



2026

Interim Report



Postal Savings Bank of China Co., Ltd.
(A joint stock limited liability company
incorporated in the People's Republic of China)
Stock Code: 1658

1 Total assets reached RMB19.82 trillion, an increase of 6.07% over the prior year-end.

2 Total liabilities reached RMB18.62 trillion, an increase of 6.26% over the prior year-end.

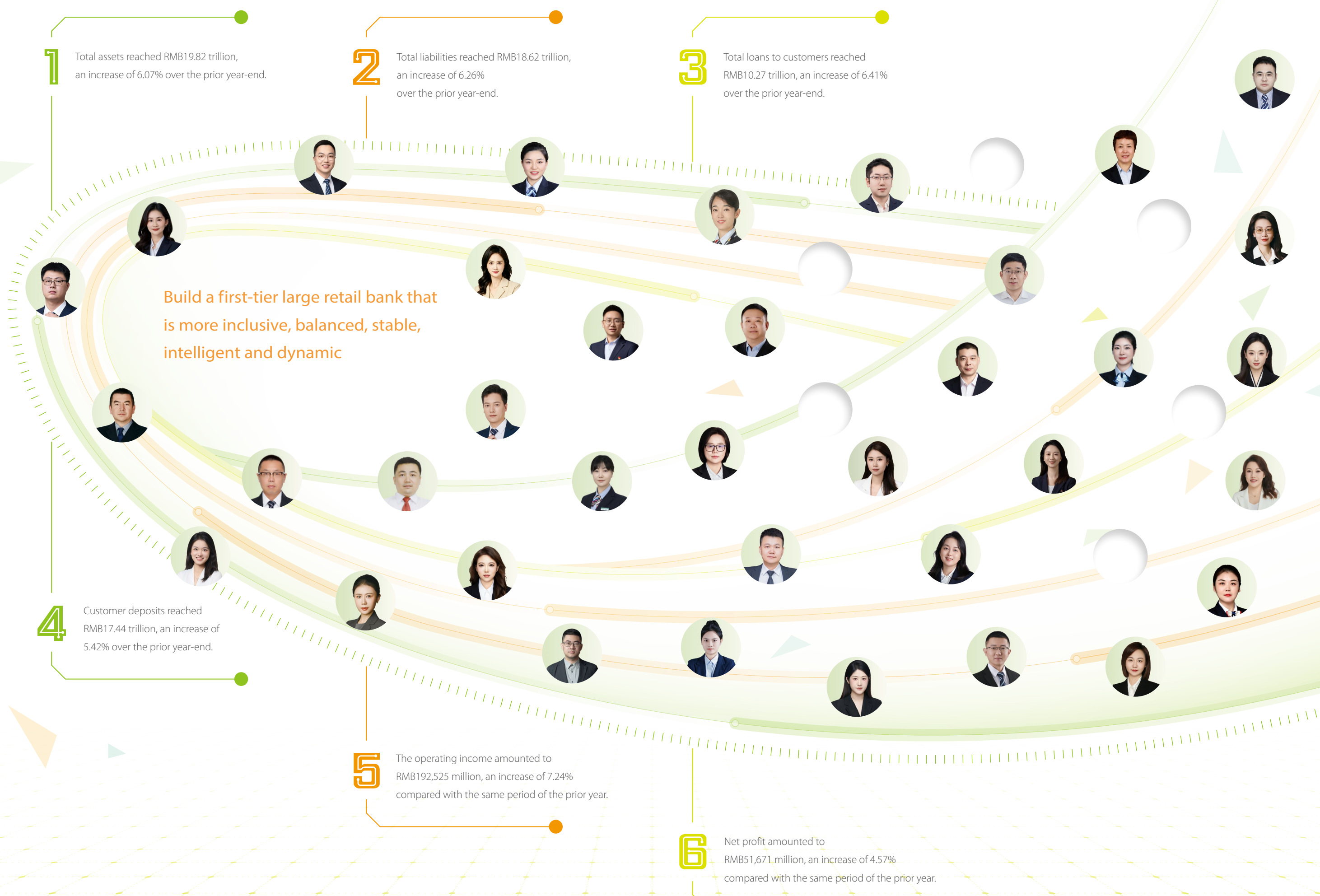
3 Total loans to customers reached RMB10.27 trillion, an increase of 6.41% over the prior year-end.

Build a first-tier large retail bank that is more inclusive, balanced, stable, intelligent and dynamic

4 Customer deposits reached RMB17.44 trillion, an increase of 5.42% over the prior year-end.

5 The operating income amounted to RMB192,525 million, an increase of 7.24% compared with the same period of the prior year.

6 Net profit amounted to RMB51,671 million, an increase of 4.57% compared with the same period of the prior year.



Important Notice

The Board of Directors, Directors and the senior management of the Bank undertake that the information in this report is true, accurate and complete and contains no false records, misleading statements or material omissions, and they assume individual and joint legal liabilities for such information.

The 2026 interim report, highlights and results announcement were reviewed and approved at the meeting of the Board of Directors of the Bank held on August 28, 2026. The number of Directors who should attend the meeting is 15, among which 14 Directors attended the meeting in person. Director Yang Yong, due to other work arrangements, designated Director Tang Zhihong in writing as his proxy to attend the meeting and vote on his behalf. The attendance was in compliance with the requirements of the Company Law of the People's Republic of China and the Articles of Association.

With the approval of the Shareholders' General Meeting, the Bank distributed the interim cash dividend for 2025 to all the ordinary shareholders whose names appeared on the share register on the record date in January and February 2026, and the final cash dividend for 2025 to all the ordinary shareholders whose names appeared on the share register on the record date in July and August 2026. The total cash dividend for the whole year of 2025 amounted to approximately RMB26,217 million (before tax), or RMB2.183 per ten shares (before tax). The Bank did not convert capital reserve to share capital in 2025.

The Board of Directors of the Bank proposed distributing an interim cash dividend on ordinary shares for the year 2026 of RMB1.330 per ten shares (before tax), with the total cash dividend amounting to approximately RMB15,973 million (before tax). The record date for the distribution of 2026 A-share and H-share interim cash dividends is expected to be December 10, 2026. The A-share dividend is expected to be paid on December 11, 2026, and the H-share dividend is expected to be paid on January 22, 2027. This distribution plan is subject to the approval of the Shareholders' General Meeting.

During the reporting period, there was no appropriation of the Bank's funds by its controlling shareholder or other related parties for non-operating purposes and no case in which the Bank provided material guarantees in violation of the prescribed decision-making procedures.

The 2026 interim financial report prepared by the Bank in accordance with PRC GAAP and IFRSs has been reviewed by KPMG Huazhen LLP and KPMG in accordance with the Chinese and international standards on review engagements, respectively.

The Board of Directors of Postal Savings Bank of China Co., Ltd.
August 28, 2026

Mr. Zheng Guoyu, Legal Representative, Mr. Xu Xueming, Vice President in charge of finance, and Ms. Deng Ping, General Manager of Finance and Accounting Department of the Bank, hereby declare and warrant the truthfulness, accuracy and completeness of the financial statements contained in this report.

This report contains forward-looking statements regarding the Bank's financial position, business performance and development. These statements are based on existing plans, estimates and forecasts and may involve future plans which do not constitute any substantive commitments to investors by the Bank. Hence, investors and other relevant persons shall be fully aware of the risks and understand the difference among plans, forecasts and commitments.

During the reporting period, the Bank did not identify any material risk that would adversely affect its future development strategies and business targets. The Bank proactively took measures to effectively manage various risks. Please refer to "Discussion and Analysis – Risk Management" for details.

This report is prepared in both Chinese and English. In case of discrepancy between the two versions, the Chinese version shall prevail.

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Definitions

“Articles of Association”	The Articles of Association of Postal Savings Bank of China Co., Ltd., as amended, supplemented or otherwise modified from time to time
“Bank/PSBC/Postal Savings Bank of China”	Postal Savings Bank of China Co., Ltd., a joint stock limited liability company established in the PRC in accordance with PRC laws, including its predecessors, branches and sub-branches, directly-operated outlets and agency outlets (to the extent of agency outlets’ operations, risk management and licenses in relation to agency banking businesses they conduct) and subsidiaries (where the context so requires)
“Capital Rules”	Rules on Capital Management of Commercial Banks and other related regulations
“central bank/PBOC”	People’s Bank of China
“China Post Group”	China Post Group Corporation Limited, a wholly state-owned company restructured from the former China Post Group Corporation in accordance with the Company Law of the People’s Republic of China, is the controlling shareholder of the Bank
“CSRC”	China Securities Regulatory Commission
“Group”	The Bank and its subsidiaries
“HKEX”	Hong Kong Exchanges and Clearing Limited
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRSs”	International Financial Reporting Standards and the related amendments and interpretations issued by the International Accounting Standards Board
“Latest Practicable Date”	August 28, 2026, being the latest practicable date prior to the printing of this report for ascertaining certain information contained herein
“MOF”	Ministry of Finance of the PRC
“NFRA/former CBIRC/former CBRC”	National Financial Regulatory Administration or its predecessors, i.e. the former China Banking and Insurance Regulatory Commission, or the former China Banking Regulatory Commission (where the context so requires)
“PRC GAAP”	The Accounting Standards for Business Enterprises issued by the MOF on February 15, 2006, and other related regulations issued thereafter
“PSBC Consumer Finance”	PSBC Consumer Finance Co., Ltd.
“PSBC Investment”	PSBC Financial Asset Investment Co., Ltd.
“PSBC Wealth Management”	PSBC Wealth Management Co., Ltd.
“Sannong”	Agriculture, rural areas and farmers
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“SMEs”	Enterprises classified as micro, small and medium-sized enterprises under the Classification Standards of Small and Medium Enterprises
“SSE”	Shanghai Stock Exchange
“SSE Listing Rules”	Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as amended, supplemented or otherwise modified from time to time

The currency for the amounts included in this report, unless otherwise stated, is Renminbi (“RMB”).

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Company Profile



The postal savings business in China can be traced back to its start in 1919 with a development history of over one hundred years. In March 2007, based on the reform of the previous postal savings management system, Postal Savings Bank of China Limited was officially established. The Bank was transformed into a joint stock limited liability company in January 2012. It went public and was listed on the Hong Kong Stock Exchange in September 2016, and was listed on the SSE in December 2019.

The Bank is a leading large-scale retail bank in China and remains committed to its positioning of serving Sannong customers, urban and rural residents, and SMEs. Relying on its unique model and resource endowment featuring directly-operated outlets and agency outlets, it keeps improving its financial service system where online and offline services interconnect for joint development, and is committed to providing comprehensive financial services to the most promising customers during China's economic transformation. As at the end of the reporting period, the Bank had nearly 40,000 outlets and served over 680 million personal customers, continuing to maintain excellent asset quality and an increasingly prominent market presence.

The Bank gains a profound understanding of the political and people-oriented nature of financial work, thoroughly implements national strategies, and continues to enhance its quality and efficiency in serving the real economy. It adheres to the customer-centric philosophy and attaches great importance to creating value for customers. The Bank has pressed ahead with the “five priorities” of technology finance, green finance, inclusive finance, pension finance, and digital finance, and accelerated the upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development. It strives to build a first-tier large retail bank that is more inclusive, balanced, stable, intelligent and dynamic, and break new ground for high-quality development.



Nearly
40,000 outlets



Over 680 million
personal customers

Strategic Positioning and Corporate Culture

Strategic Vision

Build a first-tier large retail bank which is trustworthy, distinctive, prudent, safe, innovative, and with remarkable value

Strategic Objectives

Empower high-quality development with financial technology, accelerate transformation of business models, build an intelligent risk control framework, and enhance value creation capabilities to be a leading digital ecosystem-based bank serving the rural revitalization and new urbanization

Mission

Deliver accessible financial services in both urban and rural areas

Values

Create value for customers
Integrity is the cornerstone of our development
Prudence leads to sustainability
Employees are our greatest asset
Excellence comes through professionalism
Embrace change and keep innovating

Company Spirit

Be responsible, resilient and caring

Brand Premise

Together we make it better

Company Philosophies

Management philosophy: Keep it simple and reduce administrative burden
Business philosophy: Gain a first-mover advantage with market insights
Risk philosophy: Prudence and compliance lead to stability and risk control is the key to sustainable development

Service philosophy: Devote our heart and soul to customer satisfaction
Talent philosophy: Respect the value of employees, tap their potential and bring them closer to their dreams
Coordination philosophy: See the bigger picture, act with one mind and make progress toward a shared future





Write PSBC's Chapter of Contributing to the "Five Priorities" of the Financial Sector



Leverage the "Four Core Advantages"



Differentiated advantage in serving rural revitalization based on resource endowment

Develop the "Four Core Competitiveness"



Capability for synergistic development across multiple business models

Synergistic advantage based on the "asset-liability, corporate-retail, and credit" linkage of the Bank, as well as the "four-in-one" integrated flows of business, goods, funds and information of China Post Group

Distinctive capability in rural financial services

Ecosystem advantage based on multiple business models and business segments

Risk management capability for steady and sustained progress

Fintech advantage that is not only on a par with others but also demonstrates leadership in specific sectors

Technological innovation capability driving the growth and competitiveness of the Bank

Excel in technology finance

Building an emerging force in technology finance

- The balance of technology loans increased by over **16%** from the prior year-end.
- The growth rate of technology loans outpaced the average growth rate of the Bank's various loans.

Specialize in green finance

Acting as a pioneer in green finance

- The balance of green loans amounted to **RMB 1,096,396 million**.
- an increase of **8.95%** from the prior year-end
- The growth rate of green loans outpaced the average growth rate of the Bank's various loans for several consecutive years.

Enhance inclusive finance

Building a main force in serving rural revitalization and a benchmark in delivering inclusive finance

- The balance of agriculture-related loans amounted to **RMB 2.66 trillion**.
- The balance of inclusive loans to micro and small-sized enterprises (MSEs) amounted to **RMB 1.91 trillion**.
- Both of their proportions to the total loans to customers ranked at the forefront among major state-owned banks.

Deliver caring pension finance

Building a heartwarming pension finance bank

- The Bank served over **314 million** middle-aged and elderly customers.
- The scale of pension finance exceeded **RMB 3.8 trillion**.

Strengthen digital finance

Building a digital ecosystem-based bank

- The number of monthly active users (MAUs) of mobile banking exceeded **98 million**.
- The Bank introduced the "Youzhi (PSBC Intelligence)" financial industry large language model (LLM).

Corporate Information

Legal name in Chinese	中國郵政儲蓄銀行股份有限公司 (“中國郵政儲蓄銀行”)
Legal name in English	POSTAL SAVINGS BANK OF CHINA CO., LTD. (“PSBC”)
Legal representative	Zheng Guoyu
President	Lu Wei
Authorized representatives	Yao Hong, Du Chunye
Secretary to the Board of Directors	Du Chunye Address: No. 3 Financial Street, Xicheng District, Beijing Telephone: 86-10-68858158 Fax: 86-10-68858165 E-mail: psbc.ir@psbcoa.com.cn
Registered address and place of business	No. 3 Financial Street, Xicheng District, Beijing
Principal place of business in Hong Kong	40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wan Chai, Hong Kong
Contacts for investors	Postal code: 100808 Telephone: 86-10-68858158 Fax: 86-10-68858165 E-mail: psbc.ir@psbcoa.com.cn Websites: www.psbcltd.cn, www.psbc.com
Hotline for customer services and complaints	86-95580
Information disclosure media	China Securities Journal (www.cs.com.cn), Shanghai Securities News (www.cnstock.com), Securities Times (www.stcn.com), Securities Daily (www.zqrb.cn)
Interim report available at	Office of the Board of Directors of the Bank No. 3 Financial Street, Xicheng District, Beijing

Unified social credit code	9111000071093465XC
A-share listing place, stock name, stock code and website for report publication	Stock exchange on which shares are listed: Shanghai Stock Exchange Stock name: 郵儲銀行 Stock code: 601658 Share registrar: China Securities Depository and Clearing Corporation Limited, Shanghai Branch 188 Yanggao South Road, Pudong New Area, Shanghai Website of SSE for report publication: www.sse.com.cn
H-share listing place, stock name, stock code and website for report publication	Stock exchange on which shares are listed: The Stock Exchange of Hong Kong Limited Stock name: PSBC Stock code: 1658 Share registrar: Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong Website of HKEX for report publication: www.hkexnews.hk
Legal advisor as to laws of the Chinese mainland	JunHe LLP
Legal advisor as to laws of Hong Kong, the PRC	Clifford Chance LLP

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

Financial Highlights

The financial data and indicators in this report have been prepared in accordance with the IFRSs. Unless otherwise specified, they are consolidated data of the Bank and its subsidiaries and denominated in Renminbi.

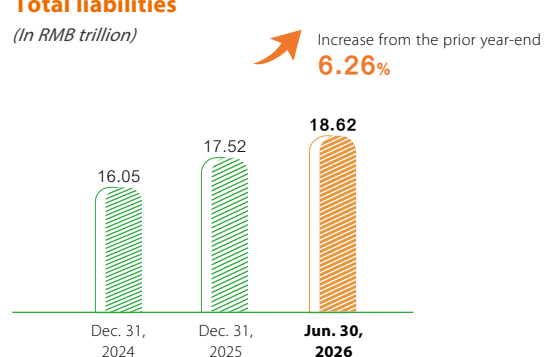
Total assets

(In RMB trillion)



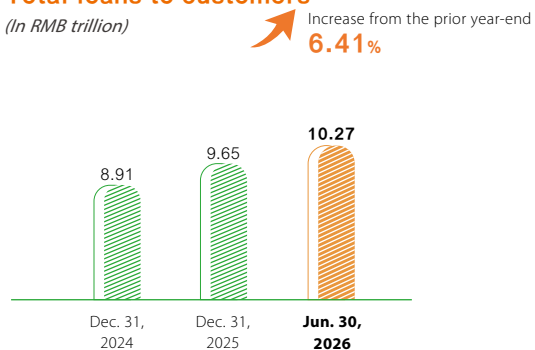
Total liabilities

(In RMB trillion)



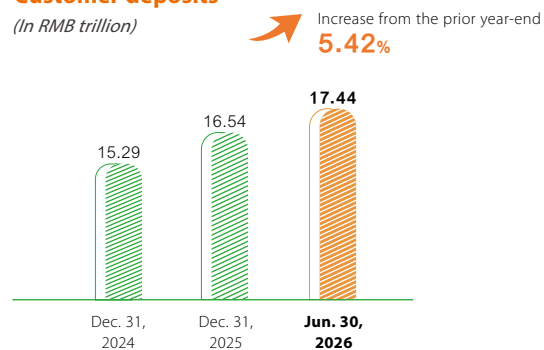
Total loans to customers

(In RMB trillion)



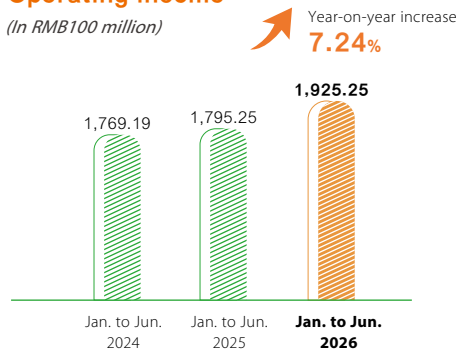
Customer deposits

(In RMB trillion)



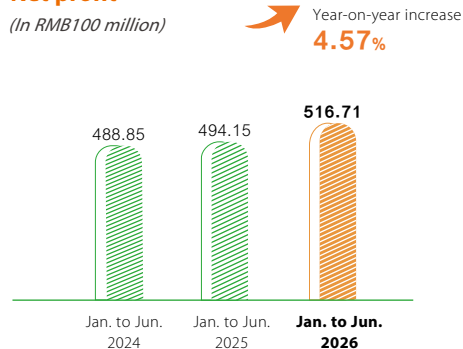
Operating income

(In RMB100 million)



Net profit

(In RMB100 million)



Key Financial Data

In RMB million, unless otherwise stated

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Operating results			
Operating income	192,525	179,525	176,919
Net interest income	147,147	139,058	142,876
Net fee and commission income	18,982	16,918	15,161
Operating expenses	99,009	99,808	107,372
Credit impairment losses	36,029	21,715	16,120
Profit before income tax	57,483	57,998	53,414
Net profit	51,671	49,415	48,885
Net profit attributable to equity holders of the Bank	51,503	49,228	48,815
Net cash flows generated from operating activities	352,514	183,699	130,932
Per share data (in RMB Yuan)			
Basic and diluted earnings per share ⁽¹⁾	0.40	0.43	0.44

Note (1): Calculated in accordance with the Accounting Standards for Business Enterprises No. 34 – Earnings per Share issued by the MOF and the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC. There are no potential diluted ordinary shares of the Bank, so the diluted earnings per share is the same as the basic earnings per share. The impact of other equity instruments is excluded in the calculation of relevant indicators.

Financial Highlights

In RMB million, unless otherwise stated

Item ⁽¹⁾	June 30, 2026	December 31, 2025	December 31, 2024
Data as at the end of the reporting period			
Total assets	19,815,978	18,682,067	17,084,910
Total loans to customers ⁽²⁾	10,266,949	9,648,316	8,913,202
Including: Personal loans	4,907,354	4,844,585	4,771,583
Corporate loans	4,874,658	4,272,975	3,649,163
Discounted bills	484,937	530,756	492,456
Allowance for impairment losses on loans to customers ⁽³⁾	220,308	207,442	229,058
Loans to customers, net	10,046,641	9,440,874	8,684,144
Financial investments ⁽⁴⁾	7,157,007	6,358,153	6,004,127
Cash and deposits with central bank	1,401,888	1,319,171	1,314,703
Total liabilities	18,617,272	17,519,722	16,053,261
Customer deposits ⁽²⁾	17,438,687	16,541,716	15,287,541
Including: Personal deposits	15,185,394	14,691,826	13,628,538
Corporate deposits	2,249,595	1,846,756	1,656,247
Equity attributable to equity holders of the Bank	1,196,339	1,160,146	1,029,669
Net capital	1,468,716	1,384,271	1,244,111
Net Common Equity Tier 1 (CET1) capital	1,038,704	1,003,478	824,191
Net additional tier 1 capital	150,184	150,175	200,141
Net tier 2 capital	279,828	230,618	219,779
Risk-weighted assets	10,346,860	9,533,914	8,617,743
Per share data (in RMB Yuan)			
Net assets per share ⁽⁵⁾	8.71	8.41	8.37

Note (1): In accordance with the relevant regulations under the Notice on Amending the Format of Financial Statements for Financial Enterprises in 2018 (Cai Kuai [2018] No. 36) issued by the MOF, from 2018 onward, the interest on corresponding assets and liabilities is included in the balance of carrying amounts of the financial instruments accordingly, and should no longer be accounted for as separate items of "interest receivable" or "interest payable". The balance of "interest receivable" or "interest payable" listed under "other assets" or "other liabilities" is only interest receivable or interest payable on relevant matured financial instruments but not received nor paid on the balance sheet date.

Note (2): For ease of reference, "loans to customers" refers to "loans and advances to customers" and "customer deposits" refers to "deposits from customers" in this report.

Note (3): Allowance for impairment losses on loans to customers measured at amortized cost.

Note (4): Consists of financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income-debt instruments, financial assets measured at fair value through other comprehensive income-equity instruments, and financial assets measured at amortized cost.

Note (5): Calculated by dividing equity attributable to ordinary shareholders of the Bank at the end of the period by the total number of ordinary shares at the end of the period.

Financial Indicators

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Profitability (%)			
Return on average total assets ⁽¹⁾⁽²⁾	0.54	0.56	0.61
Return on weighted average equity ⁽¹⁾⁽³⁾	9.60	10.91	11.43
Net interest margin ⁽¹⁾⁽⁴⁾	1.63	1.70	1.91
Net interest spread ⁽¹⁾⁽⁵⁾	1.62	1.69	1.89
Net fee and commission income to operating income ratio	9.86	9.42	8.57
Cost-to-income ratio ⁽⁶⁾	50.63	54.80	59.95

Note (1): On an annualized basis.

Note (2): Calculated by dividing net profit by the average of total assets at the beginning and at the end of the reporting period.

Note (3): Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC. The impact of other equity instruments is excluded in the calculation of relevant indicators.

Note (4): Calculated by dividing net interest income by the average balance of interest-earning assets.

Note (5): Calculated by the spread between average yield on interest-earning assets and average cost of interest-bearing liabilities.

Note (6): Calculated by dividing operating expenses (less taxes and surcharges) by operating income.

Item	June 30, 2026	December 31, 2025	December 31, 2024
Asset quality (%)			
Non-performing loan ratio ⁽¹⁾	1.00	0.95	0.90
Allowance to NPLs ratio ⁽²⁾	214.93	227.94	286.15
Allowance to loans ratio ⁽³⁾	2.16	2.17	2.58
Capital adequacy ratio (%)			
CET1 capital adequacy ratio ⁽⁴⁾	10.04	10.53	9.56
Tier 1 capital adequacy ratio ⁽⁵⁾	11.49	12.10	11.89
Capital adequacy ratio ⁽⁶⁾	14.19	14.52	14.44
Risk-weighted assets to total assets ratio ⁽⁷⁾	52.21	51.03	50.44
Total equity to total assets ratio	6.05	6.22	6.04

Note (1): Calculated by dividing the total NPLs by total loans to customers, and the total loans exclude the accrued interest.

Note (2): Calculated by dividing total allowance for impairment losses on loans to customers by total NPLs. Total allowance for impairment losses on loans to customers includes allowance for impairment losses on loans to customers measured at amortized cost and allowance for impairment losses on loans to customers measured at fair value through other comprehensive income.

Note (3): Calculated by dividing total allowance for impairment losses on loans to customers by total loans to customers. The total loans exclude the accrued interest.

Note (4): Calculated by dividing net CET1 capital by risk-weighted assets.

Note (5): Calculated by dividing net tier 1 capital by risk-weighted assets.

Note (6): Calculated by dividing net capital by risk-weighted assets.

Note (7): Calculated by dividing risk-weighted assets by total assets.

Financial Highlights

Other Major Indicators

Item		Regulatory criteria	June 30, 2026	December 31, 2025	December 31, 2024
Liquidity ratio (%) ⁽¹⁾	RMB and foreign currency	≥25	116.05	104.46	94.13
Percentage of loans to the largest single borrower (%) ⁽²⁾		≤10	1.92	2.03	7.98
Percentage of loans to the ten largest borrowers (%)			11.12	11.32	17.55
Loan migration ratio (%)	Normal		0.69	1.31	1.10
	Special mention		19.36	33.26	23.69
	Substandard		80.29	77.61	70.42
	Doubtful		73.79	66.70	70.79

Note (1): Calculated by dividing current assets by current liabilities.

Note (2): Percentage of loans to the largest single borrower = balance of loans to the largest borrower/net capital x 100%. The largest borrower refers to the borrower with the highest balance of loans at the end of the reporting period.

Credit Ratings

Rating Agency	June 30, 2026	2025	2024
S&P Global Ratings	A (Stable)	A (Stable)	A (Stable)
Moody's Investors Service	A1 (Stable)	A1 (Negative)	A1 (Negative)
Fitch Ratings	A (Stable)	A (Stable)	A+ (Negative)
S&P Global (China) Ratings	AAAspc (Stable)	AAAspc (Stable)	AAAspc (Stable)
CCXI	AAA (Stable)	AAA (Stable)	AAA (Stable)

Overview of Operations

Standing at the new starting point of the 15th Five-Year Plan period, the Bank has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and firmly seized the opportunities presented by the innovation-driven and high-quality development of the macroeconomy. Staying focused on its primary responsibilities and core businesses, it has deepened reforms and accelerated innovation-driven transformation. The Bank has stayed on the course of the “Six Upgrades”¹, made major strides in the “Six Critical Battles”², and advanced the “Five Major Initiatives and Seven Major Reforms”³. By coordinating efforts to prevent risks, adjust structures, advance reforms, and strengthen governance, it has continuously enhanced its endogenous capabilities. With these efforts, the Bank has secured a solid start to the 15th Five-Year Plan and accelerated the building of a new development model featuring endogenous balance, well-structured and sound performance, and sustainable development.

Firstly, the business development of the Bank demonstrated sound momentum of steady progress and enhanced quality and efficiency. The Bank strengthened the building of core capabilities and achieved a good start in business development in the first half of the year. The Bank’s total assets, customer deposits and total loans to customers reached new levels of RMB19 trillion, RMB17 trillion and RMB10 trillion, respectively, and the loan-to-deposit ratio rose by 0.54 percentage point. Operating income amounted to RMB192,525 million, an increase of 7.24% year on year, and net profit amounted to RMB51,671 million, an increase of 4.57% year on year, both registering positive growth. The proportion of non-interest income in total operating income rose by 1.03 percentage points, the dual-driver income structure took shape at a faster pace, and development

resilience was continuously enhanced. In the 2026 ranking of Top 1000 World Banks published by The Banker, PSBC entered the top 10 for the first time in terms of tier 1 capital, up two places. In addition, the Bank’s ratings assigned by the three major international rating agencies remained at the leading level among domestic commercial banks.

Secondly, the Bank reinforced proactive adjustments and refined management, and strengthened the interest spread as the “first growth curve”. In terms of credit extension, the Bank proactively aligned itself with the needs of economic transformation and increased its allocation to key sectors such as the “five priorities” of the financial sector and county areas, driving an increase of RMB618,633 million in total loans to customers for the first half of the year, up by 6.41% from the prior year-end. In terms of non-credit business, the Bank increased allocation to instruments with high RAROC (risk-adjusted return on capital) such as government bonds and bond funds. The Bank’s financial investments reached RMB7.16 trillion, up by 12.56% from the prior year-end. Investments in government bonds with high RAROC grew by 24.66% from the prior year-end. On the liability side, the Bank adhered to the dual-driver strategy of “improving deposit quality” and “expanding wealth management business”. It continued to cultivate value deposits, scale up proprietary deposits, and pursue diversified proactive liabilities in a coordinated manner. In the first half of the year, customer deposits increased by RMB896,971 million, up by 5.42% from the prior year-end. Among them, proprietary deposits recorded a year-on-year incremental increase of over RMB100 billion, with newly-added proprietary deposits accounting for a record-high proportion of total new deposits. This drove the deposit interest payment rate down to 0.98%, a decline of 17 basis

1 The “Six Upgrades” refers to the upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development.

2 The “Six Critical Battles” refers to the critical battles of optimizing the asset and liability structure, improving capital quality and efficiency, enhancing revenue quality, strengthening cost control, improving customer management, and enhancing risk control capabilities.

3 The “Five Major Initiatives and Seven Major Reforms” refers to the five major initiatives of serving strong counties and wealthy towns, urban business acceleration, outlet efficiency enhancement, corporate business improvement and comprehensive breakthroughs in mobile banking, as well as the seven major reforms of organizational structure, market service framework, digital and intelligent transformation, risk management framework, operation management framework, incentive mechanism and outlet operations.

Overview of Operations

points from the prior year. The refined management of both assets and liabilities delivered a net interest margin of 1.63%, sustaining an industry-leading level, and net interest income grew by 5.82% year on year, demonstrating steady growth momentum.

Thirdly, the Bank vigorously developed non-interest income as the “second growth curve”, and achieved parallel advancement and integrated development.

Centering on the five growth drivers, namely wealth management, payment and settlement, investment banking, transaction banking, and financial markets, the Bank has built non-interest income into a growth engine of business transformation. The net fee and commission income and net other non-interest income rose by 12.20% and 12.09% respectively. In terms of wealth management business, the Bank kept developing a product shelf with abundant strategies and best-in-class selections to advance the upgrading of customer asset allocation. The number of personal wealth management customers increased by 23.57% from the prior year-end. The number of Fujia customers and above¹ reached 7,476.2 thousand, up by 10.59% from the prior year-end. In terms of payment and settlement, the Bank carried out targeted marketing around consumption demands, realizing an electronic payment transaction volume of RMB3.55 trillion. In terms of investment banking business, the Bank leveraged the capital-light advantage of the business, achieving a year-on-year growth of 16.41% in fee and commission income and a year-on-year growth of 24.70% in bond underwriting and distribution volume. In terms of transaction banking business, the Bank deeply tapped its potential and drove the trading volume of corporate foreign exchange derivatives up by 316.09% year on year. In terms of financial market business, leveraging its distinctive strengths

in interbank finance, the Bank posted non-interest income of RMB1,697 million from bill trading, representing a year-on-year increase of 35.98%. The scale of assets under custody exceeded RMB6.5 trillion, and custody business fee and commission income rose by over 10% year on year.

Fourthly, the Bank concentrated efforts on advancing the “Five Major Initiatives”, and enhanced vitality and strengthened momentum through innovation and transformation.

Targeted measures were implemented in the “Initiative of Serving Strong Counties and Wealthy Towns” to tilt resource allocation toward key sectors, driving a year-on-year increase of county-level revenue contribution from sub-branches in strong counties. The “Initiative of Urban Business Acceleration” was fully advanced, with key urban branches gaining rising market shares in both deposits and loans. The Bank continued to deepen the “Initiative of Outlet Efficiency Enhancement” to accelerate the transformation of outlets into business-integrated, ecosystem-based and intelligent ones, and continuously revitalized outlets and improved outlet efficiency. The Bank improved quality and expanded coverage through the “Initiative of Corporate Business Improvement”. It strengthened GBC-M linkage² and focused on customer expansion via industrial chain ecosystems, realizing improvements in both the quantity and quality of clients. The finance product aggregate (FPA) of corporate clients reached RMB7.94 trillion, an increase of RMB1.15 trillion, or 16.99%, from the prior year-end. The Bank also continued to push forward the “Initiative of Comprehensive Breakthroughs in Mobile Banking”, striving to develop mobile banking into an ecosystem platform of first choice that meets customers’ financial and non-financial needs.

1 Customers with assets of RMB100,000 and above in the Bank are VIP customers of the Bank. Among them, customers with assets of RMB500,000 and above are Fujia customers and above and customers with assets of RMB6 million and above are Dingfu customers.

2 GBC-M linkage refers to creating a scenario-based ecosystem and closed-loop chain serving G-end (Government), B-end (Business), C-end (Customer), and M-end (Merchant) through collaboration.

Fifthly, the Bank continued to pursue efficiency improvement through management and embedded the concept of refined management throughout the entire cost management process. Adhering to an efficiency-oriented approach, the Bank kept cutting ineffective and inefficient expenditures, and reduced operational expenses item by item in the first half of the year. It accelerated the reform of tier-1 branches and tier-1 sub-branches and consolidated the business functions of branches and sub-branches. It continuously advanced the transformation toward centralized operation and deepened centralization reforms in areas such as operations, credit business, and risk control. It accelerated the centralized processing of 26 operational businesses at tier-1 branch level, and eight centralized projects, including retail credit review and approval and corporate account management, started pilot operation. In the first quarter of this year, the Bank again made proactive adjustments to the deposit agency fee rates, promoting the long-term healthy development of its “directly-operated outlets + agency outlets” model. In the first half of the year, the cost-to-income ratio was 50.63%, down by 4.17 percentage points year on year.

Sixthly, the Bank consistently adhered to the fundamental principles of prudent operation, safeguarding the steady and sustained high-quality development. The Bank maintained a prudent and sound risk appetite and continued to advance the development of the risk management framework that covers “all aspects, whole process, all time and all areas”. Centering on asset quality control, the Bank enforced strict eligibility standards, dynamically monitored and mitigated existing risks, and comprehensively elevated the quality and efficiency of asset preservation. The non-performing loan ratio was 1.00% and the allowance to NPLs ratio was 214.93%, with the overall risk status remaining stable and controllable, building a solid safety barrier for the smooth and orderly business operation. The Bank completed the issuance of RMB30 billion of undated capital

bonds and RMB40 billion of tier 2 capital bonds, actively benchmarked against regulatory requirements, and steadily advanced compliance with advanced approaches for capital management. The Bank empowered risk prevention and control with digital technologies to advance business development. In the first half of the year, a total credit of RMB2.66 trillion for 11,186 customers was approved with the “future-oriented” model, up by 10.61% year on year.

The Bank continued to improve the service framework for the “five priorities” of the financial sector, further promoted their integrated development, and continuously consolidated its differentiated competitive advantages in serving the real economy. **Firstly, the Bank enhanced inclusive finance.** In close alignment with the regulatory requirements of “stabilizing lending, optimizing structures, improving quality, and maintaining sustainability”, the Bank intensified efforts in key areas such as rural revitalization and MSEs, and promoted improvements in the quality and efficiency of inclusive financial services. It accelerated product innovation and process re-engineering, optimized and upgraded the “U Benefit” inclusive finance product and service framework, and expanded scenario-based integrated financial services. The Bank’s “Easy Corporate Operation” platform has cumulatively provided digital and intelligent transformation support to more than 200,000 SMEs. The balance of the Bank’s agriculture-related loans was RMB2.66 trillion, and the balance of its inclusive loans to MSEs was RMB1.91 trillion, with both of their shares in the Bank’s total loans maintaining a leading position among the major state-owned banks. **Secondly, the Bank refined technology finance.** It efficiently served new quality productive forces, intensified efforts in research on strategic emerging industries, innovatively applied the “future-oriented” risk control concept, and enriched its full-lifecycle product and service matrix to concentrate efforts on supporting the growth of technology enterprises. The

Overview of Operations

Bank's technology loans grew by over 16% from the prior year-end, outpacing its overall loan growth rate. **Thirdly, the Bank specialized in green finance.** Focusing on multiple dimensions including governance structures, incentives and constraints, product and service innovation, and capacity building, the Bank steadily promoted improvements in the quality and efficiency of green finance, and has cumulatively established 56 specialized green finance institutions, including green finance departments, carbon neutrality sub-branches, green sub-branches, and blue sub-branches. It actively and orderly promoted carbon peaking and carbon neutrality actions among SMEs, and has cumulatively provided carbon accounting services to more than 20,000 corporate clients. The Bank's green loans grew by 14.37% year on year, outpacing the average growth rate of the Bank's various loans. The Bank issued RMB5 billion of carbon neutrality-themed green financial bonds for the first time, and its MSCI ESG rating was upgraded to AAA. **Fourthly, the Bank provided caring pension finance.** The Bank solidly advanced the "5-2-3" integrated marketing framework¹, improved various supporting measures, and continued to support the expansion of elderly care service supply. Offline, it built exemplary pension finance demonstration outlets, which were rolled out across all 36 branches nationwide. Online, it upgraded and established a dedicated pension finance section in its mobile banking app to deliver one-stop solutions for customers. It kept enriching its product matrix to meet customers' personalized and diversified pension investment needs. The scale of the Bank's pension finance exceeded RMB3.8 trillion, and its elderly care industry loans maintained rapid growth. **Fifthly, the Bank strengthened digital finance.** Driven by digital technologies and data factors, the Bank advanced the in-depth digital transformation and steadily enhanced the

quality and efficiency of digital financial services. In the first half of the year, the number of personal wallets opened via the e-CNY app exceeded 37 million, ranking first among peers. The total trading amount processed by the AI trading robot "Youxiaozhu (PSBC Helper)" for money market business and the trader assistant robot exceeded RMB12 trillion. Digital humans were deployed on self-service devices to assist staff with business reviews, improving the manual processing efficiency by 40.00%. The Bank also introduced "Youzhi (PSBC Intelligence)" financial industry LLM. Adhering to the coordinated development philosophy of "business-technology synergy and value orientation", the Bank has built a super-node computing cluster and launched over 370 LLM application scenarios, with the daily average token interactions surpassing 10 billion, continuously driving improvements in business quality and efficiency.

The year 2026 marks a crucial starting year for the implementation of the 15th Five-Year Plan. Closely following the major decisions and plans of the CPC Central Committee, the Bank will target high-quality development and accelerate the transformation of its development model. It will amplify its core strengths, foster and expand new growth drivers, shore up weak links in development, and boost comprehensive strength. Forging ahead with determination and building momentum for leaps forward, the Bank will accelerate the building of a first-tier large retail bank that is more inclusive, balanced, stable, intelligent and dynamic, and strive to write a new chapter of high-quality development during the 15th Five-Year Plan period.

¹ The "5-2-3" integrated marketing framework refers to "five key areas, two strategies, and three types of marketing and service models". The Bank focuses on five key areas, namely health care and wellness travel, integration of medical and elderly care services, institutional elderly care, smart health care and elderly care, and silver product manufacturing; strengthens its client group strategy and regional strategy; and innovatively promotes integrated marketing and service model serving the full-lifecycle of projects, the marketing and service model for the whole industry chain, and the GBC (government, business, customer) linkage marketing and service model.

Initiative of Serving Strong Counties and Wealthy Towns

Following the principle of "market orientation, category-specific policies, holistic planning, and phased implementation", the Bank adopts differentiated development strategies tailored to local conditions, and promotes breakthroughs in key regions and drives the development of surrounding regions with greater resource input and more effective measures.



Initiative of Urban Business Acceleration

The Bank establishes six special task forces covering wealth management, consumer finance, inclusive finance and technology finance, industrial park finance, trade finance, as well as investment banking and interbank businesses, advances the "task forces – urban branches" matrix management model, and implements tailored industrial policies and enhances resource support for key urban branches based on regional endowments to continuously improve the competitiveness of urban branches.

Initiative of Comprehensive Breakthroughs in Mobile Banking

The Bank takes mobile banking as the core online gateway, and vigorously advances seven major breakthrough initiatives in experience, scenarios, products, operations, channel collaboration, digital intelligence, and risk control. It promotes customer acquisition through traffic acquisition, scenario embedding, channel linkage, data consolidation, and service interoperability, provides customers with enhanced experience, realizes seamless and intelligent risk control, and forges a new paradigm for digital customer operations, aiming to develop mobile banking into an ecosystem platform of first choice that meets customers' financial and non-financial needs.

Initiative of Corporate Business Improvement

Based on a tiered and categorized approach, the Bank deepens targeted services for institutional customers, medium and large-sized customers, and small business customers. With chain-based customer acquisition as the main task, the Bank builds the "5U Smart Finance" and supply chain finance ecosystem. With product portfolios and scenario-based finance as key drivers, it launches platforms such as the "PSBC Financial Management+", making every effort to promote high-quality customer acquisition.

Initiative of Outlet Efficiency Enhancement

The Bank continuously promotes the transformation of outlets into business-integrated, ecosystem-based and intelligent ones, gives full play to its resource advantages including broad customer coverage, deep outlet penetration and abundant collaborative resources, and continuously revitalizes outlets and improves outlet efficiency. It strives to build outlets into new benchmarks with leading social value, significant competitive advantage, outstanding operational efficiency, lean and intelligent management, and excellent service experience.

Reform of Organizational Structure

The Bank explores and optimizes traditional management models and establishes an organizational structure compatible with market competition, efficient operations, and the first-class modern banking governance framework.

Reform of Market Service Framework

The Bank upholds a market-oriented and customer-centric approach, focuses on key elements such as products, channels, marketing and collaboration, keeps pace with market developments, identifies and meets customer needs, and provides comprehensive services for customers.

Reform of Digital and Intelligent Transformation

Focusing on enhancing customer service quality and improving internal management efficiency and driven by data resources and intelligent technologies, the Bank advances the reform tasks in seven major areas, namely channel service, customer service, product service, risk management, operation management, internal management, and financial technology, to build a digital and intelligent service ecosystem that supports high-quality growth.

Seven Major Reforms



Reform of Outlet Operations

The Bank advances outlet operations reform and the "Initiative of Outlet Efficiency Enhancement" in an integrated manner, continuously strengthens outlet reform, and further enhances the competitiveness, value creation, and customer service capabilities of outlets.

Reform of Incentive Mechanism

The Bank adheres to the principle of emphasizing solid work, strengthens positive incentives, stimulates the internal driving force for dedication and innovation, truly lightens the burden on grassroots-level institutions, and fully mobilizes development enthusiasm.

Reform of Operation Management Framework

The Bank adheres to the approach of comprehensive advancement and key breakthroughs, focuses on the two major fronts of outlets and operation centers, further promotes professional, digital and intelligent, and refined development, and strives to build industry-leading operation management capabilities.

Reform of Risk Management Framework

The Bank improves the organizational structure of risk and compliance management, strengthens the accountability for comprehensive risk management, builds a digital and intelligent risk control platform, develops PSBC's distinctive competitive edge in risk management with a focus on centralization, standardization, refinement and specialization, and strives to safeguard high-quality development with high-level security.

1 "5U Smart Finance" refers to the digital and intelligent integrated service framework encompassing U-Chain, U-L/C, U-L/G, U-Acceptance, and U-Remittance.

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Environment and Prospect

In the first half of 2026, global economic growth lacked momentum, geopolitical conflicts and economic and trade frictions occurred frequently, and global inflation rose to some extent. The central banks of major economies trended towards adjusting their monetary policies, and some emerging economies shifted towards interest rate hikes or leaned towards tightening their monetary policies, generating spillover effects on global financial markets.

China adopted more proactive and effective macroeconomic policies, the economy witnessed a shift toward new growth drivers and a more optimized structure, and the development resilience continued to be demonstrated. Financial aggregates maintained reasonable growth, the overall social financing costs remained at a low level, and the credit structure continued to improve. China's banking sector maintained sound operation with moderate growth in total assets. Financial services were continuously strengthened, asset quality remained generally stable, and the risk absorption capability remained adequate overall.

Looking ahead to the second half of the year, the international landscape will remain complex and volatile, and the foundation for the steady growth of domestic economy will require further consolidation. Nevertheless, the momentum underpinning China's high-quality development will continue to gather steam, and the

fundamental support for its positive long-term outlook will become more solid. China will continue to adhere to the general principle of pursuing progress while ensuring stability, and fully and faithfully apply the new development philosophy on all fronts. It will move faster to foster a new pattern of development, accelerate the transition to new growth drivers, and strengthen counter-cyclical regulation. China will implement a more proactive fiscal policy and an appropriately accommodative monetary policy, step up efforts to expand domestic demand and optimize supply, bolster development momentum and boost the vitality of society, and drive the economy to sustain innovation-driven and high-quality growth. The banking sector will keep enhancing its capacity to serve the real economy, strengthen financial support for key areas such as boosting domestic demand, planning and developing the six major infrastructure networks, developing the modernized industrial system, and pursuing scientific and technological innovation, and ensure that no systemic financial risks arise.

The Bank will unwaveringly take the "Eight Adherences" as its fundamental guideline, anchor the goal of providing services to boost China's strength in finance, comprehensively advance risk prevention, structural adjustment, reform deepening, and governance strengthening, improve the quality and efficiency of business operation and development, and make greater contributions to securing a good start for the 15th Five-Year Plan.





Firstly, the Bank will adhere to its positioning and strengthen its primary responsibilities and core businesses. It will focus on serving national strategies, and enhance the alignment of financial supply with economic transformation following strategic directions such as the “five priorities” of the financial sector, the development of a modernized industrial system, and the growth of new quality productive forces. Centering on the foundation of Sannong business, the Bank will fully leverage the unique advantage of China Post Group’s “four-in-one” integrated flows and build a distinctive Sannong financial service model. Focusing on capacity expansion and quality improvement in the service sector, the Bank will devote greater efforts to key areas such as logistics finance and supply chain finance. To boost consumption growth, the Bank will seize opportunities arising from coordinated fiscal and financial policies, and target four major consumption scenarios including large-ticket, daily, online, and business-district consumption to drive consumption.

Secondly, the Bank will optimize structures and improve the quality and efficiency of business operations. It will optimize its income structure, and consolidate the foundation of deposit and loan business. It will expand and strengthen the interest spread as the “first growth curve”, and vigorously develop wealth management, payment and settlement, investment banking, transaction banking and financial market businesses to foster and expand non-interest income as the “second growth curve”. It will optimize its customer structure, focusing on expanding mid- to high-end, urban and young customer groups among personal customers, expanding corporate clients who choose the Bank as their primary bank, as well as strategic clients and institutional clients, and intensifying refined management of interbank clients. It will optimize its regional structure and allocate resources in a differentiated manner.

Thirdly, the Bank will pursue reform and innovation to activate endogenous momentum. It will further advance the “Five Major Initiatives and Seven Major Reforms” in depth, press ahead with the “Six Upgrades” development, enhance capabilities and strengthen management through systematic measures, and remove institutional and mechanism obstacles constraining development. It will reform its organizational setup, establish a more professional organizational structure, and improve operational efficiency of the organization. It will improve performance appraisal and distribution mechanisms to invigorate business development. It will implement the requirement of “keeping belts tightened”, improve refined management, strengthen cost control, and fully tap potential to boost efficiency and performance.

Fourthly, the Bank will prevent and control risks and fortify the risk control defense line. It will control incremental risks, monitor variables, and resolve existing risks to win the critical battle of strengthening asset quality. It will optimize its risk management architecture, advance the reform of its risk management framework in an orderly manner, and continuously enhance intelligent risk control capabilities. The Bank will strengthen the development of a long-term internal control and compliance mechanism, fortify the defense line for compliant operations, strengthen consumer rights protection, and improve the effectiveness of money laundering risk management.

Analysis of Financial Statements

During the reporting period, the Bank adhered to the concept of high-quality development, stayed on the course of the “Six Upgrades”, advanced the “Five Major Initiatives and Seven Major Reforms”, and remained committed to stabilizing growth, adjusting structure, cutting costs, and forestalling risks, thereby maintaining a steady and positive development momentum.

Firstly, the Bank achieved steady growth in business scale. The Bank remained committed to its fundamental role of serving the real economy, continuously optimized its asset and liability structure, and effectively improved the efficiency of resource allocation. As at the end of the reporting period, the Bank's total assets reached RMB19.82 trillion, an increase of 6.07% over the prior year-end, of which total loans to customers amounted to RMB10.27 trillion, an increase of 6.41% over the prior year-end. Total liabilities reached RMB18.62 trillion, an increase of 6.26% over the prior year-end, of which customer deposits reached RMB17.44 trillion, an increase of 5.42% over the prior year-end.

Secondly, the Bank maintained stable profitability. The Bank accelerated business transformation and upgrading, continuously consolidated the interest spread as the “first growth curve”, vigorously expanded non-interest income as the “second growth curve”, and drove steady improvement in comprehensive income. During the reporting period, the Bank's operating income amounted to RMB192,525 million, an increase of 7.24% compared with the same period of the prior year. Specifically, net interest income was RMB147,147 million, an increase of 5.82% compared with the same period of the prior year; the net non-interest income amounted to RMB45,378 million, an increase of 12.14% compared with the same period of the prior year. The net profit amounted to RMB51,671 million, an increase of 4.57% compared with the same period of the prior year.

Thirdly, the Bank's asset quality remained stable and controllable. The Bank focused on strengthening the risk management framework that covers “all aspects, whole process, all time and all areas”, reinforced forward-looking prevention and control, strictly enforced eligibility standards, enhanced dynamic monitoring, and actively resolved existing risks, with the risk profile remaining stable and under control. As at the end of the reporting period, the non-performing loan ratio was 1.00% and allowance to NPLs ratio was 214.93%.

Analysis of Income Statement

During the reporting period, the Bank recorded a net profit of RMB51,671 million, representing a year-on-year increase of RMB2,256 million or 4.57%.

Changes of Key Items in the Income Statement

In RMB million, except for percentages

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025	Increase/ (decrease)	Change (%)
Net interest income	147,147	139,058	8,089	5.82
Net fee and commission income	18,982	16,918	2,064	12.20
Net other non-interest income	26,396	23,549	2,847	12.09
Operating income	192,525	179,525	13,000	7.24
Less: Operating expenses	99,009	99,808	(799)	(0.80)
Credit Impairment Losses	36,029	21,715	14,314	65.92
Impairment losses on other assets	4	4	–	–
Profit before income tax	57,483	57,998	(515)	(0.89)
Less: Income tax expense	5,812	8,583	(2,771)	(32.28)
Net profit	51,671	49,415	2,256	4.57
Net profit attributable to equity holders of the Bank	51,503	49,228	2,275	4.62
Net profit attributable to non-controlling interests	168	187	(19)	(10.16)

Net Interest Income

The Bank continuously optimized asset and liability allocation, strengthened refined pricing management, and achieved steady growth in net interest income. During the reporting period, the net interest income amounted to RMB147,147 million, representing an increase of RMB8,089 million, or 5.82% compared with the same period of the prior year. Specifically, scale expansion drove the net interest income up by RMB14,603 million, and interest rate changes led to a decrease of RMB6,514 million in net interest income. The net interest margin and net interest spread were 1.63% and 1.62%, respectively.

Average Yield on Interest-Earning Assets and Average Cost of Interest-Bearing Liabilities

In RMB million, except for percentages

Item	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Average balance	Interest income/expense	Average yield/cost (%) ⁽¹⁾	Average balance	Interest income/expense	Average yield/cost (%) ⁽¹⁾
Assets						
Total loans to customers	10,061,716	147,614	2.96	9,270,747	151,626	3.30
Investments ⁽²⁾	5,765,999	69,892	2.44	4,967,429	69,356	2.82
Deposits with central bank ⁽³⁾	1,292,611	10,395	1.62	1,255,474	10,071	1.62
Deposits and placements with banks and other financial institutions ⁽⁴⁾	1,125,006	9,726	1.74	1,012,164	10,605	2.11
Total interest-earning assets	18,245,332	237,627	2.63	16,505,814	241,658	2.95
Allowance for impairment losses on assets	(242,972)	–	–	(256,089)	–	–
Non-interest-earning assets ⁽⁵⁾	1,393,490	–	–	1,472,578	–	–
Total assets	19,395,850	–	–	17,722,303	–	–
Liabilities						
Customer deposits	17,052,920	82,665	0.98	15,739,054	95,851	1.23
Deposits and placements from banks and other financial institutions ⁽⁶⁾	662,901	4,523	1.38	440,863	3,444	1.58
Debt securities issued ⁽⁷⁾	239,315	3,092	2.61	234,447	3,078	2.65
Borrowings from central bank	27,378	200	1.47	26,180	227	1.75
Total interest-bearing liabilities	17,982,514	90,480	1.01	16,440,544	102,600	1.26
Non-interest-bearing liabilities ⁽⁸⁾	222,981	–	–	233,257	–	–
Total liabilities	18,205,495	–	–	16,673,801	–	–
Net interest income	–	147,147	–	–	139,058	–
Net interest spread⁽⁹⁾	–	–	1.62	–	–	1.69
Net interest margin⁽¹⁰⁾	–	–	1.63	–	–	1.70

Analysis of Financial Statements

Note (1): On an annualized basis.

Note (2): Consists of interest-earning assets in financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost.

Note (3): Consists of statutory deposit reserves and surplus deposit reserves.

Note (4): Consists of deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial assets held under resale agreements.

Note (5): Consists of financial assets measured at fair value through profit or loss, cash, property and equipment, deferred tax assets, etc.

Note (6): Consists of deposits from banks and other financial institutions, placements from banks and other financial institutions, and financial assets sold under repurchase agreements.

Note (7): Consists of qualified tier 2 capital instruments issued, interbank certificates of deposit, etc.

Note (8): Consists of employee benefits payable, provisions, lease liabilities, etc.

Note (9): Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.

Note (10): Calculated by dividing net interest income by the average balance of total interest-earning assets.

Changes in Net Interest Income Due to Changes in Volume and Interest Rate

In RMB million

Item	The six months ended June 30, 2026 vs. the six months ended June 30, 2025		
	Increase/(decrease)		
	Scale ⁽¹⁾	Interest rate ⁽²⁾	Total ⁽³⁾
Assets			
Total loans to customers	11,604	(15,616)	(4,012)
Investments	9,680	(9,144)	536
Deposits with central bank	299	25	324
Deposits and placements with banks and other financial institutions	976	(1,855)	(879)
Total changes in interest income	22,559	(26,590)	(4,031)
Liabilities			
Customer deposits	6,369	(19,555)	(13,186)
Deposits and placements from banks and other financial institutions	1,515	(436)	1,079
Debt securities issued	63	(49)	14
Borrowings from central bank	9	(36)	(27)
Total changes in interest expense	7,956	(20,076)	(12,120)
Changes in net interest income	14,603	(6,514)	8,089

Note (1): Represents the difference between the average balance for the current period and the average balance for the previous period, multiplied by the average yield/cost for the current period.

Note (2): Represents the difference between the average yield/cost for the current period and the average yield/cost for the previous period, multiplied by the average balance for the previous period.

Note (3): Represents the difference between the interest income/expense for the current period and the interest income/expense for the previous period.

Interest Income

During the reporting period, the Bank realized interest income of RMB237,627 million, a decrease of RMB4,031 million or 1.67% compared with the same period of the prior year, primarily due to the persistently low market interest rate and the decline in the average yield on interest-earning assets. The Bank adhered to risk-adjusted return on capital (RAROC) as a yardstick, coordinated and optimized the allocation of various assets, and achieved steady growth in the scale of interest-earning assets.

Interest Income from Loans to Customers

During the reporting period, interest income from loans to customers amounted to RMB147,614 million, a decrease of RMB4,012 million or 2.65% compared with the same period of the prior year, primarily due to the decline in interest income from loans to personal customers.

Among them, interest income from personal loans amounted to RMB77,825 million, a decrease of RMB9,250 million, or 10.62% compared with the same period of the prior year, primarily due to the decrease in the average yield on personal loans. The Bank actively seized policy opportunities in rural revitalization, further drove the rotational development of key industries, and achieved steady growth in the average balance of micro loans.

Interest income from corporate loans amounted to RMB67,409 million, an increase of RMB5,787 million, or 9.39% compared with the same period of the prior year, primarily due to the rapid growth in the average balance of corporate loans as the Bank accelerated its efforts to direct credit resources toward the “five priorities” of the financial sector, major strategies such as the modernized industrial system, and key areas.

Analysis of Average Yield on Loans to Customers by Business Type

In RMB million, except for percentages

Item	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Average balance	Interest income	Average yield (%) ⁽¹⁾	Average balance	Interest income	Average yield (%) ⁽¹⁾
Personal loans	4,888,763	77,825	3.21	4,802,834	87,075	3.66
Corporate loans	4,676,965	67,409	2.91	3,968,402	61,622	3.13
Discounted bills	495,988	2,380	0.97	499,511	2,929	1.18
Total loans to customers	10,061,716	147,614	2.96	9,270,747	151,626	3.30

Note (1): On an annualized basis.

Analysis of Average Yield on Loans to Customers by Maturity Structure

In RMB million, except for percentages

Item	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Average balance	Interest income	Average yield (%) ⁽¹⁾	Average balance	Interest income	Average yield (%) ⁽¹⁾
Short-term loans	3,407,726	48,118	2.85	3,092,530	49,129	3.20
Medium and long-term loans	6,653,990	99,496	3.02	6,178,217	102,497	3.35
Total loans to customers	10,061,716	147,614	2.96	9,270,747	151,626	3.30

Note (1): On an annualized basis.

Analysis of Financial Statements

Interest Income from Investments

During the reporting period, the Bank's interest income from investments amounted to RMB69,892 million, an increase of RMB536 million, or 0.77% compared with the same period of the prior year. It was mainly because the Bank continuously monitored interest rate trends, formulated investment strategies in a scientific manner, and achieved growth in the average balance of bonds.

Interest Income from Deposits with Central Bank

During the reporting period, the Bank's interest income from deposits with central bank amounted to RMB10,395 million, an increase of RMB324 million, or 3.22% compared with the same period of the prior year, primarily driven by the increase in the average balance of reserves deposited in the central bank.

Interest Income from Deposits and Placements with Banks and Other Financial Institutions

During the reporting period, the Bank's interest income from deposits and placements with banks and other financial institutions amounted to RMB9,726 million, a decrease of RMB879 million, or 8.29% compared with the same period of the prior year, primarily due to a decline in the average yield.

Interest Expense

The Bank continued to promote high-quality development of its liabilities, with a focus on optimizing the product mix, maturity, and interest rate structure of its liabilities, thereby achieving steady growth in scale and a steady decline in costs. During the reporting period, the interest expense amounted to RMB90,480 million, a decrease of RMB12,120 million or 11.81% compared with the same period of the prior year.

Interest Expense on Customer Deposits

During the reporting period, interest expenses on customer deposits amounted to RMB82,665 million, a decrease of RMB13,186 million or 13.76% compared with the same period of the prior year. It was mainly because the Bank kept optimizing its deposit structure and vigorously expanded low-cost proprietary deposits, along with the downward adjustment to deposit interest rates, all of which collectively contributed to an effective reduction in the average interest payment rate of customer deposits. Specifically, the average interest payment rates of personal and corporate deposits decreased by 25 and 22 basis points, respectively.

Analysis of Average Cost of Customer Deposits by Product Type

In RMB million, except for percentages

Item	For the six months ended June 30, 2026			For the six months ended June 30, 2025		
	Average balance	Interest expense	Average interest payment rate (%) ⁽¹⁾	Average balance	Interest expense	Average interest payment rate (%) ⁽¹⁾
Personal deposits						
Demand deposits	3,302,762	874	0.05	3,155,798	1,196	0.08
Time deposits	11,663,009	71,823	1.24	10,804,990	84,236	1.57
Subtotal	14,965,771	72,697	0.98	13,960,788	85,432	1.23
Corporate deposits						
Demand deposits	977,782	1,758	0.36	947,084	2,679	0.57
Time deposits	1,109,367	8,210	1.49	831,182	7,740	1.88
Subtotal	2,087,149	9,968	0.96	1,778,266	10,419	1.18
Customer deposits	17,052,920	82,665	0.98	15,739,054	95,851	1.23

Note (1): On an annualized basis.

Interest Expense on Deposits and Placements from Banks and Other Financial Institutions

During the reporting period, the Bank's interest expense on deposits and placements from banks and other financial institutions amounted to RMB4,523 million, an increase of RMB1,079 million, or 31.33% compared with the same period of the prior year, primarily driven by the Bank's proactive development of diversified interbank liabilities and an increase in the average balances of bonds sold under repurchase agreements and deposits from banks and other financial institutions.

Interest Expense on Debt Securities Issued

During the reporting period, interest expenses on debt securities issued by the Bank amounted to RMB3,092 million, an increase of RMB14 million, or 0.45% compared with the same period of the prior year, primarily driven by an increase in the average balance of the tier 2 capital bonds issued by the Bank.

Net Fee and Commission Income

During the reporting period, the Bank actively seized market opportunities, intensified efforts to build intermediary business capabilities, accelerated the development of wealth management businesses, and proactively expanded capital-light corporate banking and treasury and asset management businesses, thereby promoting diversified development of intermediary businesses. Net fee and commission income amounted to RMB18,982 million, an increase of RMB2,064 million or 12.20% compared with the same period of the prior year, maintaining double-digit growth.

Fee and commission income amounted to RMB26,480 million, an increase of RMB998 million or 3.92% compared with the same period of the prior year. Specifically, investment banking fee income amounted to RMB4,200 million, an increase of RMB592 million or 16.41% compared with the same period of the prior year. It was primarily driven by the Bank's accelerated development of a specialized and integrated investment banking service framework, which led to growth in income from businesses such as financial advisory and bond underwriting. Wealth management fee income amounted to RMB3,743 million, an increase of RMB1,004 million or 36.66% compared with the same period of the prior year. It was primarily driven by the Bank's deep focus on customer management and continuous upgrading of product offerings to meet customers' needs for diversified allocation, which resulted in rapid growth in wealth management income. Custody business fee income amounted to RMB772 million, an increase of RMB71 million or 10.13% compared with the same period of the prior year, which was mainly because the Bank enhanced its collaborative development mechanism for custody business and intensified proactive marketing efforts, driving growth in custody business scale. Other business fee income amounted to RMB3,036 million, an increase of RMB782 million or 34.69% compared with the same period of the prior year, which was mainly because the Bank focused on developing the ecosystem of industrial chain scenarios, deepened scenario expansion and platform innovation, enhanced digital empowerment, and achieved rapid growth in fee income from supply chain financing and other businesses.

Fee and commission expense amounted to RMB7,498 million, a decrease of RMB1,066 million or 12.45% compared with the same period of the prior year, primarily due to a decrease in commissions paid by the Bank to China Post Group.

Analysis of Financial Statements

Components of Net Fee and Commission Income

In RMB million, except for percentages

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025	Increase/ (decrease)	Change (%)
Settlement and clearing	5,510	5,300	210	3.96
Bank cards business	4,936	5,148	(212)	(4.12)
Agency service business	4,283	5,732	(1,449)	(25.28)
Investment banking	4,200	3,608	592	16.41
Wealth management	3,743	2,739	1,004	36.66
Custody business	772	701	71	10.13
Others	3,036	2,254	782	34.69
Fee and commission income	26,480	25,482	998	3.92
Less: Fee and commission expense	7,498	8,564	(1,066)	(12.45)
Net fee and commission income	18,982	16,918	2,064	12.20

Net Other Non-Interest Income

During the reporting period, the Bank continued to strengthen market analysis and prediction, steadily advanced trading transformation, and achieved net other non-interest income of RMB26,396 million, an increase of RMB2,847 million, or 12.09% compared with the same period of the prior year.

Specifically, net trading gains and net gains on investment securities totalled RMB13,371 million, a decrease of RMB1,558 million or 10.44% compared with the same period of the prior year, primarily due to a decrease in net gains on financial instruments measured at fair value through profit or loss.

Net gains on derecognition of financial assets measured at amortized cost amounted to RMB13,501 million, an increase of RMB5,016 million, or 59.12% compared with the same period of the prior year, primarily due to the Bank's continuous monitoring of market trends and timely adjustments to investment portfolio structure, resulting in increased gains from bond disposals.

Net other operating gains amounted to a loss of RMB512 million, a decrease of RMB640 million compared with the same period of the prior year, primarily due to the fluctuation of the exchange rate of the U.S. dollar against the RMB.

Components of Net Other Non-Interest Income

In RMB million, except for percentages

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025	Increase/ (decrease)	Change (%)
Net trading gains	974	1,621	(647)	(39.91)
Net gains on investment securities	12,397	13,308	(911)	(6.85)
Net gains on derecognition of financial assets measured at amortized cost	13,501	8,485	5,016	59.12
Share of results of associates	36	7	29	414.29
Net other operating gains	(512)	128	(640)	(500.00)
Total	26,396	23,549	2,847	12.09

Operating Expenses

During the reporting period, the Bank continued to strengthen refined management of costs and expenses, adhered to the principle of “selective restraint and targeted support with category-specific policies”, and made every effort to drive cost reduction and efficiency enhancement. Operating expenses amounted to RMB99,009 million, a decrease of RMB799 million or 0.80% compared with the same period of the prior year. Specifically, deposit agency fee and others amounted to RMB55,964 million, an increase of RMB530 million, or 0.96% compared with the same period of the prior year. Staff costs, depreciation and amortization, and other expenses totalled RMB41,517 million, a decrease of RMB1,419 million, or 3.30% compared with the same period of the prior year.

Major Components of Operating Expenses

In RMB million, except for percentages

Item	For the six months ended June 30, 2026	For the six months ended June 30, 2025	Increase/ (decrease)	Change (%)
Deposit agency fee and others	55,964	55,434	530	0.96
Staff costs	26,439	26,074	365	1.40
Depreciation and amortization	5,738	5,607	131	2.34
Taxes and surcharges	1,528	1,438	90	6.26
Other expenses	9,340	11,255	(1,915)	(17.01)
Total operating expenses	99,009	99,808	(799)	(0.80)

Credit Impairment Losses

During the reporting period, the Bank’s credit impairment losses amounted to RMB36,029 million, an increase of RMB14,314 million or 65.92% compared with the same period of the prior year, of which impairment losses on loans were RMB37,666 million, an increase of RMB14,673 million or 63.82% compared with the same period of the prior year. It was mainly attributable to the Bank’s proactive efforts in serving the real economy, which drove loan growth, alongside higher provisions for impairment under the prudent risk management policies.

Income Tax Expense

During the reporting period, the Bank’s income tax expense amounted to RMB5,812 million, a decrease of RMB2,771 million, or 32.28% compared with the same period of the prior year, primarily due to factors such as an increase in tax-exempt income. The effective tax rate of 10.11% was lower than the statutory tax rate of 25%, mainly because the interest income from Chinese government bonds and local government bonds held by the Bank was tax-exempt under tax regulations.

Analysis of Financial Statements

Segment Information

Operating Income by Operating Segment

In RMB million, except for percentages

Item	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Personal banking	119,303	61.97	116,925	65.13
Corporate banking	47,211	24.52	40,746	22.70
Treasury	25,805	13.40	21,715	12.10
Others	206	0.11	139	0.07
Total operating income	192,525	100.00	179,525	100.00

For further details of business scope of each segment, please refer to “Notes to the Condensed Consolidated Financial Statements – 40.1 Operating segment”.

Operating Income by Geographical Segment

In RMB million, except for percentages

Item	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	14,957	7.77	4,007	2.23
Yangtze River Delta	32,200	16.73	31,157	17.36
Pearl River Delta	23,217	12.06	23,433	13.05
Bohai Rim	28,229	14.66	27,660	15.41
Central China	47,689	24.77	47,594	26.51
Western China	35,872	18.63	35,131	19.57
Northeastern China	10,361	5.38	10,543	5.87
Total operating income	192,525	100.00	179,525	100.00

For further details of business scope of each geographical segment, please refer to “Notes to the Condensed Consolidated Financial Statements – 40.2 Geographical segment”.

Balance Sheet Analysis

Assets

The Bank has thoroughly implemented the decisions and arrangements of the Party Central Committee, upheld the fundamental purpose of serving the real economy with financial services, closely followed the main theme of high-quality development, and scientifically coordinated its asset allocation, thereby positioning itself appropriately and achieving steady and sustainable progress in serving the overall economic and social development. During the reporting period, the Bank adhered to a value-creation orientation, and coordinated and kept a balance among scale, price, and risks. It adhered to the principles of applying selective restraint and targeted support while optimizing allocation, and deepened its distinctive practices in the “five priorities” of the financial sector. By proactively aligning itself with the financial needs of major strategies and key sectors, the Bank built a business framework that is more attuned to its own endowments, more balanced, and more resilient. Meanwhile, it worked to enhance its proactive investment capability and professional operation capability, optimized the allocation structure of non-credit businesses, increased allocation to instruments with high-RAROC such as government bonds and bond funds, and actively expanded new businesses including precious metals, derivatives, and cross-border RMB business, with the aim of achieving a dynamic balance among funds, capital, duration, and returns.

As at the end of the reporting period, the Bank’s total assets amounted to RMB19,815,978 million, an increase of RMB1,133,911 million, or 6.07% compared with the prior year-end. Specifically, net loans to customers amounted to RMB10,046,641 million, an increase of RMB605,767 million or 6.42% compared with the prior year-end; financial investments amounted to RMB7,157,007 million, an increase of RMB798,854 million or 12.56% compared with the prior year-end. In terms of the structure, net loans to customers accounted for 50.70% of total assets, an increase of 0.17 percentage point compared with the prior year-end; financial investments accounted for 36.12% of total assets, an increase of 2.09 percentage points compared with the prior year-end. The loan-to-deposit ratio was 58.87%, an increase of 0.54 percentage point from the prior year-end, reflecting further optimization of the asset structure.

Key Items of Assets

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans to customers	10,266,949	–	9,648,316	–
Less: Allowance for impairment losses on loans ⁽¹⁾	220,308	–	207,442	–
Loans to customers, net	10,046,641	50.70	9,440,874	50.53
Financial investments	7,157,007	36.12	6,358,153	34.03
Cash and deposits with central bank	1,401,888	7.07	1,319,171	7.06
Deposits with banks and other financial institutions	347,023	1.75	391,408	2.10
Placements with banks and other financial institutions	341,236	1.72	413,827	2.22
Financial assets held under resale agreements	263,432	1.33	510,890	2.73
Other assets	258,751	1.31	247,744	1.33
Total assets	19,815,978	100.00	18,682,067	100.00

Note (1): Allowance for impairment losses on loans to customers measured at amortized cost.

Analysis of Financial Statements

Loans to Customers

As at the end of the reporting period, total loans to customers amounted to RMB10,266,949 million, an increase of RMB618,633 million, or 6.41% compared with the prior year-end.

Loans to Customers by Business Type

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Personal loans	4,907,354	47.80	4,844,585	50.21
Corporate loans	4,874,658	47.48	4,272,975	44.29
Discounted bills	484,937	4.72	530,756	5.50
Total loans to customers	10,266,949	100.00	9,648,316	100.00

Loans to Customers by Maturity

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Short-term loans	3,492,984	34.02	3,233,155	33.51
Medium- and long-term loans	6,773,965	65.98	6,415,161	66.49
Total loans to customers	10,266,949	100.00	9,648,316	100.00

Loans to Customers by Geographical Region

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	216,345	2.11	232,043	2.41
Yangtze River Delta	2,300,129	22.40	2,124,522	22.02
Pearl River Delta	1,289,580	12.56	1,209,552	12.54
Bohai Rim	1,658,691	16.16	1,546,375	16.03
Central China	2,446,654	23.83	2,318,268	24.02
Western China	1,875,952	18.27	1,753,028	18.17
Northeastern China	479,598	4.67	464,528	4.81
Total loans to customers	10,266,949	100.00	9,648,316	100.00

Personal Loans

As at the end of the reporting period, the Bank's total personal loans amounted to RMB4,907,354 million, an increase of RMB62,769 million, or 1.30% from the prior year-end.

Among them, consumer loans totalled RMB2,989,687 million, a decrease of RMB26,359 million or 0.87% from the prior year-end. It was primarily driven by a decline in residential mortgage loans. The Bank seized opportunities arising from policies such as fiscal interest subsidies, intensified its efforts to expand the supply of consumer finance, and maintained stability in the scale of other consumer loans.

