	N/A	112,358	94,617	1,375	3,167	10,443	2,756
Total liabilities	N/A	6,636,125	177,840	2,958,121	2,146,938	1,290,472	62,754
Asset-liability gap	N/A	615,109	264,433	(30,500)	(150,086)	93,492	437,770

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025						
	Average interest rate (Note)	*Total*	*Non-interest-bearing*	*Less than three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*
Assets							
Cash and deposits with central banks	1.46%	339,232	16,435	322,797	-	-	-
Deposits with banks and other financial institutions	1.33%	107,162	373	96,024	9,164	1,550	51
Placements with banks and other financial institutions	2.35%	184,378	200	74,769	58,634	50,775	-
Financial assets held under resale agreements	1.52%	12,923	2	12,921	-	-	-
Loans and advances to customers	3.60%	3,911,379	19,230	2,299,257	1,425,029	163,094	4,769
Finance lease receivables	3.98%	94,415	708	4,390	77,078	9,171	3,068
Financial investments	2.80%	2,371,901	268,217	475,153	1,398,677	185,138	44,716
Others	N/A	143,929	141,091	2,838	-	-	-
Total assets	N/A	7,165,319	446,256	3,288,149	2,968,582	409,728	52,604

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025						
	Average interest rate (Note)	*Total*	*Non-interest-bearing*	*Less than three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*
Liabilities							
Due to the central bank	2.01%	154,678	1,630	77,196	75,852	-	-
Deposits from banks and other financial institutions	1.62%	506,454	1,186	453,356	51,912	-	-
Placements from banks and other financial institutions	2.56%	208,607	648	130,343	77,616	-	-
Financial assets sold under repurchase agreements	2.06%	158,118	373	124,478	33,267	-	-
Deposits from customers	1.81%	4,102,458	74,909	1,946,287	903,391	1,177,721	150
Debt securities issued	2.15%	1,328,801	3,790	268,495	829,115	167,404	59,997
Others	N/A	98,761	80,363	1,100	3,617	10,957	2,724
Total liabilities	N/A	6,557,877	162,899	3,001,255	1,974,770	1,356,082	62,871
Asset-liability gap	N/A	607,442	283,357	286,894	993,812	(946,354)	(10,267)

Note: The average interest rate represents the ratio of interest income/expense to the average interest-bearing assets/liabilities.

III Notes to the unaudited condensed consolidated financial statements (continued)

Interest rate sensitivity analysis

The Group uses sensitivity analysis to measure the impact of changes in interest rate on the Group's net profit or loss and equity. As at 30 June 2026, assuming other variables remain unchanged, an increase in the estimated interest rate of one hundred basis points will cause the Group's net profit to decrease by RMB 622 million (31 December 2025: increase by RMB 4,678 million), and equity to decrease by RMB 17,653 million (31 December 2025: decrease by RMB 13,249 million); a decrease in the estimated interest rate of one hundred basis points will cause the Group's net profit to increase by RMB 622 million (31 December 2025: decrease by RMB 4,678 million), and equity to increase by RMB 17,653 million (31 December 2025: increase by RMB 13,249 million).

The sensitivity analysis above is based on a static interest rate risk profile of the Group's assets and liabilities. This analysis measures only the impact of changes in interest rates within one year, showing how annualised net profit or loss and equity would have been affected by the repricing of the Group's assets and liabilities within the one-year period. The sensitivity analysis is based on the following assumptions:

- Interest rate movements at the end of the reporting period apply to all derivative and non-derivative financial instruments of the Group;
- An interest rate movement is one hundred basis points based on the assumption of interest rate movement over the next 12 months;
- There is a parallel shift in the yield curve with the changes in interest rates;
- There are no other changes to the portfolio of asset and liability;
- Other variables (including exchange rates) remain unchanged; and
- The analysis does not take into account the effect of risk management measures taken by management.

Due to the adoption of the aforementioned assumptions, the actual changes in the Group's net profit or loss and equity caused by an increase or decrease in interest rates might vary from the estimated results of this sensitivity analysis.

III Notes to the unaudited condensed consolidated financial statements (continued)

Foreign currency risk

The Group's foreign currency risk mainly arises from the foreign currency portfolio within the treasury's proprietary investments, and other foreign currency exposures. The Group manages foreign currency risk by spot and forward foreign exchange contracts, swap transactions and matching its foreign currency denominated assets with corresponding liabilities in the same currencies.