Personal micro loans totalled RMB1,728,252 million, an increase of RMB109,140 million, or 6.74% from the prior year-end. It was primarily because the Bank further boosted credit extension to rural revitalization-related sectors, accelerated the expansion of personal business loans in county-level areas, and maintained steady growth in the scale of personal micro loans.

Personal Loans by Product Type

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Consumer loans	2,989,687	60.92	3,016,046	62.26
Residential mortgage loans	2,337,539	47.63	2,373,341	48.99
Other consumer loans	652,148	13.29	642,705	13.27
Personal micro loans ⁽¹⁾	1,728,252	35.22	1,619,112	33.42
Credit card overdrafts and others	189,415	3.86	209,427	4.32
Total personal loans	4,907,354	100.00	4,844,585	100.00

Note (1): Personal micro loans mainly include loans granted to personal businesses.

Corporate Loans

The Bank implemented major national strategic plans, actively served the real economy, and intensified credit support to areas such as the "five priorities" of the financial sector and new quality productive forces. It continuously promoted the development of the new "1 plus N" framework¹, enhanced the quality and efficiency of corporate financial services, and achieved relatively rapid growth in the scale of corporate loans. As at the end of the reporting period, the Bank's corporate loans totalled RMB4,874,658 million, an increase of RMB601,683 million, or 14.08% from the prior year-end.

As at the end of the reporting period, the top five industries to which the Bank granted corporate loans were transportation, storage and postal services; manufacturing; water conservancy, environmental and public facilities management; leasing and commercial services; and wholesale and retail. The balance of loans extended to the top five industries in aggregate accounted for 65.57% of total corporate loans, an increase of 2.40 percentage points from the prior year-end.

¹ The new "1 plus N" operation and service framework refers to the framework under which the Bank carries out reform and in-depth application of the operation mechanism and develops a marketing support service framework that integrates the front, middle and back offices by focusing on the six dimensions of customer, product, collaboration, service, risk and technology.

Analysis of Financial Statements

Corporate Loans by Industry

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Transportation, storage and postal services	884,405	18.14	829,327	19.41
Manufacturing	752,653	15.44	662,912	15.51
Water conservancy, environmental and public facilities management	587,864	12.06	444,503	10.40
Leasing and commercial services	497,194	10.20	396,265	9.27
Wholesale and retail	474,206	9.73	366,656	8.58
Real estate	353,121	7.24	347,818	8.14
Production and supply of electricity, heating, gas and water	335,352	6.88	310,850	7.28
Financial services	331,501	6.80	336,744	7.88
Construction	251,236	5.15	234,635	5.49
Mining	123,047	2.52	106,991	2.50
Other industries ⁽¹⁾	284,079	5.84	236,274	5.54
Total corporate loans	4,874,658	100.00	4,272,975	100.00

Note (1): Other industries consist of agriculture, forestry, animal husbandry and fishery; information transmission, computer services and the software industry, etc.

Discounted Bills

As at the end of the reporting period, the Bank's discounted bills amounted to RMB484,937 million, a decrease of RMB45,819 million, or 8.63% from the prior year-end, mainly because the Bank optimized its credit business structure and reduced the scale of low-yield bill business.

Financial Investments

During the reporting period, the Bank adhered to the guidance of investment research, actively seized market opportunities, continuously optimized its asset structure, and maintained steady growth in the scale of financial investments. As at the end of the reporting period, the Bank's financial investments amounted to RMB7,157,007 million, an increase of RMB798,854 million, or 12.56% from the prior year-end.

In terms of products, the increase was primarily in the scale of debt securities and interbank certificates of deposit. Among them, investment in debt securities amounted to RMB5,607,295 million, an increase of RMB534,948 million or 10.55% from the prior year-end, while interbank certificates of deposit amounted to RMB587,424 million, an increase of RMB209,059 million or 55.25% from the prior year-end.

In terms of measurement approaches, the increase was primarily driven by growth in financial assets measured at amortized cost and financial assets measured at fair value through profit or loss. Among them, financial assets measured at amortized cost amounted to RMB5,482,708 million, an increase of RMB794,265 million or 16.94% from the prior year-end, primarily due to growth in the scale of government bonds and interbank certificates of deposit; and financial assets measured at fair value through profit or loss amounted to RMB1,091,094 million, an increase of RMB131,440 million or 13.70% from the prior year-end, primarily due to growth in the scale of interbank certificates of deposit and securities investment funds.

Investments by Product

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Debt securities	5,607,295	78.35	5,072,347	79.78
Securities investment funds	567,177	7.92	525,778	8.27
Interbank certificates of deposit	587,424	8.21	378,365	5.95
Asset management plans	292,169	4.08	290,311	4.57
Trust investment plans	77,350	1.08	83,681	1.32
Others	25,592	0.36	7,671	0.11
Total financial investments	7,157,007	100.00	6,358,153	100.00

Financial Investments by Measurement Approach

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial assets measured at fair value through profit or loss	1,091,094	15.25	959,654	15.09
Financial assets measured at fair value through other comprehensive income – debt instruments	576,410	8.05	704,440	11.08
Financial assets measured at fair value through other comprehensive income – equity instruments	6,795	0.09	5,616	0.09
Financial assets measured at amortized cost	5,482,708	76.61	4,688,443	73.74
Total financial investments	7,157,007	100.00	6,358,153	100.00

Analysis of Financial Statements

Investment Structure by Type of Investment Instruments

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Debt instruments	7,145,591	99.84	6,351,721	99.90
Equity instruments	11,416	0.16	6,432	0.10
Total financial investments	7,157,007	100.00	6,358,153	100.00

Investments in Debt Securities

As at the end of the reporting period, the Bank's investments in debt securities amounted to RMB5,607,295 million, an increase of RMB534,948 million or 10.55% from the prior year-end. It was mainly because the Bank increased allocation to government bonds with high RAROC.

Investments in Debt Securities by Issuing Institution

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Government bonds	3,383,885	60.35	2,714,514	53.52
Bonds issued by financial institutions	2,052,271	36.60	2,177,070	42.92
Corporate bonds	171,139	3.05	180,763	3.56
Total investments in debt securities	5,607,295	100.00	5,072,347	100.00

Investments in Debt Securities by Remaining Maturity

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Overdue	10	0.00	—	—
Within 3 months	227,023	4.05	173,433	3.42
3-12 months	592,216	10.56	489,776	9.66
1-5 years	2,516,823	44.89	2,310,591	45.55
Over 5 years	2,271,223	40.50	2,098,547	41.37
Total investments in debt securities	5,607,295	100.00	5,072,347	100.00

Investments in Debt Securities by Currency

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
RMB	5,563,758	99.22	5,026,005	99.09
Foreign currencies	43,537	0.78	46,342	0.91
Total investments in debt securities	5,607,295	100.00	5,072,347	100.00

Financial Bonds

As at the end of the reporting period, the Bank held RMB2,052,271 million of bonds issued by financial institutions, of which bonds issued by policy banks amounted to RMB1,570,132 million, accounting for 76.51% of the total.

Top Ten Financial Bonds in Terms of Par Value

In RMB million, except for percentages

Debt securities	Par value	Annual interest rate (%)	Maturity date	Impairment provision ⁽¹⁾
2025 Policy Financial Bonds	36,820.00	1.61	August 7, 2028	—
2026 Policy Financial Bonds	36,590.00	1.64	January 6, 2029	—
2025 Policy Financial Bonds	35,040.00	1.32	May 7, 2027	—
2019 Policy Financial Bonds	34,790.00	3.48	January 8, 2029	—
2017 Policy Financial Bonds	34,210.00	4.04	April 10, 2027	—
2022 Policy Financial Bonds	33,890.00	2.61	January 27, 2027	—
2016 Policy Financial Bonds	33,720.00	3.05	August 25, 2026	—
2022 Policy Financial Bonds	30,520.00	2.91	February 21, 2029	—
2021 Policy Financial Bonds	30,150.00	3.48	February 4, 2028	—
2013 Policy Financial Bonds	28,000.00	3.09	June 2, 2028	—

Note (1): Excludes allowance for impairment losses for the stage 1 set aside in accordance with the new financial instrument standards.

Analysis of Financial Statements

Liabilities

The Bank has earnestly implemented regulatory requirements, continuously improved the liability quality management framework, and regarded high-quality liabilities as the basis for sound operations and the underpinning for serving the real economy. During the reporting period, the Bank continuously consolidated the scale and quality of customers and took general deposits as the main component of core liability businesses, achieving steady growth in the scale of deposits, maintaining a stable source of deposits, and continuously optimizing the deposit structure. It adhered to the principle of striking a balance between volume and price, strengthened the refined pricing management, and promoted the steady decline of the cost of liabilities. It proactively diversified funding channels, actively participated in market-based transactions, and enhanced the diversity of its liability structure. It made a sound and coordinated arrangement for the total amount, structure and pace of fund taking and utilization, and achieved an overall balance between liquidity and profitability. It adhered to compliance in business operations, carried out transactions, accounting treatments, and statistics of liabilities in a legally compliant way, and firmly upheld the risk bottom line. The quality of the Bank's liability business improved steadily, with relevant indicators performing well.

As at the end of the reporting period, the Bank's total liabilities amounted to RMB18,617,272 million, an increase of RMB1,097,550 million, or 6.26% from the prior year-end. Specifically, customer deposits amounted to RMB17,438,687 million, an increase of RMB896,971 million, or 5.42% from the prior year-end; and deposits and placements from banks and other financial institutions as well as financial assets sold under repurchase agreements amounted to a total of RMB668,522 million, an increase of RMB167,716 million, or 33.49% from the prior year-end, primarily because the Bank optimized its liability business structure and seized opportunities to expand the scale of interbank liabilities.

Key Items of Liabilities

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Customer deposits	17,438,687	93.67	16,541,716	94.42
Deposits from banks and other financial institutions	313,828	1.69	189,271	1.08
Placements from banks and other financial institutions	62,963	0.34	56,135	0.32
Financial assets sold under repurchase agreements	291,731	1.57	255,400	1.46
Debt securities issued	276,179	1.48	251,284	1.43
Borrowings from central bank	28,332	0.15	27,184	0.16
Other liabilities	205,552	1.10	198,732	1.13
Total liabilities	18,617,272	100.00	17,519,722	100.00

Customer Deposits

As at the end of the reporting period, the Bank's customer deposits amounted to RMB17,438,687 million, an increase of RMB896,971 million, or 5.42% from the prior year-end. The core liability maintained steady growth in scale.

In particular, personal deposits amounted to RMB15,185,394 million, an increase of RMB493,568 million or 3.36% from the prior year-end. This was primarily because the Bank adhered to the core strategy of "improving the quality of deposits" and consistently expanded low-cost deposits absorbed from directly-operated outlets, thereby maintaining steady growth in personal deposits. Corporate deposits amounted to RMB2,249,595 million, an increase of RMB402,839 million or 21.81% from the prior year-end. This was mainly because the Bank continuously enhanced professional corporate financial service capabilities and strengthened fund chain marketing, leading to rapid growth in corporate deposits.

Customer Deposits by Product and Customer

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Personal deposits	15,185,394	87.08	14,691,826	88.82
Demand deposits	3,261,183	18.70	3,382,409	20.45
Time deposits	11,924,211	68.38	11,309,417	68.37
Corporate deposits	2,249,595	12.90	1,846,756	11.16
Demand deposits	978,086	5.61	877,203	5.30
Time deposits	1,271,509	7.29	969,553	5.86
Other deposits ⁽¹⁾	3,698	0.02	3,134	0.02
Customer deposits	17,438,687	100.00	16,541,716	100.00

Note (1): Other deposits consist of remittance payable, credit card deposits, outbound remittance, etc.

Customer Deposits by Geographical Region

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	2,618	0.02	2,635	0.02
Yangtze River Delta	2,916,333	16.72	2,739,297	16.56
Pearl River Delta	1,558,971	8.94	1,471,103	8.89
Bohai Rim	2,670,003	15.31	2,514,304	15.20
Central China	5,491,986	31.49	5,208,476	31.49
Western China	3,602,222	20.66	3,435,606	20.77
Northeastern China	1,196,554	6.86	1,170,295	7.07
Customer deposits	17,438,687	100.00	16,541,716	100.00

Analysis of Financial Statements

Customer Deposits by Remaining Maturity

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Repayable on demand	4,329,004	24.82	4,355,260	26.33
Within 3 months	2,108,812	12.09	4,785,238	28.93
3-12 months	9,150,245	52.48	5,686,679	34.38
1-5 years	1,850,626	10.61	1,714,539	10.36
Customer deposits	17,438,687	100.00	16,541,716	100.00

Equity

As at the end of the reporting period, the Bank's total equity amounted to RMB1,198,706 million, an increase of RMB36,361 million, or 3.13% from the prior year-end.

Composition of Equity

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Share capital	120,095	10.02	120,095	10.33
Other equity instruments – perpetual bonds	150,000	12.51	149,996	12.90
Capital reserve	271,693	22.67	271,697	23.37
Other comprehensive income	5,320	0.44	5,405	0.47
Surplus reserve	84,157	7.02	84,157	7.24
General risk reserve	243,575	20.32	243,454	20.95
Retained earnings	321,499	26.82	285,342	24.55
Equity attributable to equity holders of the Bank	1,196,339	99.80	1,160,146	99.81
Non-controlling interests	2,367	0.20	2,199	0.19
Total equity	1,198,706	100.00	1,162,345	100.00

Off-Balance Sheet Items

The Bank's off-balance sheet items primarily include derivative financial instruments, contingent liabilities and commitments.

Derivative financial instruments mainly include interest rate contracts, exchange rate contracts, etc. For details of notional amount and fair value of derivative financial instruments, please refer to "Notes to the Condensed Consolidated Financial Statements – 15 Derivative financial assets and liabilities".

Contingent liabilities and commitments mainly consist of lawsuits and claims, capital commitments, credit commitments, commitments on redemption of government bonds, etc. For details of contingent liabilities and commitments, please refer to "Notes to the Condensed Consolidated Financial Statements – 38 Contingent liabilities and commitments". Credit commitments consist of loan commitments, bank acceptances, guarantees and letters of guarantee, letters of credit and unused credit card commitments.

Components of Credit Commitments

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Loan commitments	9,580	0.73	18,103	1.67
Bank acceptances	395,050	30.21	257,317	23.69
Guarantees and letters of guarantee	157,253	12.03	149,159	13.73
Letters of credit	235,090	17.98	175,982	16.20
Unused credit card commitments	510,617	39.05	485,823	44.71
Total credit commitments	1,307,590	100.00	1,086,384	100.00

Analysis of Cash Flow Statement

During the reporting period, net cash inflow generated from operating activities of the Bank was RMB352,514 million, an increase of RMB168,815 million compared with the same period of the prior year, mainly due to an increase in cash received from businesses such as customer deposits and interbank deposits compared with the same period of the prior year.

During the reporting period, net cash outflow used in investing activities of the Bank amounted to RMB599,658 million, an increase of RMB560,845 million compared with the same period of the prior year, primarily due to the increase in cash paid for investments in debt securities compared with the same period of the prior year.

During the reporting period, net cash inflow generated from financing activities of the Bank amounted to RMB1,631 million, a decrease of RMB65,337 million compared with the same period of the prior year, mainly due to a high comparison base formed as the proceeds from the issuance of A shares to specific subscribers were received in the same period of the prior year.

Other Financial Information

Explanation of Changes in Accounting Policies

There were no significant changes in the accounting policies of the Bank during the reporting period.

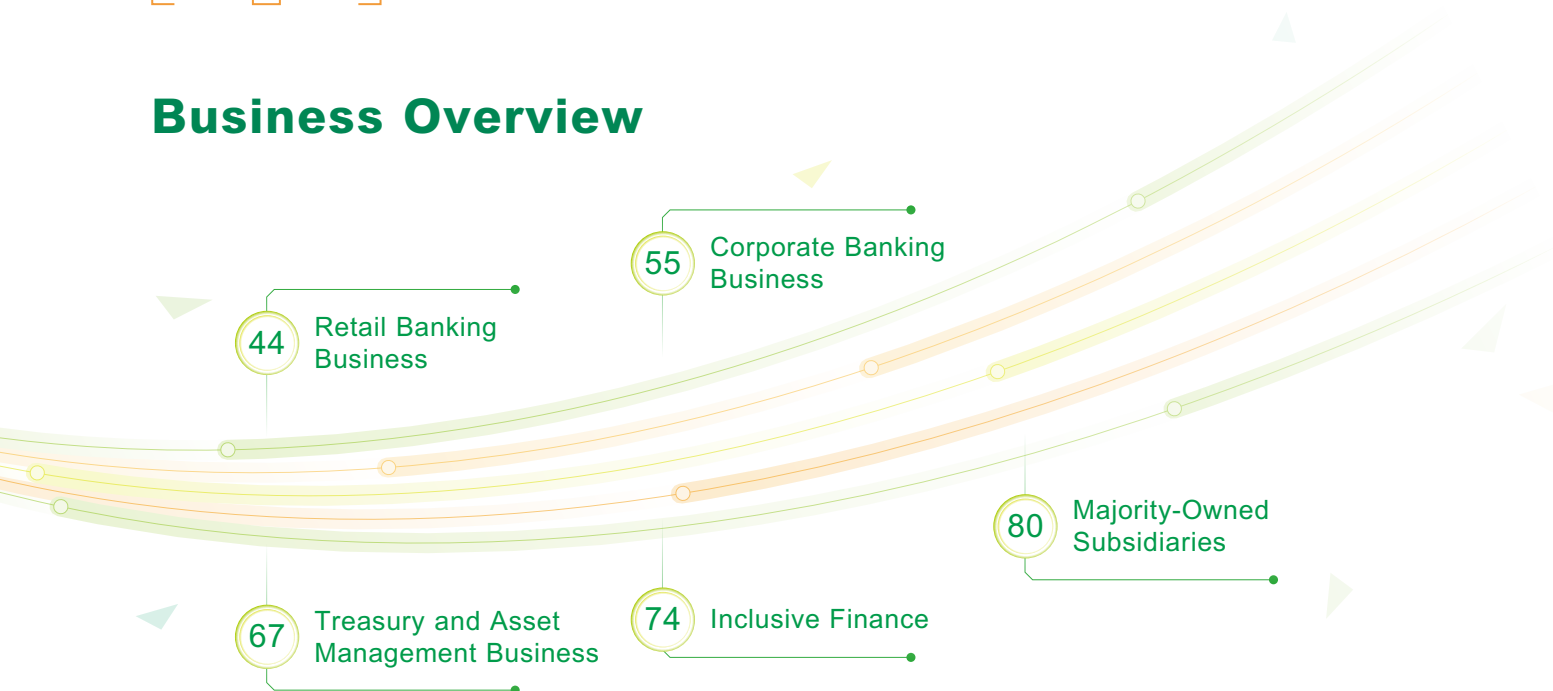
Explanation of Differences between the Financial Statements Prepared under PRC GAAP and Those under IFRSs

There was no difference between the net profit attributable to equity holders of the Bank during the reporting period and the equity attributable to equity holders of the Bank at the end of the reporting period in respect of the financial statements of the Bank prepared under PRC GAAP and those under IFRSs.

Information on Debt Securities

During the reporting period, the Bank did not issue any enterprise bonds, corporate bonds or debt financing instruments of non-financial enterprises that need to be disclosed in accordance with the Standards Concerning the Contents and Formats of Information Disclosure by Companies Publicly Offering Securities No. 3 – Contents and Formats of Interim Reports and the Management Measures for the Information Disclosure of Corporate Credit Bonds.

Business Overview



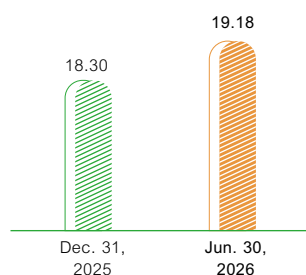
Retail Banking Business

The Bank served **686** million personal customers.

AUM of personal customers amounted to RMB **19.18** trillion, up by RMB **0.88** trillion from the prior year-end.

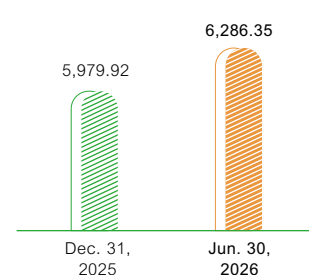
AUM
(In RMB trillion)

↑ Increase from the prior year-end
4.81%



Number of VIP Customers
(In 10,000)

↑ Increase from the prior year-end
5.12%



The Bank has always adhered to its strategic positioning as a first-tier large retail bank. Upholding the original aspiration and mission of serving the people through financial services, the Bank has stayed on the course of the “Six Upgrades”, i.e. the upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development. It continuously upgrades operational capabilities, innovates institutional reforms, boosts China’s strength in finance with professional financial strengths, and accelerates the establishment of a new paradigm for high-quality development of retail finance. As at the end of the reporting period, the Bank served 686 million personal customers, with the scale of AUM reaching RMB19.18 trillion, an increase of RMB0.88 trillion from the prior year-end. Personal deposits totalled RMB15.19 trillion, up by RMB493,568 million from the prior year-end, and personal loans amounted to RMB4.91 trillion, up by RMB62,769 million from the prior year-end.

The Bank continued to refine its tiered and categorized customer service framework, comprehensively enhancing service quality and efficiency. On the one hand, the Bank deepened its tiered customer management framework. For mass market customers, it expanded service coverage through convenient and inclusive basic financial services, improved end-to-end wealth management capabilities, and helped customers preserve and grow the value of their assets. On the other hand, focusing on the differentiated needs of distinctive customer groups, the Bank provided quality services to support personal pension customers, integrated resources to vitalize agency payment customer groups, and invigorated credit customer groups through refined operations, injecting new financial momentum into the creation of a better life for customers.

The Bank thoroughly implemented national policies on expanding domestic demand and boosting consumption, fully unleashing the consumption potential of urban and rural residents. By developing various scenarios deeply integrated into customers' daily lives, the Bank deepened ecosystem-based operations of quick payment scenarios, upgraded the "Youhui Duoduo" series of brand campaigns, and fully unlocked consumption potential in popular scenarios, embedding convenient financial services throughout the entire daily consumption journey of customers. Seizing the national policy window for expanding domestic demand, the Bank implemented targeted support policies for consumer credit with fiscal interest subsidies, injecting financial vitality into the quality improvement and scale expansion of resident consumption. The Bank innovatively established a tiered and targeted reactivation system for credit card customer groups, while deepening its special cooperation with China UnionPay on the consumer goods trade-in program, thereby effectively stimulating household consumption vitality.

The Bank adhered to the two drivers of management and innovation and created a new paradigm for the high-quality development of retail banking business. The Bank steadily advanced the development of private banking centers, comprehensively upgraded the professional image and service capacity of its channels, and leveraged private banking centers as platforms to regularly conduct themed activities and deeply engage with high-net-worth customer networks. The Bank continued to strengthen the online and offline scenario ecosystem for credit cards, covering seven major internet platforms online and intensifying cooperation with more than 10 high-quality national-brand merchants offline, effectively unlocking customer potential. The Bank took solid, well-measured steps to promote refined operations for centralized approval of retail credit, maintaining high efficiency throughout the review and approval process and providing solid support for steady business growth.

Tiered Customer Service

The Bank has always remained committed to its original aspiration of serving the people through financial services. Focusing on customers' comprehensive financial needs, the Bank continuously optimizes financial service initiatives, expands the reach of financial services, precisely aligns its offerings with the people's livelihood needs, and consistently delivers the warmth of finance.

Serving Mass Market Customers with Convenient Experience

The Bank focuses on the everyday financial and lifestyle needs of mass market customers, coordinates resources across online and offline channels, and builds a retail finance ecosystem driven by the dual-engine model of "basic services + distinctive scenarios". A personal financial service framework covering convenient service scenarios and cross-border lifestyles has been established, providing mass market customers with solid financial support and better service experience.

Retail Banking Business

The Bank further consolidated its foundation of inclusive finance and strengthened the base of livelihood services.

In terms of the **personal deposit** business, the Bank solidified its advantages in county-level markets. It provided financial services for migrant workers returning home during the Spring Festival peak period, with personal deposits from counties and below accounting for nearly 70% of its total personal deposits. Focusing on key customer groups such as payroll clients, social security participants, and parent-child customers, the Bank provided customized products and a dedicated benefits system tailored to their specific needs. Relying on the mobile banking app, the Bank launched the dedicated “PSBC Parent-Child Zone” section, integrating parent-child financial products and value-added benefits. It also upgraded the operating framework for demand deposits underpinned by the “ten major drivers”, rolled out upgrades to the “MultiMarket Pay” solution, and delivered efficient, intelligent financial services with stronger industry-specific features.

The Bank closely addressed people’s diversified needs related to people’s livelihood and delivered considerate financial services. Regarding the **debit card** business, the Bank continued to improve its product portfolio and innovatively launched a floral-themed debit card. Supporting

this initiative, the Bank established the “Floral YOUNG Time Club” benefits platform, extending financial services to support women’s pursuit of beauty and quality of life. During the reporting period, the spending via the Bank’s debit cards totalled RMB3.89 trillion. Regarding the **personal foreign currency business**, the Bank provided individual customers with a full range of international settlement services including cross-border wire transfers and introduced a streamlined remittance

service for overseas education payments in the mobile banking app to precisely address livelihood-related cross-border demands including overseas education and outbound consumption. During the reporting period, the Bank completed 58.7 thousand international settlement transactions, with a transaction volume of USD160 million.



◎ The dedicated “PSBC Parent-Child Zone” section in the mobile banking app



◎ The Bank launches the “All Tests OK” examinee-themed debit card.



◎ The Bank launches the floral-themed debit card.

The Bank focused on innovation-led development and unlocked the value of the payment ecosystem. Regarding the **electronic payment business**, the Bank strengthened full-lifecycle quality management for card binding, and implemented a one-stop service standard integrating “first-time card binding + transaction-driven activation”. It innovated the business management model and broke traditional geographical barriers and resource monopolies, unlocking the incremental opportunities for new customer acquisition and multi-platform card binding. The Bank enriched branded campaigns and developed the distinctive “Youhui Duoduo” payment brand. It launched a series of activities across mainstream high-quality platforms and high-frequency livelihood consumption scenarios, expanding the coverage and depth of public-beneficial payment services. During the reporting period, the transaction volume of electronic payments reached RMB3.55 trillion.

Providing Professional Support to Accompany Wealth Management Customers

Adhering to the customer-centric business philosophy, the Bank focuses on the comprehensive and personalized financial needs of wealth management customers. It continues to deepen its core strategic layout of wealth management, and drives high-quality and rapid growth of its wealth management business by deepening customer group management, optimizing services for high-net-worth customers, upgrading product offerings, and strengthening digital empowerment.

The Bank deepened tiered customer management and continuously improved its event framework. For Fujia customers¹, the Bank conducted a series of activities related to college entrance examination under the theme of “Empowering Growth for a Better Future” for the fourth consecutive year. It invited distinguished education experts to provide in-depth interpretation of new college entrance examination policies and offer practical guidance on application planning. During the reporting period, more than 100 events were held, with a participation of 60 thousand person-times, demonstrating the continued expansion of brand influence. **For Dingfu customers,** the Bank focused on the multi-dimensional service needs of high-net-worth customers across the areas of individuals, families, enterprises, and social connections, established the “Wending” (Reaching the Top) event framework, and initially developed six event series and three major brand promotion themes for customer development and management. The Bank organized activities covering quality lifestyles, legal, taxation and investment education, children’s education, and high-end healthcare, deeply engaging with the life, business, and family networks of high-net-worth customers. During the reporting period, more than 300 events were held. The Bank continued to promote the centralized operating model of private banking centers in key cities. As at the end of the reporting period, the number of Fujia customers and above reached 7,476.2 thousand, an increase of 10.59% from the prior year-end.

¹ Customers with assets of RMB100,000 and above in the Bank are VIP customers of the Bank. Among them, customers with assets of RMB500,000 and above are Fujia customers and above and customers with assets of RMB6 million and above are Dingfu customers.

Retail Banking Business

The Bank continuously upgraded product offerings to meet customers' diversified asset allocation needs. Regarding the fund business, the Bank maintained the performance of products in the "U Select Fund Pool" and intensified the selection and promotion of high-performance, high-flexibility products. As at the end of the reporting period, the Bank's fund holdings reached RMB112,362 million, representing an increase of 16.97% from the prior year-end. **Regarding the insurance business,** the Bank continued to optimize its product layout with long-term regular-premium insurance as the focus. During the reporting period, long-term regular premiums of new policies for participating insurance and annuity insurance increased by 261.38% and 451.85% year on year, respectively, with their proportions in long-term regular premiums of new policies increasing by 39.75 and 31.17 percentage points, respectively. **Regarding the wealth management and asset management businesses,** the Bank expanded its core business scale by leveraging low-volatility products with stable returns, and scaled up the layout of equity-linked products in light of market opportunities. During the reporting period, the agency sales of wealth management products increased by RMB151,099 million. As at the end of the reporting period, the scale of outstanding wealth management products sold on an agency basis increased by 13.79% from the prior year-end, and the scale of outstanding asset management plans (including trust plans) reached RMB160,556 million, representing an increase of 17.68% from the prior year-end. **Regarding the precious metals business,** the Bank built a full-cycle gold service system featuring "purchase – holding – repurchase". During the reporting period, the transaction volume of PSBC Gold and gold accumulation business increased by 189.58% year on year.

The Bank empowered customer services with digitalization and intelligence and expanded the application scenarios of wealth management. The Bank iteratively upgraded the "Yunfan" (Cloud-High Sail) digital support platform for wealth management. Relying on its self-developed LLM, the Bank established an end-to-end AI empowerment framework for wealth advisors and rolled out scenario-based application such as AI-enabled practical pitch exercises, online smart meeting rooms, and AI-powered investment research briefings, comprehensively empowering wealth advisors in enhancing their professional capabilities and improving the quality and efficiency of customer services. The Bank launched a dedicated children's education section in its mobile banking app, with the education funds calculator as the core function and supplemented by modules such as educational assessment games, education-related courses, and education-themed activities, helping customers better plan for their children's education. The Bank developed an investment research section in its mobile banking app, systematically providing investment research content including daily financial news, market interpretation, commentary on unusual fluctuations, and customer asset allocation solutions. The initiative deepened investor education and enabled the Bank to serve as a professional guardian for customers throughout their wealth management journey. During the reporting period, the Bank continued to enhance online operations, serving more than 17 million customers, a year-on-year increase of three percentage points.



④ The Bank conducts a series of activities related to college entrance examination under the theme of "Empowering Growth for a Better Future".



④ Private Banking Center of PSBC Beijing Branch

Column

Building an Open-Architecture Wealth Management Product Shelf to Empower Balanced Asset Allocation for Urban and Rural Residents

Focusing on the core needs of inclusive urban and rural customer groups for wealth preservation and appreciation, the Bank adheres to the investment research-driven approach and has built an open-architecture wealth management product shelf featuring comprehensive strategies and rigorously selected high-quality products. It has promoted the rollout of standardized asset allocation, continuously guided customers in optimizing their portfolio structures, and deepened the transformation of its wealth management business.

The Bank aims to make wealth management products the preferred asset class for customers' diversified asset allocation in a low-interest-rate era. In a low-interest-rate environment, deposits alone can hardly meet residents' needs for asset preservation and appreciation. The Bank is deeply rooted in the inclusive finance markets in urban and rural areas, and serves customer groups with generally prudent risk appetite. Wealth management products, with advantages such as low minimum investment thresholds and broad customer base, serve as the "first step" to encourage customers to move beyond over-reliance on deposits and adopt a diversified investment mindset. As at the end of the reporting period, the number of the Bank's wealth management customers approached 13 million, an increase of 23.57% compared with the prior year-end. The customer base of inclusive wealth management continued to expand.

The Bank has built a full-market open-architecture wealth management product shelf with comprehensive strategies and dynamic optimization. With its investment research framework and product selection capabilities, the Bank has built an open-architecture wealth management product shelf centered on PSBC Wealth Management and supplemented by high-quality external institutions. It has iterated and upgraded the "Daily Earning" cash management product with integrated functions for payment, loan repayment, and quick redemption. Tailored to the periodic loan-repayment patterns of retail credit customers, the Bank launched an innovative monthly automatic redemption-for-loan-repayment function. The Bank has continued to strengthen the supply of prudent wealth management products, selected short-term pure fixed-income products across the market, and further developed the "Thriving Wealth Management" low-volatility fixed-income sub-brand under PSBC Wealth brand. In line with capital market trends, the Bank has established a "Fixed Income+" product section covering six strategies: diversified allocation, balanced allocation, and thematic, quantitative, cross-border, and structured strategies. The Bank has also established mechanisms for access, evaluation, and dynamic adjustment of wealth management partner institutions. As at the end of the reporting period, 24 mainstream wealth management subsidiaries had been approved for cooperation, with more than 2,300 wealth management products launched, forming a comprehensive product shelf with sufficient supply across all categories.

The Bank has rolled out asset allocation initiatives to popularize the concept of diversified and balanced asset allocation. The Bank innovatively launched the "Asset Allocation + 1" initiative. It has built an advanced asset allocation framework covering different risk levels and asset categories. Through the simple, easy-to-implement "+ 1" allocation logic, the Bank guides customers to gradually add suitable wealth management products to their existing portfolios. This helps foster mindsets of long-term investment and diversified allocation, and steadily drives diversification and balance in customers' asset structures.

Leveraging its tiered product shelf and refined customer management, the Bank has continuously translated its product management competitiveness into tangible business outcomes. The scale of agency sales of wealth management products rose by 27.64%, 27.24%, and 13.79%, respectively in 2024, 2025, and the first half of 2026 from the prior year-end, ranking among the industry's top tier. Going forward, the Bank will further optimize its wealth management product offerings. By implementing the "Asset Allocation + 1" initiative in a regular and systematic manner, the Bank will promote the transition of its business from single-product sales to professional asset allocation advisory services, and transform from a traditional savings bank into a wealth management bank, continuously strengthening wealth management as its "second growth curve".

Retail Banking Business

Services for Distinctive Customer Groups

Supporting Personal Pension Customer Group with Caring Services

Upholding professionalism and a sense of responsibility, the Bank serves national strategies and addresses people's concerns about their wellbeing. It has comprehensively built a three-dimensional pension finance framework featuring "three horizontals and three verticals", striving to build a caring bank for elderly care.

Offline, the Bank gave full play to its advantage of extensive branch network across urban and rural areas and built exemplary pension finance demonstration outlets, which were rolled out in 36 branches, bridging the "last mile" for pension financial services. Online, it upgraded and established a dedicated pension finance section in its mobile banking app, created six distinctive service modules under the "U Enjoy Quality Retirement" program, and continuously launched distinctive elderly care activities to deliver one-stop solutions for customers. The Bank kept enriching its product matrix, selectively introduced various types of personal pension insurance products including traditional and participating products, and offered a full range of personal pension fund products, so as to meet customers' personalized and diversified investment needs. As at the end of the reporting period, the Bank served more than 314 million middle-aged and elderly customers, and the scale of pension finance exceeded RMB3.8 trillion.



Supplementary Case

PSBC Zhejiang Branch has thoroughly implemented the strategic arrangements for actively addressing population aging and vigorously developing pension finance. Through in-depth cooperation with the Provincial Bureau of Retired Veteran Cadres, the branch has innovatively developed and operated the "PSBC Care Silver Age Home". Adopting a government-bank co-development and ecosystem-empowerment model, the branch has advanced the development of the Silver Age Home under a three-tier standard: flagship-level, premium-quality, and community-based, and established a six-benefit system focusing on senior citizens' needs for learning, wellness, recreation, and self-fulfillment. As at the end of the reporting period, 105 Silver Age Homes had been established and put into operation across the province, covering 10 prefecture-level cities. Meanwhile, PSBC Zhejiang Branch has held the Silver-Age Elegance Contest for two consecutive years, providing a platform for senior customers to showcase their talents. PSBC Shaoxing Branch hosted a short-video contest, attracting nearly 400 senior participants. PSBC Yiwu Sub-branch has launched distinctive services such as the Silver Business Lecture to explore new approaches for empowering grassroots governance through senior-oriented initiatives. The diversified and distinctive pension finance practices across the province formed replicable and scalable service models. The Silver Age Home was featured on CCTV Finance Channel. It has become a benchmark for the Bank's differentiated pension finance services and vividly embodies the pension finance brand service philosophy of "Caring Companionship, U Enjoy Future". As at the end of the reporting period, PSBC Zhejiang Branch newly activated 29.2 thousand financial social security cards during the year, representing a year-on-year increase of 56.11%.

Vitalizing Agency Payment Customer Group through Customer Acquisition and Quality Enhancement

In terms of the agency payment business, the Bank vigorously built a complete value loop from customer acquisition at the source to in-depth operations. The Bank focused on high-quality customer groups such as technology enterprises, deepened the collaborative mechanism between corporate and retail banking, built a dedicated challenge-overcoming support framework, and provided end-to-end supporting services to acquire high-quality agency payment customers in batches. The Bank formulated standardized end-to-end operating practices for agency payment customers. Through a refined service framework featuring precise customer profiling and scenario-adapted solutions, the Bank continuously improved the retention rate of agency payment funds and the product penetration rate. During the reporting period, the Bank's agency collection amounted to RMB304,905 million, and agency payment totalled RMB185,974 million, of which the agency collection of social security pension amounted to RMB18,834 million and the agency payment of social security pension amounted to RMB85,609 million.

Serving Merchant Customer Group with Distinctive Products

For the merchant acquiring business, the Bank focused on the main strategy of in-depth scenario cultivation, launched "Three Connects" featured products, and carried out the "Empowering Hundred Industries" series of promotional campaigns to enhance the quality and expand the scale of merchant customer groups. For joint-operation scenarios such as night markets, the Bank launched the "Settlement Connect" product to address funds management challenges faced by market management entities and implemented a model of "single-point entry and batch marketing". For commodity trading market scenarios, the Bank launched the "Book-keeping Connect" product to address the challenges of digital operations, bookkeeping, and credit sales for wholesale merchants, establishing an integrated service model of "payment + bookkeeping + credit". For community resident service scenarios, the Bank launched the "Membership Connect" product to offer value-added services such as membership management, stored-value top-up, and private-domain marketing. During the reporting period, the Bank added more than 10,000 new merchants through the "Three Connects" products in total.

Activating Credit Card Customer Group through Refined Operations

The Bank continued to advance the systematic capacity-building of its credit card business, enhanced innovation in financial products and service models, reinforced intensive operations and refined management, improved the quality and efficiency of scenario development and diversified growth, and achieved positive results in promoting the high-quality development of its credit card business. During the reporting period, spending via credit cards amounted to RMB432,222 million. As at the end of the reporting period, the number of credit cards in circulation reached 37,842.8 thousand, and the non-performing ratio of credit cards was 1.45%, unchanged from the end of the previous year.



◎ The Bank launches the credit card themed campaign "Chasing the Greenest Summer".



Retail Banking Business

The Bank enriched consumption scenarios and deepened support for consumption demand. The Bank strengthened the development of online and offline scenarios, covering multiple mainstream internet platforms online and deepening cooperation with more than 10 high-quality national-brand merchants offline. The Bank carried out innovative targeted marketing initiatives to boost consumption and user engagement, and rolled out marketing campaigns during peak consumption periods. During the reporting period, these activities recorded a participation of over 57 million person-times, driving consumption growth of over RMB50 billion, while credit card quick-pass consumption increased by 16.65% year on year. The Bank strengthened cooperation with China UnionPay and actively implemented policies for large-scale equipment renewals and the consumer goods trade-in to meet residents' demand, driving consumption of over RMB3.6 billion. **The Bank innovated the product system and continuously optimized customer structure.** The Bank further implemented a customer acquisition framework that emphasizes both quantity and quality, focused on establishing a regular customer acquisition mechanism, and promoted the continuous improvement of the marketing capabilities of outlets. Leveraging synergy advantages, the Bank carried out themed marketing campaigns targeting high-end customers and young customers, further increasing the proportion of high-quality customers and continuously improving quality and effectiveness of customer acquisition. The Bank enriched its credit card product and benefits framework, launched the World Mastercard for mid-to-high-end customer groups, and introduced functions such as flexible redemption of benefits to meet customers' needs for selecting high-quality financial services tailored to their preferences. **The Bank expanded diverse services and enhanced brand influence.** The Bank continued to enrich its credit card installment product and service framework, strengthened in-depth integration with consumption scenarios, and optimized its asset structure. It implemented national fiscal interest subsidy policy requirements, improved system functions and customer notifications, and enabled fully automated processing of subsidized bill installment, driving a year-on-year increase of 10.93% in credit card bill installment volume. It deepened its scenario deployment and promoted the steady and balanced

development of scenario-based installment businesses. The Bank further developed the "50% Off on Saturdays" campaign brand with standardized activity rules and unified brand image, strengthened regular promotion, and continuously enhanced the influence of its credit card brand.

Leveraging Financial Strength to Support Credit Customer Group

Connecting with Consumer Credit Customer Group through Efficient Services

The Bank actively aligned with the policies to expand domestic demand and continued to strengthen support for consumer credit. It steadily advanced its personal housing loan business, closely followed a package of fiscal and financial policies to promote consumption, and strengthened financial supply for household consumption. It leveraged technology to empower the entire service process, enhanced financial accessibility and convenience through digitalization, continuously optimized customer experience, and promoted the mutual value creation between improved customer experience and high-quality development of the Bank. As at the end of the reporting period, the balance of the Bank's personal consumer loans amounted to RMB2.99 trillion.

The Bank closely followed policies to intensify consumer finance supply. It seized opportunities arising from the fiscal interest subsidy policy, innovated promotion models, diversified publicity platforms, and planned and launched themed marketing campaigns such as "You Enjoy Credit • New Year Refresh with Exclusive Benefits Upgrade" and "You Enjoy Credit – New Year Makeover with Festive Loan Offers". Focusing on big-ticket consumption areas such as passenger vehicles and home appliances, the Bank collaborated with scenario-based partners to launch dedicated consumption promotion campaigns. The Bank launched the "PSBC-Sponsored Car Purchase Season for Rural Areas" campaign and organized more than 350 events together with dealers to promote car loans with fiscal interest subsidies. It provided customers with one-stop services covering vehicle viewing, test drives, and interest subsidy applications, realizing end-to-end closed-loop services from policy promotion to loan disbursement.

The Bank integrated online and offline services to build a multi-dimensional service ecosystem. Offline, the Bank utilized its network and resource advantages and established hundreds of automobile-focused featured sub-branches around auto sales parks to provide professional credit services centered on consumption scenarios. It realized lightweight access through QR codes and achieved “entire-network, all-staff” coverage for consumer credit services. Online, the Bank continued to deepen services such as “proactive credit extension” and “remote customer manager T + 0 response”, making loan services access more convenient. By building a collaborative ecosystem featuring online-offline integration and internal-external linkage, the Bank provided customers with convenient and efficient service experience.

The Bank strengthened digital empowerment and enhanced the quality and efficiency of end-to-end services. The Bank continuously optimized processes and developed a new “instant approval and instant disbursement” model for high-quality mortgage customers, shortening mortgage approval turnaround from days to minutes and significantly improving customers’ loan access efficiency. Using artificial intelligence technology, the Bank promoted the “Conversation as a Service” model in its mobile banking app. Customers can consult the “Smart PSBC” AI assistant through text or voice for real-time inquiries about loan processes and related information, and access business processing interfaces with one click, effectively enhancing customers’ self-service experience.

The Bank advanced intensive operations and strengthened risk control. For its consumer credit business, the Bank has completed centralized approval for all branches and all products, with the average approval time kept within three hours. By standardizing approval criteria and business processes, the Bank effectively mitigated operational risks. Meanwhile, the Bank established a risk reporting mechanism and enabled rapid risk response and closed-loop management, continuously enhancing anti-fraud capabilities and credit risk management.

Supporting Personal Business Customers with High-Quality Services

Guided by industry research and taking industrial maps as a key tool, the Bank seized opportunities in key sectors and policies, while integrating risk management throughout the entire process to promote the high-quality development of micro loans. As at the end of the reporting period, the Bank’s

outstanding personal micro loans amounted to RMB1.73 trillion, an increase of RMB109,140 million or 6.74% over the prior year-end.

The Bank optimized business development strategies and advanced batch acquisition of high-quality customers. Centering on key areas such as farming and breeding, agricultural product procurement, commodity consumption, processing and manufacturing, and service consumption, the Bank coordinated the Head Office and branches to formulate industry development plans, introduced differentiated credit support policies, and promoted integrated development of key industries and regions nationwide on a rotating basis, fully unlocking the growth potential of the micro loan business. The Bank introduced differentiated support policies for high-quality business district customer groups. Based on its business district evaluation tool, the Bank provided targeted credit limit increases for merchants in business districts such as high-quality agricultural and sideline product wholesale markets, and comprehensive commercial and trade wholesale markets, leveling up refined services in key scenarios. The Bank also implemented special initiatives for loan interest subsidies for service sector business entities, strengthened policy communication and implementation supervision, and ensured that policy benefits reached market entities accurately and efficiently.

The Bank deepened operational system reform and strengthened long-term business development capabilities. It established a centralized operations system for Sannong customers and actively conducted online operations throughout the customer lifecycle across stages such as credit granting, loan disbursement, and loan renewal. The Bank improved its Digital Sannong Customer Operations Platform and further integrated customer managers’ tasks from pre-lending to post-lending stages. This enabled overall coordination and planning of operational tasks, facilitated intelligent one-to-one customer profiling, and empowered customer managers to expand business. The Bank improved the integrated “1 plus N” review and approval operating model, strengthened quality control over centralized operations, and steadily enhanced the efficiency and effectiveness of centralized operations. It launched the “second season” of its special campaign to improve asset quality and overcome challenges. Centering on risk mitigation, collateral disposal, as well as collection and clearance, the Bank adopted coordinated measures to facilitate the orderly resolution of risks in existing businesses.

Retail Banking Business

Column

Empowering the Industrial Chain with Data to Promote Transformation and Upgrading of the Cotton Industry

Cotton is a strategic commodity vital to the national economy and people's livelihoods. As China's most important high-quality cotton production region, Xinjiang accounts for more than 90% of the country's total cotton output. Based on national strategies and regional resource advantages, PSBC Xinjiang Branch has adopted four key approaches, including business promotion led by the senior management, data empowerment, scenario-based customer acquisition, and risk management support, to innovatively launch the exclusive "PSBC Cotton Quick Loan" product and explore a distinctive industry development path suited to Xinjiang's conditions. As at the end of the reporting period, through the "PSBC Cotton Quick Loan", PSBC Xinjiang Branch extended a cumulative credit of RMB4.3 billion, transforming financial services from requiring "customer legwork" to "business handling based on data transmission", and doing its part to safeguard the security of cotton as a national strategic material and advance comprehensive rural revitalization.

The branch strengthened business promotion led by the senior management and precisely connected with sources of industry customers. Led by senior management, PSBC Xinjiang Branch paid visits to the Department of Agriculture and Rural Affairs of Xinjiang, the agricultural department of the Xinjiang Production and Construction Corps, and township governments, village committees, and companies in high-quality cotton-producing areas such as Awat county. The branch promptly obtained information on special cotton industry support policies issued by local governments, accurately collected lists of high-quality cotton farmers and information on pre-planting funding needs, and gained an in-depth understanding of the financing needs of cotton-growing customers.

The branch strengthened data empowerment to create an efficient and convenient credit service experience. PSBC Xinjiang Branch proactively connected with the China National Cotton Exchange and agricultural departments of local governments to collect and pool multi-dimensional data on cotton farmers. Automated review and approval processes are implemented. The system can access cotton farmers' production and operation information in real time and automatically complete credit limit assessment and approval. Cotton farmers can initiate loan applications online through mobile banking. The process from application submission to credit limit approval can be completed in a few minutes, with a maximum credit limit of RMB1 million per customer, significantly improving service efficiency and cotton farmers' satisfaction.

The branch focused on key stages to build full-scenario services for cotton production. Focusing on the two core scenarios of the cotton industry, PSBC Xinjiang Branch conducted extensive visits to creditworthy villages during the pre-planting period to acquire customers in advance, and stationed staff at cotton ginning factories during the procurement season to acquire customers in batches. By focusing on every stage and the entire process of cotton production, the branch developed a cotton industry service map, implemented list-based precision management for key customers, and effectively transformed product advantages into market advantages. As at the end of the reporting period, PSBC Xinjiang Branch cumulatively disbursed nearly RMB3.5 billion of "PSBC Cotton Quick Loan" and provided targeted services for more than 5,000 cotton farmers.

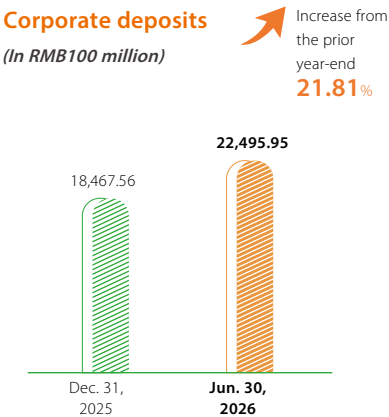
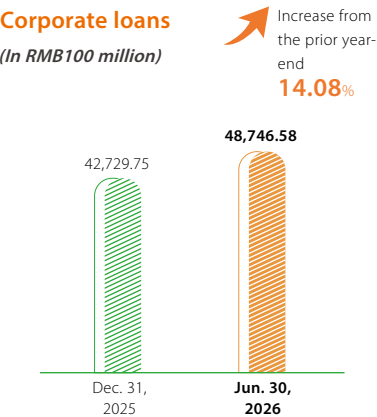
The branch strengthened risk management and built a solid security line of defense with targeted measures. PSBC Xinjiang Branch has consistently integrated risk management throughout the entire process covering pre-lending, in-lending, and post-lending stages. Before lending, the branch conducted cross-verification based on multi-dimensional data to accurately identify the operational scale of cotton farmers and strictly prevent excessive credit granting. During lending, it arranged for customer managers to conduct on-site verification at customers' village committees or companies, with a focus on operational continuity and household stability, so as to prevent misappropriation of loan funds. After lending, the branch conducted post-lending sampling inspections on a regular basis to ensure that loans are "granted effectively, used appropriately, and recovered successfully".

Corporate Banking Business

The number of corporate clients reached **2,164.6** thousand, with **234.2** thousand clients newly acquired in the first half of the year, and the aggregate number of corporate clients grew by **9.42%** over the prior year-end.

The Bank’s finance product aggregate (FPA) totalled RMB**7.94** trillion, up by RMB**1.15** trillion or **16.99%** over the prior year-end.

The operating income of corporate banking business was RMB**47,211** million, representing an increase of **15.87%** year on year.



During the reporting period, the Bank aligned its corporate banking business closely with market trends, addressed clients’ pain points, and advanced the “Initiative of Corporate Business Improvement”. By deepening institutional reforms and strengthening value-driven refined management, the Bank achieved coordinated growth in both business scale and profitability. As at the end of the reporting period, the number of corporate clients reached 2,164.6 thousand, with 234.2 thousand clients newly acquired in the first half of the year, and the aggregate number of corporate clients grew by 9.42% over the prior year-end. FPA totalled RMB7.94 trillion, up by RMB1.15 trillion or 16.99% over the prior year-end. Corporate loans reached RMB4,874,658 million, an increase of RMB601,683 million or 14.08% over the prior year-end. Corporate deposits stood at RMB2,249,595 million, an increase of RMB402,839 million or 21.81% over the prior year-end. During the reporting period, the operating income of corporate banking business was RMB47,211 million, representing an increase of 15.87% year on year, with the intermediary business income of corporate banking business up by 16.82% year on year.

Boosting Efficiency of Serving the Real Economy

The Bank coordinated regional efforts and steadily implemented development arrangements for key regions. The Bank precisely guided financial resources toward strategic development regions, core business segments, and key industry sectors, and continued to provide financial services aligned with major national regional development strategies. This empowered and supported the coordinated development of the Beijing-Tianjin-Hebei region, the planning and development of the Xiong’an New Area, the integrated development of the Yangtze River Delta region, ecological protection and high-quality development in the Yellow River Basin, the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the building of the Hainan Free Trade Port. As at the end of the reporting period, the balance of the Bank’s corporate loans to key regions grew by 15.38% over the prior year-end.

Corporate Banking Business

The Bank solidly advanced rural revitalization on all fronts and revitalized the growth drivers of agricultural and rural development.

The Bank utilized key projects for serving strong counties and wealthy towns, the agricultural and rural infrastructure financing project pool, and the list of leading enterprises in the field of agricultural industrialization, focused on two major areas, namely, agricultural infrastructure and rural infrastructure, and deepened its presence in key fields such as agricultural product industrial chains, modern facility agriculture, smart agriculture, and agricultural product distribution markets. Leveraging strengths in regional specialty grain industries, the Bank and China Post Group synergistically developed a benchmark for cooperation with grain enterprises. The Bank also implemented a tiered approach to smart fishery projects to empower the development of offshore intelligent aquaculture clusters. The Bank continued to optimize the supply of financial products for rural revitalization and promoted agricultural and rural modernization through specialized corporate financial services.

The Bank deepened services for the aging population and supported the high-quality development of elderly care industry.

The Bank steadily advanced the “5-2-3” integrated marketing framework¹. With a focus on four key scenarios, including construction, acquisition, transformation and upgrade, and daily operations, the Bank innovated service models and designed financing solutions. The Bank refined supportive measures across the board, optimized credit policies and business processes, and made sustained efforts to expand the supply of elderly care services. The Bank also earnestly implemented the PBOC’s relending policies for service consumption and elderly care, ensuring effective application and deployment of relending funds.

The Bank built an ecosystem-based, integrated technology finance service model to support the innovation-driven development of “parks, clusters, and chains”.

The Bank actively co-created synergistic partnership ecosystems with administrative committees of industrial parks as well as chambers of commerce and industry associations and set up service specialist teams. By conducting on-site visits and hosting joint events on a regular basis, the Bank established an ecosystem-based service model characterized by “zero-distance engagement, warm customer experience, and rapid response”, enabling it to promptly identify and meet the financial service needs of all types of innovators of “parks, clusters, and chains”. The Bank precisely delivered relay-style products and services across the whole lifecycle, and addressed financing requirements with dedicated credit. It coordinated with insurance institutions to strengthen risk prevention and control, supported digital and intelligent transformation with the “PSBC Financial Management+” suite, built an integrated technology finance service model, and empowered all innovators of “parks, clusters, and chains” to achieve high-quality development. As at the end of the reporting period, technology loans grew by over 16% from the prior year-end, outpacing the Bank’s overall loan growth rate.

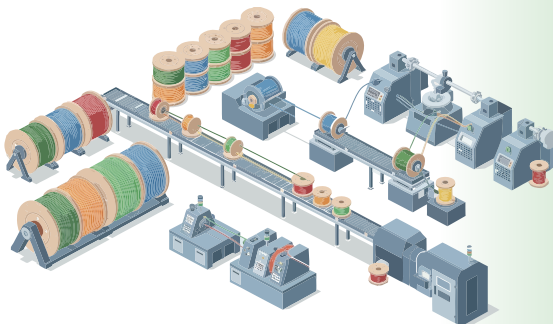
1 The “5-2-3” integrated marketing framework refers to “five key areas, two strategies, and three types of marketing and service models”. The Bank focuses on five key areas, namely health care and wellness travel, integration of medical and elderly care services, institutional elderly care, smart health care and elderly care, and silver product manufacturing; strengthens its client group strategy and regional strategy; and innovatively promotes integrated marketing and service model serving the full lifecycle of projects, the marketing and service model for the whole industry chain, and the GBC (government, business, customer) linkage marketing and service model.



Hunan

Establishing a Dedicated On-Site Team, Cultivating an Ecosystem, and Providing Tailored Services to Support Park Development

PSBC Zhuzhou Branch in Hunan Province signed an agreement and established a close cooperation relationship with Zhuzhou National High-Tech Industrial Development Zone. The two sides worked together to build a financial services ecosystem for the park. The branch selected key personnel from across its service region to form a dedicated industrial park service team, bringing service counters directly into the park and providing on-site, tailored financial services for various entities within the park. A specialized and sophisticated SME in the High-Tech Industrial Development Zone had a need for working capital turnover. The industrial park service specialists of the branch promptly engaged with the enterprise and, after gaining an understanding of its business model and upstream and downstream transaction scenarios, tailored a combined "working capital loan + letter of credit" service solution for the enterprise, ensuring the continuity of the enterprise's daily production and operations.



Yunnan

Providing Precise Support and Comprehensive Protection and Unlocking Growth Momentum with Integrated Services

PSBC Yunnan Branch innovatively launched the "one strategy for one industrial cluster" service model, and focused on providing integrated financial services for industrial clusters. Within Yunnan's wire and cable industrial cluster, a "little giant" enterprise using specialized and sophisticated technologies to produce novel and unique products was facing dual challenges of production expansion and operational security. After gaining an understanding of the enterprise's pain points, the branch partnered with insurance institutions to tailor an integrated "credit + insurance" service solution for the enterprise. Under this arrangement, the branch provided credit support, while the partnering insurance institutions offered property insurance for the enterprise's equipment assets, employer's liability insurance to mitigate employment-related risks, and group health insurance to enhance employees' medical coverage. With financial support and sufficient risk protection in place, the enterprise was able to focus on R&D innovation and market expansion, effectively unlocking new growth momentum.

Chongqing

Providing Targeted Support to Industrial Chain Enterprises through Talent Assessment and Order-Based Financing

PSBC Chongqing Branch developed deep expertise in the electronic information industry chain, identified key technology nodes along the chain, accurately empowered technology-based enterprises within the chain and helped address their challenges, and strongly supported the independent and controllable development of domestic technologies. A high-tech enterprise in Chongqing faced funding shortages during market expansion and technological iteration. PSBC Chongqing Branch conducted an in-depth assessment of the enterprise's core competitiveness, moved beyond the traditional credit assessment approach focused on historical performance and collateral, and comprehensively evaluated the enterprise's growth potential based on its high-level R&D team and stable orders on hand. The branch promptly provided dedicated start-up loan funding support and offered a range of integrated services, including corporate online banking, mobile banking, payroll disbursement, and personal consumer loans, providing solid financial support for the independent and controllable development of technologies across the electronic information industrial chain.



Corporate Banking Business

The Bank leveraged the momentum of green and low-carbon development to build new advantages in transformation.

The Bank remained committed to a dual-driven approach featuring green finance and transition finance, coordinated stable growth with value enhancement, and promoted broader coverage and improved efficiency of businesses in the green and low-carbon sector. In terms of green finance, the Bank continued to leverage carbon emission reduction facility and preferential internal funds transfer pricing (FTP) policies, and increased credit supply to key industries such as energy conservation and carbon reduction, environmental protection, and resource recycling. At the same time, it conducted specialized training on key carbon-reduction sectors and new energy storage businesses to strengthen professional service capabilities in key fields. In terms of transition finance, the Bank accelerated the expansion of business from pilot projects to full-scale implementation. Centering on sustainability-linked loans as the core product, the Bank capitalized on the opportunity of the PBOC's pilot application of transition finance standards across multiple industries, leveraged differentiated credit approval and authorization policies, regularly conducted specialized training and business guidance on transition finance support solutions, tailored integrated financial services to the transition needs of high-carbon industries, and guided enterprises in accelerating their low-carbon upgrading. As at the end of the reporting period, the balance of the Bank's wholesale green loans grew by 9.41% over the prior year-end, and transition finance loan disbursements exceeded RMB4 billion.

The Bank deepened financial services for the manufacturing sector to support the transformation and upgrading of the real economy.

Closely aligning with the transformation and upgrading needs of the real economy, the Bank continuously optimized credit policies and differentiated approval and authorization mechanisms, and increased the allocation of credit resources to the manufacturing

sector. The Bank focused on three major priorities, including transformation and upgrading of traditional industries, cultivation and expansion of emerging industries, and forward-looking deployment of future industries, strengthened its presence in areas such as national advanced manufacturing clusters and specialized industrial clusters of SMEs, and continuously enhanced the quality and effectiveness of financial services. As at the end of the reporting period, the balance of the medium- and long-term loans to the manufacturing sector increased by 11.15% over the prior year-end.

The Bank continued to strengthen financial support for private enterprises and stimulate the vitality of the private economy.

The Bank continued to advance the development of its service framework and designated dedicated departments to lead financial services for private enterprises, ensuring effective and detailed implementation of relevant initiatives. The Bank earnestly implemented the Private Sector Promotion Law, provided financial services to private enterprises on an equal footing, enhanced the refined management of credit extension for private enterprises, adopted category-specific and targeted policies, and accelerated its response to financing needs of the private sector. The Bank increased support for private enterprises in key areas such as technological innovation, green and low-carbon development, and rural revitalization. It also improved products and services tailored to the financing characteristics of private enterprises, and supported them in accessing debt financing through instruments such as sci-tech innovation bonds, credit risk mitigation warrants, and private enterprise bond financing support tools, broadening their direct financing channels. As at the end of the reporting period, the Bank's balance of loans to private enterprises reached RMB2.93 trillion, accounting for more than 28% of total loans to customers, ranking at the forefront among major state-owned banks.

Supplementary Case

PSBC Hebei Branch deeply implemented the “Five Forces Empowerment”¹ special initiative for private enterprises and continued to carry out the “Cluster Finance for Ten-Thousand Enterprises” campaign in collaboration with Hebei Federation of Industry and Commerce. Focusing on industrial needs, the branch addressed financing pain points for private enterprises through multi-dimensional approaches. The branch upgraded the PSBC-dedicated section of the “Digital Federation of Industry and Commerce” platform, developed a “one-click credit limit assessment” tool based on the platform, and established a closed-loop process covering credit limit assessment, credit approval, and reassessment. Among these efforts, PSBC Baoding Branch actively promoted cooperation with federations of industry and commerce at all levels and business associations within its service areas. Through activities such as joint enterprise visits and bank-enterprise matchmaking events, the branch engaged with over 1,000 enterprises in total. As at the end of the reporting period, the balance of loans granted by PSBC Hebei Branch to private enterprises exceeded RMB140 billion, accounting for more than 35% of its total loans. The balance of loans granted by PSBC Baoding Branch to private enterprises amounted to nearly RMB20 billion, accounting for over 50% of its total loans.

The Bank continued to implement national policies and helped foster a new development model for real estate at a faster pace. The Bank fully implemented the national real estate policy, created a series of real estate-related products, and built a financial service framework in alignment with the new model of real estate development. It properly distinguished between project risks and entity risks, met the reasonable financing needs of real estate enterprises, and stepped up support for their financing needs related to revitalizing existing assets. The Bank also promoted the sustained development of the coordination mechanism for

urban real estate financing, advanced the development of “quality homes” in an orderly manner, and provided effective financial support for urban renewal. In doing so, it fulfilled its responsibility as a major state-owned bank and contributed to the stable, sound, and high-quality development of the real estate market.

Product and Service Innovation

Treasury Management and Channel Services

The Bank remained committed to innovation-driven development and built integrated service advantages through its “5U Smart Finance”² services. Focusing on the ecosystem of industrial chain scenarios, the Bank leveraged LLMs, artificial intelligence, and other technologies to further improve service efficiency. By embedding services throughout the entire business processes of enterprises, the Bank developed a capital-light, integrated financial service system for trade financing featuring full-chain engagement, convenient operations, and unified risk control. The Bank continued to expand scenarios and drive platform innovation, strengthened smart financial solutions, and provided targeted services in key areas of the “five priorities” of the financial sector. The Bank strengthened technology empowerment to unlock new growth opportunities and enhanced the U-Chain supply chain finance platform, which features open connectivity externally and intelligent efficiency internally. The Bank continued to expand the coverage of the U-L/G platform and established direct connections with more government platforms, medium- and large-sized central and state-owned enterprise platforms, and financing guarantee institutions, thereby building a digital and intelligent service ecosystem featuring “bank-government collaboration + bank-enterprise collaboration + bank-guarantor cooperation”. The Bank innovatively expanded application scenarios for the U-L/C and launched innovative businesses such as railway freight certificates, computing power certificates, and gas certificates during the reporting period. Through its embedded “scenario + finance” services, the Bank injected new financial momentum into industrial development. The Bank also iteratively upgraded its U-Acceptance and U-Remittance businesses, continuously enhancing its digital and intelligent service capabilities.

1 The “Five Forces” refer to the driving force for business development, guiding force for technological innovation, supporting force for digital and intelligent transformation, constructive force for modern governance, and expanding force for ecosystem collaboration.

2 “5U Smart Finance” refers to the digital and intelligent integrated service framework encompassing U-Chain, U-L/C, U-L/G, U-Acceptance, and U-Remittance.



Corporate Banking Business

The Bank remained committed to coordinated advancement and developed a distinctive supply chain finance service framework.

The Bank strengthened the development of its digital and intelligent product framework, took asset pool products as a key driver, and developed integrated financial solutions that combine asset management and financing services, continuously leveling up its client service capabilities. The Bank capitalized on the core endowment of its coordination with China Post Group, upgraded its logistics finance service solutions, expanded into diverse scenarios such as shipping finance, railway finance, and corridor finance, and innovatively launched the “PSBC Connects Land and Sea” series of integrated financial products. As among the first financial institutions to establish a presence at the Financial Service Center for the New International Land-Sea Trade Corridor, the Bank focused on expanding into new business frontiers, cultivated the financial service hub of the New International Land-Sea Trade Corridor, deeply integrated into the regional opening-up strategy, and provided more substantive and high-quality support for major national strategies.

The Bank remained market-oriented and developed a digital and intelligent corporate settlement service ecosystem.

The Bank continued to improve its treasury service framework. Focusing on scenarios such as payment settlement, fund pooling, and business-finance integration, the Bank identified clients’ treasury management needs and continuously upgraded services. It coordinated the management of financial resources including multi-bank and multi-account funds and leveraged cash management

to provide enterprises with comprehensive treasury management solutions. As at the end of the reporting period, the industry coverage and client satisfaction of “Easy Corporate Treasury (Treasury Cloud)” continued to improve, serving diverse client groups across areas such as state-owned asset supervision, manufacturing, pharmaceuticals, culture and tourism, and investment platforms. The Bank upgraded its comprehensive bank-enterprise connectivity solutions and enriched the range of interface categories and scenario-based offerings. It deepened the integration of traditional financial services with cloud platform resources and delivered a more efficient, agile, and integrated online service framework to comprehensively support the digital transformation of enterprises and public institutions. As at the end of the reporting period, the Bank served 4,790 group clients through the “Easy Corporate Link”, with cumulative settlement volume through the channel reaching RMB1,155,305 million. With the “Easy Corporate Funds Supervision”, the Bank closely followed national regulatory requirements for standardized salary payments for migrant workers, focused on key salary management scenarios involving migrant workers and outsourced or dispatched personnel, and realized end-to-end online traceability and closed-loop control of labor compensation by leveraging the platform’s flexible customization and dynamic management capabilities. This ensured the secure and timely payment of salary for migrant workers. The platform’s digital tailored delivery capabilities gained wide market recognition. As at the end of the reporting period, the number of salary supervision projects for migrant workers exceeded 200.



Column

Expanding the Boundaries of Logistics Finance and Unleashing New Growth Momentum in Financial Services for the New International Land-Sea Trade Corridor in Western China

The Bank closely aligned with the development strategy of the New International Land-Sea Trade Corridor, leveraged the unique advantages of its collaboration with China Post Group, and innovatively launched the “PSBC Connects Land and Sea” series of integrated financial products. Focusing on four key areas, including corridor development, logistics finance, industrial finance, and platform ecosystems, the Bank introduced nine service initiatives. As a financial institution stationed at the Financial Service Center for the New International Land-Sea Trade Corridor, the Bank moved its service capabilities closer to the front line, enabling direct and seamless engagement with logistics, trade, and industrial enterprises. Firstly, the Bank focused on key areas along the New International Land-Sea Trade Corridor in western China and continued to enhance financial services for core infrastructure sectors, including railways, highways, aviation, ports, and industrial parks, as well as for market entities. Secondly, the Bank deepened its engagement in key hub scenarios such as the Chongqing International Logistics Hub Park. Relying on an integrated “commercial banking + investment banking” linkage model, the Bank delivered diversified integrated financial services, built a digital service platform integrating “technology, finance, and parks”, and empowered the digital and intelligent upgrading of the logistics hub. Thirdly, the Bank actively supported the high-quality development of trade industries along the Corridor. It precisely addressed the operational and cross-border business needs of key enterprises along the route and launched innovative services such as convenient cross-border foreign exchange payments, steadily improving the cross-border financial service ecosystem of the Corridor and injecting financial vitality into the opening-up and development of western China.



Corporate Banking Business

The Bank focused on enhancing quality and efficiency and strengthened its modernized fiscal agency service framework. In line with the general principle of delivering more proactive fiscal policies with greater intensity and effectiveness, the Bank continued to front-load policy implementation. It facilitated precise and efficient fund disbursement, continuously deepened coordination between fiscal and financial policies, and advanced the implementation of integrated fiscal budget management reforms at both central and local levels. It established a full-cycle refined fiscal service framework, leveraged technology empowerment to enhance service quality and effectiveness, and ensured the smooth rollout of fiscal and tax reforms and the full release of policy effectiveness.

Driven by technological innovation, the Bank expanded application scenarios for its smart government service offerings related to public wellbeing. Proactively responding to the broader goal of improving public wellbeing, the Bank leveraged digital finance innovation to iteratively upgrade the service effectiveness of its government finance cloud platform. It continued to optimize the core system functionalities of scenarios such as “PSBC Medical Connect”, “Smart Education”, “Smart Village”, “Smart Party Building” and “Smart Business Association”, promoted the deep integration of financial technology with government services for public wellbeing, and built a smart government service ecosystem with broader coverage and an enhanced user experience.

Financing, Advisory, and Investment Banking Services

In terms of its investment banking business, the Bank closely aligned with the “Six Upgrades” development, and focused on the transition toward low capital consumption,

low costs, high efficiency, and high intelligence for the corporate banking segment. It achieved positive results in value-oriented investment banking operations, effectively supporting the accelerated upward trajectory of the “second growth curve”. During the reporting period, the Bank’s intermediary business income from investment banking services recorded RMB4,200 million, up by 16.41% year on year.

The Bank actively implemented the “five priorities” of the financial sector and utilized its innovation and integration capabilities to serve major national strategies. In terms of its syndicated loan business, the Bank focused on key areas and implemented a number of projects supported by green syndicated loans, inclusive syndicated loans, and technology-focused syndicated loans, achieving both comprehensive returns and social value. As at the end of the reporting period, the balance of the Bank’s syndicated loans exceeded RMB970 billion. In terms of bond financing, the Bank successfully brought multiple sci-tech innovation bond and green bond issuances to market, precisely addressed the financing needs of key enterprises, and effectively reduced their overall financing costs, injecting financial vitality into enterprises’ innovation-led transformation and green development with professional services. In terms of the M&A loan business, the Bank effectively supported sci-tech innovation enterprises. Focusing on strategic emerging industries such as biotechnology, advanced new materials, and integrated circuits, the Bank implemented a number of representative projects to help enterprises improve quality and expand capacity. During the reporting period, the Bank disbursed over RMB10 billion of M&A loans.



The Bank leveraged the capital-light advantage of investment banking to advance the development of intermediary businesses such as bond underwriting and financial advisory services toward greater innovation and quality enhancement. During the reporting period, the underwriting and distribution volume of various types of bonds increased by 24.70% year on year. The Bank established a multi-level integrated real estate investment trusts (REITs) service framework and enriched application scenarios for diversified REITs innovative instruments. By undertaking multiple roles including the custodian bank, supervisory bank, and strategic investor, the Bank facilitated the launch of projects including the first inter-institutional REITs backed by cultural and tourism assets nationwide, the first inter-institutional REITs backed by agricultural produce market assets across the market, and the first batch of commercial real estate REITs nationwide, supporting enterprises in revitalizing their assets. The Bank improved its intelligent financial advisory service and product framework, innovated digital and intelligent advisory service scenarios, and officially launched the “U-Wing” intelligent financial advisory service platform to clients, injecting new momentum into corporate development with digital and intelligent integration.

The Bank strengthened resource synergy and connectivity and upgraded the investment banking financial ecosystem.

The Bank continued to enhance key market service brands in investment banking, including “PSBC Premium Bond”, “PSBC Easy Financing”, “U-Wing”, and “U Wisdom Pool”. Utilizing the fund structuring capabilities of investment banking, the Bank built an integrated financial service ecosystem connecting funds and assets, and empowered enterprise operations and development through intellectual support such as industry analysis and practical investment and financing expertise. The Bank enhanced digital and intelligent empowerment, and received the “2026 Outstanding Case Award for Banking Digital Transformation” at the 8th China Intelligent Financial Summit for its “Smart Investment Banking” digital and intelligent ecosystem.



Corporate Banking Business

Column

Deepening Intelligent Financial Advisory Services of Investment Banking and Empowering High-Quality Development of the Real Economy

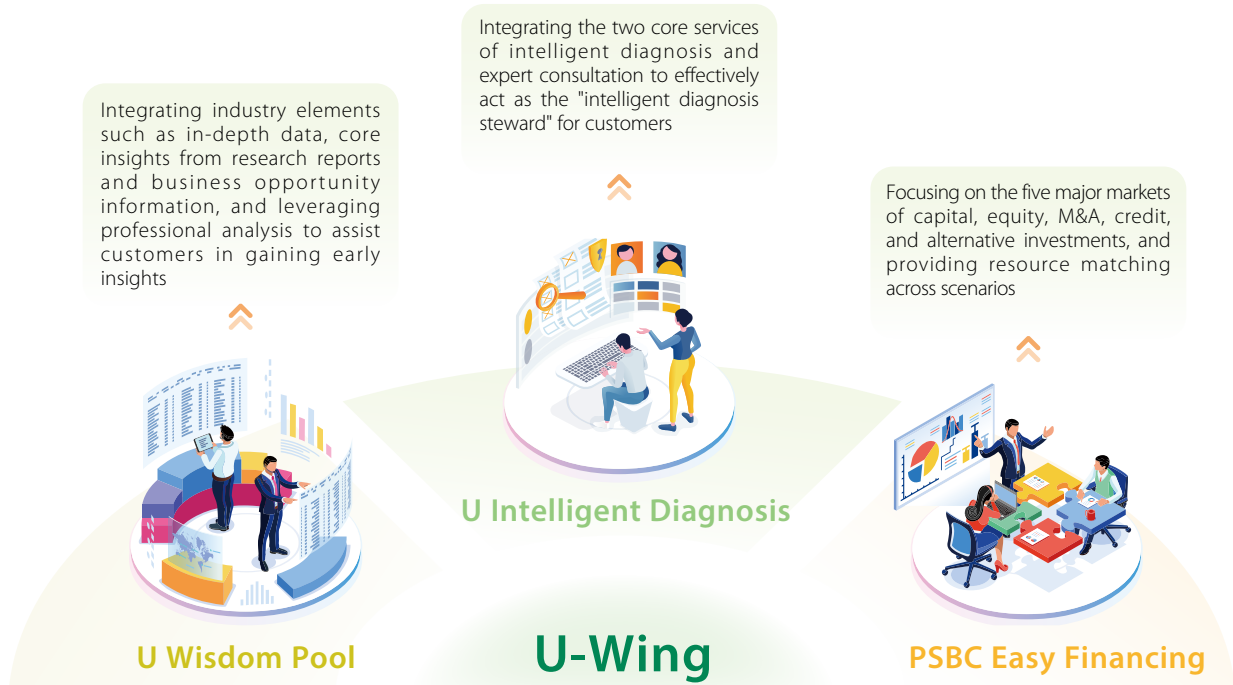
The Bank actively served the real economy and continued to upgrade its professional and integrated intelligent financial advisory service framework. Adhering to a dual approach of financing and intelligent financial advisory support, as well as service provision and empowerment, the Bank precisely addressed the diverse needs of corporate clients in business development, transformation and upgrading, and capital operations. It continued to improve the implementation pathways for financial services serving the real economy, providing sustained financial support for sound enterprise operations, enhancement of industrial quality and efficiency, and high-quality regional economic development.

The Bank improved the product framework of intelligent financial advisory services and deepened empowerment in key areas. The Bank closely aligned with national industrial policies and clients' intelligent financial advisory service needs, focused on the full lifecycle development of corporate clients, and continued to strengthen its distinctive intelligent financial advisory services. During the reporting period, the Bank successfully launched the "U-Wing" intelligent financial advisory service platform and the "U Wisdom Pool" investment banking think tank. Through comprehensive, digital and intelligent, and professional think tank services, the Bank supported corporate clients in standardizing their operation and management and making scientific development plans.

The Bank focused on alternative financing market matchmaking services and developed a diversified investment and financing advisory framework. The Bank actively addressed clients' alternative financing needs and established the "PSBC Easy Financing" non-banking matchmaking platform, which primarily serves core client groups including industrial platforms, listed companies, and non-banking institutions. The platform helped corporate clients broaden direct financing channels, optimize financing structures, and reduce overall financing costs. It also guided non-banking capital toward real economy projects and facilitated smoother circulation of industrial financing.

The Bank strengthened intelligent financial advisory services for industrial M&A and supported the transformation and development of corporate clients. The Bank closely aligned with industrial upgrading and corporate M&A needs, took M&A advisory services as a key driver, and provided in-depth support for corporate M&A and restructuring, resource integration, and coordinated industrial chain development. It offered corporate clients full-process advisory services covering M&A transaction program design, valuation and pricing, transaction process guidance, and supporting financing connections, helping enterprises integrate high-quality industrial resources, extend industrial chains, and enhance core competitiveness.

Going forward, the Bank will continue to strengthen its intelligent financial advisory capabilities in investment banking, enhance its integrated corporate service capabilities combining financing, intelligent financial advisory, and industry expertise, further cultivate key industries and client groups, continuously innovate service models and upgrade service solutions, and provide more comprehensive, efficient, and professional integrated financial service support for the high-quality development of corporate clients.



Business Framework Development

The Bank continued to advance the development of the new “1 plus N” framework¹ and deepened the reform of the market service framework of corporate finance.

The Bank improved its cross-regional business collaboration mechanism, refined coordination strategies, and enhanced integrated service capabilities across regions. It promoted a centralized operating framework, and strengthened platform empowerment, centralized review, and intelligent marketing efforts, to enhance service quality and effectiveness. It improved its integrated organizational framework at the grassroots level, applied the “1 plus N plus X” performance assessment scheme, promoted the delegation of business authority to lower tier institutions, strengthened tiered and categorized talent cultivation and selection, and enhanced professional service capabilities at the grassroots level.

The Bank strengthened its corporate wealth management framework, supported the transformation toward light and integrated development, and enhanced value creation capabilities.

The Bank improved its product portfolio with a customer-centric approach, continuously expanded interbank cooperation channels, enriched products such as corporate wealth management, corporate asset management plans, and corporate insurance, and optimized asset allocation and product selection, thereby meeting the differentiated needs of clients at various levels with its standardized product framework and customized service solutions. Relying on a wide range of marketing support tools and digital and intelligent functions of the wealth management service system, the Bank strengthened the professional expertise of its corporate wealth advisory team, established a full-cycle closed-loop service model covering pre-sales, in-sales, and post-sales stages, regularly enhanced its relationship-based client support services, and built comprehensive competitiveness and brand influence of corporate wealth management. As at the end of the reporting period, the Bank’s agency sales of corporate wealth management products increased by 25.71% from the prior year-end.

Building on national strategic orientation, the Bank improved the long-term GBC collaboration mechanism.

The Bank built an omni-channel financial service ecosystem featuring GBC connectivity, collaborative synergy, and ecosystem-based development. It developed a new scenario-based integrated service model spanning “from policy guidance to financial services, from scenario development to closed-loop funds management, and from technology empowerment to ecosystem collaboration”. The Bank deepened G-B industrial collaboration and empowerment, and enhanced targeted G-C outreach for people’s livelihood services, establishing a two-way coordinated development framework supporting government-enterprise industrial collaboration and offering inclusive financial services directly delivering the government’s support to the public.

The Bank deepened digital and intelligent marketing to promote refined client operations and enhance service quality and effectiveness.

The Bank deepened the development of a multi-dimensional marketing framework for corporate clients, continuously upgraded its digital and intelligent operational capabilities, and empowered the quality improvement and scale expansion of corporate business. It focused on full lifecycle management of MSE clients, and established a closed-loop operating mechanism covering “client acquisition and attraction, account activation, client retention, value enhancement, and customer attrition intervention”. It launched targeted benefit-based marketing campaigns for corporate clients, including “Special Offers for New Clients” and “Special Offers for Settlement Services” to revitalize existing clients, attract incremental clients, and enhance settlement stickiness among basic client groups. The Bank deepened integrated online and offline marketing, advanced key projects, including activation of corporate mobile banking, promotion of e-CNY corporate wallets, granting of the Easy Small and Micro Loan, and corporate wealth management marketing, and accelerated the transition of online centralized operations from the “laboratory” stage to the “production line”, effectively enhancing client penetration and market coverage of core financial products.

¹ The new “1 plus N” operation and service framework refers to the framework under which the Bank carries out reform and in-depth application of the operation mechanism and develops a marketing support service framework that integrates the front, middle and back offices by focusing on the six dimensions of customer, product, collaboration, service, risk and technology.



Corporate Banking Business

The Bank continued to advance digital and intelligent “empowerment for all”, strengthened the ecosystem-based development of the service chain, and leveled up risk control capabilities. The Bank established an integrated digital and intelligent service hub for scenario-based corporate finance and launched the unified portal of “PSBC Financial Management+”, enabling convenient services through “one-time authentication, single-point login, and one-stop processing”. Leveraging an open and scalable underlying architecture, the hub supported flexible assembly and on-demand configuration of various service modules, realizing customized integrated solutions tailored to enterprise operating needs and end-to-end online delivery. Client service response and business processing efficiency were significantly improved. During the reporting period, with its agile assembly capabilities, the Bank developed customized service solutions for large groups and received wide recognition from clients for its efficient customization and delivery capabilities. The Bank leveled up its digital and intelligent proactive risk control on all fronts and

continued to advance the development of the “OASIS” proactive risk prevention and control system. Building on the integration of traditional data such as industrial and commercial information, credit data, and financial data, the Bank introduced new data resources including satellite remote sensing, the Internet of Things (IoT), and geographic information, and established a multi-dimensional and integrated proactive risk monitoring system. During the reporting period, the “PSBC” remote sensing satellite, a joint development with Chang Guang Satellite Technology Co., Ltd., was successfully launched. Its data has been fully integrated into the “OASIS” risk control platform, covering key scenarios such as new energy, overseas projects, and high-standard farmland, which enables regular remote monitoring of project construction progress, operational conditions, and actual asset conditions, and realizes cross-validation with traditional data, enhancing the quality of risk prevention and control with intelligent means.

Treasury and Asset Management Business

The asset size of treasury business reached RMB**8.14** trillion, an increase of **5.91** % from the prior year-end.

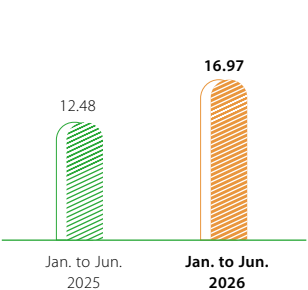
The trading volume of foreign exchange derivatives amounted to RMB**1.31** trillion, a year-on-year increase of **43.95** %.

The scale of assets under custody exceeded RMB**6.5** trillion, with the growth rate over the prior year-end ranking at the forefront among major state-owned banks.

The scale of wealth management products surpassed RMB**1.4** trillion, an increase of **9.24** % from the prior year-end, ranking among the top in the industry in terms of both incremental volume and growth rate.

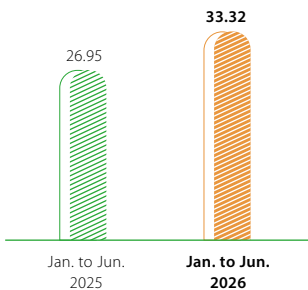
Non-interest income from the bill trading
(In RMB100 million)

Year-on-year increase
35.98 %



Bond settlement volume in the interbank market via CCDC
(In RMB trillion)

Year-on-year increase
23.64 %



Leveraging its distinctive advantages in interbank finance, the Bank strove to develop a new pattern of treasury and asset management business characterized by diversified development, digital and intelligent technology-driven development, and coordinated coexistence, and went all out to become a benchmark bank in interbank finance. **The business development pattern became more balanced.** The Bank’s investments in government bonds grew by 24.66% compared to the prior year-end; the scale of pledged interbank deposits surpassed RMB210 billion, a year-on-year increase of 102.61%; the trading volume of foreign exchange derivatives amounted to RMB1.31 trillion, a year-on-year increase of 43.95%; the bond settlement volume in the interbank market via China Central Depository & Clearing Co., Ltd. (CCDC) totalled RMB33.32 trillion, a year-on-year increase of 23.64%; the scale of assets under custody exceeded RMB6.5 trillion, an increase of 8.78% from the prior year-end; the scale of wealth management products surpassed RMB1.4 trillion, an increase of 9.24% from the prior year-end; and non-interest income from the bill trading amounted to RMB1,697 million, a year-on-year increase of 35.98%. **Interbank finance services became more comprehensive.** Based on customers’ comprehensive financial needs, the Bank leveraged its rich product framework, deepened cooperation with customers in various businesses such as interbank deposits, agency fund sales, as well as bond underwriting and distribution, and further promoted the transformation of customer management from “volume-driven customer acquisition” to “in-depth value tapping”. **The interbank ecosystem was further improved.** The Bank officially launched the

Treasury and Asset Management Business

Project Financing Hall on the “Together We Thrive” platform, making it the first banking institution to introduce an inter-institutional REITs trading system on an interbank platform. It successfully hosted the Interbank Cooperation and Development Forum and the “Together We Thrive” Smart Ecosystem Launch Event, officially unveiled the “Together We Thrive” smart ecosystem and the “U-Custody” brand, further improved its interbank integrated financial service scenarios, and injected new momentum into interbank cooperation through technological empowerment. **Digital and intelligent empowerment of operation management became more prominent.** The total trading amount processed by the AI trading robot “Youxiaozhu (PSBC Helper)” for money market business and the trader assistant robot exceeded RMB12 trillion, winning the “Artificial Intelligence Application Award of the Jinzhi Awards of China Information Technology Expo (CITE)”. The Bank also successfully launched its self-developed new core system for asset custody (OTC clearing).

Financial Interbank Business

Interbank Investment and Financing Business

The Bank consistently adhered to the guidance of investment research, actively seized market opportunities, and continuously optimized its investment and financing asset structure. As at the end of the reporting period, the Bank’s pledged interbank deposits amounted to RMB213,450 million, a year-on-year increase of 102.61%. The Bank continuously enhanced its fund investment management capability and achieved positive year-on-year growth in non-interest income. In collaboration with ChinaBond Pricing Center Co., Ltd., the Bank successfully launched the industry’s first dual-theme bond index fund focusing on “technological innovation + green development”. In the comprehensive evaluation of ChinaBond indices users, the Bank was recognized as a “Pioneer Innovation-Driven Institution” for 2025. The Bank also advanced capital-light and green transformation through investment and trading in asset securitization, drove the coordinated development of underwriting, custody, deposit, and bill businesses, and continuously enhanced comprehensive returns.



Column

**Empowering Interbank Cooperation through Technology and
Winning the Future with a Smart Ecosystem**

In April 2026, the Bank unveiled the “Together We Thrive” smart ecosystem. Focusing on the three dimensions of “smart data, smart trading, and smart community”, the Bank was dedicated to building a dynamic and resilient new ecosystem for interbank finance. As at the end of the reporting period, over 2,500 institutions had registered on the “Together We Thrive” interbank ecosystem platform, with a cumulative trading volume of over RMB10 trillion, increasingly demonstrating the value of developing a joint ecosystem.

Smart Data Transforming Data into Intelligence to Empower the Entire Decision-Making Chain

Leveraging LLM technology, the Bank released the PSBC Insight reports, automatically generating banking industry analyses covering four major customer types and six regions as well as special reports for over 160 institutions. The Bank generates insights information on a regular basis to inform business decision-making. Furthermore, the platform offers sophisticated customer profiling tools, diverse data-driven value-added services, and rich data application scenarios, enabling full-process closed-loop services that span from data search and inquiry to data utilization and decision-making.

Smart Trading Using Intelligent Technology to Enhance Trading Quality and Efficiency

The bill trading robot and money market robot, powered by full-chain big data and multimodal interaction technologies, support intelligent inquiries, automatic quotation, and response and approval within seconds. The intelligent fund advisory robot offers 24/7 services, supports product comparison, order recommendation, and intelligent investment research, and comprehensively enhances the quality and efficiency of interbank trading services through intelligent upgrading.

Smart Community Building a Digital Community Featuring Convergence and Coexistence

By innovatively using metaverse technology, the Bank launched the “PSBC Time & Space” virtual community that enables users to immersively experience business negotiation, investment research livestreaming, and opinion exchange with customized digital avatars. The Bank also launched special sections like “PSBC Timeline”, “PSBC Profiles” and “Xiaoying Community”, breaking the constraints of time and space and creating a warm and vibrant online experience.





Treasury and Asset Management Business

Bill Business

The Bank continued to improve the quality and efficiency of integrated bill business and steadily improved operation management capabilities and the quality and efficiency of customer services. During the reporting period, the volume of the Bank's discounting transactions amounted to RMB629,974 million, a year-on-year increase of 3.84%. The Bank served 15.3 thousand corporate clients, a year-on-year increase of 11.72%, with SME clients accounting for 97.07%. The Bank strengthened bill circulation and trading and significantly enhanced its trading capabilities. Non-interest income from bill trading reached RMB1,697 million, a year-on-year increase of 35.98%.

Depository Business

The Bank continuously provided customers with diversified depository and settlement services in securities, futures, gold, and insurance asset management. During the reporting period, depository transactions amounted to RMB3.99 trillion, a year-on-year increase of 101.52%. The Bank also received official approval for margin depository business from China Financial Futures Exchange, further refining its depository and settlement service network. As at the end of the reporting period, the Bank carried out in-depth cooperation with 21 trading and settlement financial institutions and 185 securities and futures financial institutions, with a total of 11,561.1 thousand contracted accounts, representing a year-on-year increase of 16.96%.

Agency Asset Sales Business

The Bank leveraged the advantage of its interbank ecosystem and gradually built an interbank agency sales framework encompassing mutual funds, insurance asset management products, and wealth management products. As at the end of the reporting period, the cumulative trading volume of interbank assets under agency sales reached RMB1.09 trillion. Specifically, the trading volume of interbank funds under agency sales surpassed RMB1 trillion, with an outstanding balance of over RMB290 billion, placing the Bank at the forefront of bank-owned platforms.

Financial Market Business

Regarding financial market business, the Bank seized the strategic opportunities presented by the first year of the "15th Five-Year Plan" period, closely followed national strategic guidance, capitalized on macroeconomic policies and market opportunities, and dynamically optimized asset allocation. It strengthened technological empowerment as well as digital and intelligent development, continuously enhanced risk management capabilities, promoted the rapid improvement of trading capabilities, and continuously enhanced core competitiveness.

Trading Business

In terms of the money market, the Bank effectively fulfilled its role as a primary dealer for open market operations, facilitated the transmission of monetary policy, and supported the stable functioning of the financial market. It coordinated the use of market-based financing channels and PBOC monetary policy tools, and continuously enhanced liquidity management capabilities and the efficiency of fund operation. During the reporting period, the money market trading volume increased by 40.40% year on year.

In terms of trading and market making, the Bank actively seized market trading opportunities, leveraged electronic trading platforms to flexibly conduct swing trading and various portfolio trading, and boosted trading returns. The Bank continued to fulfill its obligations as a market maker and provided stable liquidity support and high-quality quotation services to the market. During the reporting period, the Bank received multiple honors in the business development quality evaluation conducted by CCDC, including "Leading Bond Market Institution of the Year" and "Pioneering Contribution Institution of the Year – Floating-Rate Bond Business", reflecting a steady enhancement of its market influence. The Bank flexibly conducted interest rate and foreign exchange derivative transactions, expanded innovative product categories such as bond forwards, and enriched its system of risk management tools. During the reporting period, the trading volume of standard bond forwards grew by 47.46% year on year; the trading volume of foreign exchange derivatives grew by 43.95% year on year; and the bond settlement volume in the interbank market via CCDC totalled RMB33.32 trillion, a year-on-year increase of 23.64%.

In terms of the precious metals business, the Bank continuously refined its business management mechanism and product framework and expanded business scenarios and scale to meet customers' asset allocation and risk management needs. The Bank flexibly adjusted its investment strategies for the precious metals business in response to market changes, adhered to long-termism, and balanced asset security and returns, so as to navigate a highly volatile market environment.

Bond Investments

The Bank proactively implemented major national strategies and plans, actively advanced the "five priorities" of the financial sector, and supported high-quality development of the economy. It maintained its investment in government bonds, with the investment scale increasing by 24.66% compared to the prior year-end. The Bank implemented the green development philosophy and steadily increased the share of green bonds in its bond investment portfolio. It has been recognized as an "Excellent Institutional Investor of ChinaBond Green Bond Index" for seven consecutive years. The Bank adhered to empowering investment research decision-making with technology, and continuously refined the investment strategy management mechanism. By utilizing technologies such as big data and artificial intelligence, the Bank constantly enhanced its capabilities in macroeconomic analysis, interest rate forecasting, credit assessment, risk identification, and portfolio management. As at the end of the reporting period, the Bank's bond investments amounted to RMB5,607,295 million, an increase of RMB534,948 million or 10.55% compared with the prior year-end.

Treasury and Asset Management Business

Column

Enriching the Offshore Bond Pricing Benchmark to Drive Steady and Sustained Progress in RMB Internationalization

To facilitate the high-quality development of the offshore RMB bond market, the Bank worked with China CITIC Bank and CCX Indices to develop and publicly launch offshore RMB bond valuation and index products in 2026. The initiative aims to provide transparent, quantitative, and comparable pricing references for the offshore RMB bond market, and contribute to refining the pricing mechanism of the offshore market and improving resource allocation efficiency.

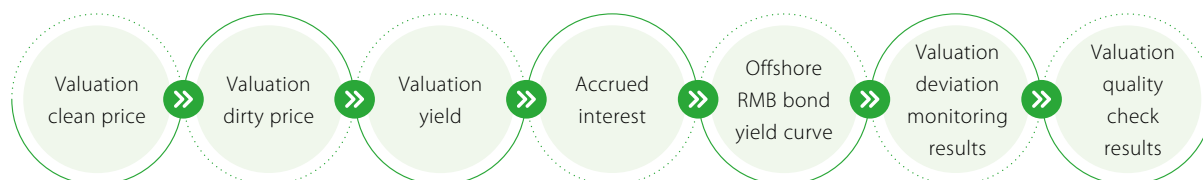
The valuation products deeply integrate multi-source data such as market transaction prices and real-time quotes to fully reflect actual market supply and demand. They systematically incorporate entity credit assessments and integrate default samples, big data models, and expert insights to enhance sensitivity to and differentiation of credit risks, thereby fully reflecting disparities in credit profiles. By extensively utilizing a closed-loop monitoring mechanism with full-cycle calibration, the products identify deviations or abnormal fluctuations in a timely manner, ensure the quality of valuation data, provide the market with a fair and credible pricing basis, and empower portfolio valuation, net asset value calculation, asset allocation, and risk management.

The index products utilize a tiered structural framework that includes composite and segment indices. Based on a market-wide composite index, indices for government bonds, financial bonds, corporate bonds, as well as credit dimension indices like those for investment-grade bonds and selected investment-grade bonds, have been developed. A clearly structured, multi-dimensional index matrix has been created, which systematically shows the operational characteristics of the offshore RMB bond market, helps investors conduct performance evaluation, portfolio benchmarking, and strategy review, and enhances market transparency and investability.

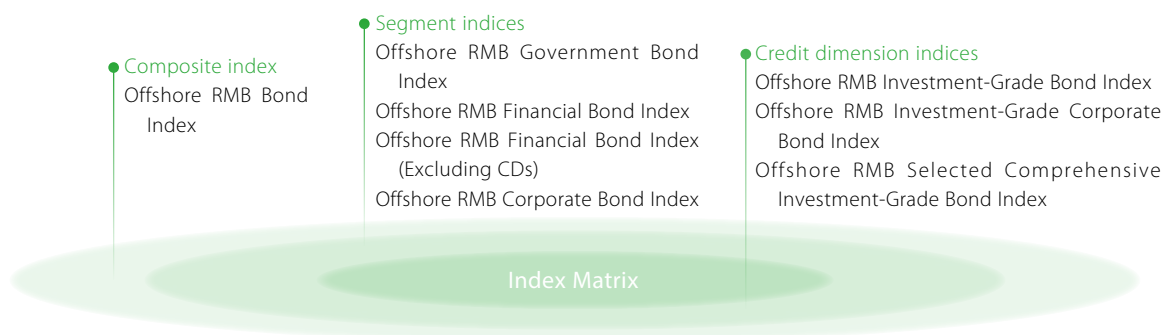
Looking ahead, the offshore RMB bond market will further integrate into the high-standard opening up of China's financial market and the RMB internationalization process and unlock broader development prospects. The Bank will continue to work alongside co-developers to constantly refine the valuation and index product framework, enhance data accuracy and model performance on an ongoing basis, and expand application scenarios across multiple dimensions. Meanwhile, the Bank will actively listen to the voices of market participants, provide higher-quality and more professional services to achieve shared growth with the market, and make solid contributions to the high-quality development of the offshore RMB bond market.



Main Outputs of Valuation Products



Index Product Matrix





Custody Business

The Bank optimized its marketing framework, strengthened capacity building, and promoted the implementation of the “Bank-wide custody business” initiative with tangible results. As at the end of the reporting period, the scale of the Bank’s assets under custody reached RMB6.56 trillion, an increase of 8.78% from the prior year-end, with its growth rate ranking at the forefront among major state-owned banks; and custody business fee income rose by over 10% year on year. The Bank intensified proactive marketing. The scale of assets under custody for trusts and securities firms grew by over 20% compared with the prior year-end. The Bank deepened cooperation with strategic customers. Insurance and bank wealth management products under custody amounted to RMB1.71 trillion and RMB1.39 trillion, respectively, both growing by over 9% from the prior year-end. Focusing on transformation and innovative development, the Bank launched a number of custody funds, including the technological innovation, enhanced green and sci-tech composite indices, and equity ETF custody funds, and the scale of “equity-linked” custody funds grew by 20.76% from the prior year-end.

The Bank unveiled the “U-Custody” brand and achieved new breakthroughs in independent system development. The Bank successfully put its self-developed new core system for asset custody (OTC clearing) into operation, achieved independent control and development of the underlying architecture for funds clearing and business logic, innovatively introduced the AI-powered LLM technology

Supplementary Case

The Bank focused on the “five priorities” of the financial sector, intensified efforts in green finance, and facilitated the green transformation and upgrading of its custody business. During the reporting period, the Bank launched several green custody products, including “Western – Shanghai Chengtou Holding Commercial Property Phase 1 Green Asset-Backed Special Plan” (supporting the development of “double first-class” universities, namely world-class universities and first-class disciplines), the first ABS project on the market for supporting the development of “double first-class” universities, and “Cangzhou Shixing Green Chemical Venture Capital Fund (Limited Partnership)”, the first green chemical industry-themed fund in Hebei Province, with a total custody scale of RMB31,642 million.

to build an intelligent instruction processing platform, significantly improved the automation rate of key processes, and entered a new stage in the digital transformation of the custody business. The Bank has been recognized as an “Outstanding Asset Custody Institution” by CCDC for four consecutive years, steadily increasing its industry influence.

For the development of the Bank’s wealth management business, please refer to “Business Overview – Majority-Owned Subsidiaries – PSBC Wealth Management”.



◎ The Bank unveils the “U-Custody” brand in April 2026, steadily enhancing its industry influence.

Inclusive Finance

The balance of agriculture-related loans reached RMB**2.66** trillion, accounting for over **25**% of total loans to customers.

The balance of inclusive loans to MSEs amounted to RMB**1.91** trillion, among which, technology loans accounted for over **40**% of corporate loans.

The “Easy Corporate Operation” platform provided support for over **200,000** SMEs in their digital and intelligent transformation.

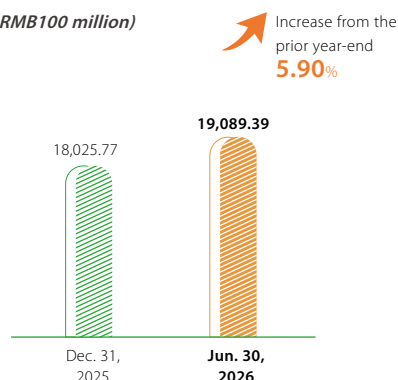
Upholding inclusive finance as its fundamental character and underlying feature, the Bank further promoted the integrated development of the “five priorities” of the financial sector, and implemented the coordinated fiscal and financial policy package designed to boost domestic demand with solid efforts, advancing the implementation of the policies to deliver tangible effects. The Bank deepened engagement in key areas such as rural revitalization and MSEs, accelerated product innovation and process reengineering, optimized and upgraded the “U Benefit” inclusive finance product and service system, and made good use of its three-dimensional service network covering online, offline and remote channels, effectively expanding the coverage and availability of its services. The Bank deepened the transformation toward digital, intelligent and intensive operations, continuously enriched service scenarios, enhanced full-lifecycle and integrated financial services, and improved the end-to-end intelligent risk control system, boosting the quality and efficiency of inclusive financial services. As at the end of the reporting period, the Bank’s balance of agriculture-related loans stood at RMB2.66 trillion, and the balance of inclusive loans to MSEs reached RMB1.91 trillion.

Rural Revitalization

The Bank thoroughly implemented the decisions and plans of the CPC Central Committee and the State Council on advancing rural revitalization on all fronts, and issued the 2026 Work Plan of Postal Savings Bank of China for Providing Financial Support for Rural Revitalization on All Fronts. Centering on the linkage between retail and corporate banking, as well as the extension of the industrial chain and expansion of service coverage, the Bank launched a special initiative for supporting rural revitalization on all fronts with financial services. It comprehensively strengthened the financial services for rural revitalization, and scaled up agriculture-related credit supply, striving to become the main force in serving rural revitalization, and contributing to the advancement of rural revitalization on all fronts. As at the end of the reporting period, the balance of the Bank’s agriculture-related loans stood at RMB2.66 trillion, an increase of RMB163,239 million from the beginning of the year, and accounting for more than 25% of the total loans to customers, with the proportion ranking at the forefront among major state-owned banks.

Inclusive loans to MSEs

(In RMB100 million)



Actively Supporting the Stable Production and Sufficient Supply of Grain and Other Key Agricultural Products

The Bank launched a special initiative for enhancing spring farming preparations, and strengthened cooperation with local governments, to obtain the lists of business entities such as large-scale growers and family farms in batches. The Bank actively connected with core enterprises in the grain industry, provided penetrating financial services for upstream and downstream clients along the industrial chain, and ensured early and targeted allocation of credit resources. The Bank implemented special initiatives for summer and autumn grain purchase. Centering on the whole chain of grain growing, purchase and processing, it optimized the terms of credit products, promoted the “MultiMarket Pay” solution, and built a scenario-based integrated service ecosystem to safeguard every grain of harvest. As at the end of the reporting period, the balance of the Bank’s loans to key grain sectors reached RMB283,281 million, an increase of 22.66% from the prior year-end.

Increasing Financial Support for Underdeveloped Areas

The Bank implemented a regular financial assistance mechanism, offered FTP concessions for targeted assistance loans and micro assistance credit, and introduced preferential policies in resource allocation and performance assessment for the key counties receiving assistance for rural revitalization. The Bank developed loans for characteristic and advantageous industries, and met the development needs of underdeveloped areas, including key counties receiving assistance for rural revitalization and centralized resettlement zones for relocated residents through tiered and categorized services. The Bank formulated annual targeted assistance work plans, and coordinated internal and external resources, to help the counties receiving targeted assistance avoid large-scale returns to poverty. As at the end of the reporting period, the balance of various loans granted by the Bank to 160 key counties receiving national assistance for rural revitalization¹ reached RMB83,210 million, an increase of RMB4,092 million from the beginning of the year, and the balance of various loans granted by the Bank to 390 provincial key counties for rural revitalization assistance¹ reached RMB360,787 million, an increase of RMB25,985 million from the beginning of the year.

Empowering High-Quality Development of County-Level Industries for Prosperity

The Bank implemented in-depth development initiatives for county-level industrial clusters, and set up industrial cluster service teams featuring linkage among the Head Office, branches and sub-branches. The Bank approved specialty industrial cluster projects based on the characteristics of local agricultural products, and formulated differentiated risk control strategies tailored to each cluster, actively supporting the development of county-level specialty industrial clusters of SMEs. The Bank developed a service map for agriculture-related industries. Adopting a dual-engine strategy featuring the linkage between the Head Office and branches, it selected key agriculture-related industries at the Head Office and branch levels in light of industrial cycles and regional features, and formulated differentiated credit policies and targeted development strategies, to advance in-depth development of key customer groups.

Facilitating the Development of Agricultural and Rural Infrastructure

The Bank formulated regional assistance plans for modern facility agriculture. Focusing on five major regions, i.e. the Beijing-Tianjin-Hebei region, the Guangdong-Hong Kong-Macao Greater Bay Area, the Sichuan-Chongqing-Shaanxi region, the Hubei-Hunan region, and the Heilongjiang-Jilin-Liaoning region, it actively tapped into local specialty agricultural resources and provided targeted services to support the construction and upgrading of projects in areas such as digital greenhouses, digital livestock farming, and digital fisheries. Focusing on the guidance of policies such as implementing major national strategies and security capacity-building projects funded by ultra-long-term special government bonds, and major projects in key areas of agricultural and rural infrastructure, the Bank actively expanded sources of high-quality projects such as the integrated urban and rural water supply and supporting power grid projects for distributed photovoltaics, and increased medium and long-term credit supply for rural development.

Deepening the Innovation of Rural Financial Service Models

The Bank accelerated the digital transformation of rural financial services. It actively introduced high-value external data on areas such as staple grain planting subsidies and agricultural insurance, streamlined investigation materials and business processes, and innovatively launched products including the “PSBC Cotton Quick Loan”, effectively improving business processing efficiency. The Bank further advanced the “Initiative of Serving Strong Counties and Wealthy Towns”. Focusing on the strong counties and wealthy towns with stable industrial development, solid customer bases and robust business demands, it further channeled resources to drive the rotational development of key industries and increase the penetration among high-quality customers in these areas. The Bank optimized “Rural E Discounting”, a special bill discounting product for rural revitalization, enabling online approval of discount business, and greatly shortening the processing time of bill discounting at grassroots-level institutions.

¹ Data are compiled based on the statistical scope for balances of various loans extended to key counties for rural revitalization assistance as stipulated in the Notice of the General Office of the National Financial Regulatory Administration on Ensuring Financial Support for Rural Revitalization on All Fronts in 2026.

Inclusive Finance

Column

Extending Industrial Chain, Expanding Service Coverage, and Improving Service Quality and Efficiency to Safeguard Grain Security through Financial Support

Ample grain reserves secure national stability. In the first year of the 15th Five-Year Plan period, the Bank closely aligned with the national food security strategy and centered on the theme of extending the industrial chain, expanding service coverage, and improving service quality and efficiency. With integrated financial services across the entire grain industrial chain as the key driver, it advanced the upgrading of grain financial services from single-point credit extension to fully integrated financial services for the entire grain industrial chain, safeguarding stable grain production and supply with sufficient, targeted, and sound supply of financial services. During the reporting period, the Bank's micro loans for grain purchase amounted to nearly RMB66.0 billion, a year-on-year increase of nearly 24%, achieving comprehensive improvements in lending scale, service coverage, and industrial chain penetration.

The Bank provided proactive services in alignment with farming seasons and guaranteed grain purchase across all regions.

Based on the overall goal of safeguarding grain supply and benefiting farmers, the Bank built a service system that is connected across all levels and coordinated across all regions, to precisely adapt to the timeline of grain purchase. The Bank made forward-looking plans and targeted arrangements, rolled out special policies, and coordinated credit and product resources, to solidify the financial support for grain purchase. Branches in major grain-producing areas across northern and southern China collaborated with each other and worked on multiple fronts to build a tight-knit comprehensive support network. Branches in central regions deeply engaged in grain purchase scenarios, refined services, improved the quality and efficiency through tiered services, and built a standardized model for staple grain financial services. Leveraging digital marketing maps and refined grid-based management, branches in major grain-producing areas across northern regions realized targeted outreach and full coverage of their service areas. Targeting bulk grain purchase and storage needs, branches in North China took solid steps to deliver inclusive and directly accessible financial services. Aligning with the characteristics of Jianghuai grain-producing area, branches in East China precisely followed the pace of production and sales in the region and refined measures benefiting farmers. Seizing the farming season and acting with resolve and pragmatism, the Bank ensured sufficient purchase funds for efficient grain payment, facilitated settlement, collection and payment services, and successfully completed the task of providing financial support for summer grain purchase.

The Bank strengthened risk control to consolidate the foundation and support sound industrial operation. Adhering to the general principle of pursuing progress while maintaining stability, the Bank coordinated efforts to enhance service efficiency and improve the quality of risk control, and strictly safeguarded the bottom line of grain finance security. In light of the characteristics of peak grain purchase seasons, the Bank optimized risk control measures, and implemented refined and differentiated risk control by establishing "three ledgers" covering existing customers, idle credit lines, and potential risk hazards. The Bank maintained or increased credit supply for high-quality grain-related entities and consolidated the foundation of industrial operations. It provided categorized assistance to entities experiencing operational fluctuations, and, relying on big data, built a closed-loop risk control system covering pre-lending, in-process, and post-lending stages, thereby continuously maintaining sound grain-related credit assets and safeguarding the steady development of the grain industry.

The Bank extended the industrial chain and expanded service coverage for empowerment across all domains and upgraded the agriculture-related service system.

Breaking the limitations of traditional single-point services, the Bank advanced the iteration and upgrading of grain finance through vertical chain extension and horizontal coverage expansion. Vertically, it integrated the entire industrial chain, extending services upstream to production-stabilizing links including seed breeding, cultivation and farmland infrastructure construction, and extending services downstream to value-adding links such as warehousing and preservation, intensive processing, trading and distribution. This enabled closed-loop empowerment across the whole chain from farm to table. Horizontally, it expanded the boundaries of services. On the basis of stabilizing staple grain services, the Bank expanded financial services in an orderly manner for a diverse range of agricultural products including fruits, vegetables, livestock, poultry, eggs, dairy products, and Chinese medicinal crop, enriching the matrix of services benefiting farmers. Relying on scenario-based customer acquisition, list-based marketing, and targeted empowerment models, the Bank developed a pattern where deep engagement with existing customers synergizes with the efforts to expand inclusive financial services to new customers and provided comprehensive services integrating credit and settlement for agriculture-related entities, helping to boost the quality and efficiency of rural industries.

The Bank planned with foresight and persevered with long-term commitment to build a benchmark in agriculture-related financial services.

Keeping in mind matters of national significance, the Bank moved further on its path of extending industrial chains, expanding service coverage, and improving service quality and efficiency. It consolidated its core position in grain finance and expanded the coverage of diversified services for agricultural products, to foster a modern agricultural financial system with grain finance at its core and diversified coverage across the agricultural sector. The Bank reinforced year-round financial support for grain growing and purchase, enhanced integrated services for grain and oil processing and agricultural product circulation, and continuously improved its full-chain, full-lifecycle and comprehensive financial service framework. Through the fulfillment of its financial responsibilities, the Bank safeguarded the country's granaries and continuously empowered efforts to ensure food supply for the Chinese people and advance rural revitalization.



MSE Finance

The Bank remained committed to characteristic MSE financial services. Leveraging the “U Benefit” inclusive finance product and service framework, the Bank focused on the operational needs of MSEs throughout their lifecycle, continuously enriched product offerings, created innovative customer service models centering on key scenarios such as industrial chains and industrial clusters, deepened integrated financial services across the board, and continuously improved the intelligent risk control framework, fostering an MSE finance service ecosystem featuring comprehensive services, sustainable operations, and win-win outcomes. As at the end of the reporting period, the Bank’s balance of inclusive loans to MSEs reached RMB1.91 trillion, accounting for over 18% of total loans to customers, remaining at the forefront among major state-owned banks.

Intensifying Financial Support for Key Areas

Deeply implementing the coordinated fiscal and financial policy package designed to boost domestic demand, the Bank further stepped up financial support for private enterprises and MSEs along key industrial chains, increased the supply of medium and long-term loans, and optimized the credit structure. Targeting difficulties faced by MSEs in fixed-asset investment and financing, the Bank launched innovative, exclusive fixed-asset loan products covering equipment procurement, new plant construction and acquisition, technological transformation, among other scenarios. It further strengthened medium and long-term loan support and ensured the effective implementation of the interest subsidy policy for loans to micro, small and medium-sized enterprises (MSMEs). The Bank implemented the special guarantee program for private investment, actively connected with the National Financing Guarantee Fund, and established a three-tier linkage mechanism across the Head Office, branches, and sub-branches. It upgraded dedicated products, optimized business processes, and accelerated loan extension under the special guarantee program for private investment, with cumulative loan disbursement ranking at the forefront among major state-owned banks.

Supplementary Case

Leveraging the interest subsidy policy for MSME loans, PSBC Hebei Branch vigorously supported private investment while keeping risks under control. Targeting financing difficulties faced by MSEs in capacity expansion and plant construction, PSBC Handan Sub-Branch promptly engaged with a food enterprise, provided on-site services, streamlined procedures, and granted a “Small Enterprise Construction Loan” totalling RMB15 million to the enterprise, of which RMB5 million is eligible for the interest subsidy policy, reducing the enterprise’s financing costs by approximately 17% in the year. With the funds, the enterprise built a 2,500-square-meter intelligent cold storage facility and three automated slaughtering lines, lifting its production capacity by 60%. Its annual revenue is expected to exceed RMB200 million.

Improving the “Credit+” Comprehensive Service Model

The Bank upgraded its “U Benefit” inclusive finance product and service system, and leveraged its four major categories of products and services, including diversified credit services, integrated services, scenario-based services, and intelligent empowerment, to meet customers’ all-round and full-lifecycle financial needs. The Bank deepened engagement in scenarios of industrial chains and industrial clusters, and created the innovative model where credit extension is decoupled from core enterprises while remaining integrated with the industrial chain. Under this model, the Bank focuses on real transaction scenarios instead of relying on confirmation and guarantee from core enterprises. Leveraging big data and AI technologies, the Bank has generated a map of industrial chains for key sectors such as power, next-generation telecommunications, low-altitude economy, and high-end equipment manufacturing, based on which it can identify MSEs across the industrial chain and proactively grant pre-approved credit lines to them. This model now has already

Inclusive Finance

covered nearly 6,000 core enterprise groups. For three major industrial clusters, namely strategic emerging industries, local pillar industries with traditional competitive advantages, and county-level specialty modern agricultural industries, the Bank established the “one cluster, one policy” targeted financial service mechanism, and offered tailored and exclusive integrated financial solutions based on the different production cycles, settlement models, asset profiles and financing needs of enterprises. The Bank expanded scenario-based integrated financial services and leveraged the “PSBC Financial Management+” digital and intelligent service matrix to help enterprises improve business and financial management capabilities and capital efficiency. The “Easy Corporate Operation” platform of the Bank provided support for over 200,000 SMEs in total in their digital and intelligent transformation.

Supplementary Cases

In view of the large number of entities in the private sector and dense industrial clusters in the region, PSBC Zhejiang Branch, with digital transformation as the key driver, innovatively launched the digital empowerment platform “Zheliying”. The platform incorporates 16.3 thousand leading enterprises, core enterprises and upstream and downstream enterprises in the industrial clusters of auto parts, intelligent manufacturing and light industry manufacturing, enabling precise profiling and dynamic tracking of private manufacturing enterprises. The branch built a triangular service team consisting of sub-branch managers, account managers and wealth advisors, and leveraged big data to precisely reach market entities. It proactively connected with customers through professional, integrated and grid-based services, and customized one-stop integrated financial solutions, including credit extension, account settlement, capital management and online finance, for enterprises through team collaboration and one-on-one targeted services. Since the launch of the platform in April 2026, the branch has paid visits to over 10,000 enterprises registered on the platform, and granted more than RMB1.2 billion in loans to enterprises on the platform.

Meitan County, Zunyi City, Guizhou Province, is Guizhou’s largest tea-producing area. Focusing on the entire tea industrial chain, PSBC Zunyi Branch granted nearly RMB700 million of credit funds to 150 local tea enterprises and tea farmers with featured products including “Industry Loan”, “Easy Small and Micro Loan”, and “Speedy Loan”, boosting the upgrading of local traditional tea industry and the development of new business forms integrating tea culture and tourism. At the 18th Guizhou Tea Industry Expo, the New-Style Tea Beverage Bulk Raw Tea Trading Platform, co-developed by the Bank and Guizhou Zunyi Tea Trading Center Co., Ltd., was officially unveiled. As the exclusive settlement bank of the platform, the Bank relied on the “PSBC Financial Management+” digital and intelligent service matrix to realize full online processing of funds depository, clearing, and reconciliation, greatly improving capital turnover efficiency. With the launch of the platform, all stakeholders across the industrial chain can be connected, transforming tea trading from fragmented offline deals to centralized online transactions, and driving the digital and intelligent transformation of the industry with unified standards and transparent processes.

Building a Distinctive Service Model through Integrated Development

With inclusive finance as the cornerstone, the Bank promoted the integrated development of the “five priorities” of the financial sector. It efficiently served new quality productive forces, focused on small and medium-sized technology enterprises, innovatively applied the “future-oriented” risk control philosophy, enriched the “U Prosper” full-lifecycle product and service matrix, and pooled efforts to support the growth and expansion of technology enterprises. Technology loans accounted for over 40% of the Bank’s inclusive loans granted to micro and small-sized legal entities. The Bank consolidated its digital foundation, advanced deeper integration of inclusive finance and digital finance, and continuously strengthened



the coordination of services across online and offline channels. It empowered offline customer services through digital and intelligent tools such as inclusive marketing maps. A full-process centralized operation mechanism was established centering on MSE outreach, operational services, credit financing and risk control. The Bank also optimized its integrated intelligent risk control framework combining customer profiling, risk control modeling and automatic early warning, built an intelligent agent for risk feature mining, and adopted LLM technology to automatically identify risk indicators and dynamically optimize risk control strategies, delivering leaner operations and more precise risk control.

Column

Upgrading the “U Benefit” Product and Service System to Empower the High-Quality Development of MSEs

The Bank optimized and upgraded the “U Benefit” inclusive finance product and service system. Centering on four major series — “U Financing”, “U Ecosystem”, “U Scenario” and “U Butler”, it removed the bottlenecks facing MSEs in financing, settlement, operation and digital transformation, meeting customers’ needs for integrated financial services throughout the lifecycle.

U Financing

Solving financing difficulties through a diverse product matrix

The Bank worked to build a full range of financing products covering online and offline channels, on-balance and off-balance sheets, and working capital and fixed asset loans. It optimized region-specific products tailored to local economic characteristics, increased the supply of medium and long-term loans, and fully met MSEs’ demands for working capital turnover and fixed asset investment.



U Ecosystem

Lowering corporate operating costs through digital and intelligent services

Through the “PSBC Financial Management+” service system, the Bank provided customers with integrated financial services including convenient payment and settlement, account management, wealth management, and investment-loan linkage services, to effectively lower enterprises’ daily operating costs.



U Scenario

Precisely meeting the needs of customer groups in key fields

Targeting customer groups in key fields such as technological innovation, rural revitalization, as well as industrial parks, chains and clusters, the Bank launched exclusive and distinctive product solutions to precisely meet the needs of customers in different industries and segments.



U Butler

Accompanying enterprises on the path to stable and sustainable development

Breaking data barriers in taxation, industrial and commercial registration, and corporate transactions, the Bank integrated intelligent risk control, precise credit extension, and fiscal and tax management. It provided MSEs with one-stop value-added services, including entrepreneurship guidance, development planning, financial consulting, brand promotion, business matchmaking, policy interpretation, and digital and intelligent transformation support, lowering the operational and transitional thresholds for MSEs and supporting their long-term development with digital and intelligent tools.

Majority-Owned Subsidiaries

The Bank has three majority-owned subsidiaries, namely, PSBC Wealth Management, PSBC Consumer Finance and PSBC Investment. During the reporting period, the Bank further improved the layout of diverse financial licenses. Based on their respective functional positioning, each majority-owned subsidiary kept advancing the quality-oriented transformation of its business structure, strengthened business coordination and complementarity between itself and the Bank, and steadily enhanced the quality of the Group's comprehensive financial services.



PSBC Wealth Management was established on December 18, 2019, with a registered capital of RMB8 billion, in which the Bank holds a 100% stake. Its business scope is: public issuance of wealth management products to the general public, and investment and management of entrusted assets for investors; non-public issuance of wealth management products to eligible investors, and investment and management of entrusted assets for investors; financial advisory and consulting services, etc. As at the end of the reporting period, PSBC Wealth Management had total assets of RMB15,788 million and net assets of RMB15,539 million. During the reporting period, it generated an operating income of RMB1,109 million and recorded a net profit of RMB710 million.

In the first half of 2026, PSBC Wealth Management followed the principle of pursuing progress while maintaining stability and boosting quality and efficiency. It deeply integrated into the Bank's upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development and accelerated its integrated, digital, intelligent and refined transformation. Upholding the business guideline of "stabilizing growth, promoting transformation, forestalling risks and strengthening governance", it deepened transformation and development, sped up reform and innovation, enhanced its core competitiveness, accelerated efforts to become stronger, better, larger and more distinctive, and strove to become a first-class wealth management company.

PSBC Wealth Management served the implementation of national strategies and actively promoted the "five priorities" of the financial sector. Firstly, the company supported technology finance. Its investments in sci-tech innovation bonds reached RMB38,976 million, an increase of 17.87% over the prior year-end. Its equity assets in the science and technology sector amounted to RMB1,768 million, an increase of 13.70% over the prior year-end. It continued to invest in Hong Kong IPOs, having completed a total of 36 investments in Hong Kong new share offerings (including cornerstone and anchor investments), with an aggregate investment scale of RMB1,865 million. Mark-to-market gains on newly invested cornerstone projects in 2026 exceeded 75%. Additionally, it completed investment in technology companies such as OmniVision Group and Montage Technology. Secondly, the company engaged in green finance and continuously expanded green investments. Green/ESG-themed bond investments reached RMB28,836 million, an increase of 16.41% over the prior year-end. Thirdly, the company promoted inclusive finance. The scale of bonds supporting MSMEs, rural revitalization, and the private sector amounted to RMB41,976 million. The scale of closed-end themed products with one-year or longer maturity amounted to RMB347,719 million, up by 42.53% over the prior year-end. Fourthly, the company advanced pension finance and built the exclusive "Tianyi" elderly care brand. The scale of closed-end retirement wealth management products and pension products reached RMB5,522 million and RMB31,244 million, respectively. Fifthly, the company pushed forward digital finance with great efforts. It comprehensively advanced its IT development plan of digital and intelligent integration, and achieved increasingly significant results in digital transformation.

PSBC Wealth Management continuously enhanced its core competitiveness and advanced the high-quality development of wealth management business at a faster pace. As at the end of the reporting period, the products managed by PSBC Wealth Management totalled RMB1,438,897 million, an increase of 9.24% from the prior year-end, ranking among the top in the industry in terms of both incremental volume and growth rate. Firstly, product structure was further optimized. The share of products with one-year or longer maturity reached 36.16%, and the aggregate scale of the “Fixed Income+”, hybrid and equity products amounted to RMB597,384 million, achieving balanced structural development. Secondly, the asset portfolio was more diversified and innovative, and investments in equities, public and private REITs, commodities, financial derivatives and other asset classes were increased, with equity assets accounting for 2.17% of the total. The company also enriched the “Fixed Income+” strategy, rolling out 16 new strategies in 2026 including “Fixed Income+” index options and “Fixed Income+” index return swaps. Thirdly, customer services were advanced, with over 22 million retail customers served in total. Leveraging close collaboration between PSBC and China Post Group, the company launched nearly 1,700 activities including channel collaboration and product training sessions, with a participation of nearly 600,000 person-times. Third-party agency sales were expanded and accelerated, with a total of 62 channels outside the Bank signed. The scale of institutional wealth management assets rose by 9.58% over the prior year-end, with the growth rate ranking among the top in the industry.

PSBC Wealth Management deepened the integrated development of digital and intelligent technologies to unleash the momentum of technological empowerment.

Firstly, the company pushed ahead with the launch of 16 LLM application scenarios, including intelligent drafting of investment research reports, intelligent comparison of compliance policies, and intelligent labeling of public opinion risks. Secondly, in terms of operations, the company developed an automatic parsing and verification tool for unstructured data such as audit reports of wealth management products, reducing processing time by nearly 90%. Thirdly, the company explored AI-enabled programming. Intelligent tools were deployed to perform functions such as backtesting of equity and bond strategies, cutting the development cycle from months to days and boosting R&D efficiency by over 80%.

PSBC Wealth Management consolidated the foundation for risk control and compliance to safeguard sound business development.

Firstly, the company continuously reinforced risk management, maintaining stable asset quality. It actively built a tiered early-warning system for liquidity risk in wealth management products by leveraging both internal and external resources, and the research plan of the system was selected as a research project by the Banking and Insurance Asset Management Association of China for 2026. Secondly, the company strengthened its internal control and compliance governance. It conducted self-assessment against the regulatory rating criteria for wealth management companies for the first time. It conducted comprehensive reviews and analysis covering the requirements and guidance of 102 qualitative indicators as well as performance of 21 quantitative indicators, further laying a solid internal control and compliance foundation for high-quality development.

Majority-Owned Subsidiaries



PSBC Consumer Finance was established on November 19, 2015, with a registered capital of RMB3 billion, in which the Bank holds a 70.50% stake. Its business scope is: granting personal consumer loans; accepting deposits from shareholders and their domestic subsidiaries as well as parent companies of the groups to which shareholders belong and their domestic subsidiaries; borrowing from domestic financial institutions; borrowing from overseas financial institutions that are shareholders of the company; issuing non-capital bonds; engaging in interbank funding; providing advisory and agency services related to consumer finance; and other business activities as approved by the NFRA. As at the end of the reporting period, PSBC Consumer Finance had total assets of RMB76,794 million and net assets of RMB8,025 million. During the reporting period, the company generated an operating income of RMB4,211 million and recorded a net profit of RMB570 million.

PSBC Consumer Finance implemented the “five priorities” of the financial sector in an in-depth manner.

The company actively acted on the decisions and plans of the CPC Central Committee and the State Council and made solid efforts to implement the “five priorities” of the financial sector. In terms of inclusive finance, the company steadily advanced interest rate reductions, continuously increased the supply of consumer credit services, and extended financial services to more customer groups. During the reporting period, the company’s comprehensive loan pricing decreased by 1.26 percentage points compared to the prior year. The company granted RMB79,127 million in inclusive loans, contributing to the prosperity of the consumer market. In terms of green finance, the company continued to advance the development of carbon accounts. With the “PSBC Forest” carbon account as the core vehicle, it leveraged digital means to deeply integrate various daily life scenarios and build a full-chain incentive system, facilitating the upgrading of green finance. In terms of digital finance, the company comprehensively pushed forward the development of digital and intelligent capabilities. It focused on addressing key challenges in the “AI R&D enhancement project” to continuously enhance core AI capabilities including LLMs. Meanwhile, it accelerated the rollout of application scenarios of digital and intelligent technologies and strengthened data governance to boost data support.

PSBC Consumer Finance actively fulfilled its social responsibilities. With a deep understanding of the political and people-oriented nature of financial work, the company effectively cut the financing costs for household consumption. Firstly, the company implemented inclusive finance policies and improved its relief and assistance mechanism. It proactively provided interest concessions to 25.5 thousand customers, and waived and reduced interest and fee charges by RMB140 million, showing the human touch of financial services through concrete actions. Secondly, the company actively implemented the one-off credit restoration policy. It compiled customer service manuals and provided targeted education on credit restoration policies to customers, effectively helping them restore their credit profiles. It completed credit restoration for over 2.6 million individuals in total, making positive contributions to a stable and healthy financial ecosystem and social harmony.

PSBC Consumer Finance continuously promoted high-quality development. Firstly, the company made every effort to reduce credit risk and achieved risk control targets. It further optimized customer stratification and pricing strategies and improved the conversion efficiency of high-quality customers. It further advanced the “Intelligent Risk Control Upgrade Project” to promote the substantial implementation of core measures. Secondly, the company implemented new regulatory requirements including the fiscal interest subsidy policy to enhance the quality and efficiency of financial products and services. A dedicated interest subsidy zone was launched in the PSBC Consumer Finance Wallet app to enable end-to-end online processing of the interest subsidy business. Thirdly, the company accelerated digital transformation across the board. Following its “digital and intelligence-driven development” strategy, the company made solid headway in the “INCLUSIVE WISDOM ASCENT Strategic Program (IWA Program)” and promoted the deep integration of application systems and business scenarios with a focus on initiatives such as full-lifecycle customer information management. Closely following the guidance of the “PSBC Consumer Finance Brain” blueprint, the company explored the diversified and intelligent applications of AI agents and LLMs, fully unleashing the momentum of AI technology innovation. As at the end of the reporting period, the company obtained 115 granted patents in total and held 145 software copyrights, significantly boosting its technological competitiveness.

Majority-Owned Subsidiaries



PSBC Investment was established on March 20, 2026, with a registered capital of RMB10 billion, in which the Bank holds a 100% stake. Its business scope is: acquiring banks' claims on enterprises for the purpose of debt-to-equity swaps, converting such claims into equity and managing the resulting equity interests; restructuring, transferring, or disposing of claims that cannot be converted into equity; investing in enterprise equity for the purpose of debt-to-equity swaps, with the invested funds to be used by enterprises solely for repaying existing claims; raising funds from qualified investors in accordance with laws and regulations and issuing private asset management products to support the implementation of debt-to-equity swaps; issuing financial bonds; raising funds through bond repurchases, interbank lending, and interbank borrowing; conducting necessary investment management of proprietary funds and raised funds, where proprietary funds may be used for deposits and placements with banks, and purchases of government bonds or other fixed-income securities, and raised funds shall be used in accordance with the intended purposes specified in the fundraising agreements; providing financial advisory and consulting services related to debt-to-equity swap business; and other businesses approved by the NFRA. As at the end of the reporting period, PSBC Investment had total assets of RMB10,139 million and net assets of RMB10,054 million. During the reporting period, it generated operating income of RMB74 million and recorded a net profit of RMB54 million.

PSBC Investment effectively promoted the development of the “five priorities” of the financial sector and drove the transformation and upgrading of the real economy.

The company thoroughly implemented the decisions and plans on the “five priorities” of the financial sector, closely aligned with the 15th Five-Year Plan, adhered to the development principle of “high-standard positioning and bottom-line thinking”, and deployed business operations with a focus on seven key industrial sectors. It enforced full-process controls over project access, due diligence, review and decision-making, and adhered to rigorous selection and prudent decision-making. The company utilized market-oriented debt-to-equity swaps to support the deleveraging and restructuring of the real economy, and strove to cultivate differentiated core competitiveness featuring “faster response, deeper research, stronger coordination and more effective empowerment”, bringing into full play the role of state-owned financial capital in empowering the real economy and optimizing the industrial structure.

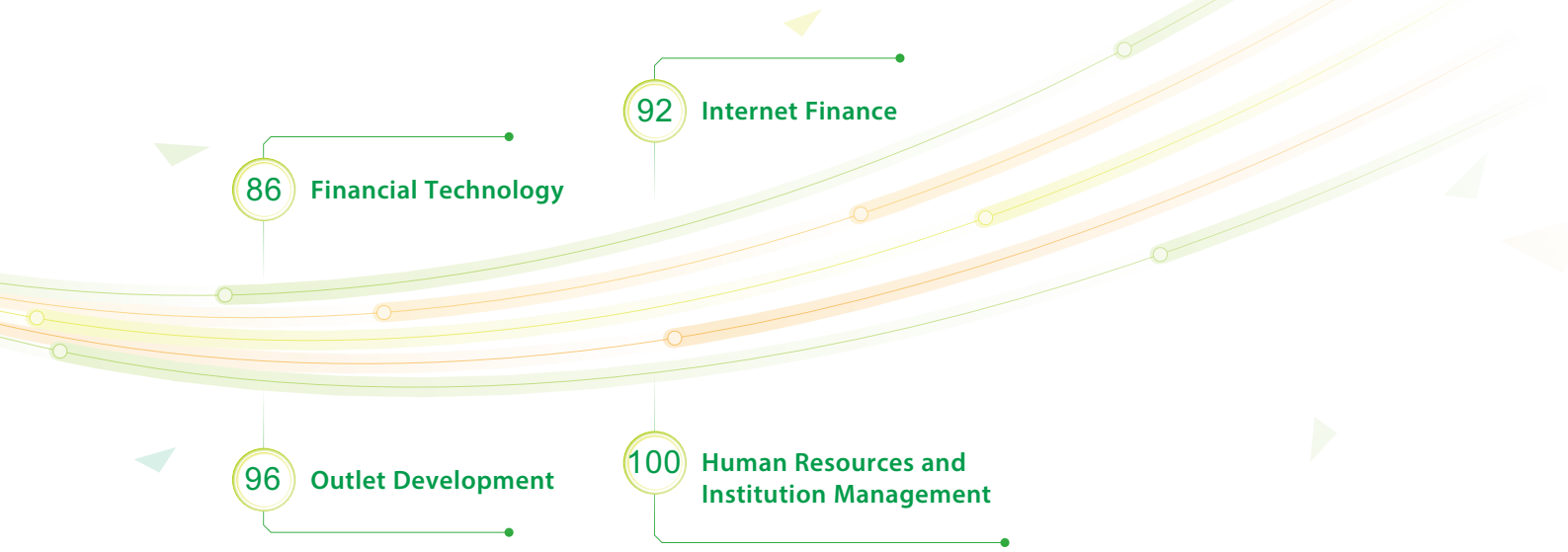
PSBC Investment focused on research and collaboration to explore a distinctive model of high-quality development.

To ensure sound operations and development, the company focused on the two tasks of research and collaboration to explore a distinctive development model. In terms of research, it practiced the development philosophy of “company-wide research and research-driven growth”, fully implemented the major decisions and plans of the CPC Central Committee, and conducted forward-looking and in-depth research on key industrial sectors. Through internal and external research and exchanges as well as cooperation with industrial platforms, the company tapped into industrial investment opportunities aligned with the functional positioning of financial asset investment companies. In terms of collaboration, leveraging China Post Group’s financial licenses covering banking, securities and insurance as well as its resources in diverse ecosystem scenarios including delivery, logistics and e-commerce, the company worked to build a business model featuring differentiated customer acquisition and specialized industrial empowerment.

PSBC Investment consolidated the compliance and risk control system to forge a solid foundation for sound development.

The company established an innovative collaboration mechanism integrating research, business and risk control, embedding compliance controls at an early stage throughout the entire process of industry analysis and project development, so as to strike a balance between the efficiency of business development and the quality of compliance and risk control. It further improved its institutional framework by establishing one covering corporate governance, internal control, risk management, information technology and comprehensive administration, thereby solidifying the foundation for sustainable and compliant development.

Capability Building



Financial Technology

Over **370** LLM application scenarios have been deployed.

Average daily LLM calls exceeded **6 million**, with average daily input and output tokens surpassing **10 billion**.

The Bank took solid steps to ensure a good start for the implementation of the 15th Five-Year IT Plan. It accelerated the Bank-wide digital and intelligent transformation, promoted the application of intelligent technologies including LLMs across the board with a focus on empowering business development through technology and data, strengthened and improved refined management, reinforced the defense line against technological risks, and further built fintech capabilities, empowering the high-quality development across the Bank.

Comprehensively Building Digital and Intelligent Advantages

Closely aligning with the national “AI+” strategy and the requirements for high-quality development of the financial sector and leveraging the building of an intelligent ecosystem-based bank, the Bank made systematic arrangements in the innovation of financial LLMs, broke through the bottlenecks of large-scale application, laid out a new blueprint for digital and intelligent transformation, and strove to build a new digital and intelligent service ecosystem empowering the high-quality development of the Bank.

Column

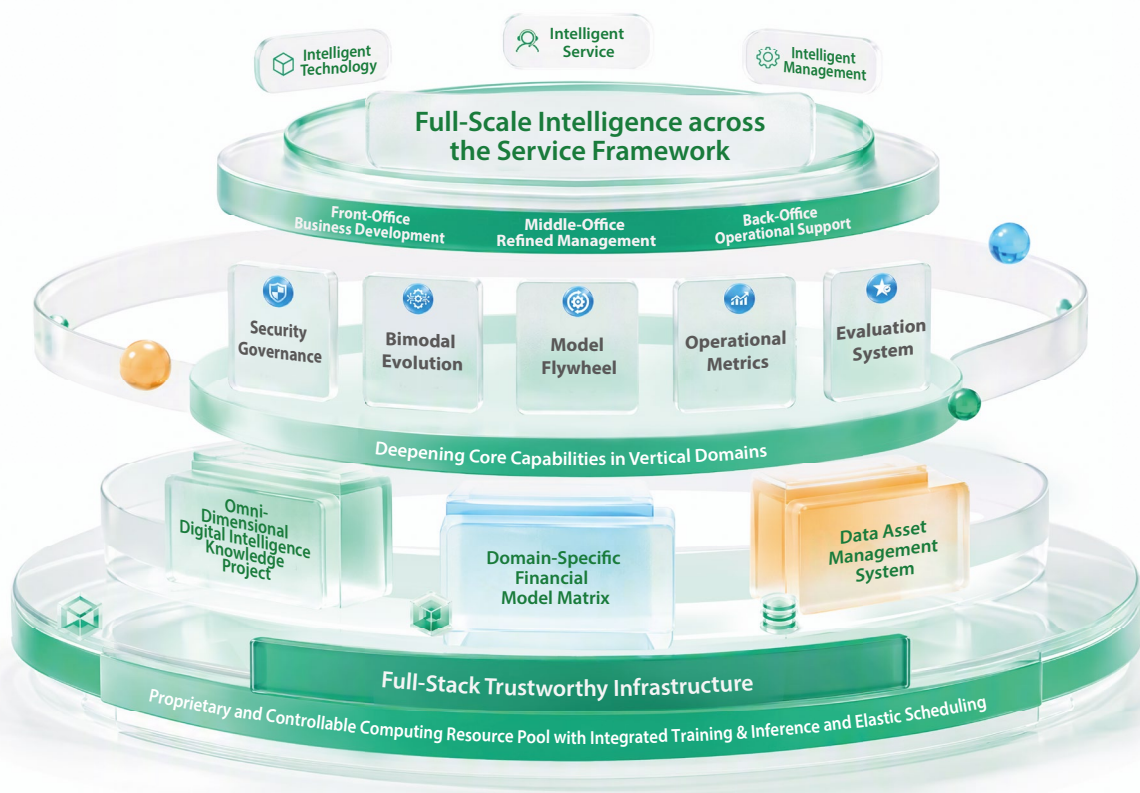
Deepening the Exploration of Innovative Practices and Introducing “Youzhi (PSBC Intelligence)” Financial Industry LLM

The Bank actively implemented the national “AI+” strategy, continued to develop an independent and controllable AI-native technology architecture, and launched “Youzhi (PSBC Intelligence)” financial industry LLM to precisely meet the specialized requirements of vertically segmented scenarios within the financial sector.

Building upon the capabilities of general-purpose LLMs, “Youzhi (PSBC Intelligence)” LLM integrates high-quality financial datasets for knowledge learning and, taking into account the characteristics of financial businesses, has developed a matrix of domain-specific models at 10-billion parameter scale, covering application areas such as customer service, operational security and risk control. This model is tailored to the industry characteristics of rigorous compliance and prudent risk management of the financial sector, thereby facilitating secure and sound financial innovation.

Through technical measures including model architecture reconstruction, parameter scale compression and inference framework engineering optimization, “Youzhi (PSBC Intelligence)” LLM is developed as a lightweight, high-performance domain-specific financial model with small parameter scale. It reduces overall cache usage by approximately 72% and lowers inference costs by up to over 87%, substantially reducing the application costs of LLMs for the banking industry.

“Youzhi (PSBC Intelligence)” LLM addresses the key pain points in the application of LLMs in the financial industry. It establishes a new technical pathway for efficient, low-cost and intensive deployment, and provides a replicable and iterative model for scenario development. The model launch cycle has been shortened from 2 weeks to 1 day, providing a practical case of cost reduction and efficiency enhancement for large-scale industrial adoption, and facilitating improvements in the quality and efficiency of AI applications across the industry.



Financial Technology

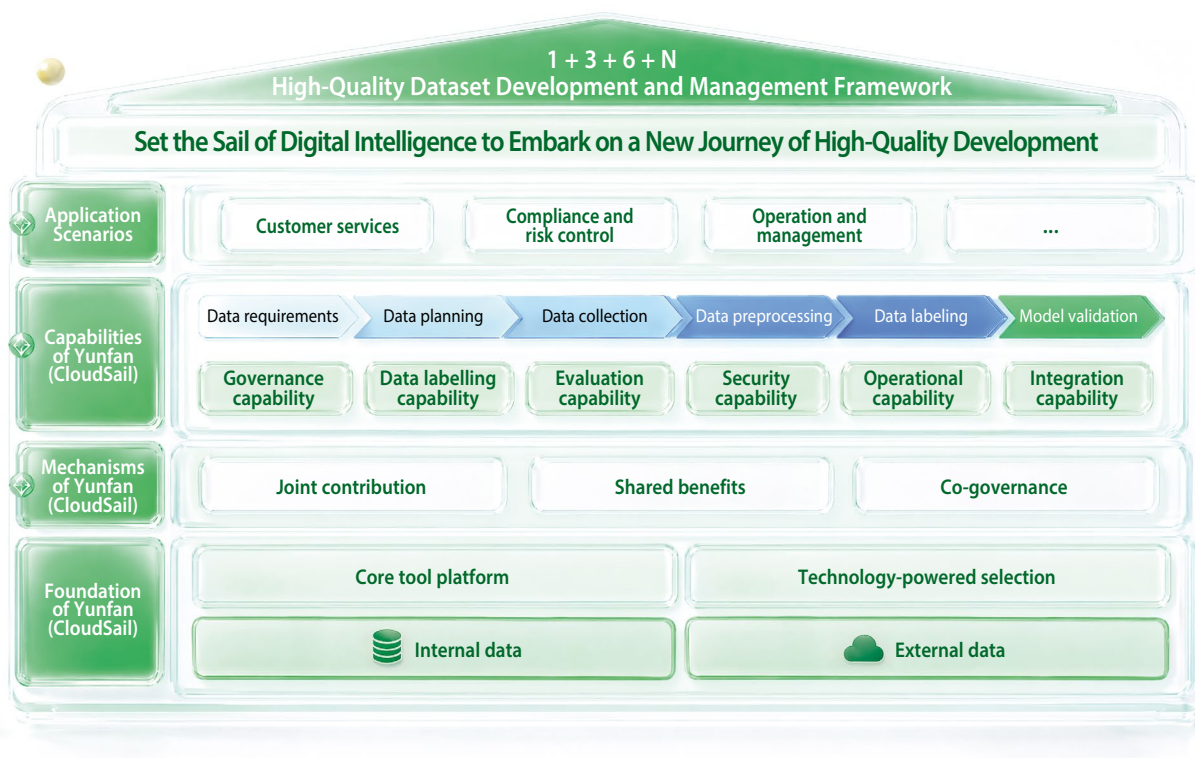
Consolidating the New Foundation of AI Capabilities

Relying on the three core platforms of computing power management, development tools and public services, the Bank established an end-to-end AI capability foundation, and advanced the development of an independent and controllable LLM technology system. It built a unified heterogeneous computing power scheduling platform, managed training and inference computing clusters at the thousand-GPU scale through resource pooling, introduced super-node computing services, and deployed the first super-node computing cluster in the financial sector, providing an efficient and reliable computing foundation for the large-scale deployment and rapid iteration of models. As at the end of the reporting period, the Bank's LLM capabilities had been integrated into more than 90 internal systems, with average daily calls exceeding 6 million and average daily input and output tokens surpassing 10 billion, fully empowering the development of intelligent scenarios and the large-scale rollout of applications. At the same time, the Bank launched "Youzhi (PSBC Intelligence)", an LLM tailored for the financial sector, to establish a new end-to-end intelligent service ecosystem for the financial sector covering customer service, operations management, and risk prevention and control.

The Bank strengthened data supply. Guided by the "Data for AI" philosophy, it developed high-quality datasets, established the "1 + 3 + 6 + N" high-quality dataset development and management framework, and consolidated the data foundation for enterprise-level LLMs. The Bank improved the three synergistic mechanisms of joint contribution, shared benefits and co-governance, forged six core data capabilities including governance, labeling, evaluation, security, operation, and integration, and innovatively built a tool platform covering the full chain from

data aggregation and data operation to data supply. The Bank intelligently labeled over 60,000 pieces of multi-modal data, developed a core hub of the data flywheel with a closed loop of "data – model – scenario", and provided authentic and reliable multi-modal dynamic interactive data for model training, forming a virtuous cycle where datasets boost model performance, models improve application outcomes, and applications accumulate feedback data. Over 28 million pieces of high-quality datasets have been accumulated, empowering the implementation of multiple business scenarios.

A Bank-wide LLM evaluation system was established, featuring a two-stage testing process: lightweight evaluation at the first stage and end-to-end verification at the second stage, boosting testing efficiency by approximately 30% compared with conventional testing methods. More than 170,000 pieces of evaluation data exclusive to financial scenarios were developed to ensure accurate and credible results. A toolchain comprising automatic evaluation, judge models and error case clustering analysis was independently developed, supporting frequent iteration of models and scenarios. The Bank established a full-lifecycle security management system for AI application development covering four core areas of content, data, applications and models. It introduced a new asynchronous parallel mechanism for security and business agents, achieved endogenous security through synergy between large and small models, provided dynamic protection through large security models, and adopted financial-grade security strategies to ensure that AI applications are secure, trustworthy, and compliant.



Empowering High-Quality Business Development with AI Technologies

Currently, AI technologies represented by AI-powered LLMs are reshaping the financial service paradigm at a faster pace. Adhering to the holistic development philosophy of “business-technology synergy and value orientation”, the Bank has built a full-process, multi-dimensional intelligent application matrix covering the entire business chain across front, middle, and back offices. Over 370 LLM application scenarios have been deployed, continuously driving improvements in business quality and efficiency.