The Group's currency exposures as at the end of the reporting period are as follows:

	30 June 2026			
	RMB	*USD (RMB Equivalent)*	*Others (RMB Equivalent)*	*Total*
Assets				
Cash and deposits with central banks	284,338	3,745	4,447	292,530
Deposits with banks and other financial institutions	97,762	8,576	3,498	109,836
Placements with banks and other financial institutions	147,121	8,109	12,314	167,544
Financial assets held under resale agreements	44,685	-	-	44,685
Loans and advances to customers	3,868,508	68,520	63,594	4,000,622
Finance lease receivables	91,230	2,603	-	93,833
Financial investments	2,236,459	96,434	57,231	2,390,124
Others	145,828	333	5,899	152,060
Total assets	6,915,931	188,320	146,983	7,251,234
Liabilities				
Due to the central bank	174,718	-	-	174,718
Deposits from banks and other financial institutions	584,546	13,988	168	598,702
Placements from banks and other financial institutions	108,643	59,837	11,129	179,609
Financial assets sold under repurchase agreements	129,723	16,095	13,676	159,494
Deposits from customers	4,056,213	88,447	48,045	4,192,705
Debt securities issued	1,168,642	37,488	12,409	1,218,539
Others	94,961	222	17,175	112,358
Total liabilities	6,317,446	216,077	102,602	6,636,125
Net position	598,485	(27,757)	44,381	615,109
Credit commitments	1,667,692	22,763	16,466	1,706,921
Derivative financial instruments (Note)	24,872	(32,702)	(31,123)	(38,953)

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025			
	RMB	*USD (RMB Equivalent)*	*Others (RMB Equivalent)*	*Total*
Assets				
Cash and deposits with central banks	331,365	3,674	4,193	339,232
Deposits with banks and other financial institutions	98,178	5,275	3,709	107,162
Placements with banks and other financial institutions	158,669	11,626	14,083	184,378
Financial assets held under resale agreements	12,923	-	-	12,923
Loans and advances to customers	3,773,476	66,865	71,038	3,911,379
Finance lease receivables	91,649	2,766	-	94,415
Financial investments	2,225,461	93,317	53,123	2,371,901
Others	139,683	229	4,017	143,929
Total assets	6,831,404	183,752	150,163	7,165,319
Liabilities				
Due to the central bank	154,678	-	-	154,678
Deposits from banks and other financial institutions	491,685	14,335	434	506,454
Placements from banks and other financial institutions	135,905	58,821	13,881	208,607
Financial assets sold under repurchase agreements	144,774	5,554	7,790	158,118
Deposits from customers	3,956,270	103,187	43,001	4,102,458
Debt securities issued	1,274,277	40,648	13,876	1,328,801
Others	87,449	250	11,062	98,761
Total liabilities	6,245,038	222,795	90,044	6,557,877
Net position	586,366	(39,043)	60,119	607,442
Credit commitments	1,647,499	21,763	18,429	1,687,691
Derivative financial instruments (Note)	22,559	9,844	(32,209)	194

Note: Derivative financial instruments reflect the net notional amounts of derivatives.

III Notes to the unaudited condensed consolidated financial statements (continued)

The Group conducts a substantial portion of its business in RMB, with certain transactions denominated in USD, HKD and, to a much lesser extent, other currencies. As at the financial reporting date, the exchange rate changes of the currencies to which the Group had significant exposure are as follows:

	30 June 2026	*31 December 2025*
Exchange rates against RMB for the HKD	0.8653	0.8978
Exchange rates against RMB for the USD	6.7853	6.9887

The Group uses sensitivity analysis to measure the potential effect of changes in the exchange rates on the Group's net profit or loss and equity. As at 30 June 2026, assuming other variables remain unchanged, an appreciation of one hundred basis points in the foreign currency exchange rates against the RMB would decrease both the Group's equity and net profit by RMB 283 million (31 December 2025: increase by RMB 32 million); a depreciation of one hundred basis points in the foreign currency exchange rates against the RMB would increase both the Group's equity and net profit by RMB 283 million (31 December 2025: decrease by RMB 32 million).

The sensitivity analysis mentioned above is based on a static foreign exchange exposure profile of assets and liabilities and certain simplified assumptions:

- The foreign exchange sensitivity is the gain and loss recognised as a result of one hundred basis points' fluctuation in the foreign currency exchange rates (central parity) against RMB;

- At the end of the reporting period, the fluctuation of exchange rates by one hundred basis points is based on the assumption of exchange rate movement over the next 12 months;

- Due to the immaterial proportion of the Group's total assets and liabilities denominated in currencies other than US dollars and HK dollars, other foreign currencies are converted into US dollars in the above sensitivity analysis;

- The foreign exchange exposures calculated include spot and forward foreign exchange exposures and swaps;

- Other variables (including interest rates) remain unchanged; and

- The analysis does not take into account the effect of risk management measures taken by management.

Due to the assumptions adopted, actual changes in the Group's net profit or loss and equity resulting from the increase or decrease in foreign exchange rates might vary from the estimated results of this sensitivity analysis.

III Notes to the unaudited condensed consolidated financial statements (continued)

Price risk

Price risk mainly comes from equity investments held by the Group and the trading precious metal investments. The Group's risk of commodity or shares price from investment is not significant.