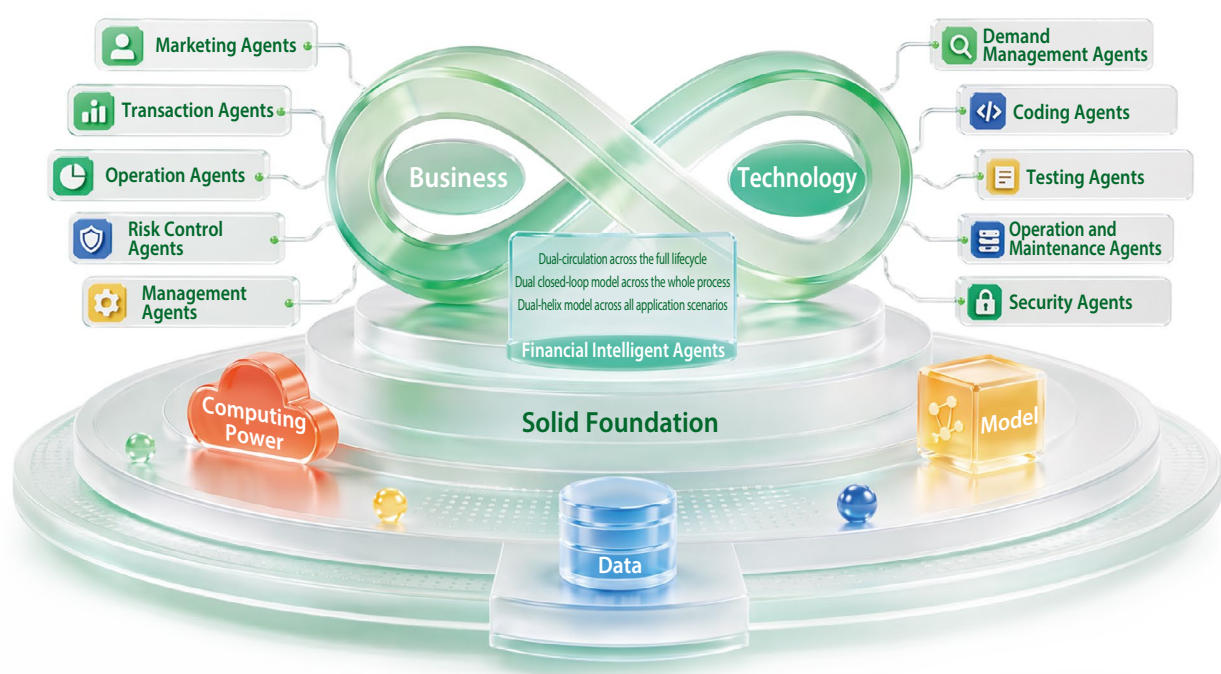
In terms of customer services, the Bank moved from being experience-driven to being intelligence-driven. It developed retail marketing agents and dynamically generated personalized marketing solutions, reaching over 54 million high-potential customers of China Post Group and the Bank. For corporate banking, the Bank deployed an intelligent industrial chain business development assistant and planned the development of over ten scenario-based agents, supporting the opening of over 6,000 corporate accounts and credit extension to over 2,000 customers, with the total credit amount reaching nearly RMB310 billion.

In terms of operation and management, the Bank shifted the model from “manual prediction” to “human-machine collaboration”. Firstly, AI was deeply embedded in key operation and management links including identification, review, and risk control. The intelligent document recognition replaced 90% of manual entry at the operation center; the intelligent Q&A by PSBC Assistant accounted for over 98% of the total inquiries; and the anti-telecom fraud model enhanced the efficiency of account risk analysis for early warning by nearly 30%. Secondly, the Bank developed an intelligent credit support system covering front, middle

and back offices. It empowered customer managers with intelligent due diligence and solution generation capabilities at the front office, deployed intelligent credit review assistants for automated examinations at the middle office, and strengthened intelligent monitoring and automated handling capabilities for post-lending management, boosting the efficiency of due diligence work by over 50%. Thirdly, multiple office-specific intelligent agents were developed for core daily office scenarios, providing more than 500,000 conversation services in total.

In terms of technological support, the Bank built technological agents covering the whole process from demand management, R&D and testing, to operation and maintenance, as well as data query. Over 60% of the Bank’s systems leveraged intelligent coding and testing capabilities. The operation and maintenance agent enabled full-chain accurate tracking of transaction serial numbers, shortening query time to less than one minute and cutting the prediction time for threat and attack from minutes to seconds.

In terms of data management, the Bank drove the upgrading of the data management framework and the release of data asset value with the “AI for Data” model. As at the end of the reporting period, the Bank had developed more than 50 scenarios across six categories, including intelligent data query and intelligent data search. Among them, intelligent data query covered over 10,000 indicators and served more than 20,000 users, delivering more comprehensive and intelligent data support; intelligent data search covered over 3 million data assets, creating a unified intelligent search portal featuring full coverage, single-point access and intelligent recommendation.



Financial Technology

Consolidating the Foundation of Technological Support

The Bank continued to solidify its technological foundation, upheld the bottom line of security, improved the proactive risk prevention and control mechanism, deepened technological governance, and accelerated the development of an interdisciplinary workforce proficient in both business and technology. These efforts injected robust digital and intelligent momentum into high-quality development and delivered more solid technological support.

Reinforcing the technological foundation. The Bank continuously enhanced the intelligent level of the technology middle office, and launched more than 170 enterprise-level middle-office components in total. Intelligent development tools recorded over 1,000 daily active users (DAUs) on average. It built domain-specific agents for the technology middle office, realizing a shift from AI assistance to AI empowerment. The data middle office further empowered scenarios and handled 584 real-time data query service requests in total, up by 12.96% year on year, with a focus on core scenarios such as upgrading mobile banking and boosting the quality and efficiency of outlet operation. Leveraging the self-developed big data platform, the Bank integrated the unified management tools, significantly reducing the difficulty of system deployment, usage and maintenance. The Bank independently built a real-time monitoring system covering multiple core data processing components, expanded the coverage of operation and maintenance monitoring, and formed a full-chain self-

developed tool and a monitoring system encompassing deployment, operation and maintenance, and monitoring, ensuring full independence and controllability of core links.

Upholding the bottom line of safe production. The Bank built a data security monitoring system, enabling the visibility, controllability and traceability of the data security status of the Bank. Adopting an innovative “rules + models” dual-engine mode, the Bank utilized AI models for intelligent and batch data classification and grading, effectively reducing relevant time costs. Leveraging LLMs and AI agents, the Bank realized intelligent security control across the full process covering R&D security review, code security audit, and penetration testing. Focusing on operation and maintenance security, the Bank further integrated big data and LLM technologies, and rolled out functions such as User and Entity Behavior Analytics and security operation agents, continuously enhancing its defense-in-depth capability and the effectiveness of security operation.

Accelerating the building of an interdisciplinary workforce proficient in both business and technology. The Bank consolidated the tiered and classified IT talent cultivation mechanism, further enriched and refined the three-tier talent cultivation framework covering leading, core and young talents, and built six specialized teams, namely, software R&D, business development, data analysis, digital and intelligent service engineers, network and data security, and operation and maintenance teams, cultivating high-caliber professionals with expertise in both technology and business.



Column

Strengthening the Foundation of Digital and Intelligent Technology and Leveraging the Technology Middle Office to Underpin Development

The Bank has developed a digital and intelligent technology middle office aimed at achieving “unified data, unified processes, and unified views”. By introducing agent technology and deepening the application of AI and digitalization, the Bank established a new framework for refined technology management and drove the transformation toward integrated digital and intelligent fintech services.

The digital governance of technology was improved in an all-round way. The Bank established an integrated governance system covering the full lifecycle of demand management, project delivery, technology performance and quality control, strengthening its digital and intelligent fintech capabilities across the board. A Head Office and Branch Coordination Center was established, alongside one-stop service halls at branches, to exercise full oversight over the IT projects of branches and reinforce technology coordination and service support.

Centered on business value, the Bank steered resources toward high-value projects. It optimized fund allocation through closed-loop agile engineering cost control, the post-implementation review framework, and remediation of inefficient systems. A Voice of Customer (VOC) agent was developed to implement closed-loop management of “collection – analysis – resolution” for multi-modal customer voice across online and offline channels. This allows AI to empower user experience improvement and fuel product iteration, with more than 30,000 customer pain points identified to date. The Bank strengthened the professional service capabilities of Digital and Intelligent Service Engineers, enriched the customer product portfolio and case library, and built a service framework featuring centralized customer request handling, project requirement analysis and implementation facilitation, and end-to-end transparent tracking, to empower the high-quality development of business through technology.

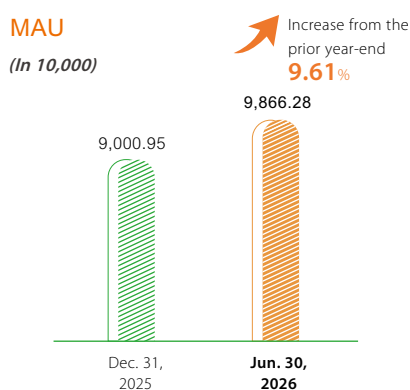
The technology middle office has become the Bank’s “core helmsman” steering the digital and intelligent transformation of fintech, covering over 200,000 users. Supported by the technology middle office, the Bank laid a vital cornerstone for high-quality development and further advanced the application of AI in financial technology, injecting new momentum into technology governance, refined management and collaborative innovation.



Internet Finance

The number of monthly active users (MAUs) of mobile banking exceeded **98** million.

The number of personal wallets opened via the e-CNY app exceeded **37** million, ranking **first** among peers.



Staying customer-centric, the Bank advanced the empowerment of intelligent technologies across all domains and their systematic iterative upgrading in a coordinated manner. Focusing on refined services, intelligent risk control, digitalized operations and innovative products, the Bank systematically upgraded the layout of its internet finance ecosystem and effectively improved the quality and efficiency of internet finance services.

Comprehensively Deepening the Development of the Mobile Banking Ecosystem

The Bank has continued to push forward the “Initiative of Comprehensive Breakthroughs in Mobile Banking”, striving to develop mobile banking into an ecosystem platform of first choice that meets customers’ financial and non-financial needs. The Bank took mobile banking as the core online gateway, and vigorously advanced seven major breakthrough initiatives in experience, scenarios, products, operations, channel collaboration, digital intelligence, and risk control. It promoted customer acquisition through traffic acquisition, scenario embedding, channel linkage, data consolidation, and service interoperability, provided customers with enhanced experience, realized seamless and intelligent risk control, and forged a new paradigm of digital customer operations. As at the end of the reporting period, the number of MAUs of the Bank’s mobile banking exceeded 98 million.

The Bank kept upgrading the service capabilities of mobile banking. Firstly, it actively deployed AI technologies to strengthen smart mobile banking services such as pension funds, credit cards, and e-CNY. Secondly, it continuously enhanced cross-channel service coordination capabilities. The scope of transactions supported by the “scan-to-process” function in mobile banking was expanded to improve the service efficiency of the platform. Thirdly, it reinforced its fundamental financial service capabilities by introducing new features such as invitation-based kinship authentication for family accounts and revamping sections for wealth management products, “Mobile Salary”, and market news, in order to enhance the platform’s comprehensive service capability.

Accelerating the Upgrading of Integrated Remote Customer Services

For the 95580 customer service hotline, with a focus on improving the quality and efficiency of responsive and proactive services, the Bank comprehensively upgraded its remote services through intelligent transformation. In terms of responsive services, the Bank promoted organizational change in operations and established an in-depth and multi-tiered service system. It optimized the deployment of audio-visual and text-based service channels to improve the precision of service-scenario matching across online channels. In terms of proactive services, the Bank expanded service coverage and scale. Leveraging diverse channels including intelligent outbound calling, manual outbound calling and SMS, it rolled out proactive customer outreach initiatives such as proactive credit granting, mobile banking activation and dormant customer re-engagement to drive customer activity and value growth. The Bank empowered business development with AI. It utilized AI to support service reminders and customer activation scenarios, and its human agents worked in collaboration with digital employees. All these efforts substantially enhanced the intelligence of the Bank's remote services and drove upgrades in both operating efficiency and customer experience.

The Bank sped up the digital and intelligent transformation of its credit card service hotline. It continuously expanded the online channels for intelligent services, completed the deployment of over 100 online customer service access points and core transaction functions across five major credit card scenarios within mobile banking, and introduced a large font mode for elderly-friendly services. During the reporting period, the Bank's 24/7 digital and intelligent services were accessed 15,364 thousand times. The Bank accelerated the innovative applications of LLMs. It drove the implementation of intelligent classification in multimedia agent, digital employee and certain telephone agent scenarios, and deployed online transactions based on

high-frequency classification to strengthen online service capabilities. Meanwhile, intelligent outbound calling, intelligent knowledge bases and intelligent Q&A tools were fully launched, significantly boosting knowledge processing efficiency and Q&A accuracy. LLM technologies effectively shortened document processing time per file. Enabled by technology, customer service operational efficiency steadily improved and a new paradigm of human-machine collaborative service began to take shape.

Coordinating and Consolidating the Digital and Intelligent Services of Corporate E-Banking

The Bank consistently improved the efficiency of scenario innovation and unlocked new service spaces through technology-empowered new scenarios. It continuously advanced the iteration of functions and development of a scenario ecosystem for corporate e-banking, empowering corporate clients' operation and management through digital and intelligent technologies. With a focus on the demand for integrated business and finance operations, corporate e-banking introduced a payment order management model that enables the seamless synchronization of corporate business orders with corporate e-banking. This provided customers with one-stop services covering the whole process from document inquiry and online approval to fund payment, boosting corporate operating efficiency. Leveraging the group account management system, the Bank upgraded wealth management services for group clients to facilitate their centralized fund management and steady growth of asset returns. Focusing on customer experience optimization, the Bank further refined high-frequency basic functions such as transaction record inquiry, electronic receipts and bank-enterprise reconciliation. New convenient features, including intelligent transfer auto-suggestion and business breakpoint resumption, were added to the corporate mobile banking platform, injecting digital impetus into the business operations of enterprises.

Internet Finance

Steadily Improving Intelligent Risk Control Capabilities

The Bank continued to improve its multi-layered, full-process intelligent risk control and early warning system. Focusing on key dimensions of model iteration and optimization, terminal risk perception, and the prevention and control of marketing risk, the Bank took targeted steps to comprehensively upgrade capabilities in risk identification, early warning and disposal, thereby solidifying the defense line for financial transactions. The Bank upgraded intelligent risk control rule models. It deeply integrated data across multiple dimensions such as device information, transaction scenarios and behavioral characteristics, conducted analytical modeling with internal and external risk samples, established an online risk control operation mechanism combining rule model deployment and dynamic iteration, and formed a closed-loop risk management chain covering risk monitoring, early warning, interception and optimization, strengthening the effectiveness of risk protection for customers. The Bank consolidated hardware-level terminal security protection. It comprehensively upgraded the risk detection capabilities for mobile banking terminals, proactively monitored and detected risk characteristics such as high-risk transaction environments, deployed differentiated and graded transaction control strategies for high-risk scenarios such as remote operations, and achieved dynamic alignment between terminal risk detection and transaction risk control strategies. The Bank reinforced risk prevention and control in marketing scenarios. It built a full-process marketing risk monitoring framework covering various marketing scenarios. Through real-time traffic monitoring and in-process intervention, the Bank accurately identified and intercepted abnormal risk behaviors such as malicious arbitrage, thereby safeguarding the rights and interests of its customers.

Continuously Advancing the Digital Operation Framework

The Bank optimized its intelligent and refined operation framework, and advanced digital operations across the board. It optimized the multi-dimensional operational workflow with horizontal-vertical linkage, built the framework for intelligent strategy system, and fully tapped the growth potential of key customer groups. Mass undifferentiated outreach was upgraded to refined and tier-based operations, solidifying customer retention and value conversion, and delivering improvements in both quality and efficiency. With a data-driven approach at the core, the Bank carried out continuous planning, centralized coordination and large-scale operation throughout the entire customer journey, achieving continuous management, tiered retention and omni-channel outreach of retail customers. Targeting core customer

groups in businesses such as payroll services, wealth management and credit cards, the Bank adhered to value creation, conducted in-depth analysis of multi-dimensional customer demands, and dynamically captured business opportunities. Relying on the digital infrastructure, the Bank built a tiered and differentiated service matrix that offers exclusive financial products and special benefits to targeted customers, continuously delivering targeted, efficient, and comprehensive financial services tailored to diverse scenarios.

Actively Promoting the Application of E-CNY

The Bank sped up the promotion and application of e-CNY. As at the end of the reporting period, the number of personal wallets opened via the e-CNY app exceeded 37 million, ranking first among peers. From January 1, 2026, the Bank has incorporated the balances of e-CNY wallets into its overall asset and liability management, paid interest on balances in customers' real-name e-CNY wallets, and achieved the systematic upgrading of e-CNY from v1.0 cash-based model to v2.0 deposit-currency model, boosting customers' flexibility in fund management and improving overall service experience.

To solidify the foundation for digital finance development, the Bank collaborated with prepaid fund supervision platforms in multiple regions to launch e-CNY smart contracts for prepaid fund supervision scenarios. Covering over 2,900 prepaid merchants, the Bank took a leading position among peers in the industry and helped enhance digital governance capabilities. As the inaugural operating institution, the Bank collaborated with the Ministry of Housing and Urban-Rural Development to launch a Wenzhou-based scenario enabling one-stop e-CNY access for housing provident funds, facilitating the digital upgrading of government services. The Bank vigorously developed inclusive finance. It continuously enriched product functionalities of personal e-CNY wallets, rolled out six e-CNY payment-linked wealth management products, and achieved full coverage of e-CNY retail loan business across all pilot areas. The Bank issued Bingwu Year (Year of the Horse) themed e-CNY hardware wallets across multiple pilot areas nationwide. It also promoted the Belt-and-Road hardware wallet program in Suzhou exclusively for inbound foreign nationals to optimize their digital payment experience. The Bank continuously empowered the high-quality development of green finance by launching e-CNY public-benefit offerings in public transport scenarios, such as buses and subways in Fujian and Ningbo, to guide the public to opt for low-carbon travel and green consumption. The Bank actively expanded elderly care finance and advanced the elderly care-themed hardware wallet program in Dalian, providing payment convenience for seniors at community canteens.



Showcasing at the 2026 China International Finance Exhibition

From June 16 to June 18, 2026, the 2026 China International Finance Exhibition was held at the Shanghai World Expo Exhibition & Convention Center under the theme of "Laying a Solid Foundation for Boosting Financial Strength, Forging Ahead with Digital and Intelligent Innovation". As one of the invited financial institutions, the Bank participated in the exhibition and showcased its fruitful accomplishments in driving high-quality business growth through digital and intelligent technologies in accordance with the plan for developing the "five priorities" of the financial sector, as well as its innovative exploration and practice in e-CNY.



The e-CNY exhibition area showcased the digital and intelligent innovations for e-CNY. Incorporating PSBC's brand features, the exhibition area was equipped with multimedia displays and intelligent interactive devices to present a multi-dimensional overview of e-CNY's technical architecture, product portfolio, scenario layout, and service strengths. Immersive hands-on experience activities were organized as part of the marketing campaign during the exhibition, and visitors could experience the entire processes on-site, including opening an e-CNY wallet and making QR-code payments. On-site staff also explained the practical use of smart contracts in prepaid fund supervision and consumption subsidy scenarios, effectively raising public awareness and willingness to use e-CNY services.

The main exhibition area set up six display panels under the themes of corporate overview, technology finance, green finance, inclusive finance, pension finance, and digital finance, fully demonstrating how the Bank leverages digital and intelligent capabilities to write a new chapter in boosting China's strength in finance.



Multiple hardware wallets were displayed in the Bank's e-CNY exhibition area, including the "Qingdao Yuanxin" phone grip hardware wallet, the China Science Fiction Convention themed hardware wallet, the 15th China International Aviation & Aerospace Exhibition themed hardware wallet, and the Water-Splashing Festival themed hardware wallet. Among these, the Bingwu Year (Year of the Horse) hardware wallet marked the Bank's third zodiac-themed hardware wallet, following the Year of the Dragon and Year of the Snake editions. Hardware wallet dispensing devices arranged at the site allowed visitors to collect the Year of the Horse hardware wallet on their own, creating a highly interactive and engaging experience.

Outlet Development

Remote business processing via cloud counters was enabled on **43,461** mobile business development devices, increasing the outreach frequency by **46.22%** year on year.

Digital humans were deployed on **10,487** self-service devices to assist staff with business reviews, improving the processing efficiency of cloud tellers at the operation center by **40.00%**.

Outlets serve as the Bank's frontier for serving the real economy and fulfilling its original aspiration and mission of serving the people through financial services. Guided by the 15th Five-Year Plan, the Bank concentrated efforts on advancing the "Five Major Initiatives and Seven Major Reforms", systematically advanced the proactive planning as well as classified and tiered management of outlets, continuously drove the reform of operational models for outlets, and improved the service capabilities of outlets, laying a solid foundation for building a first-tier large retail bank that is more inclusive, balanced, stable, intelligent, and dynamic.

Optimizing Outlet Network Layout and Renovating Brand Image

Focusing on "controlling overall scale while adjusting layout, and optimizing structure while enhancing quality", the Bank conducted scientific assessments of regional economic development potential, customer value, growth potential and other factors, formulated differentiated outlet layout optimization strategies, and channeled resources into areas of strategic importance, such as national high-tech industrial development zones, economic and technological development zones, China's top 1,000 towns, and emerging urban functional districts. The Bank fully rolled out classified and tiered management of outlets, stimulating operational vitality through differentiated resource allocation. As at the end of the reporting period, the Bank had a total of 38,939 outlets, including 7,375 directly-operated outlets and 31,564 agency outlets. It had put in place 65,395 ATMs and 47,865 ITMs.



Transforming Outlet Operations

The Bank continued to expand the application of “on-site + remote” cloud counter video services, fully promoted the single-person external outreach model using mobile business development cloud counters, and drove the transformation of outlets from an in-house service model to an outreach-driven one. Meanwhile, the Bank further deepened the application of AI in intensive operations. Leveraging LLMs and real-person interaction-driven technologies, the Bank upgraded its intelligent marketing and remote-assisted review functions, enhancing its service quality and efficiency as well as operational performance across all fronts.

During the reporting period, the Bank applied the cloud counter model to a cumulative total of 57,679 devices. Among them, remote business review was applied to 12,620 self-service devices; and remote business processing via cloud counters was enabled on 43,461 mobile business development devices. In the first half of the year, the outreach frequency of the Bank increased by 46.22% year on year, which effectively enhanced the customer acquisition capabilities of outlets. Digital humans were deployed on 10,487 self-service devices to assist staff with business reviews, improving the processing efficiency of cloud tellers at the operation center by 40.00%.

Enhancing Outlet Services

The Bank continued to upgrade outlet service capabilities. With equal emphasis on service standardization and professional expertise, it steadily strengthened the fundamental service capabilities of frontline staff at outlets. The Bank built featured sub-branches for pension finance at different tiers and developed pension finance demonstration outlets at all tier-1 branches, driving the improvement of elderly-friendly services at outlets.

The Bank further enriched services at PSBC Care Stations. It has established more than 7,000 PSBC Care Stations for public use. In addition to providing convenient services such as rest areas and drinking water, the Bank regularly conducted public welfare activities such as financial literacy education, free health consultations in communities, and college entrance exam support services, promoting inclusive and shared access to outlet service resources.

Outlet Development

Column Deepening the Building of Featured Sub-Branches to Enhance Public Well-Being

The Bank remains committed to the original aspiration and mission of serving the people through financial services and focuses on national plans for improving people's livelihoods. Leveraging its network of featured sub-branches, the Bank has empowered key areas of public well-being including employment and entrepreneurship, affordable and comfortable housing, consumption stimulation, as well as culture, sports, and healthcare. It has continuously expanded the reach of inclusive financial services and injected financial impetus into improving public well-being through warm and multi-tiered financial services.



Chaisang District Sub-Branch in Jiujiang, Jiangxi

A featured sub-branch in employment services

To address public demand for employment and entrepreneurship, PSBC Jiangxi Branch, in cooperation with the local human resources and social security bureau, has built the outlet of Chaisang District Sub-Branch into a featured sub-branch in employment and entrepreneurship services, fostering a new service ecosystem combining financial services with employment services. The sub-branch has deepened collaboration with government authorities, published real-time recruitment information via LED screens, display stands, etc., and formed a professional service team to precisely match employers with job seekers. Meanwhile, the sub-branch has vigorously promoted guaranteed entrepreneurship loans and implemented the interest subsidy policy to ease financing difficulties for entrepreneurs. As at the end of the reporting period, the sub-branch had organized over 10 recruitment events in total that facilitated employment for over 100 individuals, and granted 691 re-employment loans totalling nearly RMB200 million in total, effectively building the outlet into a frontier for serving public well-being.



Xingqing District Sub-Branch in Yinchuan, Ningxia

A featured sub-branch in housing finance services

To meet customer demand for home purchases, PSBC Ningxia Branch has built Xingqing District Sub-Branch in Yinchuan into a featured sub-branch for housing finance services. Moving beyond traditional counter services, the sub-branch has introduced a "community living room" service model. Under this model, the sub-branch delivers integrated housing finance services around needs such as housing selection, renovation, move-in and wealth management. During the initial purchase phase, the sub-branch embeds mortgage pre-approval services in popular housing projects. During the renovation phase, it provides customized and exclusive renovation loan products. Upon completion, it offers wealth management services. As at the end of the reporting period, the sub-branch had cumulatively granted nearly RMB400 million in housing-related loans and acquired 260 agency payroll customers, fully honoring its service commitment: "You settle down, we rest assured".



Caiyun Avenue Sub-Branch in Jiulongpo, Chongqing

A hotpot-themed sub-branch

Leveraging Chongqing's iconic reputation as the "Hotpot Capital of China", PSBC Chongqing Branch has built Caiyun Avenue Sub-Branch into a hotpot-themed sub-branch. Centering on the theme of "embracing a vibrant life like hotpot", the sub-branch has optimized customer experience by arranging immersive scenes and providing convenient services such as free eagle tea for visitors. The sub-branch regularly hosts hotpot culture lectures and has launched the innovative "Hotpot Industry Loan" to ease financing difficulties for micro and small merchants. In collaboration with nearby merchants, the sub-branch has also launched an instant discount campaign for credit cards. By empowering public welfare services through scenario innovation and supporting the real economy through financial innovation, the sub-branch has upgraded its financial services from transaction-oriented processing to holistic services that enhance residents' well-being and promote economic development. As at the end of the reporting period, the balance of its industry loans reached RMB18,339.9 thousand.



**Suoyuwan Sub-Branch in Ganjingzi, Dalian****A football-themed sub-branch**

Capitalizing on Dalian's "Football City" IP, PSBC Dalian Branch has built Suoyuwan Sub-Branch into a football-themed sub-branch. The sub-branch set up the Bank's first football fan lounge and used it as a dedicated cultural exchange space for football enthusiasts. Equipped with a large match-viewing screen and a casual chatting zone, the lounge can accommodate over 30 people for football culture sharing sessions. This venue serves as a platform for public football cultural exchanges and enriches Dalian's football culture. The sub-branch has set up a team proficient in both football and financial services. It regularly holds bank-enterprise matchmaking meetings and MSE financing briefings, and precisely meets the financing demands from investment promotion initiatives, sports industry players, commercial districts, and merchants, providing all-round support for Dalian's football industry and serving football fans as well as the local market. The sub-branch has launched a co-branded themed credit card, offers discounts on acquiring fees, and provides e-CNY settlement services for nearby sports merchants. It also offers mobile emergency banking services on event days. As at the end of the reporting period, a total of over 5,200 "Football City" themed credit cards had been issued.

**Sishuidao Sub-Branch in Hexi District, Tianjin****A love-themed sub-branch**

Focusing on the young people's needs regarding dating, marriage and family life, PSBC Tianjin Branch has built Sishuidao Sub-Branch into a love-themed sub-branch, creating a new ecosystem combining financial services with matchmaking. The sub-branch has enhanced outlet-based scenario building by introducing a unique "Heartbeat Postcard Wall", establishing an offline social platform, and organizing regular events including matchmaking salons and casual gatherings. In addition, the sub-branch has set up a dedicated team of "financial matchmakers" to deliver full-spectrum services covering areas such as dating, marriage, parenting, wealth management, and asset succession. It has also launched a love-themed debit card in partnership with dating sites. As at the end of the reporting period, the sub-branch had held six networking and salon events in total where it reached more than 100 single customers, acquired 12 corporate clients, and issued more than 100 love-themed cards.



Human Resources and Institution Management

Human Resources Management

The Bank established mechanisms for talent development and mobility, and strengthened talent pipeline building to secure sufficient human resources for its development.

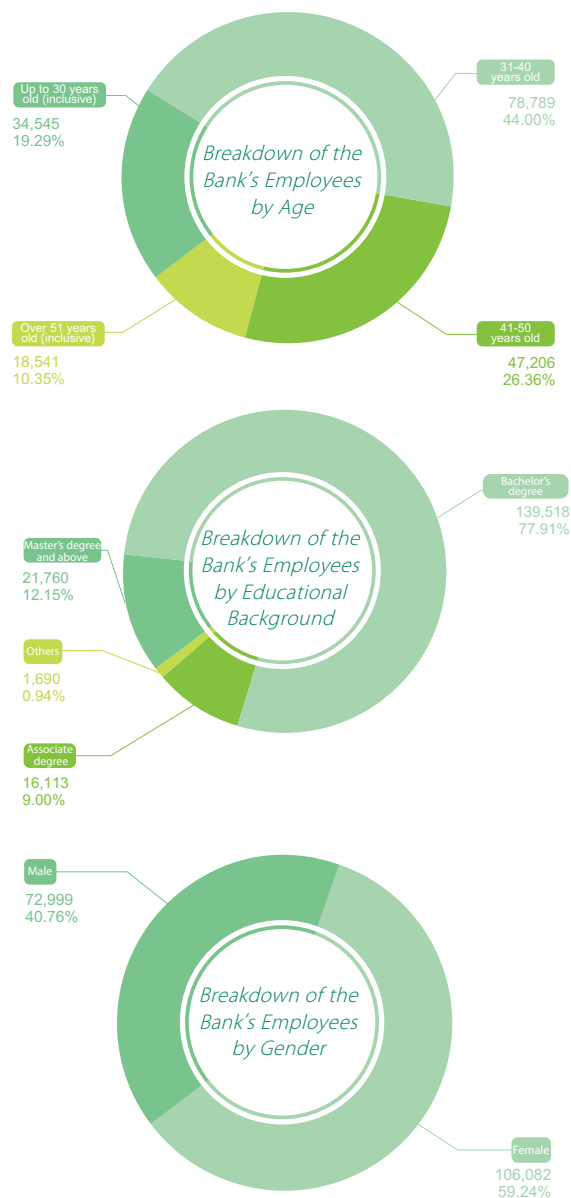
It highly valued employee development and, relying on the dual-track promotion system that covers both managerial and professional roles, conducted regular employee rank promotions to form a well-structured talent pipeline. Guided by the principles of supporting businesses and serving strategic objectives, the Bank continuously optimized staffing to align the workforce with business growth and match talent deployment with transformation requirements. It carried out two-way transfers and exchanges of staff between the Head Office and branches, built a dynamic talent mobility system and a growth mechanism for young cadres, while strengthening rotation of cadres across multiple posts, to provide robust talent support for the Bank's reform and development.

The Bank provided targeted, tiered and classified training, improved the post qualification certification system, and established a long-term talent cultivation mechanism. It further stepped up efforts in education and training. During the reporting period, centered on improving job competency and guided by the annual training plan, the Bank delivered differentiated and targeted training based on employee category, specialty, and hierarchy. Tiered key training programs were developed to meet business performance requirements, effectively boosting all employees' professional competence. The Bank further refined the talent evaluation system driven by post qualification certification, advanced the development of various training resources in a coordinated manner, and built a long-term talent cultivation mechanism that underpins the Bank's high-quality growth.

The Bank balanced efficiency and equity, optimized the compensation and performance management system, and built a scientific and effective incentive and support mechanism. It allocated the total payroll budget based on operational efficiency and value creation while taking fairness into account, with upward or downward adjustments linked to business performance. In compliance with the requirements on compensation distribution from the CPC Central Committee and superior authorities, the Bank further refined internal compensation distribution and channeled more compensation resources to grassroots-level staff and high-value contributors. The Bank strengthened the application of performance appraisal results, and gave full play to the guiding role of performance appraisal. The annuity and welfare system was refined to promote standardized and refined management.

Employees

As at the end of the reporting period, the Bank had a total of 193,241 employees, among whom 179,081 were contract employees (including 1,250 in majority-owned subsidiaries) and 14,160 were from labor dispatch agencies.



¹ The Bank's employees refer to contract employees of the Bank (including those at its majority-owned subsidiaries).

Institution Management

The Head Office of the Bank is located in Beijing and serves as the decision-making and management center of the Bank. The Bank's tier-1 branches are situated in the provincial capitals, capitals of autonomous regions, municipalities directly under the central government, and separate-planning cities. As the operation and management center within the corresponding regions, tier-1 branches are responsible for managing all institutions in their respective areas and reporting directly to the Head Office. Tier-2 branches are generally set up in the prefecture-level cities in provinces and autonomous regions. In addition to their operation and management functions, tier-2 branches are also responsible for managing subordinate institutions and reporting to their supervisory tier-1 branches. Tier-1 sub-branches primarily undertake the functions of business operations and outlet management, and report to their supervisory tier-2 branches. Tier-2 sub-branches primarily undertake the function of business operations.

As at the end of the reporting period, the Bank had 7,716 institutions, including the Head Office, 36 tier-1 branches, 328 tier-2 branches, 2,213 tier-1 sub-branches, 5,135 tier-2 sub-branches, as well as three majority-owned subsidiaries.

The Bank's Branches, Sub-Branches and Employees by Geographical Region and Asset Size

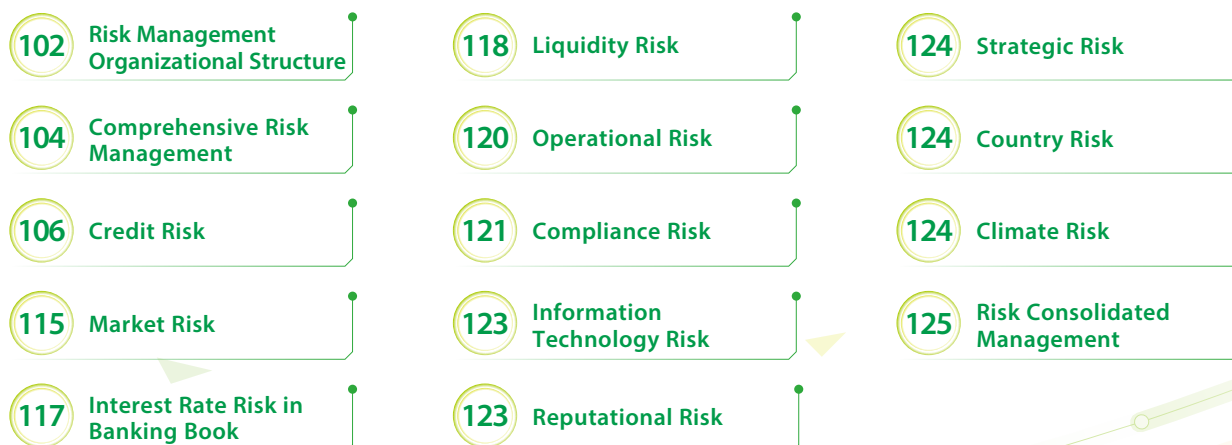
In RMB million, except for percentages or otherwise stated

Region	Asset size	Percentage ⁽¹⁾ (%)	Number		Number	
			of institutions	Percentage (%)	of employees	Percentage (%)
Head Office	11,230,331	36.74	1	0.01	9,391	5.24
Yangtze River Delta	3,257,765	10.66	880	11.41	19,889	11.11
Pearl River Delta	1,868,751	6.12	708	9.18	18,352	10.25
Bohai Rim	3,049,450	9.98	1,078	13.97	25,877	14.45
Central China	5,896,999	19.29	2,325	30.13	45,629	25.48
Western China	3,943,987	12.91	2,021	26.19	41,027	22.91
Northeastern China	1,312,801	4.30	703	9.11	18,916	10.56
Total	19,815,978 ⁽²⁾	100.00	7,716	100.00	179,081	100.00

Note (1): The percentage of assets of each region in total assets is calculated based on the aggregated data before offsetting.

Note (2): Total assets represent the amount after deducting internal offsets and the offsets and unallocated amounts are RMB10,744,106 million.

Risk Management



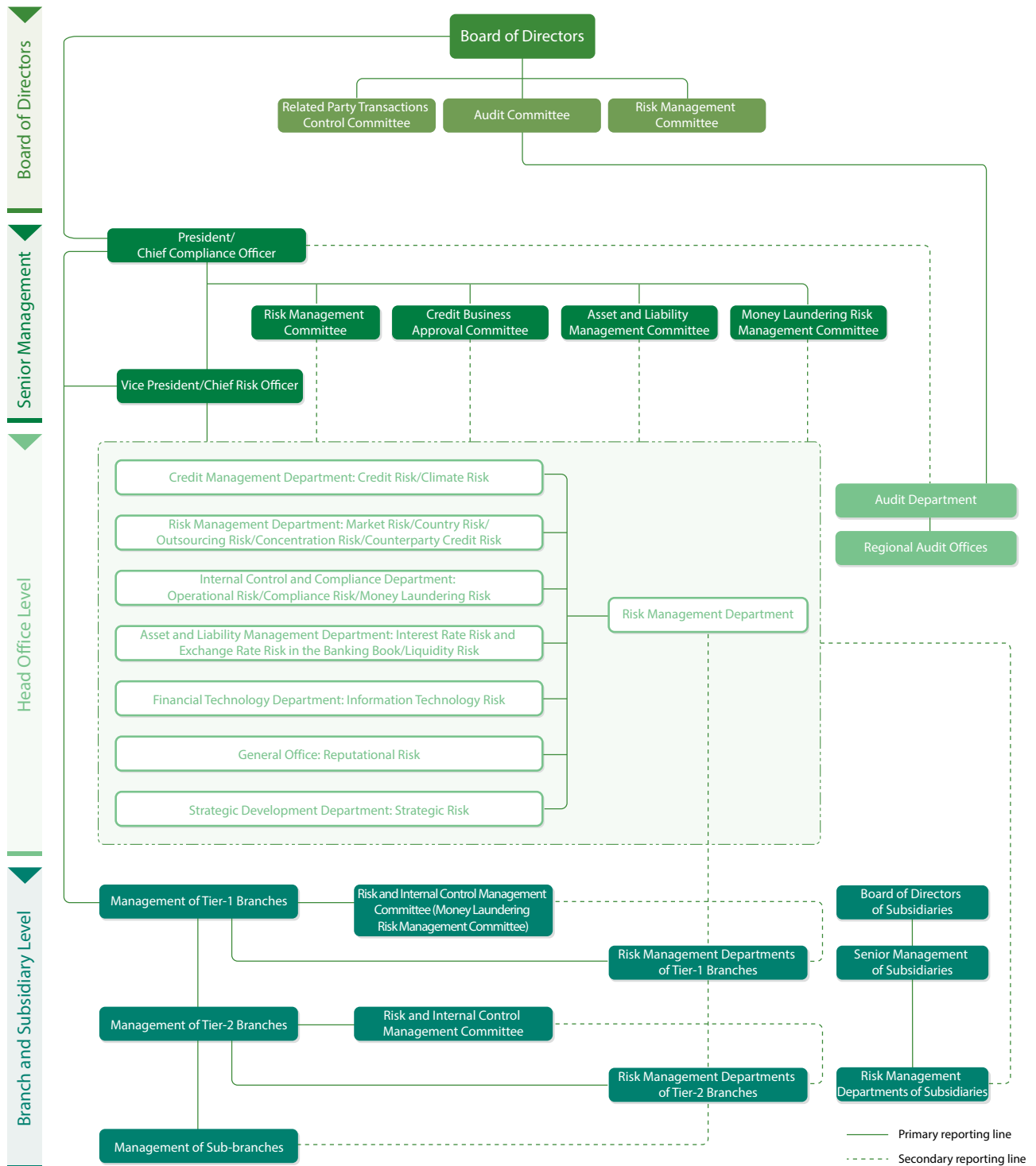
Risk Management Organizational Structure

The Bank has established a risk management organizational structure consisting of the Board of Directors and its relevant special committees, the senior management and its relevant special committees, and relevant departments with “three lines of defense”.

The Board of Directors assumes ultimate responsibility for comprehensive risk management. It is responsible for establishing the risk culture; formulating and approving risk management strategies; setting and approving the risk appetite and ensuring the establishment of risk limits; reviewing and approving major risk management policies and procedures; monitoring comprehensive risk management implemented by the senior management; reviewing comprehensive risk management reports; reviewing and approving the aggregation of risk data and the risk reporting framework, ensuring adequate resource support, regularly receiving thematic reports, and fully understanding and grasping the progress of the aggregation of risk data and risk reporting work; reviewing and approving disclosure of comprehensive risks and various significant risks; appointing the Chief Risk Officer or other senior management personnel to take the lead in comprehensive risk management; and performing other duties related to risk management.

The senior management assumes the responsibility for the implementation of comprehensive risk management and implements the resolutions of the Board of Directors. It is responsible for setting up the operation and management structure in line with the requirements of comprehensive risk management, clarifying the division of responsibilities among functional departments responsible for comprehensive risk management, business departments and other departments in risk management, and establishing an operational mechanism that ensures cross-departmental coordination and effective checks and balances; formulating a clear execution and accountability mechanism to ensure adequate communication and effective implementation of risk management strategies, risk appetite and risk limits; setting risk limits according to risk appetite determined by the Board of Directors, including but not limited to dimensions such as industry, region, customer, product, etc.; formulating risk management policies and procedures, evaluating them regularly, and adjusting them when necessary; establishing a risk data aggregation and reporting system covering all material risk areas; assessing overall risks and the management of various material risks, and reporting to the Board of Directors; establishing a sound management information system and a data quality control mechanism; overseeing breaches of risk appetite, risk limits and violations of risk management policies and procedures, and dealing with them under the authorization of the Board of Directors; and assuming other responsibilities of risk management.

Risk Management Organizational Structure



Note: Other risks not mentioned above have been incorporated into the Bank's comprehensive risk management framework.

Risk Management

Three Lines of Defense

The Bank kept improving the “three lines of defense” for internal control, classified risks into major categories such as credit risk, market risk, and operational risk, and incorporated all institutions and departments into the “three lines of defense”.

The first line of defense refers to the business management departments, tier-1 and tier-2 sub-branches, and agency business institutions associated with relevant risks, all of which bear the primary responsibilities for risk prevention and control. The second line of defense refers to risk management departments, internal control and compliance departments, and departments for leading the management of relevant risks, which are responsible for coordinating, supervising, and reviewing the work related to risk management and internal control. The third line of defense refers to the audit and disciplinary inspection departments, which supervise the first and second lines of defense.

Comprehensive Risk Management

The Bank further enhanced the building of the risk management framework that covers “all aspects, whole process, all time and all areas”. It continuously optimized all developments regarding advanced approaches for capital management, vigorously expanded the application scenarios of intelligent risk control technologies, strengthened risk control in key areas, and took a proactive approach to implementing risk prevention measures. As a result, its refined and digitalized risk management capabilities were steadily enhanced. During the reporting period, the risk profile of the Bank remained stable and under control.

The Bank continuously refined the top-level design of its comprehensive risk management, steadily advanced the reform of its risk management framework, formulated detailed implementation rules for comprehensive risk management, and strengthened the accountability for

comprehensive risk management. The Bank made steady progress towards compliance with regulatory requirements on advanced approaches for capital management, calibrated risk parameters, iteratively refined models, strengthened rating management and data governance, and enhanced its refined risk management capabilities. Firmly upholding asset quality control, the Bank enforced stringent access standards, dynamically monitored and mitigated existing risks, and comprehensively enhanced the quality and efficiency of asset recovery. To ensure operation in compliance with laws and regulations, the Bank appointed chief compliance officers at its Head Office and all subsidiaries, launched the “Compliance Escort” campaign, and intensified efforts against illegal financial “black and gray” market activities. The Bank continuously enhanced the quality and effectiveness of digital and intelligent risk prevention and control, and deployed AI tools including LLMs to effectively support applications in areas such as risk identification and customer rating, empowering high-quality business development.

Risk Appetite

Risk appetite defines the types and levels of risks that the Board of Directors of the Bank is willing to assume while pursuing the Bank’s strategic business objectives. It represents the equilibrium among returns, capital, and risk, and enables the Bank to undertake risks commensurate with its business strategies and management capabilities and to create value through risk management.

The Bank maintained a prudent and sound overall risk appetite, and pursued a long-term equilibrium between stable growth and risk prevention. It closely followed changes in the internal and external risk landscape, prioritized risk prevention and control in key fields, and set management objectives for all types of major risks in line with the strategic positioning of the Group, the Bank (as a legal entity), and its subsidiaries. This ensured that the overall risk profile remained under control, continuously empowering the sound operation and high-quality development of all businesses.

Intelligent Risk Control

The Bank further advanced the development of the digital and intelligent infrastructure for risk management, and steadily enhanced its sharp risk insight and efficient risk disposal capabilities. **In terms of retail risk control**, the Bank introduced multiple types of non-credit-bureau data and developed tools that leverage external data for risk identification. These efforts have enabled the Bank to accurately distinguish high-risk tail-end customers from high-quality top-tier customers, and realized the phasing out of high-risk customers and the on-boarding of low-risk ones.

In terms of non-retail risk control, the Bank developed and launched a financial statement review model for small enterprise rating and an intelligent external rating analysis tool for corporate clients based on large multimodal model technology, thereby improving the quality and efficiency of rating. **In terms of fraud prevention**, the Bank advanced the development of a new-generation enterprise-level anti-fraud system engine and rolled out intelligent models for key scenarios such as electronic channels and quick payment, to continuously enhance its fraud risk prevention and control capabilities. **In terms of anti-money laundering (AML)**, the Bank adopted knowledge graph technology to build an innovative suspicious transaction monitoring framework. Based on customer fund networks, the framework enables in-depth monitoring to uncover hidden money laundering rings, greatly improving the quality of suspicious transaction reporting. **In terms of legal risk prevention and control**, a legal contract processing tool was launched based on large model technology to automatically conduct semantic comparisons between contracts to be reviewed and existing contract templates and quickly match submitted contracts with their corresponding standard contract templates, boosting the efficiency of legal review. **In terms of consumer rights protection**, the Bank leveraged large model technology to refine the label system for complaint management and expand the categories of complaint

analysis, thereby enhancing the precision of complaint management. **In terms of intelligent risk control infrastructure**, the Bank continuously strengthened the development of foundational data infrastructure, including knowledge-graph data and other data assets. Multiple graph application tools were built, covering graph features for detecting illicit “black and gray” industry practices, intelligent risk analysis for retail business and MSE business, and analysis of negative information on related parties of small enterprises eligible for inclusive finance. These products have substantially enhanced risk identification capabilities and empowered steady business development.

Advanced Approaches for Capital Management

In strict alignment with all requirements set forth in the Rules on Capital Management of Commercial Banks, the Bank continuously optimized the development of advanced approaches for capital management. In light of changes in the external environment and the Bank’s operational realities, the Bank proactively calibrated risk parameters and iterated its models. It strictly implemented rating management requirements, continuously improved data governance capabilities, and further standardized credit rating practices. The Bank made concrete efforts to enhance risk mitigation and collateral management, strengthened system-based controls, and refined relevant management mechanisms. It also deepened the application of risk parameters in areas such as economic capital calculation, performance assessment, and pricing to enhance its refined management capabilities. In addition, in strict compliance with regulatory requirements and based on its own situation, the Bank comprehensively updated the database of auxiliary and supporting materials for advanced approach applications. It conducted training and awareness campaigns on advanced approaches at the Head Office and all branches, and made solid efforts to advance preparatory work to ensure its advanced approaches meet relevant compliance standards.

Risk Management

Credit Risk

Credit risk refers to the risk of loss that may arise from the default by, or the downgrading of credit rating, or weakened capability to fulfill contractual obligations of an obligor or counterparty. The Bank is exposed to credit risk primarily through its loans, treasury businesses (such as deposits and placements with banks, financial assets held under resale agreements, investments in corporate bonds and financial bonds, and interbank investments) and off-balance sheet credit businesses (such as guarantees and commitments).

The organizational framework of the Bank's credit risk management is as follows: the Board of Directors bears the ultimate responsibility for credit risk management. The senior management undertakes the responsibility for the implementation of credit risk management, and is responsible for implementing resolutions on credit risk approved by the Board of Directors. Under the senior management, the Risk Management Committee and Credit Business Approval Committee are responsible for credit risk management and credit extension approval within their respective delegated authorities. Each business department bears primary responsibility for credit risk prevention and control and implements credit risk management policies, standards, and requirements in its field of business in accordance with the division of functions. Departments of credit management, risk management, credit approval, internal control and compliance, and legal affairs are responsible for the overall planning, supervision and review of credit risk prevention and control, with the Credit Management Department serving as the leading department of credit risk management; and the internal audit department exercises independent and objective supervision of the performance of duties in credit risk management.

The Bank strictly followed the requirements of the Measures for the Risk Classification of Financial Assets of Commercial Banks, established risk classification management policies and rules, and adopted a management mode combining five-category and twelve-category classification. Through a three-tier process of initial classification, confirmation, and approval, the Bank applied prudent asset risk classification to ensure asset quality is reflected truthfully, comprehensively and dynamically. As at the end of the reporting period, the Bank's asset quality remained generally stable and controllable.

Credit Risk Management

Serving High-Quality Development under Policy Guidance

The Bank gave further play to the guiding role of credit policies and integrated policy guidelines, marketing coordination, and credit approval and eligibility assessment criteria into a unified framework. It stepped up support for new drivers of economic growth, the "five priorities" of the financial sector, new quality productive forces, and the initiative to expand domestic demand and boost consumption, to underpin high-quality development. The Bank conducted in-depth research on local specialty industries and industrial clusters, developed regional industrial profiles, reviewed differentiated regional credit policies, and dynamically optimized the list of qualified corporate clients to facilitate targeted marketing and expand the customer base.

Focusing Closely on Key Areas to Consolidate Lines of Defense against Risks

The Bank resolutely guarded against risks in key areas, and properly defused risks in real estate, local government debts and other fields. It strengthened the list-based management of customers with significant credit exposure, and enhanced credit risk review to get a clear picture of overall risk exposure. The Bank enforced strict eligibility controls, deployed authorization tools to support the implementation of national strategies and policies, and provided priority support to key sectors supported by national policies. For industries with supply-demand imbalances and high-risk clients, it strictly tightened approval authority. The Bank further strengthened management of high-risk retail customer groups, optimized new customer onboarding strategies, and increased relief support for individual and MSE loans.

Improving Systems to Reinforce the Foundation

The Bank further advanced the development of an LLM-powered monitoring and early warning system to steadily upgrade proactive risk prevention capability. It leveraged data sources including satellite remote sensing, enterprise qualification and shell enterprise indicators to make early warning more forward-looking and precise. The Bank strengthened the management of customer managers with high non-performing loan ratios by suspending them

from their regular duties and assigning them to debt collection work, and pushed employees in key positions to fulfill their duties. The Bank intensified the management of collateral authenticity and valuation reasonableness, and steadily implemented the adjustment of collateral valuation responsibilities. The Bank enforced stringent credit governance to guard against credit risks arising from internal and external fraud, abuse of power for personal gains and moral hazard. It further intensified the crackdown on criminal clusters engaged in illicit “black and gray” practices in the financial sector, and reinforced the defense line for integrity and compliance in the performance of duties.

Improving the Quality of Asset Preservation and Enhancing Management Returns

The Bank comprehensively applied diverse disposal means to intensify its efforts in the disposal of non-performing assets, and improved the returns from the management of non-performing assets. During the reporting period, the Bank disposed of a total of RMB37,907 million on-balance sheet principal and interest of NPLs, of which, recovery amounted to RMB7,147 million, routine write-offs RMB13,409 million, non-performing asset securitization RMB16,452 million, and other methods RMB899 million. It recovered RMB4,046 million in cash through the collection and disposal of off-balance sheet NPLs.

Risk Management

Credit Risk Analysis¹

Non-Performing Loans Structure by Collateral

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%) ⁽¹⁾	Amount	Percentage (%) ⁽¹⁾
Unsecured loans	27,517	26.73	24,653	26.94
Guaranteed loans ⁽²⁾	8,635	8.39	7,718	8.43
Loans secured by mortgages ⁽²⁾⁽³⁾	65,762	63.87	58,270	63.67
Loans secured by pledges ⁽²⁾⁽⁴⁾	1,039	1.01	883	0.96
Discounted bills	–	–	–	–
Total	102,953	100.00	91,524	100.00

Note (1): Calculated by dividing the balance of non-performing loans secured by each type of collateral by total non-performing loans.

Note (2): Represents the total amount of loans fully or partially secured by collateral in each category. If a loan is secured by more than one form of collateral, the classification would be based on the primary form.

Note (3): Represents loans secured by assets that are still in the possession of the borrower, and mainly includes loans secured by buildings and fixtures, land use rights, machinery, equipment and vehicles.

Note (4): Represents loans secured by possession of or registration as the holder of assets, which mainly include movable property, certificates of deposit, financial instruments, intellectual property rights, and the rights to obtain future cash flows.

Aging Analysis of Overdue Loan Structure

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Overdue for 1 day to 90 days	46,418	0.45	43,979	0.46
Overdue for 91 days to 180 days	26,149	0.26	24,474	0.25
Overdue for 181 days to 1 year	31,997	0.31	27,789	0.29
Overdue for 1 year to 3 years	31,344	0.30	24,346	0.25
Overdue for over 3 years	5,823	0.06	4,903	0.05
Total	141,731	1.38	125,491	1.30

¹ The total loans to customers in the "Credit Risk Analysis" of this report exclude accrued interest.

Overdue Loans to Customers by Geographical Region

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	5,483	3.87	5,788	4.61
Yangtze River Delta	29,400	20.74	24,937	19.87
Pearl River Delta	22,687	16.01	19,702	15.70
Bohai Rim	17,540	12.38	15,819	12.61
Central China	35,738	25.21	31,715	25.27
Western China	23,256	16.41	20,830	16.60
Northeastern China	7,627	5.38	6,700	5.34
Total	141,731	100.00	125,491	100.00

As at the end of the reporting period, the balance of the Bank's overdue loans stood at RMB141,731 million, representing an increase of RMB16,240 million over the prior year-end. The overdue loan ratio reached 1.38%, up by 0.08 percentage point over the prior year-end.

Loan Concentration

In RMB million, except for percentages

Top ten single borrowers	Industry	Amount	Percentage of total loans (%)	Percentage of net capital (%) ⁽¹⁾
Borrower A	Transportation, storage and postal services	28,204	0.28	1.92
Borrower B	Transportation, storage and postal services	18,649	0.18	1.27
Borrower C	Mining	18,273	0.18	1.24
Borrower D	Transportation, storage and postal services	16,134	0.16	1.10
Borrower E	Transportation, storage and postal services	16,043	0.16	1.09
Borrower F	Transportation, storage and postal services	14,974	0.15	1.02
Borrower G	Transportation, storage and postal services	14,754	0.14	1.00
Borrower H	Transportation, storage and postal services	12,523	0.12	0.85
Borrower I	Information transmission, software and information technology services	11,928	0.12	0.81
Borrower J	Transportation, storage and postal services	11,908	0.12	0.81

Note (1): Represents loan balances as a percentage of the Bank's net capital.

Risk Management

Distribution of Loans by Five-Category Classification

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Normal	9,968,998	97.27	9,387,469	97.48
Special mention	177,271	1.73	151,648	1.57
Non-performing loans	102,953	1.00	91,524	0.95
Substandard	19,886	0.19	18,056	0.19
Doubtful	30,751	0.30	26,958	0.28
Loss	52,316	0.51	46,510	0.48
Total	10,249,222	100.00	9,630,641	100.00

As at the end of the reporting period, the balance of the Bank's NPLs amounted to RMB102,953 million, representing an increase of RMB11,429 million compared with the prior year-end. The NPL ratio was 1.00%, representing an increase of 0.05 percentage point over the prior year-end. The balance of special mention loans amounted to RMB177,271 million, representing an increase of RMB25,623 million compared with the prior year-end. The special mention loan ratio was 1.73%, representing an increase of 0.16 percentage point compared with the prior year-end. The ratio of special mention and non-performing loans was 2.73%, representing an increase of 0.21 percentage point compared with the prior year-end.

Distribution of Non-Performing Loans by Product Type

In RMB million, except for percentages

Item	June 30, 2026			December 31, 2025		
	NPL balance	Percentage (%)	NPL ratio (%) ⁽¹⁾	NPL balance	Percentage (%)	NPL ratio (%) ⁽¹⁾
Personal loans						
Consumer loans						
Residential mortgage loans	19,018	18.47	0.82	16,235	17.74	0.69
Other consumer loans	11,720	11.39	1.80	9,849	10.76	1.54
Personal micro loans	43,969	42.71	2.55	39,347	42.99	2.44
Credit card overdrafts and others	2,730	2.65	1.45	3,025	3.31	1.45
Subtotal	77,437	75.22	1.58	68,456	74.80	1.42
Corporate loans						
Corporate loans ⁽²⁾	11,295	10.96	0.35	10,962	11.97	0.39
Small business loans	13,987	13.59	1.58	11,851	12.95	1.49
Trade finance	234	0.23	0.03	255	0.28	0.04
Subtotal	25,516	24.78	0.52	23,068	25.20	0.54
Discounted bills	–	–	–	–	–	–
Total	102,953	100.00	1.00	91,524	100.00	0.95

Note (1): Calculated by dividing the balance of non-performing loans in each product type by total loans in that product type.

Note (2): Consist of general corporate loans and advances.

Risk Management

Distribution of NPL Formation Ratio⁽¹⁾ by Product Type

%

Item	June 30, 2026	December 31, 2025	Increase/(decrease)
Personal loans			
Consumer loans			
Residential mortgage loans	0.65	0.61	0.04
Other consumer loans	2.28	2.00	0.28
Personal micro loans	2.65	2.51	0.14
Credit card overdrafts and others	3.68	3.06	0.62
Subtotal	1.67	1.52	0.15
Corporate loans			
Corporate loans ⁽²⁾	0.13	0.13	–
Small business loans	1.64	1.60	0.04
Trade finance	–	0.02	(0.02)
Subtotal	0.40	0.35	0.05
Discounted bills	–	–	–
Total	0.95	0.93	0.02

Note (1): Calculated by dividing the sum of difference between the NPL balance at the end of the period and the NPL balance at the beginning of the period of each product category and the amount collected, disposed of, and adjusted upwards during the period by the total amount of loans at the beginning of the period for that product category. This is the annualized NPL formation ratio.

Note (2): Consist of general corporate loans and advances.

Distribution of Non-Performing Loans by Geographical Region

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	2,731	2.65	3,027	3.31
Yangtze River Delta	22,117	21.48	18,214	19.90
Pearl River Delta	17,336	16.84	14,996	16.38
Bohai Rim	12,977	12.61	11,793	12.89
Central China	25,319	24.59	22,280	24.35
Western China	16,093	15.63	15,892	17.36
Northeastern China	6,380	6.20	5,322	5.81
Total	102,953	100.00	91,524	100.00

Domestic Non-Performing Corporate Loans by Industry

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	Amount	NPL ratio (%)	Amount	NPL ratio (%)
Transportation, storage and postal services	822	0.09	780	0.09
Manufacturing	6,811	0.91	5,807	0.88
Production and supply of electricity, heating, gas and water	99	0.03	88	0.03
Financial services	–	–	–	–
Wholesale and retail	5,770	1.22	4,873	1.33
Construction	2,633	1.05	2,321	0.99
Real estate	5,871	1.66	5,473	1.58
Mining	7	0.01	8	0.01
Water conservancy, environment and public facilities management	593	0.10	1,062	0.24
Leasing and commercial services	968	0.19	1,123	0.28
Agriculture, forestry, animal husbandry and fishery	224	0.21	205	0.23
Information transmission, computer services and software	540	0.84	483	0.97
Accommodation and catering	276	2.20	217	1.89
Residential services and other services	125	2.37	119	2.39
Culture, sports and entertainment	48	0.23	40	0.21
Others ⁽¹⁾	729	0.99	469	0.76
Total	25,516	0.52	23,068	0.54

Note (1): Mainly include education, scientific research and technical services, health and social security, etc.

Risk Management

Movements of Allowance for Impairment Losses on Loans

Allowance for Impairment Losses of Loans to Customers Measured at Amortized Cost

In RMB million

Item	June 30, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2026	92,008	35,865	79,569	207,442
Transfers:				
Transfer to stage 1	2,557	(2,174)	(383)	–
Transfer to stage 2	(8,988)	10,614	(1,626)	–
Transfer to stage 3	(1,669)	(12,046)	13,715	–
Changes of ECL arising from transfer of stages	(1,752)	15,381	20,577	34,206
Financial assets derecognized or settled during the period	(25,690)	(6,267)	(14,885)	(46,842)
New financial assets originated or purchased	36,737	–	–	36,737
Remeasurement	(4,944)	1,856	5,262	2,174
Write-offs	–	–	(13,409)	(13,409)
Loss allowance as at June 30, 2026	88,259	43,229	88,820	220,308

Allowance for Impairment Losses of Loans to Customers Measured at Fair Value through Other Comprehensive Income

In RMB million

Item	June 30, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2026	1,176	1	–	1,177
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Changes of ECL arising from transfer of stages	–	–	–	–
Financial assets derecognized or settled during the period	(1,067)	(1)	–	(1,068)
New financial assets originated or purchased	869	–	–	869
Remeasurement	(10)	–	–	(10)
Write-offs	–	–	–	–
Loss allowance as at June 30, 2026	968	–	–	968

Large Risk Exposure Management

In strict accordance with the requirements of the Rules on Large Exposure of Commercial Banks, the Bank bolstered information system support for large risk exposure management, improved the monitoring and early warning management system for large exposure, strengthened control of customer concentration risk, and enhanced consolidated management of large exposure, continuously improving the capability of refined credit risk management.

Market Risk

Market risk refers to the risk of losses in the on- and off-balance sheet businesses arising from adverse movements in market prices (including interest rate, exchange rate, stock price and commodity price).

The Bank strictly follows the relevant regulatory requirements on market risk management and has established a market risk governance framework commensurate with the nature, scale and complexity of the Bank's businesses. The Board of Directors undertakes the ultimate responsibility for market risk management; the senior management takes the responsibility for implementing market risk management and is responsible for formulating, periodically assessing and monitoring the implementation of the market risk management policies and procedures; the Risk Management Department is responsible for conducting market risk management and each business department is responsible for the market risk management in its field of business in accordance with the division of functions. The Bank has developed sound market risk management policies and procedures, comprehensively carried out the identification, measurement, monitoring, control and reporting of market risks, effectively guarded against market risks, and worked to maintain them within a reasonable and appropriate range, achieving a reasonable balance between risk and return.

Market Risk Management for Trading Book

The trading book includes financial instruments, foreign exchange and commodity positions held for the purposes of trading or hedging the risks of other items in the trading book as well as other instruments recognized by the NFRA. The Bank measures and manages the trading book activities by adopting multiple methods including exposure analysis, profit or loss analysis, sensitivity analysis, scenario analysis, value at risk (VaR) and stress testing.

The Bank continued to deepen its market risk management. It expanded the coverage of limit monitoring and improved the transmission system for limit indicators; continuously refined market risk measurement models to support the expansion of treasury trading business; strengthened the monitoring, analysis and early warning of treasury trading risks to enhance the efficiency of market risk management; and further leveraged the market risk management system to consolidate the foundation for market risk management.

Exchange Rate Risk Management

Exchange rate risk refers to the risk of losses in foreign exchange exposure arising from unbalanced foreign exchange assets and liabilities due to adverse movements in exchange rates. During the reporting period, the foreign exchange exposure of the Bank remained relatively stable. Key indicators of exchange rate risk all met limit requirements, and the exchange rate risk was controllable on the whole.

The Bank paid close attention to the economic and financial development worldwide, and actively analyzed and made predictions on market exchange rate trends. It upheld a prudent risk appetite, and optimized the monitoring and control of foreign exchange exposure. It regularly conducted stress testing, refined foreign exchange exposure management, and maintained exchange rate risk at a reasonable level.

Risk Management

Exchange Rate Risk Analysis

For analysis of the Bank's exchange rate risk, please refer to the "Notes to the Condensed Consolidated Financial Statements – 41.4 Market risk – Foreign exchange rate risk".

Currency Concentration

In RMB million

Item	June 30, 2026			
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Spot assets	52,582	2,126	49,633	104,341
Spot liabilities	(37,732)	(217)	(9,502)	(47,451)
Forward purchases	325,343	157,184	11,496	494,023
Forward sales	(311,999)	(158,345)	(50,352)	(520,696)
Net long/(short) position	28,194	748	1,275	30,217

Item	December 31, 2025			
	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	Total
Spot assets	62,711	1,920	17,178	81,809
Spot liabilities	(35,994)	(90)	(6,523)	(42,607)
Forward purchases	209,167	40,020	10,035	259,222
Forward sales	(210,599)	(41,806)	(16,972)	(269,377)
Net long/(short) position	25,285	44	3,718	29,047

Interest Rate Risk in Banking Book

Management of Interest Rate Risk in Banking Book

Interest rate risk in banking book refers to the risk that causes losses to the economic value and overall earnings of the banking book due to adverse changes in interest rates, maturity structure, etc. The interest rate risk in the Bank's banking book mainly arises from the mismatch between the repricing periods of assets and liabilities as well as the inconsistent changes in their pricing basis. During the reporting period, the overall interest rate risk in the Bank's banking book remained stable, and key risk indicators remained within the established limits.

For interest rate risk in the banking book, the Bank has established a management framework and a governance structure tailored to its characteristics. Based on factors such as the macroeconomic environment, market dynamics and risk appetite, the Bank implements a prudent interest rate risk management strategy for the banking book, which mainly includes methods such as repricing gap analysis, sensitivity analysis of net interest income and economic value, limit management, duration management, scenario simulation, and proactive adjustments to the asset-liability structure. The Bank closely monitored domestic and international economic and financial conditions, actively carried out forward-looking management, strengthened interest rate risk monitoring and control, continuously optimized the duration structure of assets and liabilities, comprehensively conducted multiple scenario simulations such as stress testing, and maintained a balance among volume, pricing, and risk as well as a balance between current earnings and long-term value.

Interest Rate Risk Analysis

Interest Rate Risk Gap

In RMB million

Item	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing
June 30, 2026	(2,714,345)	686,954	(1,142,027)	1,378,918	2,060,558	757,934
December 31, 2025	(991,360)	(1,372,566)	(544,674)	1,293,607	1,922,391	694,979

Interest Rate Sensitivity Analysis

The Bank assumes that the market interest rates move up or down in parallel; the repricing cycles of businesses such as loans and time deposits are determined according to the contract; and the repricing cycles of non-fixed-term businesses such as demand deposits are set as overnight. Excluding the risk management activities that the management may undertake to mitigate interest rate risk, the interest rate sensitivity analysis of the Bank's banking book is as follows:

In RMB million

	June 30, 2026 Change in net interest income	December 31, 2025 Change in net interest income
Basis point movements in yield rate		
Upward parallel shift of 100 bps for yield curves	(24,890)	(23,313)
Downward parallel shift of 100 bps for yield curves	24,890	23,313

Risk Management

Liquidity Risk

Liquidity Risk Management

Liquidity risk refers to the risk of failure to obtain sufficient funds by commercial banks at a reasonable cost in a timely manner to repay matured debts, fulfill other payment obligations, and meet other financial needs of normal operation. Liquidity risk may arise from the following events or factors: significant adverse changes in market liquidity, withdrawal of customers' deposits, loan drawdown by customers, default by debtors, excessive maturity mismatch between assets and liabilities, difficulty in liquidating assets, weakened financing ability, operating losses and risks associated with the affiliates, etc.

Governance Structure of Liquidity Risk Management

The governance structure of the Bank's liquidity risk management consists of a decision-making system, an execution system, and an oversight system. Among them, the decision-making system includes the Board of Directors and its Risk Management Committee, as well as the senior management and its Asset and Liability Management Committee and Risk Management Committee; the execution system comprises the department responsible for liquidity management, departments leading the management of on- and off-balance sheet businesses, Risk Management Department, Information Technology Department, and Operation Management Department of the Head Office, and relevant departments at branches and sub-branches; the oversight system consists of organizations with supervisory responsibilities that monitor the performance of duties by relevant entities.

Objective, Strategy and Policy of Liquidity Risk Management

The main objective of liquidity risk management of the Bank is to effectively identify, measure, monitor and control liquidity risk via the establishment of a scientific and comprehensive liquidity risk management framework, and to ensure that the liquidity demand is satisfied and its payment obligation to external parties is fulfilled at a reasonable cost without delay under the normal operation scenario and the stress scenario. The Bank adheres to a prudent and sound liquidity risk management strategy, proactively assesses changes in both internal and external conditions, reasonably manages the overall amount, structure and pace of its fundraising and utilization, and strikes a balance among safety, liquidity and profitability. The Bank, in accordance with requirements of regulatory policies, changes in external environment as well as the characteristics of its business, has formulated liquidity risk management policies such as those on limit management, intraday liquidity management, stress testing, and contingency plans. It manages the liquidity risk of the Bank in a centralized manner and clarifies that its affiliates assume primary responsibilities for their liquidity management.



Liquidity Risk Management Approach

The Bank pays close attention to changes in the macroeconomic situation and monetary policies, and closely monitors liquidity conditions in the market and within the Bank. It strengthens trend assessment of factors affecting liquidity, strictly enforces limit management, strengthens asset-liability mix management and maturity matching, and effectively controls the risk of maturity mismatch. The Bank adheres to the philosophy of high-quality development of liabilities, ensures stable sources of deposits, and uses interbank liabilities as liquidity replenishment and adjustment tools to enhance the diversification of funding sources. The Bank strengthens its fund position management to meet various payment requirements. It also strengthens consolidated liquidity risk management to ensure the liquidity soundness of the Bank Group. Meanwhile, the Bank regularly conducts stress tests and contingency drills to further enhance its liquidity contingency management capabilities. It continues to optimize its liquidity management system and enhances its digital and intelligent management capabilities.

Liquidity Risk Stress Testing

The Bank conducts liquidity risk stress testing on a quarterly basis to assess its resilience under stress scenarios and constantly improves its stress testing methods in accordance with regulatory and internal management requirements. During the reporting period, the stress testing results indicated that the Bank would be able to pass the minimum survival period test under various stress scenarios.

Liquidity Risk Analysis

The Bank's funding sources are primarily retail deposits, making its liabilities highly stable. Its assets are highly liquid, supported by a significant proportion of high-quality eligible bonds. Its overall liquidity position is sufficient, sound, and under control. As at the end of the reporting period, the Bank's liquidity ratio was 116.05%, the liquidity coverage ratio 207.66%, and the net stable funding ratio 170.55%, all meeting the regulatory requirements.

For details on the Bank's liquidity coverage ratio and net stable funding ratio, please refer to "Appendix: Supplementary Information".

Risk Management

Liquidity Gap Analysis

The table below shows the Bank's net position of liquidity as at the indicated dates. For further details, please refer to "Notes to the Condensed Consolidated Financial Statements – 41.6 Liquidity risk".

In RMB million

Item	Repayable		Within	1 to 3	3 to 12	1 to 5 years	Over 5 years	Undated	Total
	Overdue	on demand	1 month	months	months				
June 30, 2026	38,473	(4,297,655)	(375,888)	(455,726)	(4,556,803)	3,313,027	6,034,776	1,327,788	1,027,992
December 31, 2025	32,921	(4,242,400)	(491,647)	(2,387,216)	(1,948,639)	3,022,924	5,774,473	1,241,961	1,002,377

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, employees, IT systems, or from external events. The operational risks to which the Bank may be exposed mainly include internal fraud, external fraud, employment rules and workplace safety, risks related to customers, products and business activities, damage to physical assets, risks related to IT systems, and risks related to execution, delivery and process management. During the reporting period, the Bank's operational risk and operational risk loss ratio remained at relatively low levels.

In accordance with regulatory requirements including the Rules on Capital Management of Commercial Banks and the Rules on Operational Risk Management of Banking and Insurance Institutions, the Bank formulated and issued a series of policies and rules, including measures for operational risk management, to define the organizational structure, division of responsibilities, risk appetite, and related management processes for operational risk management. It improved its matrix-based operational risk management model and clearly defined the process for operational risk event identification and reporting. The Bank advanced the development of an integrated mechanism for internal control and operational risk management, refined the internal control manuals for key businesses, and strengthened the effective incorporation of operational processes and internal control, striving to drive the transition from "compliance in form" to "effective internal control".

Legal Risk

Legal risk refers to the risk faced by commercial banks of suffering adverse legal consequences including legal liabilities, loss of rights, and reputational damage due to violation of laws and regulations or terms of contracts during their business operation, as well as non-compliance with laws and breach of contracts by others (including counterparties), and significant changes in the external legal environment. During the reporting period, the Bank's legal risk remained controllable in general.

The Bank continued to improve its legal risk management framework and enhanced its legal risk management and its prevention and control capabilities. The Bank implemented a "one strategy for one case" approach for major lawsuits against the Bank and adopted a multi-pronged approach to respond to lawsuits. In accordance with tiered and categorized management principles, it strengthened guidance for branches to comprehensively enhance litigation case management across the Bank. It promoted management improvement through case-based analysis. Through retrospective reviews of key litigation cases, it accurately identified issues and promoted closed-loop rectification and the prevention of similar cases, effectively improving management effectiveness. The Bank strengthened intellectual property management, earnestly carried out integrated protection of rights to trademarks and trade names, enhanced intellectual property services for

key information technology projects, and promoted the creation, use, and protection of intellectual property. The Bank built an integrated, standardized, and intelligent “legal review toolbox”, updated and issued legal review guidelines in line with newly enacted laws and regulations, summarized standardized legal review opinions, and continued to improve legal reviews in a more professional and standardized manner. The Bank innovatively carried out the “Legal Popularization Month” campaign, covering six major topics including credit guarantee, wealth management and intellectual property. With PSBC livestream lectures as the main platform and supported by plain-language legal awareness materials and daily push notifications of legal tips via internal systems, the Bank built a multi-dimensional legal publicity framework combining online and offline channels, as well as centralized campaigns and routine daily outreach.

Compliance Risk

Compliance risk refers to the potential for financial institutions or their employees to bear criminal, administrative or civil legal liabilities, property losses, reputational damage, and other negative impacts due to violations of compliance norms in business management or employee conduct in performing duties. During the reporting period, the Bank strictly abided by the requirements of regulatory authorities, closely followed the practical benchmark of “targeted, effective, and high-quality governance”, integrated internal control and compliance management into every link of corporate governance, drove the shift of internal control and compliance efforts from mere compliance to true effectiveness, and kept compliance risks generally under control.

The Bank continuously improved its organizational structure for compliance management and completed the appointment of the Chief Compliance Officer at the Head Office, compliance officers at tier-1 branches, and chief compliance officers at majority-owned subsidiaries. These officers are responsible for coordinating the overall compliance management of respective entities, advancing the development of the compliance management framework and formulating and issuing compliance management policies to ensure the orderly progress of compliance initiatives. The Bank made solid headway in the “Compliance Escort” campaign, with the core objective of reducing regulatory penalties, and focused on areas such as fostering a compliance culture, improving the organizational framework for internal control and compliance, strengthening risk inspections in key business areas, enhancing case-related risk prevention and control capabilities, and reinforcing oversight and accountability. By refining specific measures and ensuring their solid implementation, the Bank aimed to eliminate compliance violations at the source. The Bank conducted efficient compliance reviews targeting compliance risks in key and innovative businesses and further leveraged the role of compliance reviews in risk screening and compliance orientation at the partner onboarding stage to support the sound and compliant development of businesses. The Bank coordinated the review, planning, and evaluation of policies and refined the end-to-end management of policies throughout their lifecycles. It enhanced its authorization management, optimized its annual authorization arrangements, and continuously reinforced the supporting role of authorization in business development.

Risk Management

Money Laundering Risk

Money laundering risk refers to the risk arising from the misuse of businesses and products by criminals for illicit activities such as money laundering, terrorist financing and proliferation financing. The Bank strictly complied with AML laws and regulations, fostered a strong sense of risk awareness, diligently fulfilled its AML obligations, made solid progress in the transformation and development of AML work, and continuously enhanced the compliance and effectiveness of its AML control across the Bank. During the reporting period, the Bank did not experience any material money laundering risk incidents, and the money laundering risk remained generally under control.

The Bank adhered to a risk-based AML management philosophy, fully implemented the Anti-Money Laundering Law of the People's Republic of China and the latest regulatory requirements, and steadily pushed forward all relevant work in accordance with the 2025-2026 Transformation Plan for AML Effectiveness. In line with the Measures for the Administration of Customer Due Diligence and Preservation of Customer Identity Materials and Transaction Records by Financial Institutions issued by the PBOC, the Bank promoted the establishment of a customer due diligence framework covering all customers, businesses, and regions, the building of an integrated closed-loop due diligence management mechanism spanning pre-event, in-event and post-event stages, and the development of three Bank-wide databases, namely the money laundering risk typology database, the customer due diligence information database, and the customer money laundering risk rating rule database. The Bank developed suspicious transaction monitoring models targeting two high-risk areas, namely large-value cash transactions and customers subject to judicial inquiries, freezes or seizures in connection with criminal cases. It steadily promoted the optimization and development of anti-money laundering systems and source data governance, strengthened the capability for automated off-site anti-money laundering inspections,

completed rectification of 59 types of source data quality issues, continuously consolidated the data foundation for anti-money laundering work and boosted technology empowerment. The Bank actively conducted a new round of enterprise-wide money laundering risk assessment and identified 44 high-risk scenarios. It stepped up anti-money laundering publicity, and carried out the publicity campaign themed "Cooperating in Due Diligence, Safeguarding Fund Security" through diverse channels, to disseminate anti-money laundering laws and regulations to the public and fulfill its social responsibilities. During the reporting period, the total views of publicity posts on the WeChat official accounts of 36 branches exceeded 250,000, and more than 1.4 million publicity leaflets were distributed in total, effectively raising public awareness of guarding against money laundering risks.



Information Technology Risk

Information technology risk refers to the operational, legal, reputational, and other risks caused by natural and human factors, technological loopholes, and management flaws when applying information technology. During the reporting period, the overall operation of the Bank's information systems was stable, with no material security incidents occurring, and all monitoring indicators of information technology risk remained within reasonable ranges.

Committed to high-quality development, the Bank balanced development and security, further deepened the reform of digital transformation, consolidated the foundations of technological development and risk prevention and control, and enhanced the Bank's overall capabilities in information technology management and risk prevention and control across the board. The Bank conducted regular comprehensive inspections of information technology risks, and pushed forward the identification and rectification of hidden risks. It further refined the cybersecurity governance framework, strictly abided by the requirements on the protection of critical information infrastructure, and built a robust barrier for cybersecurity. The Bank strengthened security control over the entire data lifecycle and enhanced data security monitoring and technical defense capabilities. It detailed the management specifications for IT outsourcing, and reinforced the oversight and service quality control for outsourced technology services. The Bank established a full-lifecycle security control process for LLM applications, and deepened the deployment of AI agents in R&D security scenarios. It enhanced the intelligence of operation and maintenance management and the accuracy of operation and maintenance security measures. Adhering to the principle of "treating drills as actual combat", the Bank regularly organized various system drills to verify disaster recovery and emergency response capabilities, fully safeguarded the secure and stable operation of information systems across the Bank, and effectively fortified the defense line of technological security.

Reputational Risk

Reputational risk refers to the risk resulting from negative comments by stakeholders, the public, media and other parties due to a banking institution's behaviors, employees' behaviors, external events, etc., which damages the brand value, adversely affects normal operations, and even affects market and social stability. During the reporting period, public opinions about the Bank remained overall positive, and no major reputational incident occurred. Through effective reputational risk management, the Bank created a favorable public opinion environment for its transformation and development and the implementation of various key tasks. The proper management of the Bank's reputational risk also contributed to the sound and steady development of the banking industry and the development of a favorable online public opinion environment.

Upholding the reputational risk management philosophy of "addressing both symptoms and root causes, with a focus on root causes" and the principle of "preventing risks at the source and taking proactive measures", the Bank strictly implemented regulatory requirements. It continuously refined relevant mechanisms, and consolidated the foundation for daily management. The Bank strengthened the effectiveness of preemptive reputational risk assessment, and made the assessment more forward-looking and comprehensive. It continuously implemented the list-based management of key reputation risks and hidden dangers, and shifted the management of these risks forward in the process. It strengthened public opinion monitoring and response, properly handled reputation-related incidents, and effectively safeguarded its brand reputation. The Bank strengthened reputational risk and public opinion training and improved professional competencies of relevant employees. It deepened collaboration with China Post Group and jointly built a line of defense against reputational risk. The Bank ensured effective publicity focusing on such themes as securing a strong start for the Bank in the 15th Five-Year Plan period, driving the development of the "five priorities" of the financial sector, serving the real economy, and promoting all-

Risk Management

around rural revitalization. In this way, the Bank demonstrated its practices and achievements in achieving high-quality development through innovation and transformation, as well as its support for boosting China's strength in finance, thereby continuously enhancing its brand image and accumulating reputation capital.

Strategic Risk

Strategic risk refers to the risk arising from improper business strategies or changes in the external business environment. During the reporting period, the Bank continued to improve its management ability for strategic risk, and the strategic risk was generally under control.

Adhering to the general guideline of pursuing progress while maintaining stability, the Bank took serving the real economy as its fundamental purpose, high-quality development as the main task, preventing and defusing financial risks as its bottom line, and reform and innovation as its driving force, and was committed to building an intensive quality-and-efficiency-oriented development model. It accurately identified changes, took a scientific approach in response, and proactively sought transformation to adapt to economic restructuring and industrial changes. The Bank pushed forward strategic optimization and upgrading, and pressed ahead with the upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development, to build a first-tier large retail bank that is more inclusive, balanced, stable, intelligent and dynamic. The Bank strengthened and refined its core businesses, achieved solid progress in advancing the "five priorities" of the financial sector, and consolidated interest spread as the "first growth curve". It further enhanced comprehensive services, fostered diversified growth drivers, and developed non-interest income as the "second growth curve". The Bank fully identified and monitored strategic risk factors arising from strategy execution, and conducted a comprehensive evaluation of the implementation of the 14th Five-Year Plan. It formulated the 15th Five-Year Plan in a scientific manner, and strengthened the foresight and stability of strategic management.

Country Risk

Country risk refers to the risk of the inability or refusal of debtors in a country or region to repay their debts owed to the bank, or commercial benefit loss or other losses suffered by the bank in that country or region due to changes and incidents occurring in politics, economy and society of that country or region. The Bank incorporates country risk management into its comprehensive risk management framework. It manages and controls country risk through a range of management tools, including country risk ratings, country risk limits, and statistics and monitoring of country risk exposures. During the reporting period, the Bank's country risk exposures were mainly concentrated in countries and regions with low and relatively low risk, and overall country risk remained at a reasonable level.

Facing an increasingly complex global geopolitical, economic and financial landscape, the Bank continued to strengthen country risk management in strict accordance with regulatory requirements and based on its business development needs. The Bank re-examined the country risk ratings and limits for individual countries (regions), conducted regular monitoring of limit indicators, issued corresponding risk alerts, carried out country risk stress testing in an orderly manner, and stepped up efforts in the monitoring and reporting of country risk.

Climate Risk

Climate risk refers to the potential adverse effects of climate change on the natural system and the economic and social system, mainly including physical risks and transition risks. Among them, physical risk refers to the risk of events such as climate anomalies and environmental pollution that may lead to severe damage to the balance sheets of enterprises, households, banks, insurance companies and other market entities, which in turn affects the financial system and the macro economy. Transition risk refers to the risk of repricing of high-carbon assets and financial losses due to significant tightening of relevant policies such as carbon emissions or technological innovations, in order to address climate change and promote low-carbon economic transformation. During the reporting period, the Bank's climate risk was generally under control.



The Bank paid close attention to environmental and climate risks, and incorporated them into its comprehensive risk management framework for control. It continued to implement the Management Measures for Environmental, Social and Governance Risks of Postal Savings Bank of China (2022 Revised Version), incorporated environmental and climate risks into the whole-process credit management in respect of risk policy, risk limit, credit policy, customer rating, review and approval, disbursement management and post-lending management, and effectively identified, monitored and prevented ESG risks in business activities.

For five consecutive years, the Bank carried out climate risk sensitivity stress tests on eight industries, including electric power, steel, building materials, petrochemicals, chemicals, papermaking, civil aviation and non-ferrous metal smelting. By incorporating carbon costs into its analysis, the Bank analyzed the impact of rising carbon emission costs of enterprises in carbon-intensive industries on the quality of the Bank's corresponding credit assets and the capital adequacy level. The test results showed that under the stress scenario, the credit risk of some high-carbon customers increased, but the impact on the Bank's capital adequacy level was generally controllable. The Bank further advanced environmental and climate risk management, and conducted ESG and climate risk inspections for ten consecutive years to gain a clear knowledge of the actual situation, take category-specific actions, and prevent and mitigate potential risks.

The Bank actively supported the green and low-carbon transition of traditional industries and met their reasonable financing needs. It resolutely implemented the one-vote veto system for environmental assessment and curbed high-energy-consumption, high-emission and low-quality projects. The Bank also improved the development of the environmental information database, adding detailed records of regulatory penalties, such as environmental penalties of the early-warning customers over the past three years, to accurately pinpoint environmental risks.

Risk Consolidated Management

Risk consolidated management refers to the continuous improvement of the comprehensive risk management framework of a bank group and its subsidiaries, and the management process of effectively identifying, measuring, monitoring and controlling the overall risk of the bank group. Pursuant to regulatory requirements, during the reporting period, the Bank's subsidiaries were all incorporated into its risk consolidated management framework and the overall risks of the Group were under control.

The Bank strictly followed national policies and relevant regulatory requirements, firmly held the bottom line to ensure that no systemic risks arose, and continuously improved the risk consolidated management of the Group. The Bank optimized the setting of risk appetite and risk limit indicators of the Group and faithfully conveyed and implemented various regulatory requirements, to ensure that its subsidiaries maintain a prudent and appropriate risk level. The Bank further improved the digital and intelligent risk monitoring of subsidiaries to gain a comprehensive and timely understanding of their risk profiles and risk management status, and improved the quality and efficiency of comprehensive risk management at subsidiaries through professional guidance, risk alerts and supervision over rectification. For the newly founded PSBC Investment, the Bank established an effective and applicable guidance and management mechanism in light of its industrial attributes and risk profiles. In addition, the Bank further refined the requirements for risk isolation management across the Group, achieved a coordinated balance between business collaboration and risk isolation based on its business coordination management mechanism, and effectively prevented risk contagion among institutions of the Group.

Capital Management

The objectives of the Bank's capital management are to maintain a sound and reasonable level of capital adequacy, and continuously meet regulatory policies and macro-prudential requirements; to comprehensively establish and apply a value management system centered on economic capital, strengthen capital constraints, and instill the concept of value creation; and to reinforce the Bank's capital base, strengthen the capability to replenish capital from internal sources, and actively expand channels for external capital replenishment.

During the reporting period, the Bank continued to improve its capital management framework, effectively implemented regulatory requirements, promoted refined capital management, strictly implemented capital conservation, and consolidated the capability to replenish capital from internal sources. The Bank also replenished its capital through external sources in an orderly manner, completed the issuance of undated capital bonds and tier 2 capital bonds, reinforced its capital strength through multiple measures, and effectively supported the sustained and sound development of various businesses. As at the end of the reporting period, the Bank maintained sound performance across all capital metrics. Its capital adequacy ratios and leverage ratio consistently met all regulatory requirements, including additional requirements for domestic systemically important banks, and were maintained at a sound and reasonable level.

The Bank fully implemented the requirements of the Capital Rules, continuously enhanced risk management and refined capital management, and comprehensively strengthened the effectiveness of implementing the Capital Rules by focusing on tasks such as risk exposure classification, business process optimization, and data quality enhancement. Moreover, the Bank worked to optimize the structure of business assets using RAROC as the yardstick, strove to further refine the management of capital measurement, and supported the sound, compliant, and orderly business development.

Capital Adequacy Ratio

According to the Rules on Capital Management of Commercial Banks, the Bank adopted the standardized approach for credit risk, the standardized approach mainly for market risk, and the standardized approach for operational risk. As at the end of the reporting period, the CET1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio were 10.04%, 11.49% and 14.19%, respectively.

Capital Adequacy Ratio

In RMB million, except for percentages

Item	June 30, 2026		December 31, 2025	
	The Group	The Bank	The Group	The Bank
Net CET1 capital	1,038,704	1,006,277	1,003,478	982,348
Net tier 1 capital	1,188,888	1,156,277	1,153,653	1,132,344
Net capital	1,468,716	1,434,617	1,384,271	1,361,638
Risk-weighted assets	10,346,860	10,235,316	9,533,914	9,434,719
Credit risk-weighted assets	9,676,833	9,586,136	8,931,793	8,853,445
Market risk-weighted assets	146,760	146,760	78,854	78,854
Operational risk-weighted assets	523,267	502,420	523,267	502,420
CET1 capital adequacy ratio (%)	10.04	9.83	10.53	10.41
Tier 1 capital adequacy ratio (%)	11.49	11.30	12.10	12.00
Capital adequacy ratio (%)	14.19	14.02	14.52	14.43

Leverage Ratio

As at the end of the reporting period, the leverage ratio calculated by the Bank pursuant to the Rules on Capital Management of Commercial Banks was 5.65%, which met the regulatory requirements. For the details of the leverage ratio, please refer to “Appendix: Supplementary Information”.

Economic Capital Management

In accordance with the guidance of the Capital Rules, the Bank continued to improve the refined management of economic capital. It reinforced internal capital constraints, advanced the intensive and orderly use of capital, and continued to promote the light business transformation; made efforts to improve the asset allocation mechanism with RAROC as the core indicator and guided business units to optimize their business structure and enhance value creation; advanced the application of internal rating results in economic capital measurement, allocation and performance assessment in an orderly manner; and strengthened digital empowerment and enhanced refined capital management capabilities. The awareness of capital conservation and value creation has been continuously enhanced across the Bank, and the business structure has been continuously optimized.

Capital Financing Management

Upon the approval of the NFRA, the Bank fully redeemed at par value its RMB30 billion write-down undated capital bonds issued in 2021 in March 2026.

The Bank issued RMB30 billion of write-down undated capital bonds in the National Interbank Bond Market in June 2026, with all proceeds used to replenish additional tier 1 capital in accordance with applicable laws and approval of the competent authorities.

The Bank issued RMB40 billion of tier-2 capital bonds in the National Interbank Bond Market in June 2026, with proceeds used to replenish tier 2 capital in accordance with applicable laws and approval of the competent authorities.

Corporate Governance

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Changes in Share Capital and Shareholdings of Shareholders

Ordinary Shares

As at the end of the reporting period, the total number of ordinary shares of the Bank amounted to 120,095,053,492, including 100,238,886,492 A shares and 19,856,167,000 H shares, accounting for 83.47% and 16.53% of all shares respectively.

Details of Changes in Shares

Share, except for percentages

	As at December 31, 2025		Increase/decrease (+, -) during the reporting period					As at June 30, 2026	
	Number of shares	Percentage (%)	Issuance of new shares	bonus shares	Transferred from reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Shares subject to selling restrictions	33,116,491,292	27.58	-	-	-	-5,405,405,405	-5,405,405,405	27,711,085,887	23.07
1. Shareholdings of the State	18,933,967,793	15.77	-	-	-	-	-	18,933,967,793	15.77
2. Shareholdings of state-owned legal entities	14,182,523,499	11.81	-	-	-	-5,405,405,405	-5,405,405,405	8,777,118,094	7.31
3. Other domestic shareholdings	-	-	-	-	-	-	-	-	-
Including: Shareholdings of domestic non-state-owned legal entities	-	-	-	-	-	-	-	-	-
Shareholdings of domestic natural persons	-	-	-	-	-	-	-	-	-
4. Foreign shareholdings	-	-	-	-	-	-	-	-	-
Including: Shareholdings of foreign legal entities	-	-	-	-	-	-	-	-	-
Shareholdings of foreign natural persons	-	-	-	-	-	-	-	-	-
II. Circulating shares not subject to selling restrictions	86,978,562,200	72.42	-	-	-	+5,405,405,405	+5,405,405,405	92,383,967,605	76.93
1. RMB ordinary shares	67,122,395,200	55.89	-	-	-	+5,405,405,405	+5,405,405,405	72,527,800,605	60.39
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	19,856,167,000	16.53	-	-	-	-	-	19,856,167,000	16.53
4. Others	-	-	-	-	-	-	-	-	-
III. Total ordinary shares	120,095,053,492	100.00	-	-	-	-	-	120,095,053,492	100.00

*Changes in Shares Subject to Selling Restrictions**Share*

Name of shareholder	Number of shares subject to selling restrictions at the beginning of the year	Shares released from selling restrictions in the year	Increase in shares subject to selling restrictions in the year	Number of shares subject to selling restrictions at the end of the reporting period	Reason for selling restrictions	Date of release from selling restrictions
Ministry of Finance of the PRC	18,933,967,793	-	-	18,933,967,793	Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
China Mobile Communications Group Co., Ltd.	6,777,108,433	-	-	6,777,108,433	Commitments on selling restrictions in non-public issuance of A shares in 2023	March 28, 2028
	1,264,744,074	-	-	1,264,744,074	Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
China State Shipbuilding Corporation Limited	735,265,587	-	-	735,265,587	Commitments on selling restrictions in the issuance of A shares to specific subscribers in 2025	June 19, 2030
China Post Group Corporation Limited	5,405,405,405	5,405,405,405	-	-	Commitments on selling restrictions in non-public issuance of A shares in 2021	March 25, 2026
Total	33,116,491,292	5,405,405,405	-	27,711,085,887	/	/

Note (1): Presented in descending order of the total number of shares subject to selling restrictions held by shareholders as at the end of the reporting period.

Changes in Share Capital and Shareholdings of Shareholders

Number of Shareholders and Shareholdings

As at the end of the reporting period, the Bank had a total number of 201,442 ordinary shareholders (including 199,176 A-share holders and 2,266 H-share holders) and no holders of preference shares with voting rights restored or holders of special voting shares.

Shareholdings of the Top Ten Ordinary Shareholders

Share, except for percentages

Name of shareholder	Increase/decrease (+, -) during the reporting period	Number of shares held	Shareholding percentage (%)	Number of shares held subject to selling restrictions	Number of shares pledged, marked or locked-up	Nature of shareholder	Type of ordinary shares
China Post Group Corporation Limited	+67,108,100	62,358,597,580	51.92	-	-	State-owned legal entity	A shares and H shares
HKSCC Nominees Limited	+224,139	19,843,539,636	16.52	-	Unknown	Foreign legal entity	H shares
Ministry of Finance of the PRC	-	18,933,967,793	15.77	18,933,967,793	-	State	A shares
China Mobile Communications Group Co., Ltd.	-	8,041,852,507	6.70	8,041,852,507	-	State-owned legal entity	A shares
Ping An Life Insurance Company of China, Ltd. - Self-owned funds	-7,119,700	2,372,750,395	1.98	-	-	Others	A shares
China Telecommunications Corporation	-	1,117,223,218	0.93	-	-	State-owned legal entity	A shares
China State Shipbuilding Corporation Limited	-	735,265,587	0.61	735,265,587	-	State-owned legal entity	A shares
Hong Kong Securities Clearing Company Limited	-155,909,896	373,091,715	0.31	-	-	Foreign legal entity	A shares
PICC Life Insurance Company Limited – Traditional – Ordinary insurance products	+133,456,668	217,939,268	0.18	-	-	Others	A shares
PICC Property and Casualty Company Limited – Self-owned funds	+83,163,400	176,163,400	0.15	-	-	Others	A shares

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee is the total number of H shares held by all institutional and individual investors registered with the company as at the end of the reporting period, which includes 80,700,000 H shares held by the controlling shareholder China Post Group Corporation Limited through HKSCC Nominees Limited as the nominee.

Note (2): The total number of shares held by Hong Kong Securities Clearing Company Limited represents the A shares (Shanghai-Hong Kong Stock Connect) it holds as a nominee holder designated by and on behalf of Hong Kong investors and overseas investors.

Note (3): HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited (HKSCC). Save as disclosed above, the Bank is not aware of any connected relations among the aforementioned shareholders or whether they constitute persons acting in concert as stipulated in the Administrative Measures for the Takeover of Listed Companies.

Note (4): Except for HKSCC Nominees Limited, whose situation was unknown to the Bank, the Bank's other top ten ordinary shareholders did not participate in margin trading, short selling or refinancing business as at the end of the reporting period.

Note (5): The above shareholders do not have special repurchase accounts; during the reporting period, there were no circumstances in which they entrusted or accepted entrustment of voting rights, waived voting rights, or became one of the top ten ordinary shareholders by participating in the placement of new shares as strategic investors or general legal entities.

Note (6): On April 8, 2025, the Bank was informed by the controlling shareholder China Post Group Corporation Limited that China Post Group Corporation Limited had increased its shareholding in the Bank on the same day through the trading system of the Shanghai Stock Exchange and intended to continue to increase its shareholding in the Bank over the following twelve months. As at April 7, 2026, China Post Group Corporation Limited had cumulatively increased its holding of the Bank's A shares by 103,048,300 shares, and the shareholding increase plan has been completed. For details, please refer to the Announcement on the Results of the Controlling Shareholder's Shareholding Increase in the Bank issued by Postal Savings Bank of China Co., Ltd. on April 9, 2026.

Shareholdings of the Top Ten Shareholders Not Subject to Selling Restrictions

Share

Name of shareholder	Number of circulating shares held not subject to selling restrictions	Type and number of shares	
		Type	Number
China Post Group Corporation Limited	62,358,597,580	A shares	62,277,897,580
		H shares	80,700,000
HKSCC Nominees Limited	19,843,539,636	H shares	19,843,539,636
Ping An Life Insurance Company of China, Ltd. – Self-owned funds	2,372,750,395	A shares	2,372,750,395
China Telecommunications Corporation	1,117,223,218	A shares	1,117,223,218
Hong Kong Securities Clearing Company Limited	373,091,715	A shares	373,091,715
PICC Life Insurance Company Limited – Traditional – Ordinary insurance products	217,939,268	A shares	217,939,268
PICC Property and Casualty Company Limited – Self-owned funds	176,163,400	A shares	176,163,400
Guotai Haitong Securities Co., Ltd.	121,064,000	A shares	121,064,000
China Construction Bank Corporation – Huatai-PineBridge CSI Dividend Low-Volatility Exchange-Traded Open-End Index Securities Investment Fund	115,018,636	A shares	115,018,636
Shanghai International Port (Group) Co., Ltd.	112,539,226	A shares	112,539,226

Note (1): The total number of shares held by HKSCC Nominees Limited as the nominee is the total number of H shares held by all institutional and individual investors registered with the company as at the end of the reporting period, which includes 80,700,000 H shares held by the controlling shareholder China Post Group Corporation Limited through HKSCC Nominees Limited as the nominee.

Note (2): The total number of shares held by Hong Kong Securities Clearing Company Limited represents the A shares (Shanghai-Hong Kong Stock Connect) it holds as a nominee holder designated by and on behalf of Hong Kong investors and overseas investors.

Note (3): HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited (HKSCC). Save as disclosed above, the Bank is not aware of any connected relations among the aforementioned shareholders or whether they constitute persons acting in concert as stipulated in the Administrative Measures for the Takeover of Listed Companies.

Note (4): Except for HKSCC Nominees Limited, whose situation was unknown to the Bank, the Bank's other top ten shareholders not subject to selling restrictions did not participate in margin trading, short selling or refinancing business as at the end of the reporting period.

Note (5): The above shareholders do not have special repurchase accounts; during the reporting period, there were no circumstances in which they entrusted or accepted entrustment of voting rights, waived voting rights, or became one of the top ten shareholders not subject to selling restrictions by participating in the placement of new shares as strategic investors or general legal entities.

Note (6): On April 8, 2025, the Bank was informed by the controlling shareholder China Post Group Corporation Limited that China Post Group Corporation Limited had increased its shareholding in the Bank on the same day through the trading system of the Shanghai Stock Exchange and intended to continue to increase its shareholding in the Bank over the following twelve months. As at April 7, 2026, China Post Group Corporation Limited had cumulatively increased its holding of the Bank's A shares by 103,048,300 shares, and the shareholding increase plan has been completed. For details, please refer to the Announcement on the Results of the Controlling Shareholder's Shareholding Increase in the Bank issued by Postal Savings Bank of China Co., Ltd. on April 9, 2026.

Changes in Share Capital and Shareholdings of Shareholders

Shareholdings of the Top Ten Shareholders Subject to Selling Restrictions

Share

Name of shareholder	Conditions for listing and trading of shares subject to selling restrictions			Selling restrictions
	Number of shares held subject to selling restrictions	Date on which shares become tradable	Incremental number of shares that become tradable	
Ministry of Finance of the PRC	18,933,967,793	June 19, 2030	–	Five years from the date on which the equity was acquired through the Bank's issuance of A shares to specific subscribers in 2025
China Mobile Communications Group Co., Ltd.	6,777,108,433	March 28, 2028	–	Five years from the date on which the equity was acquired through the Bank's non-public issuance of A shares in 2023
	1,264,744,074	June 19, 2030	–	Five years from the date on which the equity was acquired through the Bank's issuance of A shares to specific subscribers in 2025
China State Shipbuilding Corporation Limited	735,265,587	June 19, 2030	–	Five years from the date on which the equity was acquired through the Bank's issuance of A shares to specific subscribers in 2025
China Post Group Corporation Limited	–	March 25, 2026	5,405,405,405	Five years from the date on which the equity was acquired through the Bank's non-public issuance of A shares in 2021

Note (1): Presented in descending order of the total number of shares subject to selling restrictions held by shareholders as at the end of the reporting period.

Shareholdings of Directors and Senior Management Members

During the reporting period, the shareholdings of the Bank's Directors and senior management members remained unchanged. As at the Latest Practicable Date, none of them held any shares in the Bank.



Substantial Shareholders

According to the Interim Measures on Equity Management of Commercial Banks published by the former CBRC, China Post Group, MOF, and China Mobile Communications Group Co., Ltd. are substantial shareholders of the Bank as each of them holds more than 5% of interests in the Bank; China State Shipbuilding Corporation Limited and Shanghai International Port (Group) Co., Ltd. are substantial shareholders of the Bank as each of them designates Directors to the Bank.

Basic Information of Substantial Shareholders

There was no change in the controlling shareholder or de facto controller of the Bank during the reporting period.

Controlling Shareholder and De Facto Controller

The controlling shareholder and de facto controller of the Bank is China Post Group. China Post Group Corporation Limited, a wholly state-owned enterprise incorporated in accordance with the Company Law of the People's Republic of China, was established on October 4, 1995, and was officially restructured into China Post Group Corporation Limited on December 17, 2019. It engages in various postal businesses in accordance with the law, undertakes the obligations of general postal services and provides special postal services entrusted by the government. China Post Group has a registered capital of RMB137.6 billion. Its registered address is No. 3 Financial Street, Xicheng District, Beijing. Its unified social credit code is 911000000000192465 and the legal representative is Mr. Liu Aili. China Post Group is principally engaged in domestic and international letter business, domestic and international express parcel business, distribution of newspapers, journals and books, stamp issuance, postal remittance service, confidential correspondence communication, postal financial business, postal logistics, e-commerce, various postal agent services, and other businesses stipulated by the state.

Other Substantial Shareholders

Established in October 1949, the Ministry of Finance is a constituent department of the State Council and a national administrative authority in charge of matters such as national fiscal revenue and expenditure, and taxation policies. Its registered address is No. 3 Nansanxiang Sanlihe, Xicheng District, Beijing, and its unified social credit code is 11100000000013186G.

China Mobile Communications Group Co., Ltd. ("China Mobile Group") is a wholly state-owned enterprise established by the state under the Company Law of the People's Republic of China with a registered capital of RMB300 billion. Its registered address is No. 29 Financial Street, Xicheng District, Beijing. Its unified social credit code is 911100007109250324, and the legal representative is Mr. Chen Zhongyue. China Mobile Group is a central state-owned enterprise established on July 22, 1999 in accordance with the overall plan of the national telecommunications system reform. With over two decades of development, China Mobile Group has become a world-class telecommunications and information service provider with the world's largest network, largest customer base, highest revenue, as well as leading positions in innovation capability, brand value, market capitalization, and profitability, and has over one billion mobile customers and 100 million gigabit broadband customers. China Mobile Group's main business includes communications services such as mobile communications, broadband networks, cellular IoT and satellite Internet, computing services such as data centers, mobile cloud and mobile cloud applications, and AI services such as data algorithms, embodied intelligence, digital intelligence culture, digital intelligence e-commerce and industry digital intelligence services.

Changes in Share Capital and Shareholdings of Shareholders

China State Shipbuilding Corporation Limited ("CSSC") is a wholly state-owned enterprise established by the state on November 8, 2019 in accordance with the Company Law of the People's Republic of China with a registered capital of RMB110 billion. Its registered address is No. 889 Zhonghua Road, Huangpu District, Shanghai. Its unified social credit code is 91310000MA1FL70B67 and its legal representative is Mr. Xu Peng. CSSC possesses the largest shipbuilding and repair base in China and the most comprehensive research and development capabilities for shipbuilding and supporting products. It is the world's largest shipbuilding group capable of designing and building vessels and marine equipment that comply with the requirements of global classification societies, international general technical standards and safety conventions. CSSC is principally engaged in the research, development and production of naval products, merchant ships and supporting facilities as well as non-marine equipment. It is one of the Fortune Global 500 companies within China's marine industry.

Shanghai International Port (Group) Co., Ltd. ("SIPG"), the operator of public terminals in the Port of Shanghai, is a large-scale specialized conglomerate established in January 2003 through the restructuring of the former Shanghai Port Authority. In June 2005, SIPG was transformed into a joint-stock limited liability company after completion of the conversion into a joint-stock company, and was listed on the SSE on October 26, 2006, becoming the first joint-stock port company listed as a whole in China. It is currently the largest listed company in port operation in China and one of the largest port companies globally. SIPG has a registered capital of approximately RMB23,280 million. Its registered

address is 4/F, Area A, Comprehensive Building, No. 1 Tonghui Road, Lin-Gang Special Area of China (Shanghai) Pilot Free Trade Zone, and its headquarters is situated at No. 358 (International Port Building) East Daming Road, Hongkou District, Shanghai. Its unified social credit code is 913100001322075806 and its legal representative is Mr. Yu Fulin. SIPG is primarily engaged in port-related businesses including container services, bulk cargo services, port logistics and port services.

Pledging of the Bank's Shares by Its Substantial Shareholders

As at the end of the reporting period, there was no share pledged by substantial shareholders of the Bank.

Related Parties of Substantial Shareholders and Connected Transactions

Approximately 1,700 institutions including the aforementioned substantial shareholders and their controlling shareholders, de facto controllers, related parties, persons acting in concert and ultimate beneficiaries are managed as related parties of the Bank. During the reporting period, the types of transactions between the Bank and the above-mentioned related parties mainly included credit extension, asset transfer, service provision, deposits, etc. These connected transactions were included in the routine connected transaction management of the Bank and submitted to the Board of Directors and its Related Party Transactions Control Committee for approval or kept on record.

Interests and Short Positions Held by Substantial Shareholders and Other Persons

As at the end of the reporting period, so far as was known to the Directors and President of the Bank, save as disclosed below, there were no other persons (other than the Directors and President of the Bank) or companies who had interests or short positions in the shares or underlying shares of the Bank which are required to be disclosed to the Bank and Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept pursuant to Section 336 of the SFO:

Share, except for percentages

Name of shareholder	Capacity	Class of shares	Relevant interests and short positions	Nature of interests	Percentage of issued class shares (%)	Percentage of total issued shares (%)
China Post Group Corporation Limited	Beneficial owner	A shares	62,277,897,580	Long position	62.13	51.86
	Beneficial owner	H shares	80,700,000	Long position	0.41	0.07
Ministry of Finance of the PRC	Beneficial owner	A shares	18,933,967,793	Long position	18.88	15.77
China Mobile Communications Group Co., Ltd.	Beneficial owner	A shares	8,041,852,507	Long position	8.02	6.70
China State Shipbuilding Corporation Limited	Interest of controlled corporations	H shares	3,939,907,462	Long position	19.84	3.28
	Beneficial owner	A shares	735,265,587	Long position	0.73	0.61
Shanghai International Port (Group) Co., Ltd.	Beneficial owner and interest of controlled corporations	H shares	4,234,902,041	Long position	21.33	3.53
	Beneficial owner	A shares	112,539,226	Long position	0.11	0.09
Ping An Asset Management Co., Ltd.	Investment manager	H shares	3,382,236,000	Long position	17.03	2.82
China National Tobacco Corporation	Beneficial owner	H shares	1,296,000,000	Long position	6.53	1.08

Note (1): The information disclosed above is based on the information provided on the website of Hong Kong Stock Exchange and the information available to the Bank at the end of the reporting period. Pursuant to Section 336 of the SFO, shareholders of the Bank are required to file a disclosure of interests form when certain criteria are met. When a shareholder's shareholding in the Bank changes, the shareholder is not required to inform the Bank and Hong Kong Stock Exchange unless certain criteria are met; therefore, the shareholder's latest shareholding in the Bank may differ from the shareholding filed with Hong Kong Stock Exchange.

Note (2): China State Shipbuilding Corporation Limited is interested in a total of 3,939,907,462 H shares (long position), including 3,777,884,462 H shares (long position) indirectly held by controlled corporations, namely China Shipbuilding Industry Corporation, China Shipbuilding & Offshore International Co., Limited, China Shipbuilding & Offshore International (H.K.) Co., Limited and China Shipbuilding Capital Limited through CSIC Investment One Limited as the beneficial owner, and 162,023,000 H shares (long position) indirectly held by the controlled corporation China Shipbuilding Industry Corporation through China Shipbuilding Capital Limited as the beneficial owner.

Changes in Share Capital and Shareholdings of Shareholders

Note (3): Shanghai International Port (Group) Co., Ltd. is interested in a total of 4,234,902,041 H shares (long position), including 869,281,000 H shares (long position) held by it as the beneficial owner, 3,215,660,360 H shares (long position) held by the controlled corporation Shanghai International Port Group (HK) Co., Limited as the beneficial owner, and 149,960,681 H shares (long position) indirectly held by the controlled corporation Shanghai International Port Group (HK) Co., Limited through Shanghai Port Group (BVI) Holding Co., Limited as the beneficial owner.

Note (4): Ping An Asset Management Co., Ltd. (hereafter referred to as "Ping An Asset Management") is interested in 3,382,236,000 H Shares (long position), which were held by Ping An Asset Management on behalf of certain customers (including but not limited to certain subsidiaries of Ping An Insurance (Group) Company of China, Ltd. (hereafter referred to as "Ping An Group"), including Ping An Life Insurance Company of China, Ltd. (hereafter referred to as "Ping An Life Insurance")) in its capacity as investment manager, and were the last interests that Ping An Asset Management needed to report as at June 30, 2026 (the date of the relevant event is September 30, 2025). Ping An Asset Management is a subsidiary of Ping An Group. As Ping An Asset Management is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Group, Ping An Group is exempted from disclosure of interests in non-Ping An Group shares held by Ping An Asset Management, as a holding company in accordance with the SFO. Ping An Life Insurance is interested as the beneficial owner in 3,179,810,000 H shares (long position), which were the last interests that Ping An Life Insurance needed to report as at June 30, 2026 (the date of the relevant event is September 2, 2025). Ping An Group is interested in a total of 3,378,877,000 H Shares (long position) through Ping An Life Insurance and other controlled corporations, which were the last interests that Ping An Group needed to report as at June 30, 2026 (the date of the relevant event is October 10, 2025).

Issuance and Listing of Securities

No new ordinary shares were issued by the Bank during the reporting period.

For the details of the issuance of other securities of the Bank, please refer to "Notes to the Condensed Consolidated Financial Statements – 29 Debt securities issued" and "Notes to the Condensed Consolidated Financial Statements – 31.2 Other equity instruments".

The Bank does not have any employee stocks.



Corporate Governance

Overview of Corporate Governance

The Bank strictly complied with laws, regulations, and requirements for corporate governance put forth by the NFRA, CSRC, SSE and other regulatory authorities as well as the principles and code provisions of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules. Based on its operation and management reality, the Bank continued to improve corporate governance with Chinese characteristics as a modern financial enterprise, deepened the integration of Party leadership and corporate governance, consolidated the foundation of governance, and steadily improved governance effectiveness.

During the reporting period, the Bank convened two Shareholders' General Meetings, at which seven proposals were considered and approved and four reports were reviewed.

The Bank convened a total of five meetings of the Board of Directors, at which 54 proposals were considered and approved and 17 reports were reviewed. The special committees of the Board of Directors convened 23 meetings (three by the Strategic Planning Committee, two by the Related Party Transactions Control Committee, five by the Audit Committee, five by the Risk Management Committee, five by the Nomination and Remuneration Committee, and three by the Social Responsibility and Consumer Rights Protection Committee), at which 61 proposals were considered and approved and 17 reports were reviewed.

Directors and Senior Management

Directors and Senior Management

As at the Latest Practicable Date, the composition of the Board of Directors and senior management was as follows:

The Board of Directors of the Bank comprised 15 Directors, including Chairman and Non-executive Director Mr. Zheng Guoyu; two Executive Directors, namely Mr. Lu Wei and Ms. Yao Hong; seven Non-executive Directors, namely Mr. Liu Xin'an, Mr. Zhang Xuanbo, Mr. Liu Ruigang, Ms. Chen Xue, Mr. Hu Yuting, Mr. Song Xiaodong and Mr. Yu Mingxiong; and

five Independent Non-executive Directors, namely Mr. Chung Shui Ming Timpson, Mr. Tang Zhihong, Mr. Hong Xiaoyuan, Mr. Yang Yong and Mr. Pu Yonghao.

The Bank had a total of eight senior management members, namely Mr. Lu Wei, Ms. Yao Hong, Mr. Xu Xueming, Mr. Du Chunye, Mr. Niu Xinzhuang, Mr. Hu Jianpo, Ms. Yang Xilin and Mr. Liang Shidong.

Changes in Directors and Senior Management

Changes in Directors

On January 13, 2026, Mr. Pu Yonghao's qualification as Director was approved by the NFRA. He shall serve as Independent Non-executive Director of the Bank, a member of the Strategic Planning Committee of the Board of Directors, a member of the Risk Management Committee of the Board of Directors, and a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Pu Yonghao confirmed that he had obtained the relevant legal advice in accordance with Rule 3.09D of the Hong Kong Listing Rules on April 16, 2025, and was aware of his responsibilities as Director of the Bank. On June 30, 2026, Mr. Pu Yonghao was appointed as a member of the Audit Committee of the Board of Directors and ceased to serve as a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors.

On January 19, 2026, Mr. Lu Wei was elected as Executive Director at the Bank's First Extraordinary General Meeting in 2026. On February 13, 2026, Mr. Lu Wei's qualification as Director was approved by the NFRA. He shall serve as Executive Director of the Bank, Chairperson and a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors, a member of the Strategic Planning Committee of the Board of Directors, and a member of the Nomination and Remuneration Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Lu Wei confirmed that he had obtained the relevant legal advice in accordance with Rule 3.09D of the Hong Kong Listing Rules

Corporate Governance

on February 11, 2026, and was aware of his responsibilities as Director of the Bank. Upon Mr. Lu Wei's assumption of office, Ms. Yao Hong ceased to act on behalf of the Chairperson of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors.

On June 1, 2026, Mr. Song Xiaodong's qualification as Director was approved by the NFRA. He shall serve as Non-executive Director of the Bank, a member of the Strategic Planning Committee of the Board of Directors and a member of the Related Party Transactions Control Committee of the Board of Directors for a term of three years, commencing from the date of approval. Mr. Song Xiaodong confirmed that he had obtained the relevant legal advice in accordance with Rule 3.09D of the Hong Kong Listing Rules on May 9, 2026, and was aware of his responsibilities as Director of the Bank. Upon Mr. Song Xiaodong's assumption of office, Mr. Ding Xiangming ceased to serve as Non-executive Director of the Bank and as a member of the relevant special committees of the Board of Directors.

On June 26, 2026, Mr. Tang Zhihong was re-elected as Independent Non-executive Director at the 2025 Annual General Meeting for a term of three years, commencing on the date of approval by the Shareholders' General Meeting. On June 30, 2026, Mr. Tang Zhihong was appointed as a member of the Audit Committee of the Board of Directors and ceased to serve as a member of the Risk Management Committee of the Board of Directors.

On June 26, 2026, Mr. Sun Maozhu was elected as Independent Non-executive Director at the 2025 Annual General Meeting of the Bank, with his qualification as Director subject to approval by the NFRA.

On June 30, 2026, Mr. Wen Tiejun and Ms. Pan Yingli ceased to serve as Independent Non-executive Directors of the Bank and members of the relevant special committees of the Board of Directors due to the expiry of their terms of office; Mr. Liu Ruigang was appointed as a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors and ceased to serve as a member of the Nomination and Remuneration Committee of the Board of Directors; Mr. Hong Xiaoyuan was appointed

as Chairperson and a member of the Nomination and Remuneration Committee of the Board of Directors, as well as a member of the Related Party Transactions Control Committee of the Board of Directors, and ceased to serve as a member of the Strategic Planning Committee of the Board of Directors and a member of the Social Responsibility and Consumer Rights Protection Committee of the Board of Directors.

For details on the changes in Directors of the Bank, please refer to the announcements published by the Bank.

Changes in Senior Management

On February 13, 2026, Mr. Lu Wei's qualification was approved by the NFRA. He shall serve as President of the Bank commencing from the date of approval. Upon Mr. Lu Wei's assumption of office, Ms. Yao Hong ceased to act on behalf of the President of the Bank. On May 26, 2026, upon review and approval by the Board of Directors, Mr. Lu Wei was appointed as Chief Compliance Officer of the Bank concurrently.

On June 1, 2026, Ms. Yang Xilin's qualification was approved by the NFRA. She shall serve as Chief Financial Market Officer of the Bank commencing from the date of approval.

For details on the changes in the senior management members of the Bank, please refer to the announcements published by the Bank.

Changes in Biographies of Directors and Senior Management

In May 2026, Mr. Xu Xueming was concurrently appointed as Vice President of the Research Association of Ideological and Political Work of China Financial Institutions.

In March 2026, Mr. Du Chunye was appointed as Chairman of PSBC Financial Asset Investment Co., Ltd.

In April 2026, Mr. Niu Xinzhuang was concurrently appointed as Vice President of the Payment & Clearing Association of China, and Ms. Yao Hong ceased to concurrently serve as Vice President of the Payment & Clearing Association of China.



Positions Taken by Directors and Senior Management Members at Shareholder Companies

Name	Name of the shareholder company	Positions held in the shareholder company	Term of office
Zheng Guoyu	China Post Group	Director	March 2023 – now
		President	March 2023 – now
		Chief Compliance Officer	May 2023 – now
Lu Wei	China Post Group	Vice President	December 2025 – now
Liu Xin'an	China Post Group	Director	April 2024 – now
Liu Ruigang	China Post Group	Director	May 2023 – now
Chen Xue	China Post Group	Director	April 2025 – now
Song Xiaodong	SIPG	President	October 2024 – now
		Director	December 2024 – now
Yu Mingxiong	CSSC	Director of the Asset Management Department	October 2023 – now
Hu Jianpo	China Post Group	Deputy Head of the Commission for	June 2020 – now
		Discipline Inspection	

Profit and Dividend Distribution

The Bank's profit distribution plan complies with the Articles of Association of the Bank and the review procedures. The Independent Non-executive Directors of the Bank performed their duties diligently, expressed independent and professional opinions, and fully protected the legitimate rights and interests of minority shareholders.

The profit distribution plan for 2025 was reviewed and approved at the 2025 Annual General Meeting held on June 26, 2026. On the basis of 120,095,053,492 ordinary shares, the Bank distributed the final cash dividend for 2025 at RMB0.953 per ten ordinary shares (before tax), totalling approximately RMB11,445 million (before tax), to all the ordinary shareholders whose names appeared on the share register after the close of market on July 10, 2026. Together with the interim cash dividend already distributed in 2025, the total cash dividend for the whole year of 2025 amounted to approximately RMB26,217 million (before tax), or RMB2.183 per ten ordinary shares (before tax). The 2025 profit distribution plan has been implemented and the Bank did not convert capital reserve to share capital.

The Board of Directors of the Bank proposed distributing the interim cash dividend for 2026 for ordinary shares. Based on the total share capital of 120,095,053,492 ordinary shares of the Bank, the interim cash dividend for 2026 totalling approximately RMB15,973 million (before tax) will be distributed to all ordinary shareholders whose names appear on the share register on the record date at RMB1.330 per ten ordinary shares (before tax), representing 31% of the net profit attributable to equity holders of the Bank on a consolidated basis for the first half of 2026. The above dividends are expected to be paid to shareholders of A shares and H shares listed on the Bank's register of shareholders after the market closes on December 10, 2026 (Thursday). It is expected that the Bank will suspend the H-share transfer registration procedures from December 7, 2026 (Monday) (inclusive) till December 10, 2026 (Thursday) (inclusive). H-share holders of the Bank who desire to receive the proposed cash dividends are requested to hand over their share certificates together with the share transfer documents to the Bank's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716,

Corporate Governance

17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on December 4, 2026 (Friday). In the distribution of the interim cash dividend for 2026, the Bank will offer H-share shareholders (excluding those holding shares via Stock Connect (Southbound)) the option to receive dividends in RMB. H-share shareholders may elect to receive all of their interim H-share dividend in either RMB or HKD (HKSCC Nominees Limited may elect to receive all or part thereof in either currency). The RMB/HKD conversion rate shall be the average of the RMB/HKD central parity rates published by the China Foreign Exchange Trade System at 11:00 each trading day for the five consecutive business days preceding (but excluding) the date on which the Bank distributes the dividend currency election form to H-share shareholders. It is expected that the Bank will send a dividend currency election form to H-share holders (excluding those holding shares via Stock Connect (Southbound)) on December 14, 2026 (Monday) as practicable. The H-share holders who desire to receive the dividends of H shares in Renminbi must complete the dividend currency election form to make relevant choices, and return it to the Bank's H share registrar, Computershare Hong Kong Investor Services

Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 4:30 p.m. on December 30, 2026 (Wednesday). If an H-share holder has not made a choice or the Bank's H share registrar, Computershare Hong Kong Investor Services Limited, has not received the duly completed dividend currency election form from the H-share holder by 4:30 p.m. on December 30, 2026 (Wednesday), the H-share holder will automatically receive the dividend in Hong Kong dollars. If an H-share holder desires to receive dividends in Hong Kong dollars in the usual manner, no further action is required. In accordance with the relevant regulatory requirements and business rules, dividends for A shares are expected to be paid on December 11, 2026, and those for H shares on January 22, 2027.

The aforesaid proposed interim cash dividend distribution plan for 2026 is still subject to the review and approval of the Shareholders' General Meeting. The Bank will make further announcements on details of the distribution plan, distribution date, dividend-related tax matters, and tax relief arrangements related to the dividends.

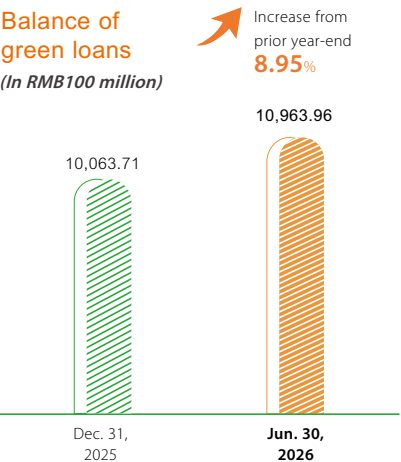
Environmental and Social Responsibilities

Green Finance

The growth rate of green loans outpaced the average growth rate of the Bank's various loans for **several consecutive years**.

The Bank established a total of **56** specialized green finance institutions.

The Bank provided carbon accounting services for more than **20** thousand corporate clients on a cumulative basis.



The Bank thoroughly implemented the guiding principles set forth at the 20th CPC National Congress, the plenary sessions of the 20th CPC Central Committee, the Central Economic Work Conference and the Central Financial Work Conference. It strictly followed the national policies and regulatory requirements, supported the UN's Sustainable Development Goals (SDGs) for 2030 and the Paris Agreement, upheld the concept of "Green World, Better Life", and actively acted as a pioneer in green finance. The Bank advanced green finance and contributed to the building of a Beautiful China across multiple dimensions, including governance framework, policy system, incentive and restraint mechanisms, product and service innovation, ESG and climate risk management, and capability building. It vigorously developed sustainable finance, green finance and climate financing, explored transition finance and just transition, supported biodiversity protection, and contributed to achieving carbon peaking and carbon neutrality goals. In accordance with the Green Finance Endorsed Project Catalogue (2025) issued by the PBOC, as at the end of the reporting period, the Bank's balance of green loans amounted to RMB1,096,396 million, up by 8.95% over the prior year-end, having outpaced the average growth rate of the Bank's various loans for several consecutive years; and the balance of the Bank's green bond investments amounted to RMB58,625 million. During the reporting period, the volume of the Bank's green bond underwriting stood at RMB2,316 million. The Bank was consecutively recognized as an "Advanced Unit in Green Bank Evaluation" by the China Banking Association, and received honors and awards such as the "Best ESG Dual Carbon Practice Award" by Hong Kong International ESG Alliance, the "2025 Banking Sector ESG Brand Building Cases" by China Financial Media Corporation, and the "Green Development Cases of the Year 2025" by The Beijing News. In March 2026, MSCI released the ESG rating results, with the Bank's rating upgraded to AAA.

Improving the governance structure. The Bank continued to refine the long-term mechanisms for green finance governance. Based on its own operation and management model as well as business development strategies, it conducted extensive exchanges and sharing and drew on advanced practices in the green finance sector, and built a top-down green finance governance system featuring clear tiers, well-defined responsibilities and a complete structure. Under the unified leadership of the Party Committee of the Head Office, the Board of Directors and the senior management strengthened the leadership and implementation of green finance work according to their respective division of responsibilities. The Bank held meetings of the Board of Directors and its Social Responsibility and Consumer Rights Protection Committee on a regular basis, studied and implemented strategies for the development of green finance and ESG risk management, and advanced toward the goal of carbon peaking and carbon neutrality in an active and steady way. The Head Office, branches and majority-owned subsidiaries of the Bank have all set up the green finance steering groups for carbon peaking

Environmental and Social Responsibilities

and carbon neutrality, formed a multi-tiered mechanism for advancing related work, continued to consolidate its green finance working framework, and steadily promoted the implementation of various green finance initiatives in an orderly manner, laying a solid foundation for the Bank's high-quality and sustainable development. It supported regional green transition, and further improved the quality and effectiveness of green finance services supporting low-carbon transition. The Bank established a total of 56 specialized green finance institutions such as green finance departments, carbon neutrality sub-branches, green sub-branches, and blue sub-branches.

Refining policies and rules. The Bank formulated the Guidelines on Sustainable Finance Credit Extension and developed separate guidelines on the credit extension policies for green finance and transition finance. It integrated ESG factors into credit extension policies for key industries, paid great attention to the ESG risks associated with clients and projects across various sectors, and formulated differentiated credit strategies based on the attributes and business characteristics of different industries and in compliance with national industrial policies and regulatory guidance. The Bank refined provisions related to biodiversity protection and climate change in its policies and rules. It adhered to the one-vote veto mechanism for environmental protection, prohibited providing support for overseas carbon-intensive fossil fuel energy projects such as coal and coal power, and implemented a "zero tolerance" policy for customers and projects that did not comply with environmental protection or industrial policies. Moreover, the Bank formulated the Plan for the High-Quality Development of Green Finance of Postal Savings Bank of China to clarify the overall requirements and key tasks for the high-quality development of green finance, and fully integrated the sustainability concept into the Bank's development strategy, governance structure, corporate culture and business processes. It also issued the Notice on Clarifying the Recognition Standards and Procedures for Transition Finance Business in the Corporate Banking Business Line to strengthen the identification of transition-related business.

Optimizing resource allocation. The Bank improved the incentive and restraint mechanism from aspects such as performance assessment, FTP, economic capital, and approval authorization, and vigorously supported key areas of green finance such as low-carbon transportation, renewable energy, clean energy, green buildings, and energy conservation and environmental protection. In terms of pricing, the Bank cut 15 bps for the FTP of green loans and green bonds, and 90 bps for the FTP of green inclusive MSE loans and similar products, thereby channeling resources to green sectors through differentiated pricing. In terms of economic capital, the Bank set a 90% adjustment coefficient for the economic capital measurement of the green finance business, and a 102% adjustment coefficient for the economic capital measurement of high-energy-consuming and high-emission industries. In terms of subsidies and incentives, the Bank granted loan scale-based income subsidies to branches that obtained the PBOC's carbon emission reduction facility and awarded incentives to branches that established specialized green finance institutions to strengthen positive incentives. In terms of assessment management, it incorporated the indicator of green loan development into the performance assessment systems of the Head Office and branches. In terms of authorization optimization, the Bank enhanced the delegation of authority for the transition finance business and green sectors such as energy conservation and environmental protection as well as clean energy to improve business responsiveness.

Continuously providing innovative financial products and services. The Bank actively embraced the concept of green development and scaled up investments in green bonds. It prioritized support for key areas such as ecological agriculture, energy conservation and environmental protection, and pollution prevention and control, to promote green finance and facilitate the transformation of development models. PSBC Guangdong Branch launched the province's first aquatic ecosystem VEP (value of



ecological products in specific regional units) income-rights pledge financing model, with the future income rights of ecological products as the core pledged asset, and successfully granted the province's first biodiversity finance loan totalling RMB114 million. Centered on biodiversity protection, PSBC Anhui Branch provided targeted financial support for the sustainable development of the whole industrial chain of Huainan Mahuang Chicken, a national Geographical Indication agricultural product, covering breed conservation and breeding, eco-friendly farming, integrated planting-breeding circular systems, and green processing. The project fully achieved zero-pollution discharge of farming tailwater, utilization of livestock and poultry manure, and genetic conservation of local premium breeds, serving as an exemplary case of financial services backing local characteristic livestock and poultry industries, safeguarding agricultural biodiversity and promoting green and low-carbon development. The Bank further advanced the practice of transition finance, with a total of 29 transition finance loans amounting to RMB4,496 million disbursed, empowering the low-carbon transition and upgrading of carbon-intensive industries. The Bank facilitated the carbon peaking and carbon neutrality efforts among SMEs in an active and orderly manner. As at the end of the reporting period, the Bank provided carbon accounting services for 25,923 corporate clients on a cumulative basis.

Strengthening ESG and climate risk management.

Implementing the reform requirements of "continuously optimizing and enhancing the comprehensive risk management framework", the Bank integrated ESG and climate risks into its comprehensive risk management framework, benchmarked against leading peers, and optimized its climate risk management framework. It

continuously improved policies, rules, and processes, and implemented differentiated authorization management for approval of corporate client businesses, with approval authority for clients in industries such as coal power generation being centralized at higher levels. The Bank established and improved the environmental information database to identify and assess climate risks, and refined tools and means for identifying, monitoring, preventing, and controlling ESG risks. The Bank has conducted ESG and climate risk inspections for ten consecutive years and taken effective measures to prevent and mitigate such risks. It has carried out climate risk stress tests for carbon-intensive industries for five consecutive years, and conducted climate risk identification, with the assessment indicating that climate risk was not a major risk for the Bank. In addition, the Bank launched on-site inspections of credit extension management and special inspections on the green loan labelling to enhance the green finance management at its branches and consolidate the quality of data statistics.

Enhancing professional capabilities. The Bank embedded the concept of green development into its corporate culture and encouraged employees to act as pioneers and leaders in green finance. In alignment with leading domestic and international disclosure standards, the Bank has published its Environmental Information Disclosure Report for four consecutive years, comprehensively showcasing its practices and achievements in green finance and environmental and climate risk management. It enriched its green finance training framework and invited internal and external experts to deliver Bank-wide special training sessions on credit extension policies, green credit statistics, ESG, climate risks, and other related topics.

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Supplementary Cases

Based on local industrial characteristics, PSBC Putian Branch in Fujian Province precisely addressed the financing bottlenecks that constrain the digital and green transformation of MSMEs in the shoe and apparel sectors. It granted the province's first standard transition finance loan for the textile industry, facilitating the upgrading of the traditional industry toward low-carbon, intelligent, and high-end development. The branch promptly responded to enterprises' needs and, in strict compliance with the Taxonomy of Economic Activities for Transition Finance in Textile Industry, verified that the relevant production equipment and technology application projects fully met the eligibility criteria for transition finance support. It then set up a green and inclusive credit approval channel and extended unsecured credit to enterprises through a technology-based credit model. In March 2026, a loan of RMB9.69 million was successfully granted through a streamlined and expedited process, effectively easing the enterprise's funding pressure and ensuring the stable operation of a 5G smart factory and the full release of its production capacity.

With digitalization and intelligence at its core, the low-carbon, digital and intelligent logistics hub project in Jiaozuo City, Henan Province is designed to create a modern green logistics hub that integrates six functions: comprehensive warehousing and distribution center, wholesale distribution center for first-tier cities, cloud computing and big data center, new energy supply center, truck capacity service center, and integrated parking center. Actively responding to national green finance policies, PSBC Jiaozuo Branch in Henan Province took the lead in forming a syndicated loan with other banks to provide financing support for the project. The total financing demand stood at RMB800 million, and the branch was approved to grant a credit line of RMB400 million with a 15-year term. As at the end of the reporting period, the syndicate had granted RMB157,616.9 thousand of loans on a cumulative basis, including RMB96,995 thousand from PSBC. The funds are earmarked for the construction of green infrastructure and the procurement of intelligent equipment for the project. Upon completion, the project is expected to cut carbon dioxide emissions by approximately 12,000 tonnes per year, save around 4,500 tonnes of standard coal, and reduce emissions of sulfur dioxide, nitrogen oxides, and other pollutants, thereby facilitating the progress toward carbon peaking and carbon neutrality goals in Jiaozuo City. Meanwhile, the project is expected to upgrade the logistics infrastructure in Jiaozuo, lower overall social logistics costs, drive the growth of related industries, and create approximately 1,500 jobs, providing robust support for the high-quality development of the local economy.

Green Operations

The Bank further practiced green operations and implemented low-carbon development requirements. It issued the Implementation Plan for Practicing Thrift, Reducing Costs, and Improving Efficiency in Office Administration of the Head Office of Postal Savings Bank of China. Centering on key tasks including intensive asset management, energy and resource conservation, official expenditure control, food waste reduction, and digital platform development, the Plan sets out clear division of responsibilities and specific measures. The Head Office conducted special inspections on green office practices on a quarterly basis. It required employees to turn off all electrical devices after work, strictly enforced indoor temperature standards for air conditioning, advocated double-sided printing, and promoted the efficient use of resources and energy such as water, electricity, and paper. Meanwhile, leveraging key events such as the National Energy Conservation Publicity Week and National Low Carbon Day, the Bank carried out energy-saving publicity by posting posters and playing promotional videos, to continuously raise employees' awareness of green office practices and guide their energy-use behaviors. It also organized supervision and inspections on canteen dining to foster a sound culture of food conservation.

The Bank expanded its use of renewable energy and enhanced energy conservation and carbon reduction. Actively responding to relevant work requirements, the Bank took well-organized steps to advance carbon peaking and carbon neutrality in its own operations, and continuously improved the quality of data by the carbon resource system. The Head Office has met the total energy consumption control targets set by the Beijing Xicheng District Development and Reform Commission for five consecutive years. During the reporting period, the Fengtai Data Center and Yongfeng Base of the Head Office consumed a total of 11,958 thousand kWh of green electricity. The photovoltaic power generation project at the Hefei Base Management Center generated 66.1 thousand kWh of electricity during the reporting period, and had cumulatively generated 634.5 thousand kWh since its commissioning, realizing 100% self-consumption of self-generated electricity.

The Bank continued to advance green building practices. The Jinding Building of the Head Office was among the first to undergo energy performance grading, achieving a Grade II rating for public buildings in terms of energy efficiency. In the renovation of its lecture hall, VRV (variable refrigerant volume) inverter air conditioning and LED energy-saving luminaires were adopted to further improve energy utilization efficiency.

The Bank thoroughly implemented green procurement. It issued the Implementation Measures of Postal Savings Bank of China for Green Procurement, which clearly prioritized the procurement of energy-efficient and eco-friendly products that meet green packaging and green transportation requirements. The Bank continued to require its suppliers to sign and fulfill the Agreement on Energy Conservation, Emissions Reduction and Green Development, so as to continuously strengthen and promote the joint fulfillment of social responsibilities, including environmental protection responsibility, with its suppliers.



◎ Head Office departments organize the 2026 voluntary tree-planting event themed "Plant a Tree for a Greener Planet".

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Care for Employees

The Bank took an employee-centric approach and ensured care for employees with solid and concrete measures. It gave play to the exemplary and leading role of role models, fostered a distinctive employee culture, continuously inspired employees' dedication and entrepreneurial spirit, and steadily enhanced their sense of identity, belonging and happiness, galvanizing collective strength for its high-quality development.

Vigorously Promoting the Spirit of Model Workers

The Bank organized a selection of collectives and individuals with outstanding performance, and issued the Decision on Commending Collectives and Individuals with Outstanding Performance of Postal Savings Bank of China for 2022-2025 to recognize collectives and individuals who have made important contributions and outstanding achievements in the Bank's reform and development. A total of 100 institutions were honored with the title of "PSBC Collective with Outstanding Performance", and 100 individuals were honored as "PSBC Individual with Outstanding Performance". By commending outstanding role models and setting benchmarks, the Bank further promoted the spirit of model workers, hard work and craftsmanship, boosted morale, and rallied collective strength to tackle challenges and drive development.



🕒 The Bank presents the "Collective with Outstanding Performance" award at the Comprehensive Commendation Ceremony of the Bank's 2026 Mid-Year Operation and Management Work Conference.



🕒 Showcase area of collectives and individuals with outstanding performance of the Bank for 2022-2025



Continuously Advancing the Project of Care for Female Employees

Prior to the International Women's Day on March 8th, 2026, the Bank issued the Circular on Commending PSBC Female Collectives with Outstanding Performance and Female Role Models with Contributions for 2023-2025. A total of 50 teams won the honorary title of "PSBC Female Collective with Outstanding Performance", and 100 individuals won the title of "PSBC Female Role Model with Contributions". In addition, a life moments photo collection campaign was launched among all female employees of the Bank. A themed short film and a feature article titled "Be the Unlimited and Brilliant You" were published on the official WeChat account of PSBC Labor Union.



Scan the QR code to watch the Bank's Women's Day themed short film
"Be the Unlimited and Brilliant You"



Organizing Featured Activities to Care for Employees' Mental Health

From May 25 to June 25, the Bank conducted a series of activities for its first mental health carnival. A dedicated online platform was established to offer free-of-charge psychological check-ups and related mental wellness modules to all employees. In addition, offline immersive psychological experience zones were successively launched at Beijing Branch, Henan Branch, Hebei Branch, and Zhejiang Branch. The month-long event achieved broad coverage across all levels and positions, with total participation exceeding 83 thousand person-times.



Scenes from the offline event of PSBC's mental health carnival



Environmental and Social Responsibilities

Carrying Out Diverse Cultural and Sports Activities for Employees

To foster a spirit of solidarity and striving for excellence, the Bank organized diverse cultural and sports activities to enrich employees' cultural lives. Various sports competitions were held to enhance employees' physical fitness, deepen mutual understanding and foster collaboration, and strengthen team cohesion and innovative vitality. From June 11 to June 14, the 4th Staff Badminton Competition of the Bank was held in Tonglu County, Zhejiang Province. A total of 39 teams with over 330 members participated, demonstrating their perseverance and competitive spirit.



 The 4th Staff Badminton Competition of the Bank



 Head Office departments organize the 2026 Brisk Walking Campaign themed "PSBC Warm Spring Walk, Striding Toward the Future".

Consumer Rights Protection

The Bank upheld the customer-first philosophy, stayed committed to the original aspiration of serving the people through financial services, regarded consumer rights protection as a core part of its development strategy and corporate culture, and integrated consumer rights protection requirements throughout all aspects and the entire process of business operations. It made continuous efforts to build a pattern of comprehensive consumer protection characterized by organization-wide collaboration and participation by all employees, and further consolidated the outcomes of regular and long-term consumer protection governance, to foster a sound and orderly financial market environment and effectively protect the legitimate rights and interests of financial consumers.

Improving consumer protection governance framework and consolidating the foundation for various management efforts. The Bank strengthened institutional and mechanism development. Focusing on integrating business operations with consumer protection, and backed by the coordination across the "three lines of defense" and collaboration with China Post Group, the Bank further upgraded its consumer protection management framework by optimizing policies and mechanisms, improving system functions, and fully implementing various management measures. It made special arrangements mainly for areas including improving work quality based on regulatory evaluation, conducting comprehensive complaint remediation, and carrying out special rectification of agency insurance businesses, and coordinated top-level planning



and overall guidance for consumer protection work. The Bank kept the communication channels for consumer protection unimpeded, established a regular joint meeting mechanism, and conducted joint deliberation, situation assessment and targeted research on prominent problems and weak links in consumer protection across the industry and various business fields. **The Bank enriched complaint management approaches.** It established a mechanism combining quarterly meeting reviews and briefings on complaints, monthly complaint analysis and report, and real-time issuance of risk alerts and risk clues, and strengthened full-process complaint management through online resolution, multi-tiered case handling, escalation for higher-level disposal, closed-loop management, and performance assessment and incentives. **The Bank enhanced ex-ante risk prevention.** It incorporated consumer protection review as a mandatory component into relevant business approval processes, and adopted a model of “preliminary review by the initiating department and secondary review by consumer protection departments”. It standardized the management of review staff, developed standardized training materials for consumer protection review, and improved the professional competence of reviewers. **The Bank worked further to foster a sound financial consumer protection culture.** It disseminated knowledge concerning the eight rights of financial consumers among all employees, organized online consumer protection knowledge quizzes, and consolidated learning outcomes through examinations. Differentiated training on consumer protection was provided for senior management members, employees in key posts, frontline employees and new recruits, effectively enhancing the consumer protection awareness of all employees.

Empowering higher-quality and more efficient consumer protection through digital and intelligent transformation. The Bank continuously refined the labeling system for customer complaints, and expanded the labels covering areas such as products and services, dispute triggers, customer demands, and risk severity. It further enhanced the accuracy of complaint categorization, collection and storage, and characterization, leveraged standardized labels to enable automatic identification of complaint risks and precise pinpointing of high-frequency issues, and supported the root-cause analysis and targeted rectification of problems. The Bank improved the functions of its consumer protection review system which integrates daily review, statistical analysis, efficiency monitoring, think tank resource sharing and staff management, and supported end-to-end online management of review procedure featuring “preliminary review by business departments + secondary review by consumer protection departments”. It explored the application of LLMs to consumer protection reviews, optimized intelligent review workflows, expanded the review toolkit, enriched the review case library and knowledge base, and bolstered systemic support for consumer protection reviews across the Bank. The Bank expanded the online publicity network and improved its financial education platform, to enable one-stop access to financial knowledge, further amplify the outreach of financial consumer protection publicity, and showcase the depth, reach and warmth of financial services. Aligning with new regulatory rules and the industry’s self-regulatory standards, the Bank enriched and improved system functions and strengthened monitoring and control over high-risk links in agency sales business.

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Deepening financial knowledge publicity and delivering convenience and benefits to the people. During the reporting period, the Bank continued to promote systematic and large-scale financial education campaigns. It organized themed initiatives including the “March 15” Financial Consumer Rights Protection Education and Publicity Campaign, the “May 15” National Investor Protection Awareness Day, and the Nationwide Campaign to Popularize Financial Knowledge. The Bank rolled out over 78,300 online and offline educational events in total, with a cumulative participation of 954 million person-times. **The Bank took multiple measures to deliver tangible benefits to the people.** It brought social security services closer to the public by rolling out social security services at outlets. This enabled one-stop handling of businesses including social security inquiries, payment certificate printing, and social security card application and activation, and allowed people to complete relevant procedures near their homes, helping residents address practical problems in their daily lives. The Bank offered caring services for elderly customers. Online, it launched a dedicated elderly customer zone on the mobile banking app and established an elderly customer-focused service framework covering rights, products, scenarios and services. Offline, it built featured sub-branches for pension finance, launched the “Nuanyang Jinhui” (Warmth for the Golden Years) special initiative, and established standardized door-to-door and video service procedures, to

help elderly customers bridge the digital divide. The Bank tailored support for vulnerable groups. For people with disabilities, the Bank introduced voice broadcast and sign language customer services to the mobile banking app, equipped physical branches with courtesy windows and seats, and built multiple sign language service branches to deliver barrier-free financial services. **The Bank continued to roll out distinctive “financial education+” publicity programs.** Leveraging the cultural IP of Tonghai County, a national historical and cultural city, PSBC Yunnan Branch integrated financial consumer protection education into cultural tourism and intangible cultural heritage experiences. While showcasing local specialties including ornamental potted flowers and Doumo sugar (a traditional intangible cultural heritage snack made from ground roasted soybeans and maltose), the branch delivered interpretations of public welfare policies and consumer protection knowledge, bringing financial knowledge to local communities. PSBC Chongqing Branch pioneered the education program themed “Consumer Protection Talks in Vegetable Fields”, which focused on the production scenarios at local vegetable bases, providing mobile financial education classes directly to the farmers’ doorstep and safeguarding both their production security and fund security through financial expertise.

Supplementary Case

On March 15, 2026, China Financial Media Corporation, supervised by the NFRA, officially released the list of “Excellent Cases of Financial Consumer Protection and Service Innovation in 2026”. The list included three cases submitted by the Bank. “Pooling Efforts to Conduct Financial Education, Keeping People’s Wallets Safe” was selected as an Excellent Case in Financial Consumer Education and Publicity; “Properly Resolving Customer Disputes” was listed as an Excellent Case in Financial Consumer Dispute Resolution; and “Intelligently Safeguarding Account Fund Security and Optimizing Customer Services through Model Early Warning and Aggregated Pop-Up Windows” was recognized as an Excellent Case in Protecting Consumers’ Financial Security. The simultaneous recognition of the three cases comprehensively showcased the Bank’s solid practices in the three key areas of financial consumer education, dispute mediation, and digital risk control, fully demonstrated the fruitful outcomes of the Bank’s diversified and innovative consumer rights protection initiatives, and vividly embodied the commitment of PSBC as a major state-owned bank to serving the people through financial services and wholeheartedly safeguarding the financial rights and interests of the people.