(c) Liquidity risk

Liquidity risk is the risk that a commercial bank is unable to obtain funds on a timely basis or obtain funds at a reasonable cost to meet repayment obligations or sustain its asset business. In accordance with liquidity policies, the Group monitors the future cash flows and maintains liquid assets of high quality.

The Asset and Liability Management Committee ("ALMC") is responsible for managing the Group's overall liquidity risk. The ALMC, chaired by the President of the Bank, is responsible for the formulation of the liquidity policies in accordance with regulatory requirements and prudential principles. Such policies include:

- Maintaining liquidity at a stable and sufficient level; establishing integrated liquidity risk management system; ensuring the meeting of liquidity requirements on a timely basis and the payments to various businesses, whether under a normal operating environment or a state of stress; and

- Making timely and reasonable adjustments to capital structure and scale in response to market changes and business developments; achieving the integration of the security, liquidity, and effectiveness of the Bank's funds.

The Asset and Liability Management Department is responsible for executing liquidity risk management policies. It is also responsible for identifying, measuring, monitoring and managing working capital on a regular basis, and for formulating liquidity management strategies. The Asset and Liability Management Department is responsible for monitoring working capital on a daily basis and ensuring the liquidity. Significant disbursement or portfolio changes must be reported to the ALMC on a timely basis.

The Group mainly applies liquidity gap analysis to measure liquidity risk. The Group will continue to focus on limit monitoring and dynamic control, and apply different scenario stress tests to assess the impacts from liquidity risks and develop effective contingency plans to respond to various possible liquidity risks.

III Notes to the unaudited condensed consolidated financial statements (continued)

The following tables provide an analysis of assets and liabilities of the Group by maturity grouping based on the remaining periods to repayment at the end of the reporting period:

	30 June 2026							
	Overdue/ indefinite	*Repayable on demand*	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*	*Total*
Assets								
Cash and deposits with central banks	234,037	58,493	-	-	-	-	-	292,530
Deposits with banks and other financial institutions	-	89,800	4,530	3,632	9,951	1,923	-	109,836
Placements with banks and other financial institutions	-	-	20,471	22,188	77,681	47,204	-	167,544
Financial assets held under resale agreements	-	-	44,685	-	-	-	-	44,685
Loans and advances to customers	24,852	349,179	153,327	270,067	1,308,273	934,683	960,241	4,000,622
Finance lease receivables	440	-	3,187	4,894	21,131	51,876	12,305	93,833
Financial investments	63,734	184,935	25,893	87,464	331,937	1,202,576	493,585	2,390,124
Others	91,459	54,525	1,534	1,290	830	2,279	143	152,060
Total assets	414,522	736,932	253,627	389,535	1,749,803	2,240,541	1,466,274	7,251,234

III Notes to the unaudited condensed consolidated financial statements (continued)

	30 June 2026							
	Overdue/ indefinite	*Repayable on demand*	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*	*Total*
Liabilities								
Due to the central bank	-	-	1,478	12,731	160,509	-	-	174,718
Deposits from banks and other financial institutions	-	482,376	13,179	12,375	90,772	-	-	598,702
Placements from banks and other financial institutions	-	8	70,935	44,895	63,771	-	-	179,609
Financial assets sold under repurchase agreements	-	-	104,406	34,981	17,251	2,856	-	159,494
Deposits from customers	-	1,194,888	434,467	336,694	1,035,158	1,191,498	-	4,192,705
Debt securities issued	-	-	45,887	188,271	803,055	121,328	59,998	1,218,539
Others	-	88,958	852	2,266	4,314	13,009	2,959	112,358
Total liabilities	-	1,766,230	671,204	632,213	2,174,830	1,328,691	62,957	6,636,125
Net position	414,522	(1,029,298)	(417,577)	(242,678)	(425,027)	911,850	1,403,317	615,109
Notional amount of derivative financial instruments	-	-	253,865	98,703	283,684	308,967	21,382	966,601

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025							
	Overdue/ indefinite	*Repayable on demand*	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*	*Total*
Assets								
Cash and deposits with central banks	222,903	116,329	-	-	-	-	-	339,232
Deposits with banks and other financial institutions	-	86,875	8,563	959	9,164	1,550	51	107,162
Placements with banks and other financial institutions	-	-	33,200	41,637	58,735	50,806	-	184,378
Financial assets held under resale agreements	-	-	12,923	-	-	-	-	12,923
Loans and advances to customers	17,161	361,405	176,010	304,128	1,166,238	896,422	990,015	3,911,379
Finance lease receivables	375	40	2,665	5,312	22,591	51,015	12,417	94,415
Financial investments	74,302	195,028	30,710	79,364	324,498	1,218,688	449,311	2,371,901
Others	90,604	48,355	211	463	1,527	2,618	151	143,929
Total assets	405,345	808,032	264,282	431,863	1,582,753	2,221,099	1,451,945	7,165,319