Building a Culture of Integrity

The Bank formulated an action plan for integrity culture building in the new era, and launched four key initiatives centering on fostering integrity awareness, promoting diligent and integrity-based business operations, cultivating upright and clean officials, and building a sound and upright work atmosphere, to establish a comprehensive and multi-dimensional integrity education system. The Bank organized an integrity cultural works collection campaign, under which cadres and employees at all levels created over 1,000 works including calligraphy, paintings, paper-cutting, sculptures, and integrity-themed short videos. By telling vivid stories about financial integrity through cultural and artistic forms, the Bank provided immersive integrity education to all employees and front-line staff. The Bank’s integrity culture building efforts were recognized with multiple honors, including the 2025 Demonstrative Practice Case of Financial Culture with Chinese Characteristics and the Organization Award of the 7th “Yucong Cup” Integrity Micro Film and Micro Video Competition. Going forward, leveraging the development of integrity education bases, the Bank will continue to introduce new forms of publicity and education for integrity culture, enrich the supply of integrity cultural resources, and expand integrity education platforms. It will further elevate the influence of the “Clean PSBC” brand, and provide solid disciplinary guarantee and cultural support for the high-quality development of the Bank.

For details about the Bank’s efforts in serving rural revitalization and inclusive finance, please refer to “Discussion and Analysis – Business Overview”.

Significant Events

Internal Control and Internal Audit

Internal Control

The Bank has established an internal control governance and organizational structure with a reasonable division of labor, clear responsibilities and clear reporting relationships which consists of the Board of Directors, senior management, departments of internal control management, internal audit departments, and business departments. Considering that the purpose of monitoring the above internal control system is to manage rather than eliminate the risk of failing to achieve business objectives, the Board of Directors can only reasonably, not absolutely, assure that the above system and internal control can prevent any material misstatement or loss.

The Bank promoted the development of internal control systems to consolidate the foundation, refined mechanisms to boost efficiency, promoted the transition toward intensive operation to strengthen growth momentum, and built more intelligent systems to improve quality, further driving the comprehensive shift of internal control and compliance work from compliance-oriented to effectiveness-oriented. The Bank refined the mechanism for rectifying problems highlighted by regulators and optimized the rectification management system. The Bank reviewed the rectification results with the effectiveness of problem remediation serving as a key benchmark and kept improving business processes, to make rectification efforts a vital driver for consolidating the foundation, enhancing the quality and boosting the efficiency of internal control. The Bank promoted rigid systematic control. Based on the problems identified in internal and external inspections, the Bank dynamically generated rigid control lists, made rectification experience part of the system logic, continuously calibrated system parameters, phased out invalid rules, and plugged gaps for emerging risks. As a result, a closed-loop management mechanism of “embedding – exposure – iteration – validation” took shape. The Bank held a diverse range of case warning education sessions, conducted a series of touring lectures at grassroots-level institutions, and promoted the use of the case warning education resource platform, to remind all employees to draw lessons from

cases and stay alert to compliance risks at all times. The Bank launched the campaign themed “Publicity Month on Preventing Illegal Financial Activities”, integrating publicity and education on preventing illegal financial activities into every process from business promotion, customer services and investor education, to employee training and compliance management. The initiative helped the public accurately identify illegal financial scams and built a solid line of defense for risk prevention and control from the source. Driven by the reform of intensive risk control as the core lever, the Bank systematically advanced the development of standardized and regulated systems at the internal control monitoring center, and fully leveraged its dual role in driving and coordinating internal control efforts. As at the end of the reporting period, the Bank has completed the centralization of suspicious transaction screening businesses for half of all tier-1 branches and postal agency outlets nationwide. Meanwhile, risk information monitoring and verification functions of tier-1 branches have been centralized at the Head Office and incorporated into the Head Office’s centralized management framework. Through manual and technical prevention measures, the Bank realized centralized, unified management and full-process control of the two core risk control functions of risk monitoring and verification and suspicious transaction screening.

Internal Audit

The Bank implements an internal audit system in accordance with the Guidelines for Internal Audit of Commercial Banks and the Internal Audit Regulations of the National Audit Office of China, builds an independent and vertical audit system featuring “Audit Department at the Head Office + 7 regional audit offices + 29 audit divisions”, establishes an audit management structure suitable for the Bank’s operation and development and meeting the requirements for governance, and sets up and effectively puts into practice the internal audit reporting system and reporting lines. The audit line of the Bank, as the third line of defense in risk prevention and control, is independent from the first and the second lines of defense. The Bank continuously strengthens the professionalism and authority of its audit work, and fully leverages the role of internal audit in supervision, evaluation,



and consultation. The Audit Department at the Head Office carries out work under the leadership of the Board of Directors and its Audit Committee, regularly reports to the Board of Directors and its Audit Committee, and notifies the senior management.

The Audit Department at the Head Office is responsible for the overall audit work and the coordination of audit resources of the Bank, as well as the organization and implementation of Bank-wide audit activities in accordance with the internal audit charter of the Bank and professional standards. The regional audit offices are responsible for allocating audit resources under jurisdiction, executing the annual audit plan, conducting audit monitoring of regional branches, and organizing and implementing various audit projects and ongoing audit tasks according to the overall audit arrangement. Each audit division carries out audit tasks assigned by its superiors and is responsible for executing the relevant audit projects.

The Audit Department at the Head Office is responsible for formulating the annual audit plan in accordance with regulatory guidelines and governance requirements, with a focus on the implementation of decisions of the CPC Central Committee and national policies, compliance with regulatory laws and rules and regulations, advancement and deployment of the Head Office's strategy and key tasks, risk prevention and control in critical areas and core businesses, etc. The annual audit plan is implemented after being reviewed and approved by the Audit Committee of the Board of Directors and reported to the Board of Directors.

During the reporting period, the Bank continuously improved its audit supervision system that is centralized and unified, and authoritative and efficient, with comprehensive coverage. It strictly followed the guidelines of being risk-oriented, problem-focused, value-led and efficiency-first in audit work, and deeply identified risks and prominent issues in business areas and business management activities. The Bank fully leveraged its unique institutional strengths of

internal audit in rectifying deviations and guarding against problems, to improve corporate governance, strengthen internal control, optimize business operations and forestall risks. The Bank adopted a dual-pronged approach of revealing problems and supervising rectification, enhanced the coordination between audit oversight and other supervisory efforts, continuously promoted the diverse and multi-level application of audit results, and leveraged audit capabilities to ensure robust and refined execution of the "five priorities" of the financial sector, so as to serve the Bank's high-quality development with high-quality audit supervision.

Use of Raised Funds

The funds raised by the Bank have been used in accordance with the purposes as disclosed in the prospectuses, i.e., to consolidate the Bank's capital base and support the continued growth of the Bank's business.

After verification and analysis, the implementation progress of the utilization plans of raised proceeds are in line with those disclosures by the Bank such as the IPO prospectus and other prospectuses.

Material Legal Proceedings and Arbitration

During the reporting period, there were no legal proceedings or arbitration with a material impact on the business operations of the Bank.

As at the end of the reporting period, the aggregate claim amount in outstanding major litigation or arbitration cases where the Bank was involved as a defendant or arbitration respondent, each with a claim amount of over RMB10 million, was approximately RMB1,716 million. Corresponding expected liabilities have been accrued for these matters, and the Bank considers that these pending cases will not have any material adverse impact on the business, financial position or operating results of the Bank.

Significant Events

Major Asset Acquisition, Disposal and Merger

During the reporting period, the Bank has completed the merger of YOU+ BANK, its former wholly-owned subsidiary. For details, please refer to the announcements published by the Bank.

Apart from that, the Bank did not carry out any other major asset acquisition, disposal or merger activities.

Significant Contracts and Their Performance

Material Custody, Sub-contract and Lease

During the reporting period, the Bank had not held in custody to a material extent or entered into any material subcontract or lease arrangement in respect of assets of other companies, and no other company had held on custody to a material extent or entered into any material sub-contract or lease arrangement in respect of the Bank's assets.

Material Guarantees

The Bank's guarantee business is an off-balance sheet business in the ordinary course of its business. During the reporting period, the Bank did not have any other material guarantee that needs to be disclosed except for the financial guarantee services within the business scope as approved by the PBOC and the NFRA. The Bank did not enter into any guarantee contract in violation of laws, administrative regulations, and the resolution procedures for external guarantees stipulated by the CSRC.

Credibility

During the reporting period, there were no cases in which the Bank and the controlling shareholder of the Bank failed to perform obligations under effective legal judgments of courts in major litigation cases, and there were no cases in which the debts of a relatively large amount were due and unpaid.

Information on the "Corporate Value and Return Enhancement" Action Plan

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Bank fully implemented the decisions and plans of the CPC Central Committee, upheld its original aspiration and fundamental mission of serving the real economy, and promoted the development of the "five priorities" of the financial sector. It accelerated the upgrading toward distinctive, light, integrated, ecosystem-based, refined, and digital and intelligent development, made decisive progress in the six critical battles regarding optimizing the asset and liability structure, improving the quality and efficiency of capital, enhancing the quality of income, strengthening cost control, improving customer management, and enhancing risk control capabilities, and concentrated efforts on advancing the "Five Major Initiatives and Seven Major Reforms". It continuously improved the quality and efficiency of operations, reinforced the lines of defense against risks, refined the corporate governance framework, protected the legitimate rights and interests of investors, and strove to secure a good start for the 15th Five-Year Plan period.

In active response to the SSE's proposal for the "Corporate Value and Return Enhancement" Special Action Initiative, the Bank formulated its "corporate value and return enhancement" action plan for the year in light of its development strategy and business realities. Please refer to the announcements published by the Bank for details. Specific measures, interim progress, and achievements of implementing the action plan by the Bank are detailed in the "Overview of Operations", "Business Overview", "Risk Management", and "Corporate Governance" sections of this report. Going forward, in compliance with regulatory requirements, the Bank will conduct an evaluation of the implementation of the "corporate value and return enhancement" action plan, and disclose the evaluation results after submitting them to the Board of Directors for review.

Fulfillment of Commitments

Commitments during or carried forward to the reporting period by the de facto controller, shareholders, related parties, and acquirers of the Bank, the Bank and other relevant parties are as follows.

Commitment background	Commitment type	Commitment by	Summary of the commitment	Time of the commitment	Term of the commitment	Is there a term for fulfillment	Whether timely and strictly fulfilled
Commitments in relation to initial public offering of A shares	Subscription and lock-up of shares	China Post Group Corporation Limited	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	June 18, 2019	Long-term	Yes	Yes
	Competing business resolution	China Post Group Corporation Limited	Commitment in relation to refraining from competing business	October 10, 2019	Long-term	Yes	Yes
	Resolution of title defects including lands	China Post Group Corporation Limited	Letter of confirmation on matters in relation to land and real estate injected into Postal Savings Bank of China Co., Ltd.	August 27, 2019	Long-term	Yes	Yes
	Connected transaction resolution	China Post Group Corporation Limited	Commitment in relation to reducing and regulating connected transactions	November 6, 2019	Long-term	Yes	Yes
Commitments in relation to non-public issuance of A shares in 2021	Subscription and lock-up of shares	China Post Group Corporation Limited	Commitment in relation to further clarifying the number of proposed subscription for A shares in the non-public issuance of Postal Savings Bank of China Co., Ltd.	February 5, 2021	5 years from the date of share acquisition following the non-public issuance of A shares	Yes	Yes
Commitments in relation to non-public issuance of A shares in 2023	Subscription and lock-up of shares	China Mobile Communications Group Co., Ltd.	Commitment in relation to subscribing for new shares of Postal Savings Bank of China Co., Ltd.	February 24, 2023	5 years from the date of share acquisition following the non-public issuance of A shares	Yes	Yes
Commitments in relation to the issuance of A shares to specific subscribers in 2025	Subscription and lock-up of shares	Ministry of Finance of the PRC	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years from the date of share acquisition following the issuance of A shares to specific subscribers	Yes	Yes
Commitments in relation to the issuance of A shares to specific subscribers in 2025	Subscription and lock-up of shares	China Mobile Communications Group Co., Ltd.	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years from the date of share acquisition following the issuance of A shares to specific subscribers	Yes	Yes
Commitments in relation to the issuance of A shares to specific subscribers in 2025	Subscription and lock-up of shares	China State Shipbuilding Corporation Limited	Commitments in relation to shareholders' intention to hold shares and intention to reduce their holdings	March 30, 2025	5 years from the date of share acquisition following the issuance of A shares to specific subscribers	Yes	Yes

In respect of the Bank's initial public offering of A shares, non-public issuance of A shares in 2021, non-public issuance of A shares in 2023 and the issuance of A shares to specific subscribers in 2025, the related parties including the Bank, the then Directors and senior management had respectively made commitments to ensure the effective implementation of remedial measures to offset the dilution of immediate returns. As at the end of the reporting period, the related parties including the Bank, the Directors and senior management did not violate any of the aforesaid commitments.

Significant Events

Engagement of Accounting Firms

As reviewed and approved by the 2025 Annual General Meeting, the Bank appointed KPMG Huazhen LLP and KPMG as its accounting firms for 2026. They are responsible for providing audit and related services for the Bank's financial statements prepared in accordance with the China Accounting Standards for Business Enterprises and IFRSs, respectively, for the year 2026.

Connected Transactions

During the reporting period, the Bank complied with regulatory requirements, established and improved the management framework for connected transactions, improved the operating mechanism for connected transactions, and continued to foster a culture of compliance for connected transactions to further enhance the management of connected transactions. The Bank's connected transactions were conducted in compliance with laws and regulations and were in line with the overall interests of the Bank and its minority shareholders.

Proactive Adjustments to Deposit Agency Fees

In September 2016, the Bank and China Post Group signed the Agency Banking Businesses Framework Agreement, which clarified the circumstances for proactive and passive adjustments to deposit agency rates. During the passive adjustment in 2024, China Post Group and the Bank reached a consensus on strengthening the application of the proactive adjustment mechanism. In view of the downward trend in market interest rates and in light of the actual operation of the Bank, and to promote the long-term healthy development of the "directly-operated outlets and agency outlets" model, the Bank and China Post Group actively negotiated and signed the Supplemental Agreement to the Agency Banking Businesses Framework Agreement (2026) on March 27, 2026, making a proactive adjustment to the agency rates for RMB personal deposit business. Please refer to the Bank's announcement for details.

Implementation of the Caps of Connected Transactions¹

Pursuant to relevant provisions of the SSE Listing Rules and the Hong Kong Listing Rules, the Bank convened the ninth meeting of the Board of Directors in 2024 on October 30, 2024, at which the Board reviewed and approved the Proposal on the Forecast Caps of Connected Transactions of Postal Savings Bank of China for 2025-2027. For details, please refer to the relevant announcements published by the Bank. As at the end of the reporting period, the actual amounts of the above-mentioned connected transactions did not exceed the projected annual caps.

Implementation of the Caps of Connected Transactions with China Post Group and Its Associates

Credit Type Connected Transactions²

The cap of routine credit-type connected transactions between the Bank and China Post Group and its associates for 2026 is RMB8.9 billion. As at the end of the reporting period, the Bank's balance of credit to China Post Group and its associates was RMB384 million.

1 Except for the connected transactions between the Bank and China Post Group and its associates disclosed in this section that constitute connected transactions under the Hong Kong Listing Rules, the other connected transactions disclosed in this section do not constitute connected transactions under the Hong Kong Listing Rules, and the Bank has no other connected transactions or continuing connected transactions that shall be disclosed according to relevant provisions on connected transactions in the Hong Kong Listing Rules.

2 Pursuant to Rule 14A.87 of the Hong Kong Listing Rules, for any financial assistance provided by a banking company in its ordinary and usual course of business to a connected person, the transaction is fully exempt under the Hong Kong Listing Rules if it is conducted on normal commercial terms. Accordingly, the credit type transactions conducted between the Bank and all of its connected persons (including China Post Group) on normal commercial terms were fully exempt under the Hong Kong Listing Rules.



Non-Credit Type Connected Transactions

The implementation of the caps on routine non-credit type connected transactions between the Bank and China Post Group and its associates as at the end of the reporting period is shown in the following table:

In RMB100 million

Type of connected transactions	Annual cap for 2026	Amount of connected transactions as at June 30, 2026
Leasing of certain properties and ancillary equipment by China Post Group and/or its associates to the Bank	16.02	4.32
Leasing of certain properties and ancillary equipment by the Bank to China Post Group and/or its associates	2.00	0.18
Sale of philatelic items and provision of mailing services by China Post Group and/or its associates to the Bank	4.75	0.31
Sale of goods other than philatelic items by China Post Group and/or its associates to the Bank	17.19	1.18
Provision of marketing services for deposit-taking and other businesses by China Post Group and/or its associates to the Bank	30.99	5.52
Provision of labor services by China Post Group and/or its associates to the Bank	19.08	4.74
Provision of bancassurance services by the Bank to China Post Group and/or its associates	15.37	4.38
Provision of agency sale (distribution) of precious metals business by the Bank to China Post Group and/or its associates	6.35	0.07
Sale of production materials and other goods by the Bank to China Post Group and/or its associates	2.30	0.02
Provision of labor services by the Bank to China Post Group and/or its associates	5.95	1.20

Implementation of the Caps of Connected Transactions with China UnionPay Co., Ltd.

The implementation of the caps on routine connected transactions between the Bank and China UnionPay Co., Ltd. as at the end of the reporting period is shown in the following table:

In RMB100 million

Type of connected transactions	Annual cap in 2026	Amount of connected transactions as at June 30, 2026
Funds paid by the Bank	19.54	6.46
Funds received by the Bank	69.83	17.20

Significant Events

For other related party transactions as defined in accordance with domestic and overseas laws, regulations and accounting standards, please refer to “Notes to the Condensed Consolidated Financial Statements – 36 Relationship and transactions with related parties”.

Pledge of Assets

For details relating to the pledge of assets of the Bank as at the end of the reporting period, please refer to “Notes to the Condensed Consolidated Financial Statements – 38.2 Collateral”.

Repurchase, Sale or Redemption of the Bank’s Listed Securities

During the reporting period, neither the Bank nor its subsidiaries repurchased, sold, or redeemed any of the Bank’s listed securities (including the sale of treasury shares). As at the end of the reporting period, the Bank did not hold any treasury shares.

Securities Transactions by Directors

The Bank has adopted a set of codes of conduct concerning the securities transactions by Directors on terms no less stringent than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules. The Directors of the Bank confirmed that they complied with aforesaid codes of conduct during the reporting period.

Directors’ Rights to Acquire Shares or Debentures

During the reporting period, the Bank did not grant any rights to acquire shares or debentures to any of its Directors, nor were any of such rights exercised by any of the Bank’s Directors. Neither the Bank nor its subsidiaries entered into any agreements or arrangements which would enable the Directors to benefit from the acquisition of shares or debentures of the Bank or any other companies.

Interests in Shares, Underlying Shares, and Debentures Held by Directors

As at the end of the reporting period, none of the Directors of the Bank held any interests or short positions (including interests and short positions which they are deemed to have under such provisions of the SFO) in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in Part XV of the SFO) which are required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or any interests or short positions which are required to be recorded in the register under Section 352 of the SFO, or any interests or short positions which are required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules. For details of the interests and short positions of substantial shareholders of the Bank and other persons, please refer to “Changes in Share Capital and Shareholdings of Shareholders – Interests and Short Positions Held by Substantial Shareholders and Other Persons”.

Penalties Imposed on the Bank and Its Directors, Senior Management Members and Controlling Shareholder

During the reporting period, neither the Bank nor any of its controlling shareholder, Directors or senior management members was subject to investigation, criminal punishment or material administrative penalty due to suspected crime, or investigation, administrative penalties or regulatory measures by the CSRC due to suspected violation of laws and regulations, or disciplinary actions by stock exchanges. Neither the controlling shareholder, Directors, nor senior management members of the Bank were subject to detention or other compulsory measures by the competent authorities due to suspected violation of laws, discipline and regulations, which affected their duty performance.

Other Significant Events

With the approval of the NFRA, the Bank fully redeemed at par value RMB50 billion of tier-2 capital bonds issued in 2021 in August 2026. Please refer to the announcement published by the Bank for details.

On October 9, 2025, the Bank convened its Second Extraordinary General Meeting in 2025, at which the Proposal on the Change of Registered Capital of Postal Savings Bank of China and the Proposal on the Amendments to the Articles of Association of Postal Savings Bank of China Co., Ltd. were reviewed and approved. On December 11, 2025, the NFRA approved the Bank's revised Articles of Association. On March 30, 2026, the NFRA granted its consent to the change of the Bank's registered capital to RMB120,095,053,492. In accordance with the approval, the Bank revised the corresponding clauses of the Articles of Association and completed relevant procedures including filing the revised Articles of Association and registering the change of registered capital. Please refer to the announcements published by the Bank for details.

For details of other significant events disclosed by the Bank pursuant to regulatory requirements during the reporting period, please refer to the announcements published by the Bank.

Interim Review

The 2026 interim financial report prepared by the Bank in accordance with PRC GAAP and IFRSs has been reviewed by KPMG Huazhen LLP and KPMG in accordance with the Chinese and international standards on review engagements, respectively.

This report has been reviewed and approved by the Board of Directors of the Bank and its Audit Committee.

Financial Statements and Others

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Postal Savings Bank of China Co., Ltd.

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

Introduction

We have reviewed the condensed consolidated financial statements set out on pages 166 to 305, which comprises the condensed consolidated statement of financial position of Postal Savings Bank of China Co., Ltd. (the "Bank") and its subsidiaries (collectively the "Group") as of 30 June 2026 and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated financial statements to be in compliance with the relevant provisions thereof and IAS 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting*.

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

Scope of Review

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



REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements as at 30 June 2026 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

KPMG

Certified Public Accountants

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

28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

	Notes	Six-month period ended June 30	
		2026 (unaudited)	2025 (unaudited)
Interest income	3	237,627	241,658
Interest expense	3	(90,480)	(102,600)
Net interest income	3	147,147	139,058
Fee and commission income	4	26,480	25,482
Fee and commission expense	4	(7,498)	(8,564)
Net fee and commission income	4	18,982	16,918
Net trading gains	5	974	1,621
Net gains on investment securities	6	12,397	13,308
Net gains on derecognition of financial assets measured at amortized cost		13,501	8,485
Share of results of associates		36	7
Net other operating gains	7	(512)	128
Operating income		192,525	179,525
Operating expenses	8	(99,009)	(99,808)
Credit impairment losses	9	(36,029)	(21,715)
Impairment losses on other assets		(4)	(4)
Profit before income tax		57,483	57,998
Income tax expenses	10	(5,812)	(8,583)
Net profit		51,671	49,415
Net profit attributable to:			
Equity holders of the Bank		51,503	49,228
Non-controlling interests		168	187



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

		Six-month period ended June 30	
		2026	2025
	Notes	(unaudited)	(unaudited)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Share of other comprehensive income of associates, net of related income tax	33.3	9	1
Changes in fair value of equity instrument investments measured at fair value through other comprehensive income	33.3	104	9
Subtotal		113	10
Items that may be reclassified subsequently to profit or loss			
Net losses on investments in financial assets measured at fair value through other comprehensive income	33.3	(171)	(2,797)
Share of other comprehensive income of associates, net of related income tax	33.3	(27)	(2)
Subtotal		(198)	(2,799)
Total comprehensive income for the period		51,586	46,626
Total comprehensive income attributable to:			
Equity holders of the Bank		51,418	46,439
Non-controlling interests		168	187
Basic and diluted earnings per share (in RMB Yuan)	11	0.40	0.43

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

		As at June 30, 2026 (unaudited)	As at December 31, 2025 (audited)
	Notes		
Assets			
Cash and deposits with central bank	12	1,401,888	1,319,171
Deposits with banks and other financial institutions	13	347,023	391,408
Placements with banks and other financial institutions	14	341,236	413,827
Derivative financial assets	15	8,765	3,604
Financial assets held under resale agreements	16	263,432	510,890
Loans and advances to customers	17	10,046,641	9,440,874
Financial investments			
Financial assets measured at fair value through profit or loss	18.1	1,091,094	959,654
Financial assets measured at fair value through other comprehensive income-debt instruments	18.2	576,410	704,440
Financial assets measured at fair value through other comprehensive income-equity instruments	18.3	6,795	5,616
Financial assets measured at amortized cost	18.4	5,482,708	4,688,443
Interests in associates	20	782	764
Property and equipment	21	60,579	62,310
Deferred tax assets	22	70,207	65,425
Other assets	23	118,418	115,641
Total assets		19,815,978	18,682,067
Liabilities			
Borrowings from central bank	24	28,332	27,184
Deposits from banks and other financial institutions	25	313,828	189,271
Placements from banks and other financial institutions	26	62,963	56,135
Derivative financial liabilities	15	5,046	4,671
Financial assets sold under repurchase agreements	27	291,731	255,400
Customer deposits	28	17,438,687	16,541,716
Income tax payable		7,201	275
Debt securities issued	29	276,179	251,284
Deferred tax liabilities	22	48	17
Other liabilities	30	193,257	193,769
Total liabilities		18,617,272	17,519,722



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

		As at June 30, 2026 (unaudited)	As at December 31, 2025 (audited)
	Notes		
Equity			
Share capital	31.1	120,095	120,095
Other equity instruments			
Perpetual bonds	31.2	150,000	149,996
Capital reserve	32	271,693	271,697
Other reserves	33	333,052	333,016
Retained earnings		321,499	285,342
Equity attributable to equity holders of the Bank		1,196,339	1,160,146
Non-controlling interests		2,367	2,199
Total equity		1,198,706	1,162,345
Total equity and liabilities		19,815,978	18,682,067

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

Approved and authorized for issue by the Board of Directors on 28 August 2026.

Zheng Guoyu

(On behalf of Board of Directors)

Yao Hong

(On behalf of Board of Directors)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

		Attributable to equity holders of the Bank									
		Other equity instruments			Other reserves				Non-controlling interests	Total equity	
		Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other	Retained earnings			
							comprehensive income				
Notes								Subtotal			
As at January 1, 2026 (audited)		120,095	149,996	271,697	84,157	243,454	5,405	285,342	1,160,146	2,199	1,162,345
Net profit for the period		-	-	-	-	-	-	51,503	51,503	168	51,671
Other comprehensive income for the period	33.3	-	-	-	-	-	(85)	-	(85)	-	(85)
Total comprehensive income for the period		-	-	-	-	-	(85)	51,503	51,418	168	51,586
Issuance of perpetual bonds	31.2	-	30,000	-	-	-	-	-	30,000	-	30,000
Redemption of perpetual bonds	31.2	-	(29,996)	(4)	-	-	-	-	(30,000)	-	(30,000)
Appropriation to general reserve	33.2	-	-	-	-	121	-	(121)	-	-	-
Dividends declared to ordinary shareholders	34	-	-	-	-	-	-	(11,445)	(11,445)	-	(11,445)
Distribution to perpetual bonds holders	34	-	-	-	-	-	-	(3,780)	(3,780)	-	(3,780)
As at June 30, 2026 (unaudited)		120,095	150,000	271,693	84,157	243,575	5,320	321,499	1,196,339	2,367	1,198,706



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

	Notes	Attributable to equity holders of the Bank								Non-controlling interests	Total equity
		Other equity instruments			Other reserves						
		Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other comprehensive income	Retained earnings	Subtotal		
As at January 1, 2025 (audited)		99,161	199,986	162,681	75,540	219,887	9,071	263,343	1,029,669	1,980	1,031,649
Net profit for the period		-	-	-	-	-	-	49,228	49,228	187	49,415
Other comprehensive income for the period	33.3	-	-	-	-	-	(2,789)	-	(2,789)	-	(2,789)
Total comprehensive income for the period		-	-	-	-	-	(2,789)	49,228	46,439	187	46,626
Issuance of ordinary shares	31.1	20,934	-	109,028	-	-	-	-	129,962	-	129,962
Issuance of perpetual bonds	31.2	-	30,000	(2)	-	-	-	-	29,998	-	29,998
Redemption of perpetual bonds	31.2	-	(79,990)	(10)	-	-	-	-	(80,000)	-	(80,000)
Appropriation to general reserve	33.2	-	-	-	-	106	-	(106)	-	-	-
Dividends declared to ordinary shareholders	34	-	-	-	-	-	-	(11,294)	(11,294)	-	(11,294)
Distribution to perpetual bonds holders	34	-	-	-	-	-	-	(6,135)	(6,135)	-	(6,135)
As at June 30, 2025 (unaudited)		120,095	149,996	271,697	75,540	219,993	6,282	295,036	1,138,639	2,167	1,140,806

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

		Attributable to equity holders of the Bank									
		Other equity instruments			Other reserves				Non-controlling interests	Total equity	
		Share capital	Perpetual bonds	Capital reserve	Surplus reserve	General reserve	Other	Retained earnings			
							comprehensive income				
Notes									Subtotal		
As at 1 January 2025 (audited)		99,161	199,986	162,681	75,540	219,887	9,071	263,343	1,029,669	1,980	1,031,649
Net profit for the year		–	–	–	–	–	–	87,404	87,404	219	87,623
Other comprehensive income for the year	33.3	–	–	–	–	–	(3,660)	–	(3,660)	–	(3,660)
Total comprehensive income for the year		–	–	–	–	–	(3,660)	87,404	83,744	219	83,963
Issuance of ordinary shares	31.1	20,934	–	109,028	–	–	–	–	129,962	–	129,962
Issuance of perpetual bonds	31.2	–	30,000	(2)	–	–	–	–	29,998	–	29,998
Redemption of perpetual bonds	31.2	–	(79,990)	(10)	–	–	–	–	(80,000)	–	(80,000)
Appropriation to surplus reserve	33.1	–	–	–	8,617	–	–	(8,617)	–	–	–
Appropriation to general reserve	33.2	–	–	–	–	23,567	–	(23,567)	–	–	–
Dividends declared to ordinary shareholders	34	–	–	–	–	–	–	(26,066)	(26,066)	–	(26,066)
Distribution to perpetual bonds holders	34	–	–	–	–	–	–	(7,161)	(7,161)	–	(7,161)
Others		–	–	–	–	–	(6)	6	–	–	–
As at 31 December 2025 (audited)		120,095	149,996	271,697	84,157	243,454	5,405	285,342	1,160,146	2,199	1,162,345

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



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

	Six-month period ended June 30	
	2026 (unaudited)	2025 (unaudited)
Cash flows from operating activities		
Profit before income tax	57,483	57,998
Adjustments for:		
Amortization of intangible assets and other assets	1,412	1,247
Depreciation of property and equipment, and right-of-use assets	4,326	4,360
Impairment loss on assets		
– Credit impairment losses	36,029	21,715
– Impairment losses on other assets	4	4
Interest income arising from financial investments	(69,892)	(69,356)
Interest expense arising from debt securities issued	3,092	3,078
Net gains on investment securities	(25,898)	(21,793)
Unrealized exchange gains	(182)	(78)
Share of results of associates	(36)	(7)
Net losses/(gains) from disposal of property and equipment and other assets	(58)	(11)
Subtotal	6,280	(2,843)
Net (increase)/decrease in operating assets		
Deposits with central bank	(79,948)	18,592
Deposits with banks and other financial institutions	41,368	(100,544)
Placements with banks and other financial institutions	58,360	(8,456)
Financial assets measured at fair value through profit or loss	(102,880)	(44,992)
Financial assets held under resale agreements	12,937	(3,532)
Loans and advances to customers	(646,207)	(652,987)
Other operating assets	1,743	1,395
Subtotal	(714,627)	(790,524)
Net increase/(decrease) in operating liabilities		
Borrowings from central bank	1,189	840
Deposits from banks and other financial institutions	124,508	98,651
Placements from banks and other financial institutions	7,212	9,221
Financial assets sold under repurchase agreements	36,923	33,350
Customer deposits	923,266	867,396
Other operating liabilities	(28,621)	(27,423)
Subtotal	1,064,477	982,035
Net cash flows from operating activities before tax	356,130	188,668
Income tax paid	(3,616)	(4,969)
Net cash generated from operating activities	352,514	183,699
Cash flows from operating activities include:		
Interest received	186,725	183,939
Interest paid	(113,584)	(145,389)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

		Six-month period ended June 30	
	Note	2026 (unaudited)	2025 (unaudited)
Cash flows from investing activities			
Cash received from disposal/redemption of financial investments		1,280,160	996,440
Cash received from income arising from financial investments		94,568	97,014
Cash received from disposal of property and equipment, intangible assets and other long-term assets		51	342
Cash paid for purchase of financial investments		(1,970,742)	(1,128,374)
Cash paid for purchase of property and equipment, intangible assets and other long-term assets		(3,695)	(4,235)
Net cash used in investing activities		(599,658)	(38,813)
Cash flows from financing activities			
Cash received from issuance of ordinary shares		–	130,000
Cash received from issuance of perpetual bonds		30,000	30,000
Cash received from issuance of debt securities		60,188	130,280
Cash paid for dividends and interests		(22,268)	(35,132)
Cash paid for issuance of ordinary shares		(32)	–
Cash paid for issuance of perpetual bonds		–	(2)
Cash paid for repayment of perpetual bonds		(30,000)	(80,000)
Cash paid for repayment of debt securities		(34,670)	(106,540)
Cash paid to repay principal and interest of lease liabilities		(1,587)	(1,638)
Net cash generated from financing activities		1,631	66,968
Effect of exchange rate changes on cash and cash equivalents		(266)	37
Net (decrease)/increase in cash and cash equivalents		(245,779)	211,891
Balance of cash and cash equivalents at the beginning of the period		621,041	339,415
Balance of cash and cash equivalents at the end of the period	35	375,262	551,306

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

1 General information

Postal Savings Bank of China Co., Ltd. (the “Bank”) is a commercial bank controlled by China Post Group Corporation Limited (“China Post Group”). The Bank, originally known as Postal Savings Bank of China Company Limited (the “Company”), was established on March 6, 2007 through restructuring of the postal savings system.

In 2011, with the approval from the Ministry of Finance (the “MOF”) of the People’s Republic of China (the “PRC”) and the former China Banking and Insurance Regulatory Commission (the former “CBIRC”), the Bank was restructured into a joint-stock bank.

On September 28, 2016 and December 10, 2019, the Bank was listed on The Stock Exchange of Hong Kong Limited and The Shanghai Stock Exchange respectively.

The Bank, as approved by the former CBIRC, holds a financial institution license of the PRC (No. B0018H111000001) and approved by and obtained its business license with unified social credit code 9111000071093465XC from the Beijing Municipal Administration for Market Regulation. The address of the Bank’s registered office is No. 3 Financial Street, Xicheng District, Beijing, the PRC.

The Bank and its subsidiaries (the “Group”) conduct their operating activities in the PRC, and the principal activities include: personal and corporate financial services, treasury operations and other business activities as approved by the National Financial Regulatory Administration (the “NFRA”).

As at June 30, 2026, the Bank had a total of 36 tier-one branches and 328 tier-two branches across the PRC.

The information of the Bank’s subsidiaries is set out in Note 19.

The condensed consolidated financial statements is presented in RMB, which is also the functional currency of the Bank and its subsidiaries.

The condensed consolidated financial statements was authorized for issue by the Board of Directors of the Bank on August 28, 2026.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

The condensed consolidated financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”) as well as with the applicable disclosure requirements to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2.2 Significant accounting policies

The condensed consolidated financial statements has been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month ended June 30, 2026 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2025.

Application of new and amendments to IFRS Accounting Standards that are mandatorily effective for the current period

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s reporting period beginning on or after January 1, 2026 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial instruments

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity

Annual Improvements to IFRS Accounting Standards – Volume 11

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in this condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

2 Basis of preparation and significant accounting policies (continued)

2.2 Significant accounting policies (continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

	Effective for accounting periods beginning on or after
IFRS 18 Presentation and disclosure in financial statements	January 1, 2027
IFRS 19 Subsidiaries without public accountability: disclosures	January 1, 2027

2.3 Use of estimates and assumptions

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and disclosed amounts of assets and liabilities, incomes and expenses. Actual results in the future may differ from those disclosed as a result of the use of estimates and assumptions about future conditions.

In the preparation of the condensed consolidated financial statements, the key sources of uncertainty derived from significant judgements and estimation made by the management while applying the Group's accounting policies are the same as these applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

3 Net interest income

	Six-month period ended June 30	
	2026	2025
Interest income		
Deposits with central bank	10,395	10,071
Deposits with banks and other financial institutions	3,302	3,123
Placements with banks and other financial institutions	3,851	4,526
Financial assets held under resale agreements	2,573	2,956
Loans and advances to customers	147,614	151,626
Including: Personal loans and advances	77,825	87,075
Corporate loans and advances	69,789	64,551
Financial investments		
Financial assets measured at FVTOCI-debt instruments	6,218	8,009
Financial assets measured at amortized cost	63,674	61,347
Subtotal	237,627	241,658
Interest expense		
Borrowings from central bank	(200)	(227)
Deposits from banks and other financial institutions	(1,766)	(1,191)
Placements from banks and other financial institutions	(674)	(704)
Financial assets sold under repurchase agreements	(2,083)	(1,549)
Customer deposits	(82,665)	(95,851)
Debt securities issued	(3,092)	(3,078)
Subtotal	(90,480)	(102,600)
Net interest income	147,147	139,058
Included in interest income		
Interest income from listed investments	66,991	64,343
Interest income from unlisted investments	2,901	5,013



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

4 Net fee and commission income

	Notes	Six-month period ended June 30	
		2026	2025
Agency service business	(1)	4,283	5,732
Settlement and clearing	(2)	5,510	5,300
Bank cards business		4,936	5,148
Investment banking	(3)	4,200	3,608
Wealth management		3,743	2,739
Custody business		772	701
Others		3,036	2,254
Fee and commission income		26,480	25,482
Fee and commission expense	(4)	(7,498)	(8,564)
Net fee and commission income		18,982	16,918

- (1) Fee and commission income from agency service business mainly includes fee and commission income from bancassurance, distribution of fund products, distribution of government bonds, and collection and payment services.
- (2) Fee and commission income from settlement and clearing refers to income derived from settlement and clearing services the Group provided to customers, including fee and commission derived from electronic payment services, corporate settlement and clearing services, and personal settlement and clearing services.
- (3) Fee and commission income from investment banking refers to income derived from underwriting and distributing bonds, asset securitization, syndicated loan, and advisory services.
- (4) Fee and commission expense is expense incurred for agency and settlement services, including those paid to China Post Group for agency services (Note 36.3.1(1)).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

5 Net trading gains

	Six-month period ended June 30	
	2026	2025
Debt securities and funds	866	1,474
Derivatives and others	108	147
Total	974	1,621

6 Net gains on investment securities

	Six-month period ended June 30	
	2026	2025
Net gain from financial assets measured at FVTPL	9,341	11,230
Net gain from financial assets measured at FVTOCI	3,056	2,078
Total	12,397	13,308

7 Net other operating gains

	Six-month period ended June 30	
	2026	2025
Government subsidies	79	62
Leasing income	39	37
Net losses on foreign exchanges	(839)	(89)
Other	209	118
Total	(512)	128



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

8 Operating expenses

	Notes	Six-month period ended June 30	
		2026	2025
Deposit agency fee and others (Note 36.3.1(1))		55,964	55,434
Staff costs (including emoluments of directors, supervisors and senior management)	(1)	26,439	26,074
Depreciation and amortization		5,738	5,607
Taxes and surcharges	(2)	1,528	1,438
Other expenses	(3)	9,340	11,255
Total		99,009	99,808

- (1) Staff costs (including emoluments of directors, supervisors and senior management)

	Six-month period ended June 30	
	2026	2025
Short-term employee benefits		
Wages and salaries, bonuses, allowance and subsidies	16,016	15,590
Housing funds	2,423	2,426
Social security contributions	1,897	1,875
Including: Medical insurance	1,818	1,796
Maternity insurance	33	33
Work injury insurance	46	46
Staff welfare	1,097	1,096
Labour union funds and employee education funds	500	477
Others	24	24
Subtotal	21,957	21,488
Defined contribution plans		
Basic pensions	2,793	2,857
Annuity scheme	1,564	1,616
Unemployment insurance	100	101
Subtotal	4,457	4,574
Supplementary retirement benefits and early retirement benefits	25	12
Total	26,439	26,074

- (2) Taxes and surcharges mainly include urban construction tax, educational surcharges, property tax, land use tax, vehicle and vessel use tax and stamp duty, etc.
- (3) For the six-month period ended June 30, 2026, the rental expenses of short-term leases and low value asset leases included in other expenses were RMB279 million (for the six-month period ended June 30, 2025: RMB349 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

9 Credit impairment losses

	Six-month period ended June 30	
	2026	2025
Deposits with banks and other financial institutions	(115)	18
Placements with banks and other financial institutions	(368)	(719)
Financial assets held under resale agreements	(231)	818
Loans and advances to customers	37,666	22,993
Financial investments		
Financial assets measured at FVTOCI	(788)	(40)
Financial assets measured at amortized cost	(656)	(1,018)
Credit commitments	(76)	(913)
Other financial assets	597	576
Total	36,029	21,715

10 Income tax expenses

	Six-month period ended June 30	
	2026	2025
Current income tax	10,541	11,559
Deferred income tax (Note 22(1))	(4,729)	(2,976)
Total	5,812	8,583

Corporate income tax is mainly calculated at 25% of estimated taxable profit. PSBC Consumer Finance Co., Ltd. applies a preferential tax rate of 15% for high-tech enterprises. Pre-tax deductible items of corporate income tax are governed by the relevant regulations of the PRC.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

10 Income tax expenses (continued)

Reconciliation of income tax expenses and profit before income tax is as follows:

	Six-month period ended June 30	
	2026	2025
Profit before income tax	57,483	57,998
Income tax expenses calculated at the statutory tax rate of 25%	14,371	14,499
Less: Tax effect of income with non-taxable, tax reduction and deduction of interest for tax purpose	11,237	10,296
Tax effect of expenses not deductible for tax purpose	2,745	4,455
Effect of different tax rates of certain subsidiary	(67)	(75)
Income tax expenses	5,812	8,583

The Group's interest income from central and local government bonds and income from the distribution of securities investment funds are exempted from corporate income tax in accordance with the tax law; and the interest income from bonds issued by Ministry of Railways and micro loans to farmers enjoy reduction in corporate income tax; according to the Notice of the Ministry of Finance and the State Administration of Taxation on corporate income tax policy of special bond interest income of Postal Savings Bank of China (Cai Shui [2015] No. 150), the interest income from special bonds issued by China Development Bank and Agricultural Development Bank of China can enjoy reduction in corporate income tax charge.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

11 Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the corresponding periods.

	Six-month period ended June 30	
	2026	2025
Net profit attributable to equity holders of the Bank	51,503	49,228
Less: Net profit for the period attributable to perpetual bonds holders of the Bank	3,780	6,135
Net profit attributable to ordinary shareholders of the Bank	47,723	43,093
Weighted average number of ordinary shares in issue (in millions)	120,095	100,780
Basic and diluted earnings per share (in RMB Yuan)	0.40	0.43

There were no potential diluted ordinary shares and the diluted earnings per share were the same as the basic earnings per share for the six-month period ended June 30, 2026 and 2025.

12 Cash and deposits with central bank

	Notes	As at June 30, 2026	As at December 31, 2025
Cash		40,790	44,078
Statutory reserve with central bank	(1)	1,295,089	1,233,700
Surplus reserve with central bank	(2)	44,487	38,333
Fiscal deposits with central bank		21,522	3,060
Total		1,401,888	1,319,171

(1) Statutory reserve with central bank is mainly the general reserve deposited with the People's Bank of China (hereinafter referred to as the "central bank" or the "PBOC") by the Bank in accordance with the relevant regulations, and cannot be used for daily operating activities. As at June 30, 2026, the ratio of the Bank for RMB deposits statutory reserve was 7.50% (December 31, 2025: 7.50%), whereas the ratio for foreign currency deposits was 4.00% (December 31, 2025: 4.00%).

(2) Surplus reserve with central bank mainly represents deposits placed with central bank for settlement and clearing of interbank transactions.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

13 Deposits with banks and other financial institutions

	As at June 30, 2026	As at December 31, 2025
Deposits with domestic banks	340,965	387,969
Deposits with other domestic financial institutions	2,255	514
Deposits with overseas banks	3,942	3,179
Gross amount	347,162	391,662
Allowance for impairment loss	(139)	(254)
Carrying amount	347,023	391,408

The collateral received in connection with deposits with banks and other financial institutions is disclosed in “Note 38.2 Contingent liabilities and commitments – Collateral”. As at June 30, 2026 and December 31, 2025, the Group did not have any netting agreements or similar arrangements with counterparties.

14 Placements with banks and other financial institutions

	As at June 30, 2026	As at December 31, 2025
Placements with domestic banks	25,914	86,787
Placements with other domestic financial institutions	316,090	328,176
Gross amount	342,004	414,963
Allowance for impairment loss	(768)	(1,136)
Carrying amount	341,236	413,827

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

15 Derivative financial assets and liabilities

The Group enters into derivative contracts of foreign exchange rate, interest rate and precious metal, which are primarily related to trading, asset and liability management, and customer driven transactions.

The contractual/notional amount and fair value of the derivative financial instruments held by the Group as at the end of the reporting period are set out in the following tables. The contractual/notional amounts of derivative financial instruments provide a basis for comparison with fair value of instruments recognized on the consolidated statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The fair value of derivative instruments becomes favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates, or market prices of precious metals relative to their terms. The aggregate fair value of derivative financial assets and liabilities can fluctuate significantly over different periods.

	As at June 30, 2026			As at December 31, 2025		
	Contractual/ Notional amounts	Assets	Liabilities	Contractual/ Notional amounts	Assets	Liabilities
Analyzed by types of contracts:						
Exchange rate contracts	649,162	4,198	(2,962)	400,319	1,628	(1,781)
Interest rate contracts	548,160	1,681	(1,861)	517,010	1,827	(2,016)
Precious metal contracts	24,240	2,886	(217)	8,471	149	(859)
Others	5	–	(6)	20	–	(15)
Total	1,221,567	8,765	(5,046)	925,820	3,604	(4,671)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

16 Financial assets held under resale agreements

	As at June 30, 2026	As at December 31, 2025
Analyzed by type of collateral:		
Debt securities	242,421	462,119
Bills	21,149	49,140
Gross amount	263,570	511,259
Allowance for impairment loss	(138)	(369)
Carrying amount	263,432	510,890

The collateral received in connection with the purchase of financial assets under resale agreement is disclosed in "Note 38.2 Contingent liabilities and commitments – Collateral". As at June 30, 2026 and December 31, 2025, the Group did not have any netting agreements or similar arrangements with counterparties.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers

17.1 Loans and advances to customers by types:

		As at June 30, 2026	As at December 31, 2025
Loans and advances to customers			
– Measured at amortized cost	(1)	9,073,508	8,522,980
– Measured at FVTOCI	(2)	973,133	917,894
Total		10,046,641	9,440,874

(1) Loans and advances to customers measured at amortized cost

		As at June 30, 2026	As at December 31, 2025
Personal loans and advances			
Consumer loans		2,989,687	3,016,046
– Residential mortgage loans		2,337,539	2,373,341
– Other consumer loans		652,148	642,705
Personal small and micro loans		1,728,252	1,619,112
Credit cards overdrafts and others		189,415	209,427
Subtotal		4,907,354	4,844,585
Corporate loans and advances			
– Loans		4,385,710	3,885,173
– Discounted bills		752	664
Subtotal		4,386,462	3,885,837
Gross amount of loans and advances to customers measured at amortized cost		9,293,816	8,730,422
Less: Allowance for impairment loss of loans and advances to customers measured at amortized cost			
– Stage 1		88,259	92,008
– Stage 2		43,229	35,865
– Stage 3		88,820	79,569
Carrying amount of loans and advances to customers measured at amortized cost		9,073,508	8,522,980



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers (continued)

17.1 Loans and advances to customers by types: (continued)

(2) Loans and advances to customers measured at FVTOCI

	As at June 30, 2026	As at December 31, 2025
Corporate loans and advances		
– Loans	488,948	387,802
– Discounted bills	484,185	530,092
Loans and advances to customers measured at FVTOCI	973,133	917,894

17.2 Detailed information regarding loans and advances to customers by geographical region, industries, types of collateral and overdue situation of loans and advances is set out in Note 41.3.4.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers (continued)

17.3 Loans and advances to customers by allowance for impairment loss:

	As at June 30, 2026			
	Stage 1	Stage 2	Stage 3	Total
Gross amount of loans and advances to customers measured at amortized cost	8,996,072	194,689	103,055	9,293,816
Allowance for impairment loss of loans and advances to customers measured at amortized cost	(88,259)	(43,229)	(88,820)	(220,308)
Carrying amount of loans and advances to customers measured at amortized cost	8,907,813	151,460	14,235	9,073,508
Loans and advances to customers measured at FVTOCI	973,133	–	–	973,133
Allowance for impairment loss of loans and advances to customers measured at FVTOCI	(968)	–	–	(968)

	As at December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Gross amount of loans and advances to customers measured at amortized cost	8,475,374	163,429	91,619	8,730,422
Allowance for impairment loss of loans and advances to customers measured at amortized cost	(92,008)	(35,865)	(79,569)	(207,442)
Carrying amount of loans and advances to customers measured at amortized cost	8,383,366	127,564	12,050	8,522,980
Loans and advances to customers measured at FVTOCI	917,869	25	–	917,894
Allowance for impairment loss of loans and advances to customers measured at FVTOCI	(1,176)	(1)	–	(1,177)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers (continued)

17.4 The following tables illustrate the changes in the gross amount of loans and advances to customers:

(1) Personal loans and advances to customers measured at amortized cost

Personal loans and advances to customers measured at amortized cost	Six-month period ended June 30, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2026	4,646,442	129,618	68,525	4,844,585
Transfers:				
Transfer to stage 1	16,784	(16,099)	(685)	–
Transfer to stage 2	(84,541)	85,563	(1,022)	–
Transfer to stage 3	(16,516)	(22,533)	39,049	–
Financial assets derecognized or settled during the period	(999,936)	(26,723)	(18,007)	(1,044,666)
New financial assets originated or purchased	1,117,790	–	–	1,117,790
Write-offs	–	–	(10,355)	(10,355)
Gross amount as at June 30, 2026	4,680,023	149,826	77,505	4,907,354

Personal loans and advances to customers measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2025	4,643,400	67,357	60,826	4,771,583
Transfers:				
Transfer to stage 1	7,746	(6,912)	(834)	–
Transfer to stage 2	(108,023)	108,998	(975)	–
Transfer to stage 3	(42,033)	(13,502)	55,535	–
Financial assets derecognized or settled during the year	(1,705,919)	(26,323)	(23,637)	(1,755,879)
New financial assets originated or purchased	1,851,271	–	–	1,851,271
Write-offs	–	–	(22,390)	(22,390)
Gross amount as at December 31, 2025	4,646,442	129,618	68,525	4,844,585

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers (continued)

17.4 The following tables illustrate the changes in the gross amount of loans and advances to customers: (continued)

(2) Corporate loans and advances to customers measured at amortized cost

Corporate loans and advances to customers measured at amortized cost	Six-month period ended June 30, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2026	3,828,932	33,811	23,094	3,885,837
Transfers:				
Transfer to stage 1	347	(347)	–	–
Transfer to stage 2	(20,439)	21,685	(1,246)	–
Transfer to stage 3	(3,427)	(5,070)	8,497	–
Financial assets derecognized or settled during the period	(793,665)	(5,216)	(1,741)	(800,622)
New financial assets originated or purchased	1,304,301	–	–	1,304,301
Write-offs	–	–	(3,054)	(3,054)
Gross amount as at June 30, 2026	4,316,049	44,863	25,550	4,386,462

Corporate loans and advances to customers measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2025	3,316,002	20,341	19,601	3,355,944
Transfers:				
Transfer to stage 1	316	(316)	–	–
Transfer to stage 2	(25,809)	26,518	(709)	–
Transfer to stage 3	(8,170)	(5,059)	13,229	–
Financial assets derecognized or settled during the year	(1,386,519)	(7,673)	(1,963)	(1,396,155)
New financial assets originated or purchased	1,933,112	–	–	1,933,112
Write-offs	–	–	(7,064)	(7,064)
Gross amount as at December 31, 2025	3,828,932	33,811	23,094	3,885,837



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers (continued)

17.4 The following tables illustrate the changes in the gross amount of loans and advances to customers: (continued)

(3) Loans and advances to customers measured at FVTOCI

Loans and advances to customers measured at FVTOCI	Six-month period ended June 30, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2026	917,869	25	–	917,894
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the period	(804,744)	(25)	–	(804,769)
New financial assets originated or purchased	860,008	–	–	860,008
Write-offs	–	–	–	–
Gross amount as at June 30, 2026	973,133	–	–	973,133

Loans and advances to customers measured at FVTOCI	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2025	785,675	–	–	785,675
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	(25)	25	–	–
Transfer to stage 3	–	–	–	–
Financial assets derecognized or settled during the year	(785,675)	–	–	(785,675)
New financial assets originated or purchased	917,894	–	–	917,894
Write-offs	–	–	–	–
Gross amount as at December 31, 2025	917,869	25	–	917,894

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(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers (continued)

17.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers:

(1) Personal loans and advances to customers measured at amortized cost

Personal loans and advances to customers measured at amortized cost	Six-month period ended June 30, 2026			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance as at January 1, 2026	46,493	23,162	58,260	127,915
Transfers:				
Transfer to stage 1	2,470	(2,087)	(383)	–
Transfer to stage 2	(5,942)	6,539	(597)	–
Transfer to stage 3	(1,161)	(10,113)	11,274	–
Changes of ECL arising from transfer of stages	(1,687)	11,024	16,424	25,761
Financial assets derecognized or settled during the period	(13,184)	(5,069)	(13,660)	(31,913)
New financial assets originated or purchased	18,576	–	–	18,576
Remeasurement	1,543	1,805	4,382	7,730
Write-offs	–	–	(10,355)	(10,355)
Loss allowance as at June 30, 2026	47,108	25,261	65,345	137,714

Personal loans and advances to customers measured at amortized cost	Year ended December 31, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance as at January 1, 2025	65,016	17,766	55,121	137,903
Transfers:				
Transfer to stage 1	2,449	(1,776)	(673)	–
Transfer to stage 2	(8,655)	9,316	(661)	–
Transfer to stage 3	(4,771)	(5,791)	10,562	–
Changes of ECL arising from transfer of stages	(1,751)	11,460	31,811	41,520
Financial assets derecognized or settled during the year	(32,986)	(7,719)	(17,577)	(58,282)
New financial assets originated or purchased	31,263	–	–	31,263
Remeasurement	(4,072)	(94)	2,067	(2,099)
Write-offs	–	–	(22,390)	(22,390)
Loss allowance as at December 31, 2025	46,493	23,162	58,260	127,915



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(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers (continued)

17.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers: (continued)

(2) Corporate loans and advances to customers measured at amortized cost

Corporate loans and advances to customers measured at amortized cost	Six-month period ended June 30, 2026			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance as at January 1, 2026	45,515	12,703	21,309	79,527
Transfers:				
Transfer to stage 1	87	(87)	–	–
Transfer to stage 2	(3,046)	4,075	(1,029)	–
Transfer to stage 3	(508)	(1,933)	2,441	–
Changes of ECL arising from transfer of stages	(65)	4,357	4,153	8,445
Financial assets derecognized or settled during the period	(12,506)	(1,198)	(1,225)	(14,929)
New financial assets originated or purchased	18,161	–	–	18,161
Remeasurement	(6,487)	51	880	(5,556)
Write-offs	–	–	(3,054)	(3,054)
Loss allowance as at June 30, 2026	41,151	17,968	23,475	82,594

Corporate loans and advances to customers measured at amortized cost	Year ended December 31, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance as at January 1, 2025	67,766	5,350	18,039	91,155
Transfers:				
Transfer to stage 1	99	(99)	–	–
Transfer to stage 2	(3,314)	3,884	(570)	–
Transfer to stage 3	(2,162)	(1,534)	3,696	–
Changes of ECL arising from transfer of stages	(76)	7,250	7,052	14,226
Financial assets derecognized or settled during the year	(35,986)	(1,230)	(459)	(37,675)
New financial assets originated or purchased	32,082	–	–	32,082
Remeasurement	(12,894)	(918)	615	(13,197)
Write-offs	–	–	(7,064)	(7,064)
Loss allowance as at December 31, 2025	45,515	12,703	21,309	79,527

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(All amounts in millions of RMB unless otherwise stated)

17 Loans and advances to customers (continued)

17.5 The following tables illustrate the changes in the loss allowance of loans and advances to customers: (continued)

(3) Loans and advances to customers measured at FVTOCI

Loans and advances to customers measured at FVTOCI	Six-month period ended June 30, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2026	1,176	1	-	1,177
Transfers:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes of ECL arising from transfer of stages	-	-	-	-
Financial assets derecognized or settled during the period	(1,067)	(1)	-	(1,068)
New financial assets originated or purchased	869	-	-	869
Remeasurement	(10)	-	-	(10)
Write-offs	-	-	-	-
Loss allowance as at June 30, 2026	968	-	-	968

Loans and advances to customers measured at FVTOCI	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	772	-	-	772
Transfers:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(1)	1	-	-
Transfer to stage 3	-	-	-	-
Changes of ECL arising from transfer of stages	-	-	-	-
Financial assets derecognized or settled during the year	(772)	-	-	(772)
New financial assets originated or purchased	1,177	-	-	1,177
Remeasurement	-	-	-	-
Write-offs	-	-	-	-
Loss allowance as at December 31, 2025	1,176	1	-	1,177



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(All amounts in millions of RMB unless otherwise stated)

18 Financial investments

18.1 Financial assets measured at fair value through profit or loss

	As at June 30, 2026	As at December 31, 2025
Debt securities		
– Listed outside Hong Kong	99,014	74,542
– Unlisted	3,303	990
Subtotal	102,317	75,532
Interbank certificates of deposits		
– Listed outside Hong Kong	99,656	65,367
– Unlisted	30,595	8,854
Subtotal	130,251	74,221
Asset-backed securities		
– Listed outside Hong Kong	7,866	7,960
Fund investments		
– Unlisted	836,581	791,009
Trust investment plans and asset management plans		
– Unlisted	8,101	8,877
Wealth management products issued by financial institutions		
– Unlisted	1,357	1,239
Equity instruments		
– Listed outside Hong Kong	3	5
– Unlisted	4,618	811
Subtotal	4,621	816
Total	1,091,094	959,654

The above investments listed outside Hong Kong Special Administrative Region ("SAR") are mainly traded in China Interbank Bond Market.

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(All amounts in millions of RMB unless otherwise stated)

18 Financial investments (continued)

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

Analyzed by types of issuers	As at June 30, 2026	As at December 31, 2025
Debt securities		
– Government	5,180	2,129
– Financial institutions	82,677	61,121
– Corporates	14,460	12,282
Subtotal	102,317	75,532
Interbank certificates of deposits		
– Financial institutions	130,251	74,221
Asset-backed securities		
– Financial institutions	7,866	7,960
Fund investments		
– Financial institutions	836,581	791,009
Trust investment plans and asset management plans		
– Financial institutions	8,101	8,877
Wealth management products issued by financial institutions		
– Financial institutions	1,357	1,239
Equity instruments		
– Financial institutions	12	11
– Corporates	4,609	805
Subtotal	4,621	816
Total	1,091,094	959,654



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18 Financial investments (continued)

18.2 Financial assets measured at fair value through other comprehensive income-debt instruments

	As at June 30, 2026	As at December 31, 2025
Debt securities		
– Listed in Hong Kong	7,859	7,810
– Listed outside Hong Kong	511,982	653,986
– Unlisted	2,141	5,443
Subtotal	521,982	667,239
Interbank certificates of deposits		
– Listed outside Hong Kong	52,999	35,584
– Unlisted	1,429	1,617
Subtotal	54,428	37,201
Total	576,410	704,440

The above debt instruments listed outside Hong Kong SAR are mainly traded in China Interbank Bond Market.

Analyzed by types of issuers	As at June 30, 2026	As at December 31, 2025
Debt securities		
– Government	170,156	240,168
– Financial institutions	304,626	380,071
– Corporates	47,200	47,000
Subtotal	521,982	667,239
Interbank certificates of deposits		
– Financial institutions	54,428	37,201
Total	576,410	704,440

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18 Financial investments (continued)

18.2 Financial assets measured at fair value through other comprehensive income-debt instruments (continued)

For the six-month ended June 30, 2026, there was no change of loss allowance arising from transfer of stages for the Group's financial assets measured at FVTOCI-debt instruments. The main reasons for the movement in the loss allowance are originates or purchases, derecognition or settlement and remeasurement.

As at June 30, 2026, the allowance for impairment loss of the Group's financial assets measured at FVTOCI-debt instruments was RMB940 million.

The following tables illustrate the changes in the loss allowance of the Group's financial assets measured at fair value through other comprehensive income-debt instruments for the year 2025:

Financial assets measured at fair value through other comprehensive income-debt instruments	Year ended December 31, 2025			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loss allowance as at January 1, 2025	1,017	–	100	1,117
Transfers:				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	(61)	61	–	–
Transfer to stage 3	–	–	–	–
Changes of ECL arising from transfer of stages	–	601	–	601
Financial assets derecognized or settled during the year	(481)	–	–	(481)
New financial assets originated or purchased	573	–	–	573
Remeasurement	(82)	–	–	(82)
Loss allowance as at December 31, 2025	966	662	100	1,728



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18 Financial investments (continued)

18.3 Financial assets measured at fair value through other comprehensive income-equity instruments

	As at June 30, 2026	As at December 31, 2025
Equity instruments		
– Unlisted	6,795	5,616
Analyzed by types of issuers		
Equity instruments		
– Financial institutions	4,389	4,252
– Corporates	2,406	1,364
Total	6,795	5,616

The Group designates part of non-trading equity investments as financial assets measured at FVTOCI-equity instruments. During the six-month period ended June 30, 2026, the Group recognized RMB62,571.1 thousand dividend income for such equity investments (for the six-month period ended June 30, 2025: RMB62,084.9 thousand).

For the six-month period ended June 30, 2026 and 2025, the Group did not dispose any equity instruments. No accumulative gains on disposal, net of tax, have been transferred from other comprehensive income to retained earnings.

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(All amounts in millions of RMB unless otherwise stated)

18 Financial investments (continued)

18.4 Financial assets measured at amortized cost

		As at June 30, 2026	As at December 31, 2025
Debt securities			
– Listed in Hong Kong		30,947	34,491
– Listed outside Hong Kong		4,840,295	4,168,133
– Unlisted	(1)	120,568	136,597
Subtotal		4,991,810	4,339,221
Interbank certificates of deposits			
– Listed outside Hong Kong		271,393	175,717
– Unlisted		132,023	91,826
Subtotal		403,416	267,543
Asset-backed securities			
– Listed outside Hong Kong		82,798	86,580
– Unlisted		–	527
Subtotal		82,798	87,107
Other debt instruments			
– Unlisted	(2)	26,706	17,264
Gross amount		5,504,730	4,711,135
Allowance for impairment loss		(22,022)	(22,692)
Carrying amount		5,482,708	4,688,443

The above investments listed outside Hong Kong SAR are mainly traded in China Interbank Bond Market.

(1) Unlisted debt securities included RMB long-term special financial bonds issued by China Development Bank and Agricultural Development Bank of China in 2015. As at June 30, 2026, the carrying amount of these special financial bonds was RMB78,979 million, with original maturity of 15 to 20 years (December 31, 2025: the carrying amount was RMB85,502 million, with original maturity of 15 to 20 years).

(2) Other debt instruments mainly include trust investment plans and asset management plans, etc.



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(All amounts in millions of RMB unless otherwise stated)

18 Financial investments (continued)

18.4 Financial assets measured at amortized cost (continued)

	As at June 30, 2026	As at December 31, 2025
Analyzed by types of issuers:		
Debt securities		
– Government	3,209,041	2,472,537
– Financial institutions	1,667,800	1,738,936
– Corporates	114,969	127,748
Subtotal	4,991,810	4,339,221
Interbank certificates of deposits		
– Financial institutions	403,416	267,543
Asset-backed securities		
– Financial institutions	82,798	87,107
Other debt instruments		
– Financial institutions	26,706	17,264
Gross amount	5,504,730	4,711,135
Allowance for impairment loss	(22,022)	(22,692)
Carrying amount	5,482,708	4,688,443

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18 Financial investments (continued)

18.4 Financial assets measured at amortized cost (continued)

The following tables illustrate the changes in the gross amount of financial assets measured at amortized cost:

Financial assets measured at amortized cost	Six-month period ended June 30, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2026	4,690,200	4,108	16,827	4,711,135
Transfers:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Financial assets derecognized or settled during the period	(654,621)	(1,888)	-	(656,509)
New financial assets originated or purchased	1,450,104	-	-	1,450,104
Gross amount as at June 30, 2026	5,485,683	2,220	16,827	5,504,730

Financial assets measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross amount as at January 1, 2025	4,309,091	2,193	17,112	4,328,396
Transfers:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(2,735)	2,735	-	-
Transfer to stage 3	-	-	-	-
Financial assets derecognized or settled during the year	(1,045,473)	(820)	(285)	(1,046,578)
New financial assets originated or purchased	1,429,317	-	-	1,429,317
Gross amount as at December 31, 2025	4,690,200	4,108	16,827	4,711,135



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18 Financial investments (continued)

18.4 Financial assets measured at amortized cost (continued)

The following tables illustrate the changes in the loss allowance of financial assets measured at amortized cost:

Financial assets measured at amortized cost	Six-month period ended June 30, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2026	3,403	2,462	16,827	22,692
Transfers:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Financial assets derecognized or settled during the period	(929)	(910)	-	(1,839)
New financial assets originated or purchased	1,425	-	-	1,425
Remeasurement	(192)	(50)	-	(242)
Exchange rate changes	(14)	-	-	(14)
Loss allowance as at June 30, 2026	3,693	1,502	16,827	22,022

Financial assets measured at amortized cost	Year ended December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at January 1, 2025	3,953	818	17,112	21,883
Transfers:				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	(151)	151	-	-
Transfer to stage 3	-	-	-	-
Changes of ECL arising from transfer of stages	-	1,986	-	1,986
Financial assets derecognized or settled during the year	(1,509)	(399)	(285)	(2,193)
New financial assets originated or purchased	1,405	-	-	1,405
Remeasurement	(289)	(94)	-	(383)
Exchange rate changes	(6)	-	-	(6)
Loss allowance as at December 31, 2025	3,403	2,462	16,827	22,692

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19 Investment in subsidiaries

The entities in consolidation scope are mainly subsidiaries established by the Bank.

The Bank	As at June 30, 2026	As at December 31, 2025
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Investment cost	20,115	10,115
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Name of entities	Place of incorporation/ registration and operations	Registered capital RMB	Nature of business	Percentage of equity interest	Proportion of voting rights	Year of establishment
PSBC Consumer Finance Co., Ltd.	(1) Guangzhou, Guangdong Province, PRC	3 billion	Consumer finance	70.50%	70.50%	2015
PSBC Wealth Management Co., Ltd.	(2) Beijing, PRC	8 billion	Wealth management	100.00%	100.00%	2019
PSBC Financial Asset Investment Co., Ltd.	(3) Beijing, PRC	10 billion	Debt-to-equity swap and related services	100.00%	100.00%	2026

- (1) On November 19, 2015, the Bank, together with other investors, jointly sponsored the establishment of PSBC Consumer Finance Co., Ltd. ("PSBC Consumer Finance"). PSBC Consumer Finance mainly engages in following businesses: granting personal consumer loans; accepting deposits from shareholders and their domestic subsidiaries as well as parent companies of the groups to which shareholders belong and their domestic subsidiaries; borrowing from domestic financial institutions; borrowing from overseas financial institutions that are shareholders of the company; issuing non-capital bonds; engaging in interbank funding; providing advisory and agency services related to consumer finance; and other business activities as approved by the NFRA. As at June 30, 2026, the Bank owned 70.50% in the equity interest and voting rights of PSBC Consumer Finance (December 31, 2025: 70.50%).
- (2) On December 3, 2019, the Bank obtained formal approval issued by the former CBIRC (《關於中郵理財有限責任公司開業的批覆》) for the commencement of business operation of PSBC Wealth Management Co., Ltd. ("PSBC Wealth Management"). On December 18, 2019, PSBC Wealth Management was officially incorporated. PSBC Wealth Management mainly engages in the following businesses: public issuing wealth management products to unspecified general investors, carrying out investment and management of properties entrusted by investors; non-public issuing wealth management products to eligible investors, carrying out investment and management of assets entrusted by investors; financial advising and consulting services in relation to wealth management; and other businesses as approved by the NFRA. As at June 30, 2026, the Bank owned 100.00% in the equity interest and voting rights of PSBC Wealth Management (December 31, 2025: 100.00%).
- (3) On March 16, 2026, the Bank obtained formal approval issued by NFRA (《關於中郵金融資產投資有限公司開業的批覆》) for the commencement of business operation of PSBC Financial Asset Investment Co., Ltd. ("PSBC Investment"). On March 20, 2026, PSBC Investment was officially incorporated. PSBC Investment mainly engages in the following businesses: acquiring banks' claims on enterprises for the purpose of debt-to-equity swap, converting the claims into equity and managing the equity; restructuring, transferring and disposing of the claims that cannot be converted into equity; investing in enterprises' equity for the purpose of debt-to-equity swap, with enterprises using all the equity investment funds to repay existing claims; raising funds from qualified investors in accordance with laws and regulations and issuing private asset management products to support the implementation of debt-to-equity swap; issuing financial bonds; raising funds through bond repurchase, inter-bank lending, inter-bank borrowing, etc.; conducting necessary investment management on self-operated funds and raised funds. Self-operated funds can be used for inter-bank deposits, inter-bank lending, purchasing treasury bonds or other fixed-income securities, etc. The use of raised funds shall comply with the agreed purpose of fund-raising; providing financial advisory and consulting services related to debt-to-equity swap business; and other businesses as approved by the NFRA. As at June 30, 2026, the Bank owned 100% in the equity interest and voting rights of PSBC Investment.



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20 Interests in associates

	As at June 30, 2026	As at December 31, 2025
Investment in an associate	782	764

On March 22, 2022, Guomin Pension Insurance Co., Ltd. (hereinafter referred to as "Guomin Pension") was incorporated with registered capital of RMB11,378 million and the Bank's subsidiary, PSBC Wealth Management owned equity interest of Guomin Pension. The Group holds 5.71% of the equity interest and the voting rights, and could appoint directors and has right to participate in the financial and operational decisions of Guomin Pension. The directors of the Bank conclude that the Group only has significant influence over Guomin Pension and therefore it is classified as an associate of the Group.

21 Property and equipment

	Buildings	Electronic equipment	Motor vehicles	Office equipment and others	Construction in progress	Total
Cost						
As at January 1, 2026	76,331	16,043	1,478	6,752	14,287	114,891
Increases	41	30	38	110	2,042	2,261
Transfer from construction in progress	914	53	–	23	(990)	–
Decreases	(20)	(75)	(34)	(212)	(1,388)	(1,729)
As at June 30, 2026	77,266	16,051	1,482	6,673	13,951	115,423
Accumulated depreciation						
As at January 1, 2026	(34,579)	(11,664)	(1,166)	(5,172)	–	(52,581)
Charge for the period	(1,811)	(502)	(44)	(220)	–	(2,577)
Disposals	15	68	32	199	–	314
As at June 30, 2026	(36,375)	(12,098)	(1,178)	(5,193)	–	(54,844)
Carrying amount						
As at January 1, 2026	41,752	4,379	312	1,580	14,287	62,310
As at June 30, 2026	40,891	3,953	304	1,480	13,951	60,579

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(All amounts in millions of RMB unless otherwise stated)

21 Property and equipment (continued)

	Buildings	Electronic equipment	Motor vehicles	Office equipment and others	Construction in progress	Total
Cost						
As at January 1, 2025	73,654	12,441	1,413	6,565	14,163	108,236
Increases	295	831	87	549	6,792	8,554
Transfer from investment properties	2	–	–	–	–	2
Transfer from construction in progress	2,800	3,117	–	38	(5,955)	–
Decreases	(420)	(346)	(22)	(400)	(713)	(1,901)
As at December 31, 2025	76,331	16,043	1,478	6,752	14,287	114,891
Accumulated depreciation						
As at January 1, 2025	(31,240)	(10,608)	(1,077)	(5,061)	–	(47,986)
Charge for the year	(3,610)	(1,309)	(110)	(491)	–	(5,520)
Transfer from investment properties	(2)	–	–	–	–	(2)
Disposals	273	253	21	380	–	927
As at December 31, 2025	(34,579)	(11,664)	(1,166)	(5,172)	–	(52,581)
Carrying amount						
As at January 1, 2025	42,414	1,833	336	1,504	14,163	60,250
As at December 31, 2025	41,752	4,379	312	1,580	14,287	62,310

As at June 30, 2026, the Group was still in the process of obtaining ownership certificates of certain properties, with cost amounted to RMB1,508 million (December 31, 2025: RMB2,148 million), while carrying amount was RMB934 million (December 31, 2025: RMB1,446 million).

The management of the Group believed there was no substantive legal obstacle to using the above-mentioned properties for relevant business activities, and the above mentioned properties did not have any material adverse effect on the Group's business operations, operating performance and financial position.

All buildings of the Group were located outside Hong Kong SAR.



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22 Deferred taxes

Certain deferred tax assets and liabilities have been offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The following is the analysis of the deferred tax balances.

	As at June 30, 2026	As at December 31, 2025
Deferred tax assets	70,207	65,425
Deferred tax liabilities	(48)	(17)
Total	70,159	65,408

(1) The following are the movements and major deferred tax assets and liabilities recognized:

	Allowance for impairment loss	Staff cost accrued but not paid	Fair value changes of financial instruments	Provisions	Right-of-use assets	Lease liabilities and others	Total
As at January 1, 2026	67,232	3,488	(7,060)	785	(2,859)	3,822	65,408
Charge/(Credit) to profit or loss	6,903	(74)	(1,363)	(693)	(13)	(31)	4,729
Charge/(Credit) to other comprehensive income	249	-	(227)	-	-	-	22
As at June 30, 2026	74,384	3,414	(8,650)	92	(2,872)	3,791	70,159
As at January 1, 2025	64,573	3,365	(8,393)	780	(2,488)	3,291	61,128
Charge/(Credit) to profit or loss	2,913	123	(161)	5	(371)	531	3,040
Charge/(Credit) to other comprehensive income	(254)	-	1,494	-	-	-	1,240
As at December 31, 2025	67,232	3,488	(7,060)	785	(2,859)	3,822	65,408

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22 Deferred taxes (continued)

(2) Deferred tax assets and liabilities and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

	As at June 30, 2026		As at December 31, 2025	
	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary difference	Deferred tax assets/ (liabilities)
Deferred tax assets				
Allowance for impairment loss	300,629	74,384	271,999	67,232
Staff cost accrued but not paid	13,668	3,414	13,964	3,488
Provisions	367	92	3,138	785
Fair value changes of financial instruments	2,058	514	1,317	329
Lease liabilities and others	15,617	3,878	15,744	3,909
Total	332,339	82,282	306,162	75,743
Deferred tax liabilities				
Fair value changes of financial instruments	(36,655)	(9,164)	(29,557)	(7,389)
Right-of-use assets and others	(12,089)	(2,959)	(12,039)	(2,946)
Total	(48,744)	(12,123)	(41,596)	(10,335)
Net value	283,595	70,159	264,566	65,408



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23 Other assets

		As at June 30, 2026	As at December 31, 2025
Deferred expenses		27,124	33,515
Right-of-use assets	(1)	13,277	13,284
Amounts pending for settlement and clearing		18,831	24,173
Intangible assets	(2)	9,014	8,011
Interest receivable		7,236	7,041
Continuing involvement assets (Note 39.3)		3,565	3,917
Other accounts receivable		4,086	3,965
Receivable of fee and commission		4,142	3,500
Precious metals		23,171	8,832
Prepaid expenses		986	962
Low-value consumables		150	167
Foreclosed assets		41	43
Others		8,454	9,885
Gross amount		120,077	117,295
Allowance for impairment loss		(1,659)	(1,654)
Net value		118,418	115,641

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(All amounts in millions of RMB unless otherwise stated)

23 Other assets (continued)

(1) Right-of-use assets

	Properties	Land use rights	Total
Cost			
As at January 1, 2026	20,515	2,569	23,084
Additions	2,170	–	2,170
Disposals	(2,576)	(1)	(2,577)
As at June 30, 2026	20,109	2,568	22,677
Accumulated depreciation/amortization			
As at January 1, 2026	(8,877)	(923)	(9,800)
Provided for the period	(1,722)	(27)	(1,749)
Disposals	2,148	1	2,149
As at June 30, 2026	(8,451)	(949)	(9,400)
Carrying amount			
As at January 1, 2026	11,638	1,646	13,284
As at June 30, 2026	11,658	1,619	13,277
Cost			
As at January 1, 2025	19,160	2,603	21,763
Additions	6,014	2	6,016
Disposals	(4,659)	(36)	(4,695)
As at December 31, 2025	20,515	2,569	23,084
Accumulated depreciation/amortization			
As at January 1, 2025	(9,188)	(883)	(10,071)
Provided for the year	(3,529)	(59)	(3,588)
Disposals	3,840	19	3,859
As at December 31, 2025	(8,877)	(923)	(9,800)
Carrying amount			
As at January 1, 2025	9,972	1,720	11,692
As at December 31, 2025	11,638	1,646	13,284

(2) Intangible assets of the Group mainly include computer software which is amortized within 10 years.



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24 Borrowings from central bank

	As at June 30, 2026	As at December 31, 2025
Borrowings from central bank	28,332	27,184

As at June 30, 2026 and December 31, 2025, borrowings from central bank were targeted re-lending issued by the PBOC.

25 Deposits from banks and other financial institutions

	As at June 30, 2026	As at December 31, 2025
Deposits from domestic banks	98,946	53,289
Deposits from other domestic financial institutions	214,882	135,982
Total	313,828	189,271

26 Placements from banks and other financial institutions

	As at June 30, 2026	As at December 31, 2025
Placements from domestic banks	58,383	55,604
Placements from overseas banks	4,580	531
Total	62,963	56,135

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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27 Financial assets sold under repurchase agreements

	As at June 30, 2026	As at December 31, 2025
Analyzed by type of collateral:		
Debt securities	279,445	241,998
Bills	12,286	13,402
Total	291,731	255,400

The collateral pledged under repurchase agreement is disclosed in “Note 38.2 Contingent liabilities and commitments – Collateral”.

28 Customer deposits

	As at June 30, 2026	As at December 31, 2025
Demand deposits		
Personal	3,261,183	3,382,409
Corporate	978,086	877,203
Subtotal	4,239,269	4,259,612
Time deposits		
Personal	11,924,211	11,309,417
Corporate	1,271,509	969,553
Subtotal	13,195,720	12,278,970
Other deposits	3,698	3,134
Total	17,438,687	16,541,716

As at June 30, 2026, customer deposits received by the Group included pledged deposits of RMB256,704 million (December 31, 2025: RMB147,149 million).



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29 Debt securities issued

		As at June 30, 2026	As at December 31, 2025
Tier-2 capital bonds issued		162,362	122,342
Including: 10-year tier-2 capital bonds at a fixed interest rate			
(issued in August, 2021)	(1)	51,467	50,614
15-year tier-2 capital bonds at a fixed interest rate			
(issued in August, 2021)	(2)	10,320	10,134
10-year tier-2 capital bonds at a fixed interest rate			
(issued in March, 2022)	(3)	35,388	36,013
15-year tier-2 capital bonds at a fixed interest rate			
(issued in March, 2022)	(4)	5,058	5,153
15-year tier-2 capital bonds at a fixed interest rate			
(issued in May, 2023)	(5)	20,087	20,428
10-year tier-2 capital bonds at a fixed interest rate			
(issued in June, 2026)	(6)	40,042	–
Financial bonds issued	(7)	14,793	24,998
Interbank certificates of deposits issued	(8)	99,024	103,944
Total		276,179	251,284

- (1) In August 2021, upon the approval from the former CBIRC and the PBOC, the Group issued RMB50 billion of 10-year tier-2 capital bonds at a fixed coupon rate of 3.44%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in August 2026 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. The bond was fully redeemed in August 2026.
- (2) In August 2021, upon the approval from the former CBIRC and the PBOC, the Group issued RMB10 billion of 15-year tier-2 capital bonds at a fixed coupon rate of 3.75%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in August 2031 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.75% from August 2031 onward.

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29 Debt securities issued (continued)

- (3) In March 2022, upon the approval from the former CBIRC and the PBOC, the Group issued RMB35 billion of 10-year tier-2 capital bonds at a fixed coupon rate of 3.54%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in March 2027 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.54% from March 2027 onward.
- (4) In March 2022, upon the approval from the former CBIRC and the PBOC, the Group issued RMB5 billion of 15-year tier-2 capital bonds at a fixed coupon rate of 3.74%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in March 2032 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.74% from March 2032 onward.
- (5) In May 2023, upon the approval from the former CBIRC and the PBOC, the Group issued RMB20 billion of 15-year tier-2 capital bonds at a fixed coupon rate of 3.39%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in May 2033 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 3.39% from May 2033 onward.
- (6) In June 2026, upon the approval from the NFRA and the PBOC, the Group issued RMB40 billion of 10-year tier-2 capital bonds at a fixed coupon rate of 1.92%, with interests paid annually. The Group has an option to redeem part or all of the bonds at face value in June 2031 if specified redemption conditions as stipulated in the offering documents are met, subject to approval of the NFRA. If the Group does not exercise this redemption right, the annual coupon rate would remain at 1.92% from June 2031 onward.

The above-mentioned tier-2 capital bonds contain a write-down feature, which allows the Group to write down the entire principal of the bonds when a regulatory triggering event occurs as stipulated in the offering documents and not to pay any outstanding interests payable that have been accumulated. These tier-2 capital bonds meet the relevant criteria of the NFRA and are qualified as tier-2 capital instruments.

- (7) In June 2025, upon the approval from the NFRA and the PBOC, the Bank issued RMB5 billion of 3-year green financial bonds at a fixed coupon rate of 1.62%, with interests paid annually. In August 2025, the Bank issued RMB3 billion of 5-year technology innovation financial bonds at a fixed coupon rate of 1.82%, with interests paid annually, and RMB2 billion of 3-year technology innovation financial bonds at a floating coupon rate of 1.80%, with interests paid quarterly.

In July 2024, upon the approval from the NFRA and the PBOC, the Bank's subsidiary, PSBC Consumer Finance, issued RMB2 billion of 3-year financial bonds at a fixed coupon rate of 2.10%, with interests paid annually. In September 2024, the Bank's subsidiary, PSBC Consumer Finance, issued RMB1.5 billion of 3-year financial bonds at a fixed coupon rate of 2.17%, with interests paid annually. In June 2025, the Bank's subsidiary, PSBC Consumer Finance, issued RMB1.5 billion of 3-year financial bonds at a fixed coupon rate of 1.90%, with interests paid annually.

- (8) As at June 30, 2026, the total face value of outstanding interbank certificates of deposit amounted to RMB99.18 billion, with fixed coupon rate of 1.40%-1.63% and an original maturity of 1 month to 1 year (December 31, 2025, the total face value of outstanding interbank certificates of deposit amounted to RMB104.806 billion, with fixed coupon rate of 1.60%-3.88% and an original maturity of 3 months to 1 year).



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30 Other liabilities

		As at June 30, 2026	As at December 31, 2025
Employee benefits payable	(1)	21,948	26,298
Payables for agency services		17,094	12,547
Dividends payable		11,445	14,772
Provisions	(2)	5,816	8,667
Lease liabilities	(3)	11,094	10,878
Amount pending for settlement and clearing		7,923	6,911
Continuing involved liabilities (Note 39.3)		3,565	3,917
VAT and other taxes payable		4,084	4,214
Contract liabilities		2,292	1,982
Payables to China Post Group and other related parties (Note 36.3.1(4))		162	337
Payable for construction cost		727	770
Exchange transaction payables		674	689
Others		106,433	101,787
Total		193,257	193,769

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30 Other liabilities (continued)

(1) Employee benefits payable

	Six-month period ended June 30, 2026			Balance at the end of the period
	Balance at the beginning of the period	Increase in current period	Decrease in current period	
Wages and salaries, bonus, allowance and subsidies	23,073	16,530	(20,651)	18,952
Staff welfare	171	1,100	(1,270)	1
Social security contributions	220	1,933	(1,911)	242
Including: Medical insurance	217	1,851	(1,830)	238
Maternity insurance	2	35	(35)	2
Work injury insurance	1	47	(46)	2
Housing funds	20	2,479	(2,475)	24
Labour union funds and employee education funds	1,772	500	(541)	1,731
Defined contribution plans	419	4,523	(4,559)	383
Including: Basic pensions	76	2,857	(2,834)	99
Unemployment insurance	5	102	(101)	6
Annuity scheme	338	1,564	(1,624)	278
Supplementary retirement benefits and early retirement benefits (i)	623	6	(14)	615
Others	-	25	(25)	-
Total	26,298	27,096	(31,446)	21,948



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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30 Other liabilities (continued)

(1) Employee benefits payable (continued)

		2025			Balance at the end of the year
		Balance at the beginning of the year	Increase in current year	Decrease in current year	
Wages and salaries, bonus, allowance and subsidies		20,981	43,470	(41,378)	23,073
Staff welfare		110	3,093	(3,032)	171
Social security contributions		202	3,922	(3,904)	220
Including: Medical insurance		199	3,756	(3,738)	217
Maternity insurance		2	71	(71)	2
Work injury insurance		1	95	(95)	1
Housing funds		22	4,998	(5,000)	20
Labour union funds and employee education funds		1,655	1,386	(1,269)	1,772
Defined contribution plans		437	9,258	(9,276)	419
Including: Basic pensions		74	5,855	(5,853)	76
Unemployment insurance		4	168	(167)	5
Annuity scheme		359	3,235	(3,256)	338
Supplementary retirement benefits and early retirement benefits	(i)	698	(45)	(30)	623
Others		–	69	(69)	–
Total		24,105	66,151	(63,958)	26,298

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30 Other liabilities (continued)

(1) Employee benefits payable (continued)

(i) Supplementary retirement benefits and early retirement benefits

The retirement benefit obligations of the Group refer to supplementary benefits for retirees and early-retirees recognized in the consolidated statement of financial position using the projected unit credit method and are as follows:

	Six-month period ended June 30, 2026	Year ended December 31, 2025
Balance at the beginning of period/year	623	698
Interest expenses	6	12
Gain or loss from actuarial calculation	–	(57)
– Credit to profit or loss	–	1
– Charge to other comprehensive income	–	(58)
Benefits paid	(14)	(30)
Balance at the end of period/year	615	623

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	As at June 30, 2026	As at December 31, 2025
Discount rate used for retirement benefit plan	2.00%	2.00%
Discount rate used for early retirement benefit plan	1.25%	1.50%
Annual growth rates of average medical expenses	8.00%	8.00%
Annual growth rates of retiree expenses	3% and 0%	3% and 0%
Annual growth rates of early-retiree expenses	6%, 3% and 0%	6%, 3% and 0%
Normal retirement age		
– Male	60-63	60-63
– Female	55-58 、 50-55	55-58 、 50-55



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30 Other liabilities (continued)

(2) Provisions

		Current period		Current period		
		January 1, 2026	accrual/ (reversal)	Current period payment	exchange rate changes	June 30, 2026
ECL provisions on guarantee and commitments	(i)	5,529	(76)	–	(4)	5,449
Litigation and others	(ii)	3,138	(2,771)	–	–	367
Total		8,667	(2,847)	–	(4)	5,816

		Current year		Current year		
		January 1, 2025	accrual/ (reversal)	Current year payment	exchange rate changes	December 31, 2025
ECL provisions on guarantee and commitments	(i)	6,683	(1,153)	–	(1)	5,529
Litigation and others	(ii)	3,119	24	(5)	–	3,138
Total		9,802	(1,129)	(5)	(1)	8,667

(i) ECL provisions on guarantee and commitments

As at June 30, 2026				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Provision as at June 30, 2026	5,365	84	–	5,449

As at December 31, 2025				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Provision as at December 31, 2025	5,415	114	–	5,529

(ii) As at June 30, 2026 and December 31, 2025, the Group established accruals for unsettled litigations and claims according to the best estimation of the outflow of economic benefits.

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30 Other liabilities (continued)

(3) Lease liabilities

	As at June 30, 2026	As at December 31, 2025
Within 1 month	323	236
1 to 3 months	482	391
3 to 12 months	1,939	2,276
1 to 2 years	2,585	2,510
2 to 5 years	4,014	3,721
Over 5 years	2,594	2,682
Contractual undiscounted cash flows of lease liabilities	11,937	11,816
Carrying amount of lease liabilities	11,094	10,878

31 Share capital and other equity instruments

31.1 Share capital

	As at June 30, 2026		As at December 31, 2025	
	Number of shares (million shares)	Face value	Number of shares (million shares)	Face value
Domestically listed (A shares)	100,239	100,239	100,239	100,239
Listed overseas (H shares)	19,856	19,856	19,856	19,856
Total	120,095	120,095	120,095	120,095



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31 Share capital and other equity instruments (continued)

31.1 Share capital (continued)

A shares refer to ordinary shares listed domestically that are subscribed and traded in RMB, and H shares are shares that are approved to be listed in Hong Kong and denominated in RMB, but subscribed and traded in Hong Kong dollars. All H shares and A shares issued by the Bank are ordinary shares with a face value of RMB1.00 per share and enjoy equal rights.

On December 23, 2011, in accordance with the Approval by the MOF on the State-owned Equity Management Plan of Postal Savings Bank of China Co., Ltd. (Cai Jin (2011) No. 181), China Post Group was the exclusive promoter of the Bank. 45 billion promoter's shares were established and paid-in capital of the Bank amounted to RMB45 billion. In December 2013 and December 2014, China Post Group increased the capital of the Bank by RMB2 billion and RMB10 billion respectively.

On December 8, 2015, in accordance with the Approval of the former CBIRC on Capital Increase and the Introduction of Strategic Investors by Postal Savings Bank of China (Yinjianfu [2015] No. 662), the former CBIRC agreed the Bank's non-public offering of no more than 11,604 million shares. After the capital increase, the Bank's total shares increased to 68,604 million.

On September 28, 2016, the Bank was listed on The Stock Exchange of Hong Kong Limited. In the same year, the over-allotment option was exercised and the total shares of the Bank increased to 81,031 million.

Approved by the former CBIRC through the Initial Public Offering of A Shares by the Postal Savings Bank of China Co., Ltd and amendment of the Articles of Association (Yinbaojianfu [2019] No.565) and approved by the China Securities Regulatory Commission through the Approval of Postal Savings Bank of China Co., Ltd.'s Initial Public Offering (*CSRC License [2019] No. 1991*), the Bank completed the initial public offering of 5,172 million A shares (excluding over-allotment) in December 2019. The face value of A shares was RMB1.00 per share, and the issue price was RMB5.50 per share. The net proceeds raised were RMB28,001 million, of which the share capital was RMB5,172 million and the capital reserve was RMB22,829 million. After initial public offering of A shares, the total shares of the Bank increased to 86,203 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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31 Share capital and other equity instruments (continued)

31.1 Share capital (continued)

The joint lead underwriters exercised the over-allotment option in January 2020. The over-allotment issued 776 million A shares at a face value of RMB1.00, and the issue price was RMB5.50 per share. The net proceeds raised were RMB4,205 million, of which the share capital was RMB776 million and the capital reserve was RMB3,429 million. After execution of the over-allotment, the total shares of the Bank increased to 86,979 million.

The Bank completed the private offering of 5,405 million of A shares in March 2021 to its controlling shareholder. The face value of A shares was RMB1.00, and the issue price was RMB5.55 per share. The net proceeds raised were RMB29,985 million, of which the share capital was RMB5,405 million and capital reserve was RMB24,580 million. After the private offering of A shares, the total shares of the Bank increased to 92,384 million.

The Bank completed the private offerings of 6,777 million of A shares in March 2023 to China Mobile Communications Group Co., Ltd. The face value of A shares was RMB1.00, and the issue price was RMB6.64 per share. The net proceeds raised were RMB44,980 million, of which the share capital was RMB6,777 million and capital reserve was RMB38,203 million. After the private offering of A shares, the total shares of the Bank increased to 99,161 million.

The Bank completed the private offerings of 20,934 million of A shares in June 2025 to MOF, China Mobile Communications Group Co., Ltd and China State Shipbuilding Group Co., Ltd. The face value of A shares was RMB1.00, and the issue price was RMB6.21 per share. The net proceeds raised were RMB129,962 million, of which the share capital was RMB20,934 million and capital reserve was RMB109,028 million. After the private offering of A shares, the total shares of the Bank increased to 120,095 million.

As at June 30, 2026, the total number of ordinary shares of the Bank was 120,095 million, of which 27,711 million shares were restricted for sales and 92,384 million shares were unrestricted shares (As at December 31, 2025, the total number of ordinary shares of the Bank was 120,095 million, of which 33,116 million shares were restricted for sales and 86,979 million shares were unrestricted shares).



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31 Share capital and other equity instruments (continued)

31.2 Other equity instruments

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

Outstanding financial instruments	Issue date	Classification	Initial interest rate	Issue price	Units	Currency	Amount	Maturity date	Redemption/ impairment
				(RMB Yuan per unit)			(RMB million)		
Undated additional tier 1 capital bonds	January 14, 2022	Equity instrument	3.46%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	October 13, 2023	Equity instrument	3.42%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	March 14, 2024	Equity instrument	2.73%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	February 19, 2025	Equity instrument	1.99%	100	300	RMB	30,000	No maturity date	No
Undated additional tier 1 capital bonds	June 2, 2026	Equity instrument	1.88%	100	300	RMB	30,000	No maturity date	No
Total proceeds							150,000		

The carrying amount of perpetual bonds issued by the Bank, net of related issuance fees, was RMB150,000 million as at June 30, 2026 (December 31, 2025: RMB149,996 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

31 Share capital and other equity instruments (continued)

31.2 Other equity instruments (continued)

(1) Perpetual bonds outstanding as at the end of the period (continued)

The key terms are set out below:

(a) *Conditional redemption rights*

From the fifth anniversary since the issuance of the undated additional tier 1 capital bonds (the “Bonds”), the Bank may redeem full or part of the Bonds on each distribution payment date (including the fifth distribution payment date since the issuance). After the issuance, if the event that the Bonds no longer qualify as additional tier 1 capital as a result of an unforeseeable change or amendment to relevant provisions of supervisory regulations occurs, the Bank may redeem the full but not part of the Bonds.

The exercise of the Bank’s redemption right shall be subject to the consent of the NFRA and the satisfaction of the following preconditions: (1) the Bank shall use capital instruments of the same or better quality to replace the instruments to be redeemed, and such replacement shall only be carried out at conditions which are sustainable for the income capacity; (2) or the capital position of the Bank after the redemption right is exercised will remain well above the regulatory capital requirements of the NFRA.

(b) *Subordination*

The claims in respect of the Bonds will be subordinated to the claims of depositors, general creditors, and subordinated indebtedness that ranks senior to the Bonds; will rank in priority to all classes of shares held by the Bank’s shareholders and rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds. If subsequent amendments to the PRC Enterprise Bankruptcy Law or relevant regulations are applicable to the subordination, such relevant laws and regulations shall prevail.



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(All amounts in millions of RMB unless otherwise stated)

31 Share capital and other equity instruments (continued)

31.2 Other equity instruments (continued)

(1) Perpetual bonds outstanding as at the end of the period (continued)

The key terms are set out below: (continued)

(c) *Write-down/write-off clauses*

Upon the occurrence of a non-viability trigger event, the Bank has the right to write down/write off in full or in part, without the need for consent from the holders of the Bonds, the principal amount of the Bonds. The amount of the write-down/write-off shall be determined by the ratio of the outstanding principal amount of the Bonds to the aggregate principal amount of all additional tier 1 capital instruments with the identical trigger event. A non-viability trigger event refers to the earlier of the following events: (1) the NFRA having decided that the Bank would become non-viable without a write-down/write-off; (2) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Bank would become non-viable. The write-down/write-off will not be restored.

The trigger event occurrence date refers to the date on which the NFRA or the relevant authority has decided a trigger event occurs, and has informed the Bank together with a public announcement of such trigger event.

Within two business days after the occurrence of the trigger event, the Bank shall make a public announcement and give notice to the holders of the Bonds on the amount, the calculation method thereof, together with the implementation date and procedures, of such write-down/write-off.

(d) *Distribution rate*

The distribution rate of the Bonds will be adjusted at defined intervals, with a distribution rate adjustment period every 5 years since the payment settlement date. In any distribution rate adjusted period, the distribution payments on the Bonds will be made at a prescribed fixed distribution rate. The distribution rate at the time of issuance will be determined by bookkeeping and centralized allocation. The distribution rate is determined by a benchmark rate plus a fixed spread.

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(All amounts in millions of RMB unless otherwise stated)

31 Share capital and other equity instruments (continued)

31.2 Other equity instruments (continued)

(1) Perpetual bonds outstanding as at the end of the period (continued)

The key terms are set out below: (continued)

(e) *Distribution payment*

The Bank shall have the right to cancel, in full or in part, distributions on the Bonds and any such cancellation shall not constitute an event of default. When exercising such right, the Bank will take into full consideration the interest of the holders of the Bonds. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. Cancellation of any distributions on the Bonds regardless in full or in part, will not impose any restrictions on the Bank, except in relation to dividend distributions on ordinary shares. Any cancellation of distributions on the Bonds regardless in full or in part, will require the deliberation by and approval from the shareholders' general meeting. The Bank shall give notice to the investors on such cancellation in a timely manner.

In the event a distribution cancellation of the Bonds, regardless in full or in part, the Bank shall not make any distribution to the ordinary shareholders from the next date following the resolution being approved in the shareholders' general meeting, until its decision to resume the distribution payments in full to the holders of the Bonds. The dividend stopper on ordinary shares will not compromise the Bank's discretion to cancel distributions, and will not impede the Bank from replenishing its capital.

Distributions on the Bonds shall only be paid out of distributable items, and will not be affected by the rating of the Bank, nor reset based on any change to such rating. The distributions on the Bonds are non-cumulative, namely, upon cancellation, any amount of distribution unpaid to the holders of the Bonds in the applicable period will not accumulate or compound to the subsequent distribution period thereafter. The Bonds do not have any step-up mechanism or any other incentive to redeem.



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(All amounts in millions of RMB unless otherwise stated)

31 Share capital and other equity instruments (continued)

31.2 Other equity instruments (continued)

(2) Changes in outstanding perpetual bonds

	January 1, 2026		Current period (decreased)/increased		June 30, 2026	
	Units of	Carrying	Units of	Carrying	Units of	Carrying
	the Bonds (million)	amount (RMB million)	the Bonds (million)	amount (RMB million)	the Bonds (million)	amount (RMB million)
Outstanding financial instruments						

Undated additional tier

1 capital bonds	1,500	150,000	-	-	1,500	150,000
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	January 1, 2025		Current year (decreased)/increased		December 31, 2025	
	Units of	Carrying	Units of	Carrying	Units of	Carrying
	the Bonds (million)	amount (RMB million)	the Bonds (million)	amount (RMB million)	the Bonds (million)	amount (RMB million)
Outstanding financial instruments						

Undated additional tier

1 capital bonds	2,000	200,000	(500)	(50,000)	1,500	150,000
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(3) Equity attributable to the holders of equity instruments

Items	As at June 30, 2026	As at December 31, 2025
1. Total equity attributable to equity holders of the Bank	1,196,339	1,160,146
(1) Equity attributable to ordinary shareholders of the Bank	1,046,339	1,010,150
(2) Equity attributable to other equity holders of the Bank	150,000	149,996
Including: Net profit	3,780	7,161
Interests distributed	(3,780)	(7,161)
2. Total equity attributable to non-controlling interests	2,367	2,199
(1) Equity attributable to non-controlling interests of ordinary shares	2,367	2,199
(2) Equity attributable to non-controlling interests of other equity instruments	-	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

32 Capital reserve

	As at June 30, 2026	As at December 31, 2025
Net asset revaluation appreciation from the Bank's joint stock restructuring	3,448	3,448
Share premium arising from strategic investors	33,536	33,536
Share premium arising from the Bank's initial public offering of H shares	37,675	37,675
Share premium arising from the Bank's initial public offering of A shares	26,258	26,258
Share premium arising from the Bank's private offering of A shares and issuance of A shares to specific subscribers	171,811	171,811
Change of equity interest in a subsidiary	(11)	(11)
Other capital reserve	(1,024)	(1,020)
Total	271,693	271,697

33 Other reserves

33.1 Surplus reserve

In accordance with The Company Law of the People's Republic of China (中華人民共和國公司法), and the Bank's Articles of Association, the Bank shall appropriate 10% of its net profit under Accounting Standards for Business Enterprises and relevant requirements for the current year to the statutory surplus reserve, and can cease appropriation when the statutory surplus reserve accumulates to more than 50% of the registered capital of the Bank.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

33 Other reserves (continued)

33.2 General reserve

	Six-month period ended June 30, 2026	Year ended December 31, 2025
At the beginning of period/year	243,454	219,887
Appropriations in current period/year	121	23,567
At the end of period/year	243,575	243,454

In accordance with the Administrative Measures for Provisioning of Financial Enterprises (金融企業準備金計提管理辦法) (Cai Jin [2012] No. 20) issued by the MOF, the Bank shall appropriate general reserve from its net profit for the purpose to cover any unidentified potential losses. The balance of general reserve shall be no less than 1.5% of risk assets at the end of the year.

Pursuant to the relevant regulatory requirements in the Chinese mainland, the Bank's subsidiaries also appropriate a certain amount of net profit as general reserve.

33.3 Other comprehensive income

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

	Remeasurement of retirement benefit obligations	Net gains/ (losses) on investments in financial assets measured at FVTOCI	Share of other comprehensive income of associates, net of related income tax	Total
January 1, 2025	(361)	9,400	32	9,071
Movement during the year	58	(3,726)	2	(3,666)
December 31, 2025 and January 1, 2026	(303)	5,674	34	5,405
Movement during the period	–	(67)	(18)	(85)
June 30, 2026	(303)	5,607	16	5,320

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FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

33 Other reserves (continued)

33.3 Other comprehensive income (continued)

(2) Other comprehensive income in the condensed consolidated statement of profit or loss and other comprehensive income

	Six-month period ended June 30	
	2026	2025
Items that will not be reclassified to profit or loss:		
Share of other comprehensive income of associates, net of related income tax	9	1
Changes in fair value of equity instruments designated as at FVTOCI	139	12
Less: Income tax effect	35	3
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates, net of related income tax	(27)	(2)
Changes in fair value of debt instruments measured at FVTOCI	1,686	(2,109)
Less: Amount transferred to profit or loss from other comprehensive income	917	1,484
Income tax effect	192	(898)
Credit losses of debt instruments measured at FVTOCI	928	(190)
Less: Amount transferred to profit or loss from other comprehensive income	1,925	(54)
Income tax effect	(249)	(34)
Net amount	(85)	(2,789)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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34 Dividends and interests distribution

Upon the approval obtained in the 2025 Annual General Meeting, the Bank distributed RMB11,445 million (tax inclusive) of cash dividends for the year ended December 31, 2025 to all the ordinary shareholders whose names appeared on the share register on the record date with RMB0.953 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on July 13, 2026 and the H shares cash dividends on August 19, 2026 respectively.

Upon the approval obtained in the 2025 Third Extraordinary Shareholder's General Meeting, the Bank distributed RMB14,772 million (tax inclusive) of cash dividends for the period ended June 30, 2025 to all the ordinary shareholders whose names appeared on the share register on the record date with RMB1.230 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on January 12, 2026 and the H shares cash dividends on February 13, 2026 respectively.

Upon the approval obtained in the 2024 Annual General Meeting, the Bank distributed RMB11,294 million (tax inclusive) of cash dividends for the year ended December 31, 2024 to all the ordinary shareholders whose names appeared on the share register on the record date with RMB1.139 per ten shares (tax inclusive). The Bank distributed the A shares cash dividends on April 30, 2025 and the H shares cash dividends on May 22, 2025 respectively.

In January 2026, the Bank paid RMB1,038 million interests to holders of perpetual bonds issued in the year 2022, the interest rate of which equalled to 3.46%. In February 2026, the Bank paid RMB597 million interests to holders of perpetual bonds issued in the year 2025, the interest rates of which equalled to 1.99%. In March 2026, the Bank paid RMB2,145 million interests to holders of perpetual bonds issued in the year 2021 and 2024, the interest rates of which equalled to 4.42% and 2.73%. The interests were calculated by the initial interest rates before the first reset date which were determined in accordance with the terms and conditions of the perpetual bonds.

In January 2025, the Bank paid RMB1,038 million interests to holders of perpetual bonds issued in the year 2022, the interest rate of which equalled to 3.46%. In March 2025, the Bank paid RMB5,097 million interests to holders of perpetual bonds issued in the year 2020, 2021 and 2024, the interest rates of which equalled to 3.69%, 4.42% and 2.73%. In October 2025, the Bank paid RMB1,026 million interests to holders of perpetual bonds issued in the year 2023, the interest rate of which equalled to 3.42%. The interests were calculated by the initial interest rates before the first reset date which were determined in accordance with the terms and conditions of the perpetual bonds.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

35 Cash and cash equivalents

For the purpose of presentation of the condensed consolidated statement of cash flows, cash and cash equivalents include the following balances with an original maturity within 3 months:

	As at June 30, 2026	As at June 30, 2025
Cash	40,790	42,001
Surplus reserve with central bank	44,484	49,569
Deposits with banks and other financial institutions	11,230	32,101
Placements with banks and other financial institutions	21,210	25,333
Financial assets held under resale agreements	254,347	401,854
Short-term debt securities	3,201	448
Total	375,262	551,306

36 Relationship and transactions with related parties

36.1 Information of the parent company

Place of registration	Nature of business
China Post Group Beijing, PRC	Domestic and international letter business, domestic and international express parcel business, distribution of newspapers, journals and books, stamp issuance, postal remittance service, confidential correspondence communication, postal financial business, postal logistics, e-commerce, various postal agent services, and other businesses stipulated by the state.

China Post Group is managed and supervised by the MOF on behalf of the State Council.

As at June 30, 2026 and December 31, 2025, the registered capital of China Post Group was RMB137,600 million.

As at June 30, 2026, China Post Group directly held 51.92% of both the equity shares and voting rights in the Bank (As at December 31, 2025: 51.87%).



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(All amounts in millions of RMB unless otherwise stated)

36 Relationship and transactions with related parties (continued)

36.2 Information of major related parties

Name of enterprise	Relationship with the Bank
MOF	Major shareholder of the Bank
China Mobile Communications Group Co., Ltd.	Major shareholder of the Bank
China State Shipbuilding Corporation Limited	Major shareholder of the Bank
Shanghai International Port (Group) Co., Ltd.	Major shareholder of the Bank
China Postal Express & Logistics Co., Ltd.	Company under the common control of China Post Group
China Post Life Insurance Co., Ltd.	Company under the common control of China Post Group
China Post Securities Co., Ltd.	Company under the common control of China Post Group
Shanghai Ule Network Technology Co., Ltd.	Company under the common control of China Post Group
China Post Technology Co., Ltd.	Company under the common control of China Post Group
Jiangsu Post and Telecommunications Printing Co., Ltd.	Company under the common control of China Post Group
China Post & Capital Fund Management Co., Ltd.	An associate of China Post Group
China UnionPay Co., Ltd.	Related party arising from connected persons of the Bank
Overseas Chinese Town Group Co., Ltd.	Related party arising from connected persons of the Bank

The Group's connected persons include the Bank's directors, supervisors, senior executives and their direct relatives, as well as directors, supervisors, senior executives and their direct relatives and other connected persons of the Bank's controlling shareholders. The Group's other related parties include other related parties of China Post Group, other related parties of major shareholders of the Bank and other related parties arising from connected persons.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

36 Relationship and transactions with related parties (continued)

36.3 Related party transactions

For transactions between the Group and related parties in accordance with general commercial terms during normal business operations, the pricing principle is the same as that of independent third party transactions. For transactions other than normal banking business between the Group and related parties, the pricing principle shall be determined by both parties through negotiation in accordance with general commercial terms.

36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates

(1) Agency banking services from China Post Group

In addition to conducting commercial banking services at its directly-operated outlets, the Bank also engages China Post Group and its provincial branches as agents to provide certain commercial banking services at China Post Group's business locations where financial service licenses have been obtained. These commercial banking services mainly include: RMB and foreign currency deposits taking; bank card (debit card) services, credit cards repayment processing services; electronic banking business, agency issuance, underwriting and redemption of government bonds; certification of personal deposits; agency sales of fund products and personal wealth management products, and other agency services entrusted by the Bank.

In accordance with the Interim Administrative Measures for Institutional Agency of Postal Savings Bank of China (中國郵政儲蓄銀行代理營業機構管理暫行辦法) issued by the former CBIRC, all agency operations were provided by China Post Group under bases of fees determined in accordance with the Agency Banking Businesses Framework Agreement (代理營業機構委託代理銀行業務框架協定, the "Framework Agreement") and its supplemental agreements entered into between the Bank and China Post Group and its provincial branches.

For RMB deposit-taking services, the basis is computed based on the principle of "Fixed Rate, Scaled Fees Based on Deposit Type (固定費率、分檔計費)", i.e. different deposit agency fee rates are applicable to savings deposits with different maturities. The formula of calculating the scaled fees is as follows:

Monthly deposit agency fee at the relevant outlet = Σ (aggregate amount of deposit for each type of deposit at the outlet for the month $\times$ the respective deposit agency fee rate of the relevant type of deposit/365) – aggregate cash (including that in transit) for the month at the relevant outlet $\times$ 1.5%/365

The Bank pays deposit agency fee for agency RMB savings deposits received, net of cash reserves held by agency outlets and deposits in transit. The agency fee rates range from 0.000% to 1.868% since January 1, 2026.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(1) Agency banking services from China Post Group (continued)

To effectively manage the interest expenses and maintain a stable growth in deposit scale, the Bank has established relevant mechanisms to boost the deposit-taking, including the arrangements of interest cost-sharing for upward adjustments to deposit rates as well as incentives for deposit-taking. The Bank and China Post Group have agreed that the amount of deposit incentive shall not be higher than the payment by China Post Group under the interest cost sharing mechanism for rising interest rates of deposits in any circumstances.

The agency foreign currency deposit-taking business is insignificant, as such the Bank and China Post Group apply market rates such as the composite interest rate of the China Interbank Foreign Currency Market to determine the agency fee rate.

For intermediary business services performed by agency outlets such as settlement and sales services, the agency fees are determined based on the income from agency services net of agreed expenses.

		Six-month period ended June 30	
		2026	2025
Deposit agency fee and others	(i)	55,964	55,434
Fees for agency sales and other commissions	(ii)	3,283	4,152
Fees for agency savings settlement		2,757	3,002
Total		62,004	62,588

- (i)

For the six-month period ended June 30, 2026, deposit agency fee (including RMB and foreign currency deposit-taking business) cost amounted to RMB56,273 million (six-month period ended June 30, 2025: RMB58,088 million). The offsetting settlement amount of the Bank’s relevant mechanisms to boost deposit-taking was -RMB309 million (six-month period ended June 30, 2025: -RMB2,654 million). According to the netting arrangement between the Bank and China Post Group, deposit agency fee and other are settled and disclosed on a net basis.
- (ii)

The Bank firstly recognizes relevant fee and commission income (Note 4) in the condensed consolidated statement of profit or loss and other comprehensive income, and the same amount of the fee and commission will be payable by the Bank to China Post Group following the principle of “fee payable to the entity providing the service (誰辦理誰受益)”. Some agency income generated from sales for other insurance companies are settled with the Bank or directly with China Post Group according to the contract.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(2) Operating lease with China Post Group and its related parties

(a) Lease buildings, ancillary equipment and other properties

As lessor	Six-month period ended June 30	
	2026	2025

Buildings and other	18	18
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As lessee	Six-month period ended June 30	
	2026	2025

Buildings and other	432	423
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(b) Right-of-use assets and lease liabilities recognized by accepting leases provided by China Post Group and its related parties

As lessee	As at June 30, 2026	As at December 31, 2025
Right-of-use assets	2,054	1,947
Lease liabilities	1,996	1,891



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36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(3) Other comprehensive services and transactions with China Post Group and its related parties

(a) Revenue from rendering other comprehensive services to China Post Group and its related parties

		Six-month period ended June 30	
		2026	2025
Agency sales of insurance products	(i)	438	419
Comprehensive services rendered	(ii)	120	62
Business materials sold		2	4
Agency sales of precious metals		7	11
Total		567	496

(i) Agency sales of insurance products are income generated from agency service for China Post Life Insurance Co., Ltd. by directly-operated outlets of the Bank.

(ii) Comprehensive services rendered to China Post Group and its related parties include cash-in-transit and vault custody, equipment maintenance and other services.

(b) Expenditure from receiving other comprehensive services from China Post Group and its related parties

		Six-month period ended June 30	
		2026	2025
Comprehensive services received	(i)	474	439
Marketing services received		552	519
Goods purchased		118	420
Philatelic items purchased and mailing services received		31	25
Total		1,175	1,403

(i) Comprehensive services received from China Post Group and its related parties include cash-in-transit and vault custody, equipment maintenance, advertising, property management, training and other services.

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FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

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36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(4) Other transactions with China Post Group and its related parties

Balances		As at June 30, 2026	As at December 31, 2025
Assets			
Loans and advances to customers	(i)	416	377
Financial assets measured at FVTPL	(ii)	542	1,543
Financial assets measured at FVTOCI – debt instruments	(ii)	2,196	117
Financial assets measured at amortized cost	(ii)	1,040	1,041
Other assets		1,819	4,587
Liabilities			
Deposits from banks and other financial institutions	(i)	2,838	2,037
Customer deposits	(iii)	8,539	13,335
Other liabilities (Note 30)		162	337
Off-Balance Sheet Items			
Guarantees and letters of guarantee		84	1
Transactions		Six-month period ended June 30	
		2026	2025
Interest income		18	16
Interest expense		71	129
Fee and commission income		66	34
Fee and commission expense		6	5
Net trading gains		18	16
Net gains on investment securities		–	4



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in millions of RMB unless otherwise stated)

36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.1 Transactions with China Post Group, its subsidiaries, joint ventures and associates (continued)

(4) Other transactions with China Post Group and its related parties (continued)

- (i) As at June 30, 2026 and December 31, 2025, loans and advances to customers, deposits from banks and other financial institutions were mainly with companies under the common control of China Post Group.
- (ii) As at June 30, 2026, financial assets measured at FVTPL were mainly with China Post Group, financial assets measured at amortized cost and debt instruments measured at FVTOCI were mainly with China Post Group and China Post Securities Co., Ltd. (As at December 31, 2025, financial assets measured at FVTPL were mainly with China Post Group, financial assets measured at amortized cost were mainly with China Post Group and China Post Securities Co., Ltd., and debt instruments measured at FVTOCI were mainly with China Post Securities Co., Ltd.).
- (iii) As at June 30, 2026, RMB5,257 million of customer deposits were mainly with China Post Group (As at December 31, 2025: RMB9,826 million) while RMB3,282 million of customer deposits were mainly with associate and companies under the common control of China Post Group (As at December 31, 2025: RMB3,509 million). The interest rates of such customer deposits range from 0.05% to 1.58% as at June 30, 2026 (As at December 31, 2025: 0.05% to 1.65%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.2 Transactions with major shareholders of the Bank and their related parties

Balances		As at June 30, 2026	As at December 31, 2025
Assets			
Loans and advances to customers	(i)	1,059	1,042
Financial assets measured at FVTPL	(ii)	5,180	2,129
Financial assets measured at amortized cost	(ii)	622,469	284,806
Financial assets measured at FVTOCI – debt instruments	(ii)	38,835	54,365
Right-of-use assets		11	5
Other assets		3	2
Liabilities			
Customer deposits		4,116	4,401
Deposits from banks and other financial institutions		5	2
Lease liabilities		12	5
Other liabilities		186	99
Off-Balance Sheet Items			
Bank acceptances	(iii)	9	137
Guarantees and letters of guarantee		3,580	3,856
Letters of credit		11	11



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(All amounts in millions of RMB unless otherwise stated)

36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.2 Transactions with major shareholders of the Bank and their related parties (continued)

Transactions	Six-month period ended June 30	
	2026	2025
Interest income	6,027	4,009
Interest expense	29	37
Fee and commission income	98	59
Fee and commission expense	438	301
Net trading gains	54	59
Net other operating gains	1	1
Operating expenses	169	242

- (i) As at June 30, 2026 and December 31, 2025, loans and advances to customers were mainly with HKBN Group Limited.
- (ii) As at June 30, 2026 and December 31, 2025, financial assets measured at FVTPL, financial assets measured at FVTOCI – debt instruments, financial assets measured at amortized cost were mainly the balance of government bonds issued by the MOF directly held by the Group.
- (iii) Redemption commitment for government bonds is disclosed in Note 38.3 Redemption commitment for government bond.

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36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.3 Transactions with related parties arising from the connected persons of the Bank

Balances		As at June 30, 2026	As at December 31, 2025
Assets			
Loans and advances to customers	(i)	3,777	3,803
Financial assets measured at amortized cost	(ii)	1,045	1,030
Financial assets measured at FVTOCI – equity instruments	(iii)	710	570
Other assets		18	27
Liabilities			
Customer deposits	(iv)	4,450	5,100
Other liabilities		9	14
Transactions		Six-month period ended June 30	
		2026	2025
Interest income		78	80
Interest expense		56	75
Fee and commission income	(v)	1,633	1,687
Fee and commission expense	(v)	645	503
Operating expenses		2	16

- (i) As at June 30, 2026 and December 31, 2025, loans and advances to customers are mainly the balance of transactions with Overseas Chinese Town Group Co. Ltd.
- (ii) As at June 30, 2026 and December 31, 2025, Financial assets measured at amortized cost were mainly with Overseas Chinese Town Group Co. Ltd.
- (iii) As at June 30, 2026 and December 31, 2025, financial assets measured at FVTOCI – equity instruments were mainly with China UnionPay Co., Ltd.
- (iv) As at June 30, 2026 and December 31, 2025, customer deposits were mainly with China UnionPay Co., Ltd.
- (v) The net fee and commission income was mainly arising from the settlement and clearing with China UnionPay Co., Ltd. both during the six-month period ended June 30, 2026 and 2025.



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36 Relationship and transactions with related parties (continued)

36.3 Related party transactions (continued)

36.3.4 Transactions with connected persons of the Bank

Balances	As at June 30, 2026	As at December 31, 2025
Assets		
Loans and advances to customers	48	67
Other assets	3	2
Liabilities		
Customer deposits	217	207
Other liabilities	4	2
Off-Balance Sheet Items		
Unused credit card commitments	61	62
Transactions	Six-month period ended June 30	
	2026	2025
Interest income	1	1
Interest expense	1	1

36.3.5 The Group and other government related entities

Other than related party transactions disclosed above and also in other relevant notes, a significant part of the Group's banking transactions are entered into with government authorities, agencies, subsidiaries and other entities under control of state. These transactions are entered into under normal commercial terms and conditions and mainly include provision of credit and guarantee, deposits, foreign exchange transactions, derivative product transactions, agency services, underwriting and distribution of bonds issued by government authorities, purchase, sales and redemption of securities issued by government authorities.

The Group considers that these transactions are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are government authorities, agencies, subsidiaries and other entities under control of state.

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36 Relationship and transactions with related parties (continued)

36.4 Key management personnel compensation

Key management personnel are those persons having authorities and responsibilities for planning, directing and controlling the activities of the Group, directly or indirectly, including directors, supervisors and senior executives.

	Six-month period ended June 30	
	2026	2025
Key management personnel compensation	4	4

Part of the remuneration for key management personnel for the six-month period ended June 30, 2026 and 2025 is subject to performance assessment and has not yet been paid.

37 Structured entities

37.1 Unconsolidated structured entities managed by the Group

Unconsolidated structured entities managed by the Group consist primarily of collective investment vehicles formed to issue and distribute wealth management products (“WMP vehicles”) which are not subject to any guarantee by the Group in respect of the principal invested or returns to be paid (“non-principal-guaranteed WMPs”). The WMP vehicles invest in a range of fixed-yield assets, including money market instruments, debt securities and credit assets. As the manager of the WMPs, the Group invests, on behalf of its customers, the funds raised in the assets as described in the investment scheme related to each WMP and distributes the yield to investors based on product operation. The variable return earned by the Group under the non-principal-guaranteed WMPs is not significant, and therefore, these WMPs are not consolidated by the Group.

As at June 30, 2026 and December 31, 2025, the non-principal-guaranteed WMPs managed by the Group amounted to RMB1,438,897 million and RMB1,317,152 million, respectively. The Group's income generated from non-principal-guaranteed WMPs mainly consists of net fee and commission income (Note 4).

As at June 30, 2026, the Group held RMB1,357 million of non-principal-guaranteed WMPs managed by the Group (December 31, 2025: RMB1,239 million).



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37 Structured entities (continued)

37.2 Unconsolidated structured entities invested by the Group

The Group invests in unconsolidated structured entities issued and/or managed by other institutions, and recognizes interest income, net trading gains and net gains on investment securities therefrom. These structured entities mainly comprise fund investments, trust investment plans, asset management plans, asset-backed securities and other debt instruments, etc. The nature and purpose of the structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issuance of investment products to investors.

As at June 30, 2026 and December 31, 2025, the Group's maximum exposure to these unconsolidated structured entities was summarized in the table below:

	As at June 30, 2026		Total
	Financial assets measured at FVTPL	Financial assets measured at amortized cost	
Fund investments	567,177	–	567,177
Trust investment plans and asset management plans	8,101	2,512	10,613
Asset-backed securities	7,866	81,634	89,500
Total	583,144	84,146	667,290

	As at December 31, 2025		Total
	Financial assets measured at FVTPL	Financial assets measured at amortized cost	
Fund investments	525,778	–	525,778
Trust investment plans and asset management plans	8,877	4,550	13,427
Asset-backed securities	7,960	85,916	93,876
Total	542,615	90,466	633,081

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37 Structured entities (continued)

37.2 Unconsolidated structured entities invested by the Group (continued)

No open market information was readily available for the overall scale of those unconsolidated structured entities mentioned above.

For the six-month period ended June 30, 2026 and 2025, the income from these unconsolidated structured entities earned by the Group was as follows:

	Six-month period ended June 30	
	2026	2025
Interest income	848	1,104
Net gains on investment securities	6,288	10,353
Net trading gains	35	1
Total	7,171	11,458

37.3 Consolidated structured entities held by the Group

Structured entities consolidated by the Group include certain asset management plans and WMPs issued, managed and/or invested by the Group. The Group controls these entities because the Group has power over the entities, is exposed to, or has rights to variable returns from its involvement with these entities, and has the ability to use its power over these entities to affect the amount of the Group's variable returns.

38 Contingent liabilities and commitments

38.1 Capital commitments

	As at June 30, 2026	As at December 31, 2025
Contracts signed but not executed	4,052	5,141

The Group's capital commitments are contracts signed but not executed, which mainly include purchase of property and equipment, and renovation works.



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38 Contingent liabilities and commitments (continued)

38.2 Collateral

Assets pledged as collaterals

Certain assets held by the Group were pledged as collaterals under repurchase agreements. Such transactions were conducted in accordance with normal business terms and conditions.

	As at June 30, 2026	As at December 31, 2025
Debt securities	182,336	88,368
Bills	12,305	13,436
Total	194,641	101,804

In addition, some of the debt securities held by the Group were pledged as collaterals for businesses other than repurchase agreements. As at June 30, 2026, the carrying amount of debt securities pledged as collaterals amounted to RMB205,805 million (December 31, 2025: RMB162,108 million).

Collaterals received

Collaterals under loans and advances to customers mainly include land use rights and buildings. The Group has not resold or re-pledged these collaterals in the absence of default by the owners of the collateral. As at June 30, 2026, the Group's exposure to credit-impaired loans and advances to customers covered by corresponding collateral was RMB50,617 million (December 31, 2025: RMB45,908 million).

Collaterals under certain deposits with banks mainly include bonds issued by Chinese government, local government or policy banks. The Group has not resold or re-pledged these collaterals which the owners of the pledged properties have not breached the contracts.

Financial assets held under resale agreements are mainly collateralized by debt securities and bills. As part of certain resale agreements, the Group obtains debt securities or bills from counterparts which could be resold or re-pledged as collaterals during the business operation of financial assets held under resale agreements from banks. As at June 30, 2026, the Group did not obtain debt securities as collateral that can be resold or re-pledged from counterparties under the business (December 31, 2025: nil). As at June 30, 2026, the principal amount of the bills accepted by the Group that can be resold or repledged was RMB5,341 million (December 31, 2025: nil).

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38 Contingent liabilities and commitments (continued)

38.3 Redemption commitment for government bonds

The Group is entrusted by the MOF to underwrite certain treasury bonds. The investors of the treasury bonds have the right to redeem the bonds at any time prior to maturity and the Group is committed to honor such redemption requests. The MOF will not effect immediate settlement with the Group in respect of such bonds that have been early redeemed by the investors through the Group, but will settle the principal and interest in a lump sum upon maturity or at periodic settlement dates. The redemption price is the face value of the treasury bonds underwritten and sold plus unpaid interest in accordance with the terms of the early redemption arrangement.

As at June 30, 2026, the nominal value of treasury bonds the Group was obligated to redeem was RMB167,778 million (December 31, 2025: RMB159,237 million). The original maturities of these bonds range from 1 to 5 years. Management of the Group expects the amount of redemption before the maturity dates of these bonds will not be material.

38.4 Lawsuits and claims

The Group was involved in a number of lawsuits and claims during its normal course of business. As at June 30, 2026, provisions of RMB367 million were made by the Group (December 31, 2025: RMB3,138 million) based on court judgments or advice of legal counsel, and included in Note 30(2) Provisions. Management of the Group believes that the final result of these lawsuits and claims will not have a material impact on the financial position or operations of the Group.



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38 Contingent liabilities and commitments (continued)

38.5 Credit commitments

	As at June 30, 2026	As at December 31, 2025
Loan commitments		
– With an original maturity of less than 1 year	–	–
– With an original maturity of 1 year or above	9,580	18,103
Subtotal	9,580	18,103
Bank acceptances	395,050	257,317
Guarantees and letters of guarantee	157,253	149,159
Letters of credit	235,090	175,982
Unused credit card commitments	510,617	485,823
Total	1,307,590	1,086,384

Credit commitments of the Group mainly include unused limits for credit cards and general credit facilities granted to customers. These general credit facilities may be drawn in the form of loans or through the issuance of letters of credit, guarantees and letters of guarantee or bank acceptances.

As at June 30, 2026 and December 31, 2025, the credit risk exposure of the credit commitments was mainly in Stage 1.

38.6 Credit risk-weighted amounts for credit commitments

	As at June 30, 2026	As at December 31, 2025
Credit commitments	337,519	303,411

The credit risk-weighted amounts for credit commitments are based on positions of the counterparties and maturity characteristics, etc.

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39 Transfers of financial assets

The Group enters into transactions during the normal course of business by which it transfers recognized financial assets to third parties or to special purpose trusts. In some cases these transfers may give rise to full or partial derecognition of the financial assets concerned as such transfers of financial assets meet the derecognition criteria in full or in part. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognize the transferred assets.

39.1 Outright repurchase agreements

The Group has entered into the following repurchase agreements, and the recourse rights of the counterparties are not limited to the transferred assets. The Group does not derecognize financial assets transferred as collateral in connection with repurchase agreements.

	As at June 30, 2026	As at December 31, 2025
Carrying amount of the collateral	107,398	169,462
Financial assets sold under repurchase agreements	(100,675)	(157,989)

39.2 Securities lending transactions

Counterparties are allowed to sell or repledge securities lent under securities lending agreements in the absence of any default by the Group, but at the same time, they have an obligation to return such securities upon the maturity of the securities lending agreements. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. As at June 30, 2026, the carrying amount of assets transferred by the Group in securities lending transactions was RMB31,062 million (December 31, 2025: RMB23,768 million).



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39 Transfers of financial assets (continued)

39.3 Credit assets securitization

The Group enters into securitization transactions during the normal course of business by which it transfers credit assets to special purpose trusts which in turn issues asset-backed securities to investors. The Group may acquire some asset-backed securities and fund shares at the senior and subordinated tranche level. Accordingly, the Group may retain parts of the risks and rewards of the transferred credit assets. The Group would determine whether or not to derecognize the associated credit assets by evaluating the extent to which it transfers the risks and rewards of the assets.

With respect to the credit assets that are securitized and qualified for derecognition, the Group derecognizes the transferred credit assets in their entirety. For the six-month period ended June 30, 2026, the face value at the date of transfer of the original credit assets was RMB15,400 million (for the six-month period ended June 30, 2025: RMB11,685 million). As the Group substantially transferred all the risks and rewards of these credit assets, the full amount of such securitized credit assets were derecognized.

In the cases that the Group has neither transferred nor retained substantially all the risks and rewards of the transferred credit assets, and for which the Group retains control, the Group recognizes an asset in the consolidated statement of financial position to the extent of the Group's continuing involvement in the transferred assets. The extent of the Group's continuing involvement is the degree to which the Group is exposed to risks and rewards arising from changes in the value of such assets. For the six-month period ended June 30, 2026, there were no new securitised credit assets in which the Group retained the continuing involvement (for the six-month period ended June 30, 2025: nil). The carrying amount of the continuing involvement assets and the corresponding continuing involvement liabilities, which were recognized in other assets and other liabilities in the consolidated statement of financial position, were both RMB3,565 million as at June 30, 2026 (December 31, 2025: RMB3,917 million). The Group also recognized other assets and other liabilities of the same amount arising from such continuing involvement. The Group acts as a credit service provider of the special purpose trusts, manages the credit assets transferred to the special purpose trusts, and collects the corresponding fee as the loan asset manager. For the six-month ended June 30, 2026 and the year 2025, the Group did not provide any financial support to these special purpose trusts.

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40 Segment analysis

40.1 Operating segment

The Group manages the business from both a business and geographic perspective. From the business perspective, the Group provides services through four main operating segments listed below:

Personal banking

The personal banking segment covers the provision of financial products and services to individual customers. The products and services include savings deposit-taking, personal loans, credit cards and debit cards, payments and settlements, wealth management products, agency sales of funds, insurance agency services, etc.

Corporate banking

The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include current account settlement, deposits, overdrafts, loans, trade related products and other credit facilities, foreign currency, and wealth management products, etc.

Treasury

This segment covers businesses including deposits and placements with banks and other financial institutions, interbank borrowings and lendings, repurchase and resale transactions, bills, various debt instrument investments and equity instrument investment, etc. The issuance of bond securities also falls into this segment.

Others

This segment includes items that are not attributed to the above segments or cannot be allocated on a reasonable basis.

The management of the Group monitors operating results of each segment for the purposes of resource allocation and assessment of segment performance. The accounting policies of the operating segments are the same as the Group's accounting policies when preparing segment financial information.



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40 Segment analysis (continued)

40.1 Operating segment (continued)

	Six-month period ended June 30, 2026				
	Personal banking	Corporate banking	Treasury	Others	Total
Interest income from external customers	80,555	70,479	86,593	–	237,627
Interest expense to external customers	(72,697)	(10,117)	(7,666)	–	(90,480)
Intersegment net interest income/(expense)	101,013	(21,279)	(79,734)	–	–
Net interest income	108,871	39,083	(807)	–	147,147
Net fee and commission income	8,517	8,216	2,249	–	18,982
Net trading gains	–	–	974	–	974
Net gains on investment securities	–	194	12,203	–	12,397
Net gains on derecognition of financial assets measured at amortized cost	1,766	–	11,735	–	13,501
Share of results of associates	–	–	–	36	36
Net other operating gains	149	(282)	(549)	170	(512)
Operating expenses	(78,431)	(13,409)	(9,809)	2,640	(99,009)
Credit impairment losses	(32,948)	(5,474)	2,393	–	(36,029)
Impairment losses on other assets	(4)	–	–	–	(4)
Profit before income tax	7,920	28,328	18,389	2,846	57,483
Supplementary information					
Depreciation and amortization	4,435	1,214	89	–	5,738
Capital expenditures	2,870	792	33	–	3,695

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40 Segment analysis (continued)

40.1 Operating segment (continued)

	As at June 30, 2026				
	Personal banking	Corporate banking	Treasury	Others	Total
Segment assets	5,283,479	5,199,781	9,261,729	782	19,745,771
Deferred tax assets					70,207
Total assets					19,815,978
Segment liabilities	(15,342,527)	(2,302,711)	(971,418)	(568)	(18,617,224)
Deferred tax liabilities					(48)
Total liabilities					(18,617,272)
Supplementary information					
Credit commitments	510,617	796,973	–	–	1,307,590



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40 Segment analysis (continued)

40.1 Operating segment (continued)

	Six-month period ended June 30, 2025				
	Personal banking	Corporate banking	Treasury	Others	Total
Interest income from external customers	89,925	64,608	87,125	–	241,658
Interest expense to external customers	(85,432)	(10,535)	(6,633)	–	(102,600)
Intersegment net interest income/(expense)	101,884	(20,441)	(81,443)	–	–
Net interest income	106,377	33,632	(951)	–	139,058
Net fee and commission income	8,120	7,033	1,765	–	16,918
Net trading gains	–	–	1,621	–	1,621
Net gains on investment securities	–	100	13,208	–	13,308
Net gains on derecognition of financial assets measured at amortized cost	2,343	–	6,142	–	8,485
Share of results of associates	–	–	–	7	7
Net other operating gains	85	(19)	(70)	132	128
Operating expenses	(77,551)	(12,186)	(9,862)	(209)	(99,808)
Credit impairment losses	(30,317)	7,678	924	–	(21,715)
Impairment losses on other assets	(4)	–	–	–	(4)
Profit before income tax	9,053	36,238	12,777	(70)	57,998
Supplementary information					
Depreciation and amortization	4,394	1,110	103	–	5,607
Capital expenditures	3,344	855	36	–	4,235

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40 Segment analysis (continued)

40.1 Operating segment (continued)

	As at December 31, 2025				
	Personal banking	Corporate banking	Treasury	Others	Total
Segment assets	5,244,812	4,565,453	8,805,613	764	18,616,642
Deferred tax assets					65,425
Total assets					18,682,067
Segment liabilities	(14,847,248)	(1,896,845)	(775,682)	70	(17,519,705)
Deferred tax liabilities					(17)
Total liabilities					(17,519,722)
Supplementary information					
Credit commitments	485,823	600,561	–	–	1,086,384

40.2 Geographical segment

Geographical segments, as defined for management reporting purposes, are as follows:

- Head Office;
- “Yangtze River Delta”: Shanghai Municipality, Jiangsu Province, Zhejiang Province and Ningbo;
- “Pearl River Delta”: Guangdong Province, Shenzhen, Fujian Province and Xiamen;
- “Bohai Rim”: Beijing Municipality, Tianjin Municipality, Hebei Province, Shandong Province and Qingdao;
- “Central China” region: Shanxi Province, Henan Province, Hubei Province, Hunan Province, Anhui Province, Jiangxi Province and Hainan Province;
- “Western China” region: Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Xizang Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Autonomous Region and Xinjiang Autonomous Region;
- “Northeastern China” region: Liaoning Province, Heilongjiang Province, Jilin Province and Dalian.



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40 Segment analysis (continued)

40.2 Geographical segment (continued)

	Six-month period ended June 30, 2026							Total
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	
Interest income from external customers	93,083	31,509	21,386	21,863	35,024	28,167	6,595	237,627
Interest expense to external customers	(5,496)	(15,431)	(7,469)	(13,862)	(26,085)	(16,456)	(5,681)	(90,480)
Intersegment net interest income/(expense)	(95,751)	11,178	5,697	15,571	33,793	20,646	8,866	-
Net interest income	(8,164)	27,256	19,614	23,572	42,732	32,357	9,780	147,147
Net fee and commission income	682	3,832	2,580	4,037	4,227	3,016	608	18,982
Net trading gains	974	-	-	-	-	-	-	974
Net gains on investment securities	10,758	692	152	332	338	197	(72)	12,397
Net gains on derecognition of financial assets measured at amortized cost	11,619	372	773	136	318	240	43	13,501
Share of results of associates	-	-	-	36	-	-	-	36
Net other operating gains	(912)	48	98	116	74	62	2	(512)
Operating expenses	(5,778)	(14,696)	(10,228)	(14,195)	(26,993)	(20,426)	(6,693)	(99,009)
Credit impairment losses	7,932	(8,669)	(12,017)	(4,768)	(9,696)	(6,785)	(2,026)	(36,029)
Impairment losses on other assets	-	-	-	-	-	-	(4)	(4)
Profit before income tax	17,111	8,835	972	9,266	11,000	8,661	1,638	57,483
Supplementary information								
Depreciation and amortization	1,215	752	579	895	993	974	330	5,738
Capital expenditures	1,808	149	412	664	324	290	48	3,695

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40 Segment analysis (continued)

40.2 Geographical segment (continued)

	As at June 30, 2026								Total
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Eliminations	
Segment assets	11,230,331	3,257,765	1,868,751	3,049,450	5,896,999	3,943,987	1,312,801	(10,814,313)	19,745,771
Deferred tax assets									70,207
Total assets									19,815,978
Segment liabilities	(10,150,740)	(3,238,834)	(1,861,801)	(3,025,720)	(5,886,680)	(3,936,401)	(1,311,354)	10,794,306	(18,617,224)
Deferred tax liabilities									(48)
Total liabilities									(18,617,272)
Supplementary information									
Credit commitments	510,617	160,709	155,028	198,970	151,771	111,105	19,390	-	1,307,590



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40 Segment analysis (continued)

40.2 Geographical segment (continued)

	Six-month period ended June 30, 2025							
	Yangtze							Total
	Head office	river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	
Interest income from external customers	93,586	31,685	22,644	22,457	36,374	27,910	7,002	241,658
Interest expense to external customers	(4,710)	(17,625)	(8,775)	(15,770)	(30,020)	(19,135)	(6,565)	(102,600)
Intersegment net interest income/(expense)	(104,833)	12,410	6,168	17,064	36,692	23,129	9,370	-
Net interest income	(15,957)	26,470	20,037	23,751	43,046	31,904	9,807	139,058
Net fee and commission income	410	3,534	2,385	3,529	3,775	2,667	618	16,918
Net trading gains	1,621	-	-	-	-	-	-	1,621
Net gains on investment securities	12,125	433	126	234	242	132	16	13,308
Net gains on derecognition of financial assets measured at amortized cost	6,177	634	712	76	437	376	73	8,485
Share of results of associates	-	-	-	7	-	-	-	7
Net other operating gains	(369)	86	173	63	94	52	29	128
Operating expenses	(6,104)	(14,463)	(10,277)	(14,030)	(27,396)	(20,514)	(7,024)	(99,808)
Credit impairment losses	10,151	(7,081)	(7,940)	(4,141)	(6,673)	(4,541)	(1,490)	(21,715)
Impairment losses on other assets	-	-	-	-	-	(4)	-	(4)
Profit before income tax	8,054	9,613	5,216	9,489	13,525	10,072	2,029	57,998
Supplementary information								
Depreciation and amortization	1,086	778	576	889	991	958	329	5,607
Capital expenditures	1,411	293	333	487	1,015	564	132	4,235

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40 Segment analysis (continued)

40.2 Geographical segment (continued)

	Year ended December 31, 2025								Total
	Head office	Yangtze river delta	Pearl river delta	Bohai rim	Central China	Western China	Northeastern China	Eliminations	
Segment assets	10,727,956	3,053,981	1,774,146	2,900,447	5,602,941	3,757,182	1,278,719	(10,478,730)	18,616,642
Deferred tax assets									65,425
Total assets									18,682,067
Segment liabilities	(9,698,185)	(3,041,873)	(1,763,803)	(2,874,228)	(5,588,153)	(3,744,621)	(1,277,523)	10,468,681	(17,519,705)
Deferred tax liabilities									(17)
Total liabilities									(17,519,722)
Supplementary information									
Credit commitments	485,823	130,816	105,999	142,441	113,535	92,725	15,045	-	1,086,384

41 Financial risk management

41.1 Overview

The Group adheres to a prudent and sound risk appetite and establishes management objectives for all major types of risks that align with the strategic positioning of the Group, the Bank and its subsidiaries. With emphasis on prudent operations, the Group aims to assume moderate risks, strike a balance among appropriate scale, moderate growth pace and sound quality, and ensure that risk-adjusted returns and capital adequacy are maintained at a sound level.

The risks to which the Group is exposed to mainly include credit risk, market risk, interest rate risk in the banking book, liquidity risk and operational risk, etc.

This section describes the Group's position with respect to the above risk exposures, and the Group's objectives, policies and procedures in measuring and managing those risk exposures, as well as the Group's capital management.



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41 Financial risk management (continued)

41.2 Framework of financial risk management

The Group's Board of Directors assumes ultimate responsibility for comprehensive risk management. It is responsible for establishing the risk culture; formulating and approving risk management strategies; setting and approving the risk appetite and ensuring the establishment of risk limits; reviewing and approving major risk management policies and procedures; monitoring comprehensive risk management implemented by the senior management; reviewing comprehensive risk management reports; reviewing and approving the aggregation of risk data and the risk reporting framework, ensuring adequate resource support, regularly receiving thematic reports, and fully understanding and grasping the progress of the aggregation of risk data and risk reporting work; reviewing and approving disclosure of comprehensive risks and various significant risks; appointing the Chief Risk Officer or other senior management personnel to take the lead in comprehensive risk management; and performing other duties related to risk management.

The Group's senior management assumes the responsibility for the implementation of comprehensive risk management and implements the resolutions of the Board of Directors. It is responsible for setting up the operation and management structure in line with the requirements of comprehensive risk management, clarifying the division of responsibilities among functional departments responsible for comprehensive risk management, business departments and other departments in risk management, and establishing an operational mechanism that ensures cross-departmental coordination and effective checks and balances; formulating a clear execution and accountability mechanism to ensure adequate communication and effective implementation of risk management strategies, risk appetite and risk limits; setting risk limits according to risk appetite determined by the Board of Directors, including but not limited to dimensions such as industry, region, customer, product, etc.; formulating risk management policies and procedures, evaluating them regularly, and adjusting them when necessary; establishing a risk data aggregation and reporting system covering all material risk areas; assessing overall risks and the management of various material risks, and reporting to the Board of Directors; establishing a sound management information system and a data quality control mechanism; overseeing breaches of risk appetite, risk limits and violations of risk management policies and procedures, and dealing with them under the authorization of the Board of Directors; and assuming other responsibilities of risk management.

41.3 Credit risk

Credit risk refers to the risk of loss caused by the default or the deterioration of credit rating and repayment ability of the debtor or the counterparty.

The main sources of the Group's credit risk include: loans, treasury business (including deposits and placements with banks and other financial institutions, resale agreement, debt securities issued by corporates and financial institutions, inter-bank investments, etc.), off-balance sheet credit business (including guarantees, commitments, etc.).

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41 Financial risk management (continued)

41.3 Credit risk (continued)

The organizational structure of the Group on credit risk management is as follows: the Board of Directors takes the ultimate responsibilities for credit risk management, while the senior management undertakes the responsibilities for implementation of credit risk management, and for the implementation of resolutions approved by the Board of Directors on credit risk; Under the senior management, the Risk Management Committee and Credit Business Approval Committee are responsible for credit risk management and approving credit extension within the scope of authorization respectively; each business department shall bear the primary responsibility for credit risk mitigation, and implementation of policies, standards and requirements of credit risk management in its own field of business in accordance with the segregation of duties among different functions; departments of credit management, risk management, credit approval, internal control and compliance, legal affairs and others are responsible for the overall planning, supervision and review of credit risk management and mitigation, of which the Credit Management Department is the leading department of credit risk management, and the Internal Audit Department supervises each department's performance of duties in credit risk management independently and objectively.

(1) Loans and advances to customers, loan commitments and financial guarantee contracts

The risk on loan portfolio refers to the risk of uncertain income or loan losses due to failure of a borrower to repay the principal and interest in full upon maturity of a loan. Given the loan portfolio is a major component of the Group's assets, risk on the loan portfolio is considered as a principal credit risk.

(2) Debt securities and other debt instruments

Credit risks on debt securities and other debt instruments arising from changes in credit spreads, default rates, loss ratios and credit quality of underlying assets.

The Group adopts a prudent approach in making debt securities investments by focusing on low-risk debt securities, including government bonds and bonds issued by financial institutions. Other debt instruments are mainly trust investment plans and assets management plans.

The Group implements a rating-based access system on the issuers of corporate bonds and other debt instruments, and performs ongoing post-lending monitoring on a timely basis.

(3) Interbank financing business

The Group manages the credit quality by considering the size, financial position and the internal and external credit rating of those banks and financial institutions.



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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.1 Expected credit loss measurement

The Group has applied ECL models to measure the impairment of debt instruments measured at amortized cost and at FVTOCI, as well as credit commitments.

Based on whether a significant increase in credit risk has occurred since initial recognition of a financial instrument or becoming credit impaired, the Group will classify credit risk exposures into three stages to calculate the ECL.

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition, measured by the changes of default risk over their expected life. These changes have been determined by comparing the default risk at the end of the reporting period and at the date of initial recognition.

Stage 3 includes financial instruments that are credit-impaired.

The Group could assess impairment allowance through either the ECL models or discounted cash flow method.

The Group has incorporated forward-looking information for measuring ECL and constructed complicated models involving substantial management judgements and assumptions, mainly including the following:

- Grouping of risks;
- Significant increase in credit risk;
- Definition of default and credit-impaired;
- Descriptions of parameters, assumptions and estimation techniques;
- Forward-looking information;
- Management overlay;
- The estimated future cash flows for loans and advances to customers as well as financial investments which applied discounted cash flow method.

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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.1 Expected credit loss measurement (continued)

(1) Grouping of risks

For measurement of ECL, the credit risk exposures will be segmented based on similar credit risk characteristics. In determination of the portfolio segmentation of credit assets, the Group considers the type of borrower, type of product, and industry, etc. The segmentation of portfolio is regularly monitored and reviewed to ensure the appropriateness and reliability of credit risk segmentation.