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025							
	Overdue/ indefinite	*Repayable on demand*	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*	*Total*
Liabilities								
Due to the central bank	-	-	20,551	57,945	76,182	-	-	154,678
Deposits from banks and other financial institutions	-	396,284	17,639	40,381	52,150	-	-	506,454
Placements from banks and other financial institutions	-	6	75,587	55,139	77,875	-	-	208,607
Financial assets sold under repurchase agreements	-	-	91,355	33,436	33,327	-	-	158,118
Deposits from customers	-	1,095,713	495,473	392,452	919,692	1,198,971	157	4,102,458
Debt securities issued	-	-	57,097	204,536	831,136	176,035	59,997	1,328,801
Others	-	73,714	840	1,636	5,052	14,649	2,870	98,761
Total liabilities	-	1,565,717	758,542	785,525	1,995,414	1,389,655	63,024	6,557,877
Net position	405,345	(757,685)	(494,260)	(353,662)	(412,661)	831,444	1,388,921	607,442
Notional amount of derivative financial instruments	-	-	126,679	131,809	325,437	314,298	14,218	912,441

III Notes to the unaudited condensed consolidated financial statements (continued)

The following tables provide an analysis of the contractual undiscounted cash flows of the financial liabilities at the end of the reporting period:

	30 June 2026							
	Carrying amount	*Contractual undiscounted cash flows*	*Repayable on demand*	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*
Non-derivative financial liabilities								
Due to the central bank	174,718	176,317	-	1,480	12,771	162,066	-	-
Deposits from banks and other financial institutions	598,702	599,843	482,376	13,189	12,430	91,848	-	-
Placements from banks and other financial institutions	179,609	180,476	8	71,000	45,076	64,392	-	-
Financial assets sold under repurchase agreements	159,494	159,956	-	104,440	35,073	17,419	3,024	-
Deposits from customers	4,192,705	4,252,498	1,194,888	434,725	337,636	1,046,668	1,238,581	-
Debt securities issued	1,218,539	1,247,690	-	43,377	191,944	816,916	131,097	64,356
Other financial liabilities	83,085	84,890	64,057	307	2,002	3,674	11,656	3,194
Total non-derivative financial liabilities	6,606,852	6,701,670	1,741,329	668,518	636,932	2,202,983	1,384,358	67,550
Derivative financial instruments								
Derivative financial instruments settled on net basis		4,606	-	285	(340)	(839)	1,498	4,002
Derivative financial instruments settled on gross basis								
- Cash inflow		423,576	-	204,973	70,985	140,988	6,187	443
- Cash outflow		(461,954)	-	(208,040)	(85,021)	(162,113)	(6,336)	(444)
Total cash flow of derivative financial instruments		(38,378)	-	(3,067)	(14,036)	(21,125)	(149)	(1)

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025							
	Carrying amount	*Contractual undiscounted cash flows*	*Repayable on demand*	*Within one month*	*Between one month and three months*	*Between three months and one year*	*Between one year and five years*	*More than five years*
Non-derivative financial liabilities								
Due to the central bank	154,678	155,883	-	20,578	58,185	77,120	-	-
Deposits from banks and other financial institutions	506,454	507,672	396,652	17,662	40,528	52,830	-	-
Placements from banks and other financial institutions	208,607	210,593	6	75,979	55,658	78,950	-	-
Financial assets sold under repurchase agreements	158,118	158,571	-	91,447	33,521	33,603	-	-
Deposits from customers	4,102,458	4,166,652	1,095,770	495,760	393,749	930,136	1,251,064	173
Debt securities issued	1,328,801	1,334,190	-	53,063	202,362	831,887	181,558	65,320
Other financial liabilities	66,099	67,955	46,599	88	1,287	4,120	12,769	3,092
Total non-derivative financial liabilities	6,525,215	6,601,516	1,539,027	754,577	785,290	2,008,646	1,445,391	68,585
Derivative financial instruments								
Derivative financial instruments settled on net basis		(25)	-	(104)	12	(119)	28	158
Derivative financial instruments settled on gross basis								
- Cash inflow		141,169	-	46,879	33,653	57,511	3,126	-
- Cash outflow		(140,957)	-	(46,874)	(33,703)	(57,058)	(3,322)	-
Total cash flow of derivative financial instruments		212	-	5	(50)	453	(196)	-

This analysis of the financial instruments by contractual undiscounted cash flows might diverge from actual results.

III Notes to the unaudited condensed consolidated financial statements (continued)

The following tables provide an analysis of credit commitments of the Group into relevant maturity buckets based on the remaining periods to repayment at the end of the reporting period:

	30 June 2026			
	Within one year	Between one year and five years	More than five years	Total
Loan and credit card commitments	567,577	33,353	88,957	689,887
Guarantees, acceptances and other credit commitments	971,895	35,787	9,352	1,017,034
Total	1,539,472	69,140	98,309	1,706,921

	31 December 2025			
	Within one year	Between one year and five years	More than five years	Total
Loan and credit card commitments	556,086	37,885	94,941	688,912
Guarantees, acceptances and other credit commitments	952,283	37,329	9,167	998,779
Total	1,508,369	75,214	104,108	1,687,691

(d) Operational risk

Operational risk refers to the risk of losses associated with internal processes deficiencies, employee, information technology system, or impacts from other external events.

The Group upheld the risk-based philosophy and establishes a framework of a multi-level operational risk management system to comprehensive identify, assess, measure, control, mitigate, monitor and report operational risk. The framework covers all business lines, branches, subsidiaries and running through the entire process of decision-making, execution, and supervision. The key elements of the framework are listed as follows:

- A multi-level operational risk management framework based on three lines of defence under the leadership of the board of directors and senior management;

- An operational risk management system centred around the basis of risk management policy;

- An operational risk management process which use various operational risk management tools, designed and operated under the risk oriented approach;

- A management information system with operational risk management capabilities;

- A operational risk management cultural system based on the concepts of "everyone is responsible for operational risk management" and "effective risk management creates value";

III Notes to the unaudited condensed consolidated financial statements (continued)

- A professional operational risk management team based on the operational risk management employee across all branches, subsidiaries, business lines and functions;

- An assessment and evaluation mechanism that balances the process and results of operational risk management, and accountability system for investigating and punishing various violations and disciplinary actions.

48 Fair value

(a) Methods and assumptions for measurement of fair value

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

(i) Debt securities and equity investments

The fair values of debt securities and equity investments that are traded in an active market are based on their quoted market prices in an active market at the end of the reporting period. The fair values of unlisted equity investments are estimated using market approach, after adjustment for the specific circumstances of the issuers.

(ii) Receivables and other non-derivative financial assets

Fair values are estimated as the present values of the future cash flows, discounted at the market interest rates at the end of the reporting period.

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

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

(iv) Derivative financial instruments

The fair values of foreign currency forward and swap contracts are determined by the difference between the present values of the forward prices and the contractual prices at the end of the reporting period, or are based on quoted market prices. The fair values of interest rate swaps are estimated as the present value of estimated future cash flows, the yield curve is based on the optimised price between the broker’s quoted price and Thomson Reuters’ quoted price. The fair value of option contracts are determined by option pricing models.

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Fair value measurement

(i) Financial assets

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

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

Loans and advances to customers measured at amortised cost, finance lease receivables and financial investments measured at amortised cost, except for bond investments and asset-backed securities, are mostly priced at floating interest rates close to the LPR. Accordingly, the carrying amounts approximate the fair values.

Financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, and derivative financial assets presented at fair value.

(ii) Financial liabilities

The Group's financial liabilities mainly include deposits from banks and other financial institutions, placements from banks and other financial institutions, derivative financial liabilities, financial assets sold under repurchase agreements, deposits from customers, due to the central bank and debt securities issued.

Deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, deposits from customers, due to the central bank approximate their fair values, derivative financial liabilities presented at fair value.

The tables below summarise the carrying amounts and fair values of debt securities and asset-backed instruments measured at amortised cost and debt securities issued:

	Carrying value		*Fair value*	
	30 June 2026	*31 December 2025*	*30 June 2026*	*31 December 2025*
Financial assets				
Debt securities and asset-backed instruments measured at amortised cost	1,171,808	1,192,578	1,212,223	1,228,368
Financial liabilities				
Debt securities issued	1,218,539	1,328,801	1,222,816	1,332,620

III Notes to the unaudited condensed consolidated financial statements (continued)

Except for the items shown in the tables above, the maturity dates of aforesaid financial assets and liabilities are within a year or are mainly floating interest rates, as a result, their carrying amounts are approximately equal to their fair value.

Debt securities and asset-backed instruments measured at amortised cost are based on broker/dealer price quotations. Where this information is not available, the Bank will perform valuation by referring to prices from valuation service providers or on the basis of discounted cash flows models. Valuation parameters include market interest rates, expected future default rates, prepayment rates and market liquidity. The fair values of RMB bonds and asset-backed instruments are mainly determined based on the valuation results provided by China Central Depository Trust & Clearing Co., Ltd..

(c) Fair value hierarchy

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The definitions of three levels are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e., prices) or indirectly. Input parameters like ChinaBond interbank yield curves, LIBOR yield curves and SOFR are sourced from ChinaBond, Thomson Reuters and Shanghai Clearing House.

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This level includes complicated equity instruments or debt instruments with one or more than one significant unobservable component.

Fair value measurement requires the use of observable open market data wherever possible. The Group tries its best to consider relevant and observable market prices in valuations.

If there is a reliable market quote for financial instruments, the fair value of financial instruments is based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. The inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and foreign exchange rates. Where discounted cash flow analysis is used, estimated cash flows are based on management’s best estimates and the discount rate used is with reference to that of another instrument that is substantially the same.

III Notes to the unaudited condensed consolidated financial statements (continued)

Assets and liabilities measured at fair value

The table below summaries the carrying values in three levels of assets and liabilities measured at fair value at the end of the reporting period:

	30 June 2026			
	Level 1	*Level 2*	*Level 3*	*Total*
Assets				
Derivative financial assets				
- Currency derivatives	-	3,346	-	3,346
- Interest rate derivatives	0	2,858	-	2,858
Loans and advances to customers	-	262,586	-	262,586
Financial assets at fair value through profit or loss				
- Debt instruments held for trading	-	126,466	32	126,498
- Other financial assets at fair value through profit or loss	134,695	88,577	56,007	279,279
Debt instruments at fair value through other comprehensive income	-	775,286	173	775,459
Equity instruments at fair value through other comprehensive income	38	-	1,102	1,140
Total	134,733	1,259,119	57,314	1,451,166
Liabilities				
Derivative financial liabilities				
- Currency derivatives	-	1,708	-	1,708
- Interest rate derivatives	0	2,664	-	2,664
Total	0	4,372	-	4,372

III Notes to the unaudited condensed consolidated financial statements (continued)

	31 December 2025			
	Level 1	*Level 2*	*Level 3*	*Total*
Assets				
Derivative financial assets				
- Currency derivatives	-	2,144	-	2,144
- Interest rate derivatives	0	3,384	-	3,384
Loans and advances to customers	-	238,390	-	238,390
Financial assets at fair value through profit or loss				
- Debt instruments held for trading	-	139,480	32	139,512
- Other financial assets at fair value through profit or loss	139,245	123,816	56,065	319,126
Debt instruments at fair value through other comprehensive income	-	678,241	184	678,425
Equity instruments at fair value through other comprehensive income	41	-	1,102	1,143
Total	139,286	1,185,455	57,383	1,382,124
Liabilities				
Derivative financial liabilities				
- Currency derivatives	-	2,156	-	2,156
- Interest rate derivatives	-	3,391	-	3,391
Total	-	5,547	-	5,547

The Group takes the date of the event that caused the transfer between levels as the date of the transfer. There is no transfer between the first and second levels for the period.

The movements during the period ended 30 June 2026 in the balance of Level 3 fair value measurements are as follows:

	Derivative financial assets	*Financial assets at fair value through profit or loss*	*Equity instruments at fair value through other comprehensive income*	*Debt instruments at fair value through other comprehensive income*	*Total assets*	*Derivative financial liabilities*	*Total liabilities*
As at 1 January 2026	-	56,097	1,102	184	57,383	-	-
Transferred to level 3	-	-	-	-	-	-	-
Total gains or losses:							
- Recognised in profit or loss	-	263	-	-	263	-	-
- Recognised in other comprehensive income	-	-	-	1	1	-	-
Additions	-	760	-	-	760	-	-
Settlements	-	(1,081)	-	(12)	(1,093)	-	-
As at 30 June 2026	-	56,039	1,102	173	57,314	-	-
Impact on net profit	-	263	-	-	263	-	-

III Notes to the unaudited condensed consolidated financial statements (continued)

The movements during the year ended 31 December 2025 in the balance of Level 3 fair value measurements are as follows:

	Derivative financial assets	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Debt instruments at fair value through other comprehensive income	Total assets	Derivative financial liabilities	Total liabilities
As at 1 January 2025	-	6,055	1,102	228	7,385	-	-
Transferred to level 3	-	-	-	-	-	-	-
Total gains or losses:							
- Recognised in profit or loss	-	(1,923)	-	-	(1,923)	-	-
- Recognised in other comprehensive income	-	-	-	29	29	-	-
Additions	-	52,281	-	-	52,281	-	-
Settlements	-	(316)	-	(73)	(389)	-	-
As at 31 December 2025	-	56,097	1,102	184	57,383	-	-
Impact on net loss	-	(1,923)	-	-	(1,923)	-	-

Financial assets and liabilities not measured at fair value

The tables below summarise the fair values in three levels of “debt securities and asset-backed instruments measured at amortised cost” and “debt securities issued”.

	30 June 2026			
	Level 1	Level 2	Level 3	Total
Financial assets				
Debt securities and asset-backed instruments measured at amortised cost	-	1,211,625	598	1,212,223
Financial liabilities				
Debt securities issued	-	1,222,816	-	1,222,816

	31 December 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Debt securities and asset-backed instruments measured at amortised cost	-	1,227,762	606	1,228,368
Financial liabilities				
Debt securities issued	-	1,332,620	-	1,332,620

III Notes to the unaudited condensed consolidated financial statements (continued)

(d) Valuation of financial instruments with significant unobservable inputs

Financial instruments valued with significant unobservable inputs are primarily trust plans, asset management plans and unlisted equity. These financial instruments are valued using cash flow discount model and market method. The models incorporate various non-observable assumptions such as discount rate and market rate volatilities.

As at 30 June 2026, the carrying amounts of financial instruments valued with significant unobservable inputs were immaterial, and the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were also not material.

49 Entrusted lending business

The Group provides entrusted lending business services to government agencies, corporations and individuals. All entrusted loans are funded by entrusted funds from these entities and individuals. The Group does not take any credit risk in relation to these transactions. The Group acts as an agent to hold and manage these assets and liabilities at the direction of the entrustors and receives fee income for the services provided. The entrusted assets are not the assets of the Group and are not recognised in the statement of financial position.

	30 June 2026	*31 December 2025*
Entrusted loans	60,144	76,058
Entrusted funds	60,144	76,058

III Notes to the unaudited condensed consolidated financial statements (continued)

50 Commitments and contingent liabilities

(a) Credit commitments

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

Loan commitments and credit card commitments represent the undrawn amount of approved loans with signed contracts and credit card limits. The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

	30 June 2026	*31 December 2025*
Loan commitments		
- Original contractual maturity within one year	29,564	26,184
- Original contractual maturity more than one year (inclusive)	122,310	132,826
Credit card commitments	538,013	529,902
Subtotal	689,887	688,912
Acceptances	721,168	699,827
Letters of guarantee	105,632	108,689
Letters of credit	190,054	190,083
Guarantees	180	180
Total	1,706,921	1,687,691

The Group may be exposed to credit risk in all the credit businesses above. The Group management periodically assesses the estimated credit risk and makes provision for any expected credit losses. As the facilities may expire without being drawn upon, the total contractual amounts shown above is not representative of expected future cash outflows.

III Notes to the unaudited condensed consolidated financial statements (continued)

(b) Credit risk-weighted assets of credit commitments

	30 June 2026	*31 December 2025*
Credit risk-weighted assets of credit commitments	450,254	456,070

As at 30 June 2026 and 31 December 2025, the credit risk-weighted assets of credit commitments represents the amount calculated with reference to the "Regulation Governing Capital of Commercial Banks". The risk weights are determined in accordance with the credit status of the counterparties, the maturity profile and other factors.

(c) Capital commitments

As at the end of the reporting period, the Group's authorised capital commitments are as follows:

	30 June 2026	*31 December 2025*
Contracted but not paid		
- Purchase of property and equipment	8,601	8,398
Approved but not contracted for		
- Purchase of property and equipment	4,858	5,685
Total	13,459	14,083

III Notes to the unaudited condensed consolidated financial statements (continued)

(d) Underwriting and redemption commitments

The Group has no unexpired commitments for underwriting bonds as at the end of the reporting period.

As an underwriting agent of the PRC government bonds, the Group has the responsibility for buying back those bonds it previously sold should the holders decide to make an early redemption of the bonds held. The redemption price for a bond at any time before its maturity date is based on the coupon value plus any interest unpaid and accrued up to the redemption date. Accrued interest payable to the bond holders is calculated in accordance with the relevant MOF and PBOC rules. The redemption price may be different from the fair value of similar financial instruments traded at the redemption date.

As at the end of the reporting period, the underwritten, sold and immature national bonds' redemption commitments at nominal value are as follows:

	30 June 2026	*31 December 2025*
Redemption commitments	3,190	3,250

(e) Outstanding litigations and disputes

As at 30 June 2026, the Group was the defendant or the third party in certain pending litigation and disputes with gross claims of RMB 1,845 million (31 December 2025: RMB 1,658 million). Provisions have been made for the estimated losses from such litigations based upon the opinions of the Group's internal and external legal counsels (Note III 33). The Group considers that the provisions made are reasonable and adequate.

51 Subsequent Events

On 28 August 2026, the Board Meeting declared interim cash dividend in 2026 to all ordinary shareholders of RMB4,786 million (tax inclusive), representing RMB0.81 (tax inclusive) per 10 shares. The distribution plan will be submitted to the Annual General Meeting of Shareholders for approval.

52 Comparative Figures

Certain comparative figures in the notes have been adjusted to conform with changes in disclosures in current period.

The information set out below does not form part of the consolidated financial statements, and is included herein for information purposes only.

1 Liquidity Coverage Ratio, Liquidity Ratio and Net Stable Funding Ratio

Liquidity Coverage Ratio

As stipulated by the Rules issued by NFRA on Liquidity Risk Management of Commercial Banks, commercial banks' liquidity coverage ratio ("LCR") should reach 100% by the end of 2018. During the transition period, the LCR should be no lower than 90%. Eligible commercial banks are encouraged to fulfil the requirements in advance, and banks with LCR already reaching 100% are encouraged to continuously maintain it at 100% or above.

	30 June 2026	*31 December 2025*
Liquidity coverage ratio	156.70%	143.11%
High Quality Liquid Assets	1,108,864	982,358
Net cash outflows in 30 days from the end of the reporting period	707,633	686,419

Liquidity Ratio*

	As at 30 June 2026	*Average for the six months ended 30 June 2026*	*As at 31 December 2025*	*Average for the year ended 31 December 2025*
RMB current assets to RMB current liabilities	85.45%	83.11%	83.74%	79.10%
Foreign current assets to foreign current liabilities	82.48%	90.87%	102.62%	94.38%

* Liquidity ratio is calculated in accordance with the banking level.

The above liquidity coverage ratio are calculated in accordance with the formula promulgated by the NFRA and based on the financial information prepared in accordance with PRC GAAP.

1 Liquidity Coverage Ratio, Liquidity Ratio and Net Stable Funding Ratio (continued)

Net Stable Funding Ratio

The net stable fund ratio is designed to ensure that commercial banks have sufficient sources of stable funding to meet the demand for stable funds for various assets and off-balance sheet exposures. The Measures for the Administration of Liquidity Risk of Commercial Banks stipulate that since 1 July 2018, the minimum regulatory standard for the net stable fund ratio is no less than 100%.

The calculation formula of net stable funding ratio is as follows:

Net stable funding ratio = available and stable funds/required stable funds*100%

As at 30 June 2026, the Group met the supervision requirement with the net stable funding ratio standing at 107.42% .

Indicators	*30 June 2026*
Available and stable funds	4,127,079
Required stable funds	3,841,976
Net stable funding ratio	107.42%

2 Currency concentrations

	30 June 2026			
	USD (RMB equivalent)	*HKD (RMB equivalent)*	*Others (RMB equivalent)*	*Total (RMB equivalent)*
Spot assets	188,320	52,549	94,434	335,303
Spot liabilities	(216,077)	(56,076)	(46,526)	(318,679)
Forward purchases	204,697	11,947	31,329	247,973
Forward sales	(237,399)	(16,085)	(58,315)	(311,799)
Net (short)/long position	(60,459)	(7,665)	20,922	(47,202)
Net structural position	-	303	157	460

2 Currency concentrations (continued)

	31 December 2025			
	USD (RMB equivalent)	*HKD (RMB equivalent)*	*Others (RMB equivalent)*	*Total (RMB equivalent)*
Spot assets	183,752	59,489	90,674	333,915
Spot liabilities	(222,795)	(38,015)	(52,029)	(312,839)
Forward purchases	165,498	9,986	198,231	373,715
Forward sales	(155,654)	(17,649)	(200,221)	(373,524)
Net (short)/long position	(29,199)	13,811	36,655	21,267
Net structural position	-	324	167	491

The net structural position of the Group includes the structural positions, denominated in foreign currency, of the Bank's Hong Kong, Seoul, Luxembourg, Sydney and Macao branches. Structural assets mainly include property and equipment.

3 Gross amount of overdue loans and advances

(a) By geographical segment

	30 June 2026	*31 December 2025*
Pearl River Delta	16,189	14,120
Yangtze River Delta	8,788	6,317
Central	7,323	5,572
Bohai Rim	4,316	5,309
Northeastern	6,106	4,059
Western	4,299	3,800
Head Office	9,105	8,599
Overseas	641	2,220
Total	56,767	49,996

The above analysis includes loans and advances overdue for more than 90 days. Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

3 Gross amount of overdue loans and advances (continued)

(b) By overdue day

	30 June 2026	*31 December 2025*
Loans and advances which have been overdue with respect to either principal or interest for periods of:		
- between 3 and 6 months (inclusive)	15,678	13,658
- between 6 months and 1 year (inclusive)	12,060	11,318
- over 1 year	29,029	25,020
Total	56,767	49,996
As a percentage of loans and advances		
- between 3 and 6 months (inclusive)	0.38%	0.34%
- between 6 months and 1 year (inclusive)	0.30%	0.29%
- over 1 year	0.71%	0.63%
Total	1.39%	1.26%

The above analysis includes loans and advances overdue for more than 90 days. Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

(c) Collateral of loans and advances past due but not impaired

	30 June 2026	*31 December 2025*
Covered portion of loans and advances past due but not impaired	14,755	16,085
Uncovered portion of loans and advances past due but not impaired	19,783	20,833
Total loans and advances past due but not impaired	34,538	36,918
Current market value of collateral	28,835	37,584

4 Restructured loans and advances to customers

	30 June 2026	*31 December 2025*
Restructured loans and advance to customers	24,019	24,755
Of which: Restructured loans and advances to customers overdue more than 90 days	2,346	2,025

5 Non-bank Chinese Mainland exposure

The Bank is a commercial bank incorporated in the PRC with its banking business conducted in Chinese Mainland. As at 30 June 2026, substantial amounts of the Group's exposures arose from businesses with Chinese Mainland entities or individuals.