(2) Significant Increase in credit risk (SICR)

At the end of each reporting period, the Group evaluates whether a SICR of related financial instruments has occurred since initial recognition, which mainly includes: impacts of regulation and operating environment, changes in internal and external credit rating, insolvency, business performance, loan contractual terms, etc. Based on individual financial instrument or financial instrument portfolios with similar credit risk characteristics, the Group determines changes of the default risk by comparing the risk at the end of each reporting period with that at the date of initial recognition.

The Group has set up both quantitative and qualitative standards according to the different features of credit risk associated with the financial assets as well as the current status of risk management initiatives. In determining whether a significant increase in credit risk of financial assets has occurred, the Group mainly considers whether the internal credit rating has been downgraded by more than a certain scale and has reached a certain threshold since initial recognition, whether there has been an adverse change of risk classification, and whether principal or interest has been more than 30 days past due, etc.

(3) Definition of default and credit-impaired

The Group considers a financial instrument as in default or being credit-impaired when it meets one or more of the following criteria, including whether principal or interest has been more than 90 days past due, and whether the risk classification of the credit risk exposure has been downgraded below a certain category or the internal credit rating has been downgraded below a certain threshold, etc.



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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.1 Expected credit loss measurement (continued)

(4) Descriptions of parameters, assumptions, and estimation techniques

ECL is measured on either a 12-month (12M) or lifetime basis depending on whether a SICR has occurred since initial recognition and whether an asset is considered being credit-impaired. ECL derived from the discounted value of the multiplication of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD).

Related definitions are as follows:

The PD represents the likelihood of a borrower breaching the contractual terms or defaulting on its financial obligation over a specific time, either the next 12 months, or the remaining lifetime of the obligation. The Group's PD has adopted the results of internal rating model, or for financial asset that does not use this model, historical analysis is adopted, where the historical default records are calculated by historical data of asset portfolios with similar credit risk characteristics, incorporating forward-looking information, to reflect the PD at a specific point in time under the current macroeconomic environment.

LGD refers to the ratio of the expected loss in the total amount of the loan portfolios, which is the extent of loss on a default. The Group's LGD is calculated by internal rating model. For financial asset that does not use this model, historical analysis is adopted, where the loss of default has been calculated over the next 12 months or over the remaining lifetime from the time of default. The assessment is on an individual basis by customer type, guarantee method, and historical non-performing loan collection experience, etc.

EAD refers to the total amount of on- and off-balance sheet exposures in the event of default.

The Group estimates PD, LGD and EAD of each portfolio in the future to calculate the ECL. The Group multiplies the three and adjusts their expected life (such as default), and discount and aggregate the calculation result of each period to determine the ECL. The discount rate used in the ECL calculation is the effective rate or its approximate value.

The Group periodically monitors the related assumptions concerning the calculation of ECL and makes necessary updates and adjustments.

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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.1 Expected credit loss measurement (continued)

(5) Forward-looking information

The calculation of ECL incorporates forward-looking information. The Group performs historical analysis and has identified the key economic variables impacting credit risk and ECL for each portfolio, mainly including Gross Domestic Product ("GDP"), Consumer Price Index, Consumer Confidence Index, etc.

These economic variables and their associated impacts on PD and LGD vary by segmentation of portfolios. Expert judgement has also been applied in this process. Forecasts of these economic variables (the "baseline economic scenario") are made by the Group regularly, and the relationship between these economic variables and PD and LGD is identified through performing statistical regression analysis with the purpose of understanding the impact that the historical changes of these variables that might have on PD and LGD.

The Group has adopted three economic scenarios (Base, Upside and Downside) and applied weightings for them respectively, on the basis of a combination of the macroeconomic information, statistical analysis and expert judgement. As at June 30, 2026, the highest weighting is assigned to Base scenario, while weightings of Upside and Downside were not higher than 30% respectively.

As at June 30, 2026, the Group considers the macroeconomy by referring to the prediction of internal and external authoritative experts to determine the base scenario. Under the base scenario, the growth rate of GDP is predicted in the range of 4.5%-5.0%. Forecast GDP growth value under the upside and downside scenarios had been determined by moving up and down, by a certain degree, from the base scenario forecast.

The Group periodically reviews and monitors the appropriateness of the above assumptions, and makes necessary updates and adjustments.

Relatively substantial management judgements are involved in the weighting scheme of macroeconomic scenarios, macroeconomic forecasts, and significant increase in credit risk in ECL models. The variation of key inputs above will inevitably lead to changes in ECL as a result of model's inherent complexity. The Group has analyzed sensitivity of ECL model by considering the fluctuation of macroeconomic forecasts.

Assuming year-over-year growth in GDP, the core macroeconomic forecasting indicator, would increase or decrease by 10%, the absolute change rate of the balance of loss allowance as at June 30, 2026 would be no more than 5%.



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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.1 Expected credit loss measurement (continued)

(6) Management Overlay

Taking into account inherent limitations of ECL models and temporary systematic risk factors, the Group has accrued additional loss allowance in response to potential risk and improved its risk compensation capability. The amount of management overlay adjustments was not material as compared to the total balance of loss allowance as at June 30, 2026.

(7) The estimated future cash flows for loans and advances to customers as well as financial investments which applied discounted cash flow method

At each measurement date, the Group projects the future cash inflows of each future period related to the financial assets. The cash flows are discounted and aggregated to determine the present value of the assets' future cash flows.

(8) Write-off policy

The Group writes off financial assets, in full or in part, when it has taken all necessary recovery efforts and is still not capable of reasonably expecting to recover partial or all the financial assets. The Group may write-off financial assets that are still subject to enforcement activities. The outstanding amounts of such assets written off by the Group during the six-month period ended June 30, 2026 were RMB13,409 million (for the six-month period ended June 30, 2025: RMB17,320 million).

(9) The modification of contractual cash flows

In order to minimize the credit loss, the Group may renegotiate the terms of the contract with borrowers that have deteriorated in financial position, or are unable to meet their original repayment schedule, which include concessions given by the Group that would not otherwise be granted to these borrowers for economic or legal reasons relating to their financial difficulties. Such contract modifications may include terms of loan, repayment schedule or interest rate. Based on the management's judgement of the borrowers' repayment possibility, the Group has formulated specific rescheduled loan policy and practice, and reviewed the policy continuously. Rescheduled loans should be upgraded with an observation period to reach the corresponding stage classification criteria, and the observation period should contain at least 2 consecutive repayment periods and not be less than 1 year. As at June 30, 2026, the amount of the rescheduled loans and advances to customers of the Group was RMB36,153 million (as at December 31, 2025: RMB26,487 million).

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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.2 Credit risk limit control and mitigation policy

In accordance with risk policies and limits, the risk management and business departments of the Group enhanced risk management policies and procedures to optimize business processes and monitor the implementation of risk control indicators.

To mitigate risks, the Group requires customers to provide collateral or guarantees when appropriate. The Group has established guidelines for the acceptability of specific types of collateral, and set up a collateral management system to standardize the collateral operation process. At the same time, the value, structure and legal documents of the collateral are regularly reviewed by the Group to ensure its validity and conform to market practices.

41.3.3 Credit risk exposures

(1) Maximum credit risk exposures

The table below presents the Group's maximum credit risk exposures before considering any collaterals or other credit enhancements as at June 30, 2026 and December 31, 2025 respectively. For on-balance sheet assets, the maximum credit risk exposures are presented at their net carrying amounts on the consolidated statement of financial position.

	As at June 30, 2026	As at December 31, 2025
Deposits with central bank	1,361,098	1,275,093
Deposits with banks and other financial institutions	347,023	391,408
Placements with banks and other financial institutions	341,236	413,827
Derivative financial assets	8,765	3,604
Financial assets held under resale agreements	263,432	510,890
Loans and advances to customers	10,046,641	9,440,874
Financial investments		
Financial assets measured at FVTPL – debt instruments	1,086,473	958,838
Financial assets measured at FVTOCI – debt instruments	576,410	704,440
Financial assets measured at amortized cost	5,482,708	4,688,443
Other financial assets	33,516	37,969
Subtotal	19,547,302	18,425,386
Credit commitments	1,307,590	1,086,384
Total	20,854,892	19,511,770



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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.4 Loans and advances to customers

(1) Loans and advances to customers by geographical region:

	As at June 30, 2026		As at December 31, 2025	
	Amount	Proportion	Amount	Proportion
Head Office	216,345	2%	232,043	2%
Central China	2,446,654	24%	2,318,268	24%
Yangtze River Delta	2,300,129	22%	2,124,522	22%
Western China	1,875,952	18%	1,753,028	18%
Bohai Rim	1,658,691	16%	1,546,375	16%
Pearl River Delta	1,289,580	13%	1,209,552	13%
Northeastern China	479,598	5%	464,528	5%
Total	10,266,949	100%	9,648,316	100%

(2) Loans and advances to customers by types:

	As at June 30, 2026		As at December 31, 2025	
	Amount	Proportion	Amount	Proportion
Personal loans and advances	4,907,354	48%	4,844,585	50%
Corporate loans and advances				
Including:				
Corporate loans	4,874,658	47%	4,272,975	44%
Discounted bills	484,937	5%	530,756	6%
Total	10,266,949	100%	9,648,316	100%

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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.4 Loans and advances to customers (continued)

(3) Loans and advances to customers by industries:

	As at June 30, 2026		As at December 31, 2025	
	Amount	Proportion	Amount	Proportion
Personal loans and advances				
Consumer loans				
– Residential mortgage loans	2,337,539	23%	2,373,341	25%
– Other consumer loans	652,148	6%	642,705	6%
Personal small and micro loans	1,728,252	17%	1,619,112	17%
Credit card overdrafts and others	189,415	2%	209,427	2%
Subtotal	4,907,354	48%	4,844,585	50%
Corporate loans and advances				
Transportation, storage and postal services	884,405	9%	829,327	9%
Manufacturing	752,653	7%	662,912	7%
Water conservancy, environmental and public facilities management	587,864	6%	444,503	5%
Leasing and commercial services	497,194	5%	396,265	4%
Wholesale and retail	474,206	5%	366,656	4%
Real estate	353,121	3%	347,818	4%
Production and supply of electricity, heating, gas and water	335,352	3%	310,850	3%
Financial services	331,501	3%	336,744	3%
Construction	251,236	2%	234,635	2%
Mining	123,047	1%	106,991	1%
Other industries	284,079	3%	236,274	2%
Subtotal	4,874,658	47%	4,272,975	44%
Discounted bills	484,937	5%	530,756	6%
Total	10,266,949	100%	9,648,316	100%



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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.4 Loans and advances to customers (continued)

(4) Loans and advances to customers by types of collateral:

	As at June 30, 2026		As at December 31, 2025	
	Amount	Proportion	Amount	Proportion
Unsecured loans	3,254,976	32%	2,849,338	30%
Guaranteed loans	1,340,584	13%	1,092,870	11%
Loans secured by mortgages	4,145,093	40%	4,190,454	43%
Loans secured by pledges	1,041,359	10%	984,898	10%
Discounted bills	484,937	5%	530,756	6%
Total	10,266,949	100%	9,648,316	100%

(5) Overdue loans and advances to customers:

Overdue loans and advances to customers by types of collateral and overdue status are as follows:

	As at June 30, 2026				Total
	Overdue for 1 to 90 days (including 90 days)	Overdue for 91 days to 1 year (including 1 year)	Overdue for 1 to 3 years (including 3 years)	Overdue for over 3 years	
Unsecured loans	12,349	17,521	6,713	1,041	37,624
Guaranteed loans	2,919	4,230	3,061	680	10,890
Loans secured by mortgages	30,979	36,113	21,427	4,045	92,564
Loans secured by pledges	266	330	152	58	806
Total	46,513	58,194	31,353	5,824	141,884

	As at December 31, 2025				Total
	Overdue for 1 to 90 days (including 90 days)	Overdue for 91 days to 1 year (including 1 year)	Overdue for 1 to 3 years (including 3 years)	Overdue for over 3 years	
Unsecured loans	12,463	16,196	4,979	1,088	34,726
Guaranteed loans	2,386	3,568	2,253	623	8,830
Loans secured by mortgages	29,123	32,258	17,054	3,139	81,574
Loans secured by pledges	111	277	67	55	510
Total	44,083	52,299	24,353	4,905	125,640

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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.5 Debt instruments

(1) Credit quality of debt instruments

The table below represents the carrying amounts of financial assets at amortized cost and financial assets measured at FVTOCI – debt instruments:

	As at June 30, 2026			
	Stage 1 (i)	Stage 2	Stage 3	Total
Financial assets measured at FVTOCI – debt instruments	576,390	20	–	576,410
Financial assets measured at amortized cost	5,481,990	718	–	5,482,708
Total	6,058,380	738	–	6,059,118

	As at December 31, 2025			
	Stage 1 (i)	Stage 2	Stage 3	Total
Financial assets measured at FVTOCI – debt instruments	703,552	888	–	704,440
Financial assets measured at amortized cost	4,686,797	1,646	–	4,688,443
Total	5,390,349	2,534	–	5,392,883



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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.5 Debt instruments (continued)

(1) Credit quality of debt instruments (continued)

(i) Debt instruments of stage 1

The types of debt instruments	As at June 30, 2026		
	Financial assets at FVTOCI	Financial assets at amortized cost	Total
Debt securities – by types of issuers:			
Government	170,156	3,209,041	3,379,197
Financial institutions	304,626	1,666,415	1,971,041
Corporates	47,180	109,772	156,952
Interbank certificates of deposits	54,428	403,416	457,844
Asset-backed securities	–	81,773	81,773
Other debt instruments	–	15,266	15,266
Gross amount	576,390	5,485,683	6,062,073
Less: Allowance for impairment loss	–	3,693	3,693
Carrying amount of debt instruments at stage 1	576,390	5,481,990	6,058,380

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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.5 Debt instruments (continued)

(1) Credit quality of debt instruments (continued)

(i) Debt instruments of stage 1 (continued)

The types of debt instruments	As at December 31, 2025		Total
	Financial assets at FVTOCI	Financial assets at amortized cost	
Debt securities – by types of issuers:			
Government	240,168	2,472,537	2,712,705
Financial institutions	380,071	1,737,551	2,117,622
Corporates	46,112	121,378	167,490
Interbank certificates of deposits	37,201	267,543	304,744
Asset-backed securities	–	86,081	86,081
Other debt instruments	–	5,110	5,110
Gross amount	703,552	4,690,200	5,393,752
Less: Allowance for impairment loss	–	3,403	3,403
Carrying amount of debt instruments at stage 1	703,552	4,686,797	5,390,349



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41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.5 Debt instruments (continued)

(2) Debt instruments analyzed by credit rating

The Group adopts a credit rating approach to manage the credit risk of the debts instruments held. The ratings are based on the ratings from major rating agencies where the issuers of the debt instruments are located. The amounts of debts instruments analyzed by rating as at the end of the reporting period are as follows:

	As at June 30, 2026					Total
	Unrated	AAA	AA	A	Below A	
Government bonds	671,599	2,700,557	9,301	2,920	-	3,384,377
Bonds issued by financial institutions	1,641,552	387,766	4,385	15,851	5,549	2,055,103
Corporate bonds	87,955	72,188	1,989	10,954	3,543	176,629
Interbank certificates of deposits	588,095	-	-	-	-	588,095
Asset-backed securities	215	89,422	527	-	500	90,664
Fund investments	836,581	-	-	-	-	836,581
Trust investment plans and asset management plans	8,101	-	-	-	-	8,101
Wealth management products issued by financial institutions	1,357	-	-	-	-	1,357
Other debt instruments	26,706	-	-	-	-	26,706
Total	3,862,161	3,249,933	16,202	29,725	9,592	7,167,613

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FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

41 Financial risk management (continued)

41.3 Credit risk (continued)

41.3.5 Debt instruments (continued)

(2) Debt instruments analyzed by credit rating (continued)

	As at December 31, 2025					Total
	Unrated	AAA	AA	A	Below A	
Government bonds	352,313	2,358,019	3,648	854	–	2,714,834
Bonds issued by financial institutions	1,755,256	404,761	2,411	8,626	9,074	2,180,128
Corporate bonds	88,182	82,633	3,308	9,378	3,529	187,030
Interbank certificates of deposits	378,965	–	–	–	–	378,965
Asset-backed securities	721	93,846	–	–	500	95,067
Fund investments	791,009	–	–	–	–	791,009
Trust investment plans and asset management plans	8,877	–	–	–	–	8,877
Wealth management products issued by financial institutions	1,239	–	–	–	–	1,239
Other debt instruments	17,264	–	–	–	–	17,264
Total	3,393,826	2,939,259	9,367	18,858	13,103	6,374,413

Unrated debt instruments held by the Group are bonds issued by the Chinese government, policy banks, interbank certificates of deposits, fund investments and other debt instruments such as the beneficiary certificates issued by securities companies, trust investment plans and asset management plans issued by financial institutions, the principal and income of which are mainly guaranteed by financial institutions or third party companies or secured by bills and other financial assets as collateral.

41.3.6 Concentration of credit risk

The credit risk exposure of financial assets mainly concentrates in the mainland of China.



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41 Financial risk management (continued)

41.4 Market risk

Market risk refers to the risk of losses in the on- and off-balance sheet businesses arising from adverse movements in market prices (including interest rate, exchange rate, stock price and commodity price).

The Group adopts a centralized approach during the market risk management process, including identification, measurement, monitoring and mitigation of the market risk. The Group has established basic policies and procedures for the management of market risk, separation of banking and trading books, and valuation of financial assets. The Group applies such policies and procedures to identify, measure, monitor and mitigate market risks on both banking book and trading book respectively.

The Group is also exposed to market risk on its derivative investments on behalf of customers that are hedged through back-to-back transactions with other financial institutions.

The Group uses exposure analysis, profit or loss analysis, sensitivity analysis, scenario analysis, value at risk (VaR), and stress testing and other methods to manage the market risk and control the risk exposure within an acceptable range.

Foreign exchange rate risk

The tables below present the Group's exposures that were subject to changes in exchange rates as at June 30, 2026 and December 31, 2025 respectively. The Group's RMB exposures were included in the table for comparison. The financial assets and liabilities and off-balance sheet credit commitments were stated at their carrying amounts in RMB equivalent.

The major currency of the Group for daily operation is RMB. Other currencies used by the Group include United States Dollars (USD), Euro (EUR), Hong Kong Dollars (HKD) and U.K. Pound Sterling (GBP), etc.

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(All amounts in millions of RMB unless otherwise stated)

41 Financial risk management (continued)

41.4 Market risk (continued)

Foreign exchange rate risk (continued)

	As at June 30, 2026			Total
	RMB	USD (RMB equivalent)	Other currencies (RMB equivalent)	
Cash and deposits with central bank	1,399,760	1,926	202	1,401,888
Deposits with banks and other financial institutions	340,701	4,475	1,847	347,023
Placements with banks and other financial institutions	338,297	2,939	–	341,236
Derivative financial assets	3,586	4,083	1,096	8,765
Financial assets held under resale agreements	263,432	–	–	263,432
Loans and advances to customers	10,038,934	6,706	1,001	10,046,641
Financial assets measured at FVTPL	1,090,075	1,019	–	1,091,094
Financial assets measured at FVTOCI – debt instruments	571,016	647	4,747	576,410
Financial assets measured at FVTOCI – equity instruments	6,795	–	–	6,795
Financial assets measured at amortized cost	5,430,237	34,704	17,767	5,482,708
Other financial assets	33,213	303	–	33,516
Total financial assets	19,516,046	56,802	26,660	19,599,508
Borrowings from central bank	28,332	–	–	28,332
Deposits from banks and other financial institutions	313,828	–	–	313,828
Placements from banks and other financial institutions	49,616	13,347	–	62,963
Derivative financial liabilities	2,084	2,942	20	5,046
Financial assets sold under repurchase agreements	288,290	3,441	–	291,731
Customer deposits	17,414,258	20,978	3,451	17,438,687
Debt securities issued	276,179	–	–	276,179
Other financial liabilities	152,173	1,631	946	154,750
Total financial liabilities	18,524,760	42,339	4,417	18,571,516
Net on-balance sheet position	991,286	14,463	22,243	1,027,992
Net notional amount of derivative financial instruments	17,066	7,505	(20,804)	3,767
Credit commitments	1,283,087	20,120	4,383	1,307,590



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41 Financial risk management (continued)

41.4 Market risk (continued)

Foreign exchange rate risk (continued)

	As at December 31, 2025			Total
	RMB	USD (RMB equivalent)	Other currencies (RMB equivalent)	
Cash and deposits with central bank	1,316,789	2,188	194	1,319,171
Deposits with banks and other financial institutions	381,874	8,419	1,115	391,408
Placements with banks and other financial institutions	408,646	5,181	–	413,827
Derivative financial assets	1,827	1,613	164	3,604
Financial assets held under resale agreements	510,890	–	–	510,890
Loans and advances to customers	9,433,217	6,240	1,417	9,440,874
Financial assets measured at FVTPL	958,237	1,417	–	959,654
Financial assets measured at FVTOCI – debt instruments	698,724	1,101	4,615	704,440
Financial assets measured at FVTOCI – equity instruments	5,616	–	–	5,616
Financial assets measured at amortized cost	4,647,817	39,504	1,122	4,688,443
Other financial assets	35,883	2,086	–	37,969
Total financial assets	18,399,520	67,749	8,627	18,475,896
Borrowings from central bank	27,184	–	–	27,184
Deposits from banks and other financial institutions	189,271	–	–	189,271
Placements from banks and other financial institutions	51,197	4,938	–	56,135
Derivative financial liabilities	2,031	1,796	844	4,671
Financial assets sold under repurchase agreements	243,178	12,222	–	255,400
Customer deposits	16,519,021	18,858	3,837	16,541,716
Debt securities issued	249,897	1,387	–	251,284
Other financial liabilities	147,523	342	(7)	147,858
Total financial liabilities	17,429,302	39,543	4,674	17,473,519
Net on-balance sheet position	970,218	28,206	3,953	1,002,377
Net notional amount of derivative financial instruments	4,700	(2,490)	(3,108)	(898)
Credit commitments	1,061,737	20,056	4,591	1,086,384

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41 Financial risk management (continued)

41.4 Market risk (continued)

Exchange rate sensitivity analysis

The table below indicates the potential effect of appreciation or depreciation of USD spot and forward exchange rate against RMB by 1% on net profit of the Group.

	Increase/(Decrease) in net profit	
	As at June 30, 2026	As at December 31, 2025
Exchange rate changes		
1% of appreciation of USD against RMB	165	193
1% of depreciation of USD against RMB	(165)	(193)

The impact on the net profit arises from the effects of fluctuation in RMB exchange rate on the net positions of foreign monetary assets and liabilities. The effect on the net profit is based on the assumption that the Group's net foreign currency at the end of the reporting period remains unchanged. The Group mitigates its foreign currency risk through active management of its foreign exchange exposures, based on the management expectation of future foreign currency fluctuation. Therefore the above sensitivity analysis may differ from the actual situation.

41.5 Interest rate risk in the banking book

Interest rate risk in banking book refers to the risk that causes losses to the economic value of books and overall earnings of banks due to adverse changes in interest rates and maturity structure, etc. The interest rate risk in the Group's banking book mainly arises from the mismatch between the repricing periods of assets and liabilities as well as the inconsistent changes in their pricing basis.

The Group measures the gap between assets and liabilities caused by repricing dates and maturity dates mismatch through using repricing gap analysis, and makes adjustments to refine the structure and bridge the interest rate risk gap by assessing potential changes of interest rates.



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(All amounts in millions of RMB unless otherwise stated)

41 Financial risk management (continued)

41.5 Interest rate risk in the banking book (continued)

Sensitivity analysis on net interest income

The sensitivity analysis on net interest income is based on changes in interest rates with the assumption that all interest rates move by the same margin and the structure of financial assets and financial liabilities held at the period end remains unchanged, and does not take changes in customer behaviour, prime interest rates or any prepayment options on debt securities into consideration. On the assumption that the RMB yield and foreign currency yield move in parallel, the Group calculates changes of net interest income in the coming year.

The table below shows the potential impact on the Group's net interest income by an upward or a downward parallel shift of interest rates by 100 basis points. The actual circumstances may differ from the assumptions so that the impact on the net interest income as shown in the following analysis may be different from the actual outcome.

	(Decrease)/Increase in net interest income	
	As at June 30, 2026	As at December 31, 2025
Upward parallel shift of 100 bps for yield curves	(24,890)	(23,313)
Downward parallel shift of 100 bps for yield curves	24,890	23,313

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41 Financial risk management (continued)

41.5 Interest rate risk in the banking book (continued)

Interest rate repricing gap analysis

The Group's interest rate exposures are as follows. The financial assets and financial liabilities at the end of the reporting period were stated at their carrying amounts based on the earlier of their repricing date or contractual maturity date.

	As at June 30, 2026						Total
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Cash and deposits with central bank	1,332,213	-	-	-	-	69,675	1,401,888
Deposits with banks and other financial institutions	21,093	62,542	260,859	-	-	2,529	347,023
Placements with banks and other financial institutions	39,855	64,332	188,921	47,660	-	468	341,236
Derivative financial assets	-	-	-	-	-	8,765	8,765
Financial assets held under resale agreements	249,152	13,130	995	-	-	155	263,432
Loans and advances to customers	1,024,829	1,599,730	6,590,404	800,114	13,844	17,720	10,046,641
Financial assets measured at FVTPL	11,728	11,511	168,495	17,874	29,387	852,099	1,091,094
Financial assets measured at FVTOCI – debt instruments	25,744	73,293	180,365	234,017	57,923	5,068	576,410
Financial assets measured at FVTOCI – equity instruments	-	-	-	-	-	6,795	6,795
Financial assets measured at amortized cost	198,865	317,282	670,690	2,122,300	2,121,806	51,765	5,482,708
Other financial assets	-	-	-	-	-	33,516	33,516
Total financial assets	2,903,479	2,141,820	8,060,729	3,221,965	2,222,960	1,048,555	19,599,508
Borrowings from central bank	1,441	5,145	21,296	-	-	450	28,332
Deposits from banks and other financial institutions	293,353	15,025	4,750	575	-	125	313,828
Placements from banks and other financial institutions	15,428	10,512	36,691	-	-	332	62,963
Derivative financial liabilities	-	-	-	-	-	5,046	5,046
Financial assets sold under repurchase agreements	187,252	51,332	52,772	-	-	375	291,731
Customer deposits	5,069,829	1,321,595	9,085,421	1,823,648	-	138,194	17,438,687
Debt securities issued	50,218	50,804	-	12,677	159,993	2,487	276,179
Other financial liabilities	303	453	1,826	6,147	2,409	143,612	154,750
Total financial liabilities	5,617,824	1,454,866	9,202,756	1,843,047	162,402	290,621	18,571,516
Interest rate risk gap	(2,714,345)	686,954	(1,142,027)	1,378,918	2,060,558	757,934	1,027,992

The data set out in the above table includes trading book data.



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41 Financial risk management (continued)

41.5 Interest rate risk in the banking book (continued)

Interest rate repricing gap analysis (continued)

	As at December 31, 2025						Total
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	
Cash and deposits with central bank	1,269,306	–	–	–	–	49,865	1,319,171
Deposits with banks and other financial institutions	59,804	90,235	237,880	–	–	3,489	391,408
Placements with banks and other financial institutions	44,599	45,661	239,546	83,219	–	802	413,827
Derivative financial assets	–	–	–	–	–	3,604	3,604
Financial assets held under resale agreements	471,815	24,781	13,969	–	–	325	510,890
Loans and advances to customers	3,075,047	1,626,436	4,008,497	699,489	13,740	17,665	9,440,874
Financial assets measured at FVTPL	17,646	10,537	63,080	21,728	42,941	803,722	959,654
Financial assets measured at FVTOCI – debt instruments	41,151	87,861	136,770	316,661	115,029	6,968	704,440
Financial assets measured at FVTOCI – equity instruments	–	–	–	–	–	5,616	5,616
Financial assets measured at amortized cost	113,926	183,956	584,783	1,874,908	1,873,143	57,727	4,688,443
Other financial assets	–	–	–	–	–	37,969	37,969
Total financial assets	5,093,294	2,069,467	5,284,525	2,996,005	2,044,853	987,752	18,475,896
Borrowings from central bank	452	7,376	18,865	–	–	491	27,184
Deposits from banks and other financial institutions	188,659	–	305	230	–	77	189,271
Placements from banks and other financial institutions	9,694	11,019	35,077	–	–	345	56,135
Derivative financial liabilities	–	–	–	–	–	4,671	4,671
Financial assets sold under repurchase agreements	105,353	121,765	27,410	–	–	872	255,400
Customer deposits	5,780,279	3,287,949	5,643,067	1,683,756	–	146,665	16,541,716
Debt securities issued	–	13,563	102,379	12,676	119,993	2,673	251,284
Other financial liabilities	217	361	2,096	5,736	2,469	136,979	147,858
Total financial liabilities	6,084,654	3,442,033	5,829,199	1,702,398	122,462	292,773	17,473,519
Interest rate risk gap	(991,360)	(1,372,566)	(544,674)	1,293,607	1,922,391	694,979	1,002,377

The data set out in the above table includes trading book data.

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41 Financial risk management (continued)

41.6 Liquidity risk

Liquidity risk refers to the risk of failure to obtain sufficient funds by commercial banks at a reasonable cost in a timely manner to repay matured debts, fulfill other payment obligations, and meet other financial needs of normal operation. Liquidity risk may arise from the following events or factors: significant adverse changes in market liquidity, withdrawal of customers' deposits, loan drawdown by customers, default of debtors, excessive maturity mismatch between assets and liabilities, difficulty in liquidating assets, weakened financing ability, operating losses and risks associated with the affiliates, etc.

The main objective of liquidity risk management of the Group is to effectively identify, measure, monitor and control liquidity risk via the establishment of a scientific and comprehensive liquidity risk management system, and to ensure that the liquidity demand is satisfied and its payment obligation to external parties is fulfilled at a reasonable cost without delay under the normal operation scenario and the stress scenario. The Group adheres to a prudent and sound liquidity risk management strategy, proactively assesses changes in both internal and external conditions, reasonably manages the overall amount, structure and pace of its fund raising and utilization, and strikes a balance among safety, liquidity and profitability. The Group, in accordance with requirements of regulatory policies, changes in external environment as well as the characteristics of its business, has formulated liquidity risk management policies such as those on limit management, intraday liquidity management, stress testing, and contingency plans. It manages the liquidity risk of the Group in a centralized manner and clarifies that its affiliates assume primary responsibilities for their liquidity management.

The Group conducted liquidity risk stress testing on a quarterly basis to test the risk tolerance under stress scenarios, and constantly improved stress testing methods based on regulatory and internal management requirements. During the reporting period, the stress testing results indicated that the Group could pass the minimum viability test under various stress scenario assumptions.

The Group's liabilities were stable, as its major source of funds was retail deposits. Its assets were highly liquid, with a relatively large proportion of high-quality qualified bonds. During the reporting period, all liquidity regulatory indicators of the Group operated normally. Its overall liquidity was sufficient, secured, and under control.



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41 Financial risk management (continued)

41.6 Liquidity risk (continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities

	As at June 30, 2026								Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	
Cash and deposits with central bank	-	85,274	11	838	228	-	-	1,315,537	1,401,888
Deposits with banks and other financial institutions	-	11,200	10,048	63,272	262,503	-	-	-	347,023
Placements with banks and other financial institutions	-	-	40,011	64,579	188,986	47,660	-	-	341,236
Derivative financial assets	-	-	1,546	1,556	3,507	2,156	-	-	8,765
Financial assets held under resale agreements	-	-	249,224	13,212	996	-	-	-	263,432
Loans and advances to customers	35,691	-	331,785	634,320	3,002,106	2,319,817	3,722,922	-	10,046,641
Financial assets measured at FVTPL	10	220,114	25,800	30,203	327,512	237,262	245,572	4,621	1,091,094
Financial assets measured at FVTOCI – debt instruments	-	-	12,753	34,557	195,134	276,019	57,947	-	576,410
Financial assets measured at FVTOCI – equity instruments	-	-	-	-	-	-	-	6,795	6,795
Financial assets measured at amortized cost	-	-	103,079	172,342	732,539	2,304,011	2,170,737	-	5,482,708
Other financial assets	2,772	24,130	51	3,837	607	933	-	1,186	33,516
Total financial assets	38,473	340,718	774,308	1,018,716	4,714,118	5,187,858	6,197,178	1,328,139	19,599,508
Borrowings from central bank	-	-	1,733	5,209	21,390	-	-	-	28,332
Deposits from banks and other financial institutions	-	291,947	1,501	15,034	4,767	579	-	-	313,828
Placements from banks and other financial institutions	-	-	15,506	10,586	36,871	-	-	-	62,963
Derivative financial liabilities	-	-	555	475	1,864	2,152	-	-	5,046
Financial assets sold under repurchase agreements	-	-	187,319	51,501	52,911	-	-	-	291,731
Customer deposits	-	4,329,004	772,842	1,335,970	9,150,245	1,850,626	-	-	17,438,687
Debt securities issued	-	-	50,257	50,673	581	14,675	159,993	-	276,179
Other financial liabilities	-	17,422	120,483	4,994	2,292	6,799	2,409	351	154,750
Total financial liabilities	-	4,638,373	1,150,196	1,474,442	9,270,921	1,874,831	162,402	351	18,571,516
Net liquidity	38,473	(4,297,655)	(375,888)	(455,726)	(4,556,803)	3,313,027	6,034,776	1,327,788	1,027,992

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41 Financial risk management (continued)

41.6 Liquidity risk (continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities (continued)

	As at December 31, 2025								Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Undated	
Cash and deposits with central bank	-	82,411	192	1,097	692	19	-	1,234,760	1,319,171
Deposits with banks and other financial institutions	-	13,343	47,217	91,471	239,377	-	-	-	391,408
Placements with banks and other financial institutions	-	-	44,738	45,972	239,898	83,219	-	-	413,827
Derivative financial assets	-	-	353	493	1,048	1,710	-	-	3,604
Financial assets held under resale agreements	-	-	471,996	24,872	14,022	-	-	-	510,890
Loans and advances to customers	30,434	-	491,581	694,253	2,515,792	2,085,019	3,623,795	-	9,440,874
Financial assets measured at FVTPL	-	192,253	45,623	61,930	184,467	240,029	234,536	816	959,654
Financial assets measured at FVTOCI – debt instruments	-	-	27,630	49,862	140,409	371,494	115,045	-	704,440
Financial assets measured at FVTOCI – equity instruments	-	-	-	-	-	-	-	5,616	5,616
Financial assets measured at amortized cost	-	-	62,528	131,297	592,329	1,978,730	1,923,559	-	4,688,443
Other financial assets	2,487	29,560	467	2,985	525	839	-	1,106	37,969
Total financial assets	32,921	317,567	1,192,325	1,104,232	3,928,559	4,761,059	5,896,935	1,242,298	18,475,896
Borrowings from central bank	-	-	460	7,482	19,242	-	-	-	27,184
Deposits from banks and other financial institutions	-	188,731	-	-	307	233	-	-	189,271
Placements from banks and other financial institutions	-	-	9,756	11,127	35,252	-	-	-	56,135
Derivative financial liabilities	-	-	430	871	1,427	1,943	-	-	4,671
Financial assets sold under repurchase agreements	-	-	105,471	122,435	27,494	-	-	-	255,400
Customer deposits	-	4,355,260	1,453,406	3,331,832	5,686,679	1,714,539	-	-	16,541,716
Debt securities issued	-	-	-	12,950	103,665	14,676	119,993	-	251,284
Other financial liabilities	-	15,976	114,449	4,751	3,132	6,744	2,469	337	147,858
Total financial liabilities	-	4,559,967	1,683,972	3,491,448	5,877,198	1,738,135	122,462	337	17,473,519
Net liquidity	32,921	(4,242,400)	(491,647)	(2,387,216)	(1,948,639)	3,022,924	5,774,473	1,241,961	1,002,377



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41 Financial risk management (continued)

41.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of non-derivative financial assets and financial liabilities by remaining maturities

The Group manages its inherent liquidity risk in the short term based on the expected undiscounted cash flows.

	As at June 30, 2026								
		Repayable	Within 1	1 to 3	3 to 12	1 to 5	Over 5		
	Overdue	on demand	month	months	months	years	years	Undated	Total
Non-derivative financial assets									
Cash and deposits with central bank	-	85,274	11	838	228	-	-	1,315,537	1,401,888
Deposits with banks and other financial institutions	-	11,200	10,052	63,485	265,049	-	-	-	349,786
Placements with banks and other financial institutions	-	-	40,036	65,839	191,197	50,285	-	-	347,357
Financial assets held under resale agreements	-	-	249,260	13,232	1,000	-	-	-	263,492
Loans and advances to customers	38,463	-	346,107	664,612	3,171,968	2,961,415	4,952,943	-	12,135,508
Financial assets measured at FVTPL	10	220,114	26,005	30,268	330,016	240,801	247,594	4,621	1,099,429
Financial assets measured at FVTOCI – debt instruments	-	-	12,844	34,954	200,417	287,590	62,379	-	598,184
Financial assets measured at FVTOCI – equity instruments	-	-	-	-	-	-	-	6,795	6,795
Financial assets measured at amortized cost	-	-	103,974	178,937	809,792	2,652,383	2,395,846	-	6,140,932
Other financial assets	-	24,130	51	3,837	607	933	-	1,186	30,744
Total non-derivative financial assets	38,473	340,718	788,340	1,056,002	4,970,274	6,193,407	7,658,762	1,328,139	22,374,115
Non-derivative financial liabilities									
Borrowings from central bank	-	-	1,734	5,223	21,583	-	-	-	28,540
Deposits from banks and other financial institutions	-	291,947	1,501	15,079	4,816	601	-	-	313,944
Placements from banks and other financial institutions	-	-	15,525	10,670	37,233	-	-	-	63,428
Financial assets sold under repurchase agreements	-	-	187,326	51,649	53,242	-	-	-	292,217
Customer deposits	-	4,329,004	773,271	1,338,769	9,220,764	1,912,348	-	-	17,574,156
Debt securities issued	-	-	50,260	51,153	2,822	34,754	174,917	-	313,906
Other financial liabilities	-	17,422	120,508	5,031	2,447	7,242	2,594	351	155,595
Total non-derivative financial liabilities	-	4,638,373	1,150,125	1,477,574	9,342,907	1,954,945	177,511	351	18,741,786
Net liquidity	38,473	(4,297,655)	(361,785)	(421,572)	(4,372,633)	4,238,462	7,481,251	1,327,788	3,632,329

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41 Financial risk management (continued)

41.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of non-derivative financial assets and financial liabilities by remaining maturities (continued)

	As at December 31, 2025								
		Repayable	Within 1	1 to 3	3 to 12	1 to 5	Over 5		
	Overdue	on demand	month	months	months	years	years	Undated	Total
Non-derivative financial assets									
Cash and deposits with central bank	-	82,411	192	1,097	692	19	-	1,234,760	1,319,171
Deposits with banks and other financial institutions	-	13,343	47,243	91,831	241,790	-	-	-	394,207
Placements with banks and other financial institutions	-	-	44,763	47,337	241,869	85,389	-	-	419,358
Financial assets held under resale agreements	-	-	472,167	24,973	14,131	-	-	-	511,271
Loans and advances to customers	32,921	-	507,441	727,450	2,685,620	2,711,568	4,849,082	-	11,514,082
Financial assets measured at FVTPL	-	192,253	45,830	62,002	185,995	245,768	238,394	816	971,058
Financial assets measured at FVTOCI – debt instruments	-	-	28,102	51,076	148,178	394,620	123,448	-	745,424
Financial assets measured at FVTOCI – equity instruments	-	-	-	-	-	-	-	5,616	5,616
Financial assets measured at amortized cost	-	-	63,697	137,450	655,715	2,323,242	2,151,138	-	5,331,242
Other financial assets	-	29,560	467	2,985	525	839	-	1,106	35,482
Total non-derivative financial assets	32,921	317,567	1,209,902	1,146,201	4,174,515	5,761,445	7,362,062	1,242,298	21,246,911
Non-derivative financial liabilities									
Borrowings from central bank	-	-	460	7,507	19,425	-	-	-	27,392
Deposits from banks and other financial institutions	-	188,731	-	-	310	242	-	-	189,283
Placements from banks and other financial institutions	-	-	9,769	11,215	35,588	-	-	-	56,572
Financial assets sold under repurchase agreements	-	-	105,495	122,850	27,663	-	-	-	256,008
Customer deposits	-	4,355,260	1,454,380	3,339,159	5,731,273	1,774,288	-	-	16,654,360
Debt securities issued	-	-	-	13,098	105,955	32,371	133,181	-	284,605
Other financial liabilities	-	15,976	114,468	4,781	3,312	7,239	2,682	337	148,795
Total non-derivative financial liabilities	-	4,559,967	1,684,572	3,498,610	5,923,526	1,814,140	135,863	337	17,617,015
Net liquidity	32,921	(4,242,400)	(474,670)	(2,352,409)	(1,749,011)	3,947,305	7,226,199	1,241,961	3,629,896



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41 Financial risk management (continued)

41.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of derivative financial instruments by remaining maturities

Derivative financial instruments settled on a net basis

The fair value of the Group's derivative financial instruments that will be settled on a net basis are primarily related to changes in foreign exchange rates and interest rates. The tables below present the undiscounted contractual cash flows of the Group's net derivative positions based on their remaining contractual maturities:

	As at June 30, 2026							Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Interest rate derivative financial instruments	-	-	(18)	-	(53)	(139)	-	(210)
Foreign exchange rates derivative financial instruments	-	-	35	194	23	1	-	253
Total	-	-	17	194	(30)	(138)	-	43

	As at December 31, 2025							Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Interest rate derivative financial instruments	-	-	(10)	(7)	(36)	(140)	-	(193)
Foreign exchange rates derivative financial instruments	-	-	29	14	15	-	-	58
Total	-	-	19	7	(21)	(140)	-	(135)

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41 Financial risk management (continued)

41.6 Liquidity risk (continued)

Analysis of the undiscounted contractual cash flows of derivative financial instruments by remaining maturities (continued)

Derivative financial instruments settled on a gross basis

The fair value of the Group's derivative financial instruments that will be settled on a gross basis are primarily related to changes in foreign exchange rates and interest rates. The tables below present the undiscounted contractual cash flows of the Group's gross derivative positions based on their remaining contractual maturities:

	As at June 30, 2026							Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Derivative financial instruments settled on a gross basis								
– Cash inflow	–	–	56,518	55,152	151,142	184,304	–	447,116
– Cash outflow	–	–	(55,383)	(54,191)	(149,490)	(184,104)	–	(443,168)
Total	–	–	1,135	961	1,652	200	–	3,948

	As at December 31, 2025							Total
	Overdue	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Derivative financial instruments settled on a gross basis								
– Cash inflow	–	–	43,179	58,127	188,219	9,514	–	299,039
– Cash outflow	–	–	(43,346)	(58,487)	(188,541)	(9,622)	–	(299,996)
Total	–	–	(167)	(360)	(322)	(108)	–	(957)



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41 Financial risk management (continued)

41.6 Liquidity risk (continued)

Credit commitments

The off-balance sheet items of the Group are listed in the following table by remaining contractual maturity, and the financial guarantees are listed in the notional amount according to the earliest contract expiration date:

	As at June 30, 2026			
	Within 1 year	1 to 5 years	Over 5 years	Total
Loan commitments	2,667	6,731	182	9,580
Bank acceptances	395,050	–	–	395,050
Guarantees and letters of guarantee	98,481	50,457	8,315	157,253
Letters of credit	235,090	–	–	235,090
Unused credit card commitments	510,617	–	–	510,617
Total	1,241,905	57,188	8,497	1,307,590

	As at December 31, 2025			
	Within 1 year	1 to 5 years	Over 5 years	Total
Loan commitments	2,584	12,876	2,643	18,103
Bank acceptances	257,317	–	–	257,317
Guarantees and letters of guarantee	82,745	57,903	8,511	149,159
Letters of credit	175,982	–	–	175,982
Unused credit card commitments	485,823	–	–	485,823
Total	1,004,451	70,779	11,154	1,086,384

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41 Financial risk management (continued)

41.7 Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, employees, IT systems, or from external events. The operational risks to which the Group may be exposed mainly include internal fraud, external fraud, employment rules and workplace safety, risks related to customers, products and business activities, damage to physical assets, risks related to IT systems, and risks related to execution, delivery and process management.

Guided by the operational risk appetite approved by the Board of Directors, the Group's senior management is mainly responsible for establishing and implementing the operational risk management policies and limits. The policies aim to continuously improve the internal control mechanism, reinforce the supervision and inspection framework, improve the information technology capability, enrich the basis of operation management, intensify monitoring reports, regulate staff behaviour, foster risk management culture and initiative awareness to regulations and ensure the security of business operation.

41.8 Fair value of financial instruments

Most of the balance sheet items of the Group are financial assets and financial liabilities. The fair value measurement of non-financial assets and non-financial liabilities will not have a significant impact on the Group's overall financial performance.

During the six-month period ended June 30, 2026 and year ended December 31, 2025, there were no assets or liabilities which were discontinued being measured at fair value by the Group.

(1) Valuation techniques, parameters and processes

The fair value of financial assets and financial liabilities is determined according to the following methods:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in an active market is determined by reference to the market price.
- For non-option derivative financial instruments, the fair value is determined by discounted cash flow analysis using the applicable yield curve within the term of the instrument.
- The fair value of other financial assets and financial liabilities is determined according to the generally accepted pricing model or the current market price observable for similar instruments based on the discounted cash flow analysis. If there is no observable market transaction price for similar instruments, the net assets or other valuation techniques are used for valuation, and the price is analyzed by the management.

The Group has established an independent valuation process for financial assets and financial liabilities to satisfy segregation of duties and relevant departments are respectively responsible for valuation, model validation and accounting treatment.



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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(2) Fair value hierarchy

Financial instruments at fair value are classified into the following three levels of measurement hierarchy:

Level 1: Fair value is determined based on quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Where quoted prices are not available from open markets, the fair value of financial instruments is determined by valuation techniques.

(3) Financial assets and financial liabilities not measured at fair value on the statement of financial position

Financial assets and liabilities not measured at fair value mainly represent deposits with central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers measured at amortized cost, financial assets measured at amortized cost, borrowings from central bank, deposits from banks and other financial institutions, placements from banks and other financial institutions, financial assets sold under repurchase agreements, customer deposits and debt securities issued.

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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(3) Financial assets and financial liabilities not measured at fair value on the statement of financial position (continued)

The tables below summarize the carrying amounts and the fair value of the financial assets measured at amortized cost and debt securities issued which are not set out in the statement of financial position.

	As at June 30, 2026				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortized cost	5,482,708	5,648,786	–	5,545,769	103,017

Financial liabilities					
Debt securities issued	276,179	280,527	–	280,527	–

	As at December 31, 2025				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at amortized cost	4,688,443	4,816,039	–	4,690,467	125,572

Financial liabilities					
Debt securities issued	251,284	256,245	–	256,245	–

Except for the financial assets and liabilities above, the fair value of other financial assets and financial liabilities not measured at fair value in the statement of financial position are determined using discounted future cash flows. There is no significant difference between their carrying amounts and fair value.



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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position

The tables below summarize the fair value of the financial assets and financial liabilities measured at their fair value on the statement of financial position.

	As at June 30, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans and advances to customers				
– Measured at FVTOCI	–	973,133	–	973,133
Financial assets measured at FVTPL				
– Debt securities	–	102,317	–	102,317
– Interbank certificates of deposits	–	130,251	–	130,251
– Asset-backed securities	–	7,651	215	7,866
– Fund investments	–	567,177	269,404	836,581
– Trust investment plans and asset management plans	–	–	8,101	8,101
– Wealth management products issued by financial institutions	–	1,357	–	1,357
– Equity instruments	3	–	4,618	4,621
Subtotal	3	808,753	282,338	1,091,094
Derivative financial assets				
– Exchange rate derivatives	–	4,198	–	4,198
– Interest rate derivatives	–	1,681	–	1,681
– Precious metal derivatives	–	2,886	–	2,886
Subtotal	–	8,765	–	8,765
Financial assets measured at FVTOCI – debt instruments				
– Debt securities	–	521,982	–	521,982
– Interbank certificates of deposits	–	54,428	–	54,428
Subtotal	–	576,410	–	576,410
Financial assets measured at FVTOCI – equity instruments				
– Equity instruments	–	1,532	5,263	6,795
Total financial assets	3	2,368,593	287,601	2,656,197
Financial liabilities				
Derivative financial liabilities				
– Exchange rate derivatives	–	(2,962)	–	(2,962)
– Interest rate derivatives	–	(1,861)	–	(1,861)
– Precious metal derivatives	–	(217)	–	(217)
– Other derivatives	–	(6)	–	(6)
Subtotal	–	(5,046)	–	(5,046)
Other liabilities				
– Financial liabilities measured at FVTPL	–	(7,206)	–	(7,206)
Total financial liabilities	–	(12,252)	–	(12,252)

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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Loans and advances to customers				
– Measured at FVTOCI	–	917,894	–	917,894
Financial assets measured at FVTPL				
– Debt securities	–	75,532	–	75,532
– Interbank certificates of deposits	–	74,221	–	74,221
– Asset-backed securities	–	7,766	194	7,960
– Fund investments	–	525,778	265,231	791,009
– Trust investment plans and asset management plans	–	–	8,877	8,877
– Wealth management products issued by financial institutions	–	1,239	–	1,239
– Equity instruments	5	–	811	816
Subtotal	5	684,536	275,113	959,654
Derivative financial assets				
– Exchange rate derivatives	–	1,628	–	1,628
– Interest rate derivatives	–	1,827	–	1,827
– Precious metal derivatives	–	149	–	149
Subtotal	–	3,604	–	3,604
Financial assets measured at FVTOCI – debt instruments				
– Debt securities	–	667,239	–	667,239
– Interbank certificates of deposits	–	37,201	–	37,201
Subtotal	–	704,440	–	704,440
Financial assets measured at FVTOCI – equity instruments				
– Equity instruments	–	1,539	4,077	5,616
Total financial assets	5	2,312,013	279,190	2,591,208
Financial liabilities				
Derivative financial liabilities				
– Exchange rate derivatives	–	(1,781)	–	(1,781)
– Interest rate derivatives	–	(2,016)	–	(2,016)
– Precious metal derivatives	–	(859)	–	(859)
– Other derivatives	–	(15)	–	(15)
Subtotal	–	(4,671)	–	(4,671)
Other liabilities				
– Financial liabilities measured at FVTPL	–	(2,959)	–	(2,959)
Total financial liabilities	–	(7,630)	–	(7,630)



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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

For financial instruments traded in active markets, the determination of fair value is based on quoted market prices. Where quoted prices are not available from open markets, the fair value of financial instruments is determined by valuation techniques.

Parameters used in valuation techniques mainly include debt securities prices, interest rates, exchange rates, equity prices, volatility level, correlation, pre-payment rate and counterparties' credit spread.

(a) Basis of determining the market price for recurring fair value measurements categorized within Level 1

Quoted prices are used for financial instruments with quoted prices in an active market.

(b) Valuation techniques, key parameters used for recurring fair value measurement categorized within Level 2

Financial investments

Financial investments using valuation techniques mainly consist of debt securities, interbank certificates of deposits, investment fund and equity instruments, etc. The fair value of RMB bonds and interbank certificates of deposits is determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd. The fair value of foreign currency bonds and interbank certificates of deposits is determined based on the valuation results of Bloomberg. The fair value of these bonds and interbank certificates of deposits is determined based on a valuation technique for which all significant inputs are observable market data. The fair value of the investment fund classified as Level 2 derived from the observable quoted price in market. The fair value of the equity instruments classified as Level 2 is measured by discounted cash flow method.

Derivatives

Derivatives using valuation techniques with market observable inputs are mainly foreign exchange forwards and swaps, interest rate swaps, cross currency interest rate swaps, and precious metals swaps, etc. The most frequently applied valuation techniques include discounted cash flow method and Black-Scholes model. The models incorporate various inputs including foreign exchange spot and forward rates, foreign exchange rate volatility, precious metal spot and forward price, interest rate yield curves, etc.

Loans and advances to customers

The loans and advances to customers involving valuation techniques are mainly trade financing and discounted bills. The fair value of these forfaiting and discounted bills is measured by discounted cash flow method.

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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

- (b) Valuation techniques, key parameters used for recurring fair value measurement categorized within Level 2 (continued)

Financial liabilities measured at FVTPL

The fair value of RMB bonds is determined based on the valuation results provided by China Central Depository & Clearing Co., Ltd. The fair value of precious metal contract is mainly determined in accordance with the closing prices of the Shanghai Gold Exchange.

- (c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below:

			Unobservable inputs	
June 30, 2026	Fair value	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Financial assets				
Financial assets measured at FVTPL				
– Fund investments	269,404	(i)	Net assets	Positive correlation
– Trust investment plans and asset management plans	8,101	(i)	Net assets	Positive correlation
– Equity instruments	4,618	(i)	Net assets	Positive correlation
– Asset-backed securities			Discounted	
	215	(ii)	cash flow	Positive correlation
Subtotal	282,338			
Financial assets measured at				
FVTOCI – equity instruments	5,263	(i)	Net assets	Positive correlation
Total	287,601			



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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

- (c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below: (continued)

			Unobservable inputs	
December 31, 2025	Fair value	Valuation technique	Inputs	Relationship of unobservable inputs to fair value
Financial assets				
Financial assets measured at FVTPL				
– Fund investments	265,231	(i)	Net assets	Positive correlation
– Trust investment plans and asset management plans	8,877	(i)	Net assets	Positive correlation
– Equity instruments	811	(i)	Net assets	Positive correlation
– Asset-backed securities	194	(ii)	Discounted cash flow	Positive correlation
Subtotal	275,113			
Financial assets measured at FVTOCI – equity instruments				
	4,077	(i)	Net assets	Positive correlation
Total	279,190			

- (i) The fair value of fund investments, trust investment plans and asset management plans, equity instruments measured at FVTPL, and equity instruments measured at FVTOCI are all determined using net asset method, where the significant unobservable inputs are the net assets.
- (ii) For certain illiquid debt securities (mainly asset-backed securities), management uses valuation techniques to determine the fair value, including discounted cash flow analysis.

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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

- (c) Quantitative information about the significant unobservable inputs used in Level 3 fair value measurements is summarized below: (continued)

Changes in Level 3 are analyzed below:

	Six-month period ended June 30, 2026	
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI – equity instruments
Balance at the beginning of the period	275,113	4,077
Increased	6,160	1,040
Settled	(1,207)	–
Total gains or losses recognized in		
– Profit or loss	2,272	–
– Other comprehensive income	–	146
Balance at the end of the period	282,338	5,263
Total unrealized gains in profit or loss	2,272	–

	Year ended December 31, 2025	
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI – equity instruments
Balance at the beginning of the year	167,515	3,087
Increased	111,050	960
Settled	(8,793)	–
Total gains or losses recognized in		
– Profit or loss	5,341	–
– Other comprehensive income	–	30
Balance at the end of the year	275,113	4,077
Total unrealized gains in profit or loss	6,452	–



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41 Financial risk management (continued)

41.8 Fair value of financial instruments (continued)

(4) Financial assets and financial liabilities measured at fair value on the statement of financial position (continued)

(d) Transfers between Levels

For the six-month period ended June 30, 2026 and year ended December 31, 2025, there were no changes of fair value hierarchies.

41.9 Capital management

The Group's capital management aims at meeting regulatory requirements, continuously improving the ability to mitigate risks and ensuring sustained and sound operations. Accordingly, the Group has set its capital adequacy objectives and employed various means and methods to meet its management objectives, including limit management and performance evaluation; to ensure its capital management meets external regulatory, credit rating, risk compensation and shareholders' value requirements; ensuring drive risk management across the Group; ensure a disciplinary expansion of its assets; and continually improve its business structure.

The Group has maintained steady business growth in recent years with an increase in the demand of capital accordingly. In order to ensure that the Group meets regulatory capital adequacy requirements and steadily strengthens returns to shareholders, the Group has continuously refined its capital constraint and guidance mechanisms, and promotes the transformation of its business model towards a capital efficient one through the comprehensive use of several measurement tools such as economic capital allocation, limit management, monitoring and reporting, performance assessment, and estimation of internal capital adequacy, in order to ensure that the capital adequacy ratios meet regulatory requirements continuously.

In accordance with the Rules on Capital Management of Commercial Banks (《商業銀行資本管理辦法》) and the related provisions promulgated by the NFRA, and Additional Regulations Supervision on Systemically Important Banks (for Trial Implementation) (《系統重要性銀行附加監管規定(試行)》) issued by the PBOC and the former CBIRC, as at June 30, 2026, the Group's core tier 1 capital adequacy ratio should be 8.00%, tier 1 capital adequacy ratio should be 9.00%, and capital adequacy ratio should be 11.00% (as at December 31, 2025: 8.00%, 9.00% and 11.00%, respectively). During the six-month period ended June 30, 2026, the Group continuously intensified the monitoring, analyzing and reporting of capital adequacy ratios, constantly optimized the risk asset structure, reinforces internal capital accumulation, and promoted the supplement of external capital, in order to ensure that the Group's capital adequacy ratio meets regulatory requirements and internal management needs.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

41 Financial risk management (continued)

41.9 Capital management (continued)

The Group's regulatory capital as calculated according to the Rules on Capital Management of Commercial Banks (商業銀行資本管理辦法) promulgated by NFRA at June 30, 2026 and December 31, 2025 is as follows:

		As at June 30, 2026	As at December 31, 2025
CET1 capital adequacy ratio	(1)	10.04%	10.53%
Tier 1 capital adequacy ratio	(1)	11.49%	12.10%
Capital adequacy ratio	(1)	14.19%	14.52%
Common Equity Tier 1 capital		1,047,718	1,011,489
Common Equity Tier 1 capital: deductions	(2)	(9,014)	(8,011)
Net CET1 capital		1,038,704	1,003,478
Additional tier 1 capital		150,184	150,175
Net tier 1 capital		1,188,888	1,153,653
Tier 2 capital			
– Tier 2 capital instruments and related premium		159,993	119,993
– Valid portion of surplus provisions for loss		119,467	110,269
– Valid portion of minority interests		368	356
Net capital	(3)	1,468,716	1,384,271
Risk-weighted assets	(4)	10,346,860	9,533,914

(1) CET1 capital adequacy ratio is equal to net common equity tier 1 capital divided by risk-weighted assets; tier 1 capital adequacy ratio is equal to net tier 1 capital divided by risk-weighted assets; and capital adequacy ratio is equal to net capital divided by risk-weighted assets.

(2) Deductions from common equity tier 1 capital include other intangible assets (not including land use rights).

(3) Net capital is equal to total capital net of deductions from total capital.

(4) Risk-weighted assets include credit risk-weighted assets measured using the standardized approach, market risk-weighted assets measured mainly using the standardized approach, and operational risk-weighted assets measured using the standardized approach.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2026

(All amounts in millions of RMB unless otherwise stated)

42 Events after the end of the reporting period

(1) Dividend distribution

On August 28, 2026, the Board of Directors of the Bank proposed distributing interim cash dividends for 2026 for ordinary shares of RMB1.330 per ten ordinary shares (before tax) to all ordinary shareholders whose names appear on the share register on the record date, totaling RMB15,973 million (before tax) based on the total share capital of 120,095,053,492 ordinary shares of the Bank. This distribution plan shall be subject to the approval of the Shareholders' General Meeting.

43 Comparative figures

Certain comparative figures have been adjusted to conform to the current period presentation.

Appendix: Supplementary Information

International Claims

The Group regards all claims on third parties outside the Chinese mainland and claims denominated in foreign currencies on third parties in the Chinese mainland as international claims.

International claims include loans and advances to customers, deposits with the central bank, deposits and placements with banks and other financial institutions, investments in debt securities, and others.

A country or geographical region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

In RMB million

	As at June 30, 2026			
	Public sectors	Banks and other financial institutions	Non-bank private sectors	Total
Asia Pacific	24,623	173,996	46,871	245,490
– of which attributed to Hong Kong, China	18,728	51,252	25,497	95,477
Europe	118	39,868	13,035	53,021
North and South America	–	19,464	2,377	21,841
Other regions	309	33	75	417
Total	25,050	233,361	62,358	320,769

In RMB million

	As at December 31, 2025			
	Public sectors	Banks and other financial institutions	Non-bank private sectors	Total
Asia Pacific	18,371	125,998	34,727	179,096
– of which attributed to Hong Kong, China	13,235	28,949	16,410	58,594
Europe	123	32,001	11,513	43,637
North and South America	–	15,552	2,840	18,392
Other regions	332	–	75	407
Total	18,826	173,551	49,155	241,532

Pillar 3 Information Disclosed Pursuant to the Rules on Capital Management of Commercial Banks

Based on the Basel III (final version) issued by the Basel Committee on Banking Supervision and the realities of China's banking industry, the NFRA promulgated the Rules on Capital Management of Commercial Banks (hereinafter referred to as the "Capital Rules") on November 1, 2023. This section was prepared in accordance with the relevant concepts and rules regarding the capital adequacy ratio in the Capital Rules, rather than financial reporting and accounting standards. In accordance with the Information Disclosure Contents and Requirements for Commercial Banks in Appendix 22 to the Capital Rules and the requirements of relevant regulatory documents, the Bank discloses the following information:

1. Table KM1: Key Prudential Regulatory Metrics at Consolidated Group Level

In RMB million, except for percentages

	a	b	c	d	e
	As at June 30, 2026	As at March 31, 2026	As at December 31, 2025	As at September 30, 2025	As at June 30, 2025
Available capital (amounts)					
1 Net Common Equity Tier 1 (CET1) capital	1,038,704	1,025,513	1,003,478	1,008,754	983,753
2 Net tier 1 capital	1,188,888	1,145,692	1,153,653	1,158,927	1,133,918
3 Net capital	1,468,716	1,382,806	1,384,271	1,389,210	1,362,487
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	10,346,860	10,070,726	9,533,914	9,474,768	9,349,529
4a Total risk-weighted assets (pre-floor)	10,346,860	10,070,726	9,533,914	9,474,768	9,349,529
Risk-based capital ratios as a percentage of RWA					
5 CET1 capital adequacy ratio (%)	10.04	10.18	10.53	10.65	10.52
5a CET1 capital adequacy ratio (%) (pre-floor ratio)	10.04	10.18	10.53	10.65	10.52
6 Tier 1 capital adequacy ratio (%)	11.49	11.38	12.10	12.23	12.13
6a Tier 1 capital adequacy ratio (%) (pre-floor ratio)	11.49	11.38	12.10	12.23	12.13
7 Capital adequacy ratio (%)	14.19	13.73	14.52	14.66	14.57
7a Capital adequacy ratio (%) (pre-floor ratio)	14.19	13.73	14.52	14.66	14.57
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	–	–	–	–	–
10 Bank G-SIB and/or D-SIB additional requirements (%) ⁽¹⁾	0.50	0.50	0.50	0.50	0.50
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.00	3.00	3.00	3.00	3.00
12 CET1 available after meeting the bank's minimum capital requirements (%)	5.04	5.18	5.53	5.65	5.52
Leverage ratio					
13 Adjusted on- and off-balance sheet exposures	21,043,035	20,529,879	19,653,676	19,624,920	19,162,535
14 Leverage ratio (%) ⁽²⁾	5.65	5.58	5.87	5.91	5.92
14a Leverage ratio a (%) ⁽³⁾	5.65	5.58	5.87	5.91	5.92
14b Leverage ratio b (%) ⁽⁴⁾	5.64	5.56	5.88	5.91	5.93
14c Leverage ratio c (%) ⁽⁵⁾	5.64	5.56	5.88	5.91	5.93
Liquidity coverage ratio					
15 High-quality liquid assets	3,694,813	3,550,675	3,402,004	3,007,550	3,052,575
16 Net cash outflow	1,779,269	1,559,901	1,124,806	1,312,116	1,367,074
17 Liquidity coverage ratio (%)	207.66	227.62	302.45	229.21	223.29
Net stable funding ratio					
18 Total available stable funding	16,591,645	16,323,818	15,700,224	15,370,042	15,287,803
19 Total required stable funding	9,728,597	9,391,691	9,127,223	9,159,392	9,069,883
20 Net stable funding ratio (%)	170.55	173.81	172.02	167.81	168.56

Note (1): As at the end of the reporting period, the Bank was a Group II domestic systemically important bank, to which the additional capital requirement of 0.5 percent applies.

Note (2): Leverage ratio refers to the leverage ratio taking into account the temporarily exempted deposit reserves.

Note (3): Leverage ratio a refers to the leverage ratio without taking into account the temporarily exempted deposit reserves.

Note (4): Leverage ratio b refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, taking into account the temporarily exempted deposit reserves.

Note (5): Leverage ratio c refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, without taking into account the temporarily exempted deposit reserves.

Appendix: Supplementary Information

2. Table OV1: Overview of Risk-Weighted Assets

In RMB million

		a	b	c
		Risk-weighted assets		Minimum capital requirements
		As at June 30, 2026	As at March 31, 2026	As at June 30, 2026
1	Credit risk	9,676,833	9,457,238	774,147
2	Credit risk (excluding counterparty credit risk, credit valuation adjustment risk, asset management products in banking book and securitisation exposures in banking book)	9,274,288	9,047,963	741,943
3	Of which: standardized approach (SA)	9,274,288	9,047,963	741,943
4	Of which: exposure formed in the process of clearing securities, commodities and foreign exchange transactions	–	–	–
5	Of which: amounts below the thresholds for deduction	188,691	181,771	15,095
6	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–
7	Of which: supervisory slotting approach	–	–	–
8	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–
9	Counterparty credit risk (CCR)	15,512	18,246	1,241
10	Of which: standardized approach	15,512	18,246	1,241
11	Of which: current exposure method	–	–	–
12	Of which: other approaches	–	–	–
13	Credit valuation adjustment (CVA)	3,885	3,017	311
14	Asset management products in banking book	358,866	363,994	28,709
15	Of which: look-through approach	41,164	40,473	3,293
16	Of which: mandate-based approach	299,562	304,837	23,965
17	Of which: 1250% risk weight	18,140	18,684	1,451
18	Securitisation exposures in banking book	24,282	24,018	1,943
19	Of which: securitisation IRB approach (SEC-IRBA)	–	–	–
20	Of which: securitisation external ratings-based approach (SEC-ERBA)	15,088	14,466	1,207
21	Of which: securitisation standardized approach (SEC-SA)	9,194	9,552	736
22	Market risk	146,760	90,221	11,741
23	Of which: standardized approach (SA)	146,760	90,221	11,741
24	Of which: internal model approach (IMA)	–	–	–
25	Of which: simplified standardized approach	–	–	–
26	Capital charge for switch between trading book and banking book	–	–	–
27	Operational risk	523,267	523,267	41,861
28	Additional adjustment due to the application of capital floor	–	–	
29	Total	10,346,860	10,070,726	827,749



3. Table CCA: Main Features of Regulatory Capital Instruments and of Other TLAC-eligible Instruments (As at June 30, 2026)

In RMB million, except for percentages or otherwise stated

	a	b	c	d	e	f	g	h	i	j	k	l	m
	Ordinary shares (A shares)	Ordinary shares (H shares)	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Undated capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds
1 Issuer	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.	Postal Savings Bank of China Co., Ltd.
2 Unique identifier	601658.SH	1658.HK	2228001.IB	242380019.IB	242400004.IB	242580002.IB	242680012.IB	2128028.IB	2128029.IB	2228017.IB	2228018.IB	232300009.IB	232680012.IB
3 Governing law(s) of the instrument	PRC laws	PRC laws/laws of Hong Kong, PRC	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws	PRC laws
3a Means by which enforceability requirement of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
4 Tier of capital	CET1 capital	CET1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
5 Eligible at solo/group/solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group	Solo and group
6 Instrument type	CET1 capital	CET1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
7 Amount recognized in regulatory capital (currency in RMB million, as of most recent reporting date)	316,182	75,606	30,000	30,000	30,000	30,000	30,000	49,997	9,999	34,998	5,000	19,999	40,000
8 Par value of instrument (currency in RMB million)	100,239	19,856	30,000	30,000	30,000	30,000	30,000	50,000	10,000	35,000	5,000	20,000	40,000
9 Accounting classification	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Liabilities measured at amortized cost	Liabilities measured at amortized cost	Liabilities measured at amortized cost	Liabilities measured at amortized cost	Liabilities measured at amortized cost	Liabilities measured at amortized cost
10 Original date of issuance	November 28, 2019	September 20, 2016	January 14, 2022	October 13, 2023	March 14, 2024	February 19, 2025	June 2, 2026	August 19, 2021	August 19, 2021	March 4, 2022	March 4, 2022	May 11, 2023	June 9, 2026
11 Dated or undated	Undated	Undated	Undated	Undated	Undated	Undated	Undated	With maturity date	With maturity date	With maturity date	With maturity date	With maturity date	With maturity date
12 Of which: original maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date	August 23, 2031	August 23, 2036	March 8, 2032	March 8, 2032	May 15, 2038	June 11, 2036
13 Issuer call subject to prior supervisory approval	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
14 Of which: optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	The first redemption date is January 18, 2027, in full or in part	The first redemption date is October 17, 2028, in full or in part	The first redemption date is March 18, 2029, in full or in part	The first redemption date is February 21, 2030, in full or in part	The first redemption date is June 4, 2031, in full or in part	August 23, 2026 redemption in part or in full	August 23, 2031 redemption in part or in full	March 8, 2027 redemption in part or in full	March 8, 2032 redemption in part or in full	May 15, 2033 redemption in part or in full	June 11, 2031 redemption in part or in full
15 Of which: subsequent call dates, if applicable	Not applicable	Not applicable	January 18 each year after the first redemption date, in full or in part	October 17 each year after the first redemption date, in full or in part	March 18 each year after the first redemption date, in full or in part	February 21 each year after the first redemption date, in full or in part	June 4 each year after the first redemption date, in full or in part	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
16 Coupons/dividends													
Of which: fixed or floating dividend/coupon	Floating	Floating	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Floating: the coupon rate is fixed in a single coupon rate adjustment cycle (5 years) and is reset every 5 years	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
17 Of which: coupon rate and any related index (e.g., the benchmark interest rate adopted)	Not applicable	Not applicable	The coupon rate in the first 5 years is 3.46% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 83 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	The coupon rate in the first 5 years is 3.42% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 88 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	The coupon rate in the first 5 years is 2.73% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 51 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	The coupon rate in the first 5 years is 1.99% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 53 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	The coupon rate in the first 5 years is 1.88% and is reset every 5 years based on the arithmetic average of the yield to maturity of the 5-year product of the yield to maturity curve of China Bonds published on ChinaBond.com (or other websites approved by China Central Depository & Clearing Co., Ltd.) (rounded to 0.01%) plus 44 basis points to reset the coupon rate 5 trading days (excluding the day) before the adjustment date of the benchmark rate	3.44%	3.75%	3.54%	3.74%	3.39%	1.92%
18 Of which: existence of a dividend stopper	Not applicable	Not applicable	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
19 Of which: discretion to cancel dividend/coupon	Full discretion	Full discretion	Full discretion	Full discretion	Full discretion	Full discretion	Full discretion	No discretion	No discretion	No discretion	No discretion	No discretion	No discretion
20 Of which: existence of incentive to redeem	No	No	No	No	No	No	No	No	No	No	No	No	No

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4. Table CC1: Composition of Capital

In RMB million, except for percentages

		a	b
		As at June 30, 2026	
		Amounts	Code
Common Equity Tier 1 capital			
1	Valid portion of paid-in capital and capital reserve	391,788	e+g
2	Retained earnings	649,231	
2a	Surplus reserve	84,157	h
2b	General reserve	243,575	i
2c	Undistributed profits	321,499	j
3	Accumulated other comprehensive income	5,320	
4	Valid portion of minority interests	1,379	
5	Common Equity Tier 1 capital before deductions	1,047,718	
Common Equity Tier 1 Capital: deductions			
6	Prudent valuation adjustments	—	
7	Goodwill (net of deferred tax liabilities)	—	
8	Other intangible assets (other than land use rights) (net of deferred tax liabilities)	9,014	a-b-d
9	Net deferred tax assets that rely on future profitability and arise from operating losses	—	
10	Cash flow hedge reserve that relates to the hedging of items that are not fair valued on the balance sheet	—	
11	Shortfall of provisions to expected losses	—	
12	Securitisation gain on sale	—	
13	Unrealized gains and losses resulted from changes in the fair value of liabilities due to changes in the bank's own credit risk	—	
14	Defined-benefit pension fund net assets (net of deferred tax liabilities)	—	
15	Direct or indirect investments in own shares	—	
16	Reciprocal cross-holdings in common equity tier 1 capital between banks or between banks and other financial institutions	—	
17	Deductible amount of non-significant minority investments in common equity tier 1 capital of unconsolidated financial institutions	—	
18	Deductible amount of significant minority investments in common equity tier 1 capital of unconsolidated financial institutions	—	
19	Deductible amount of other net deferred tax assets that rely on the bank's future profitability	—	
20	Deductible amount of non-deducted part of common equity tier 1 capital of significant minority investments in unconsolidated financial institutions and other net deferred tax assets that rely on the bank's future profitability in excess of 15% of common equity tier 1 capital	—	
21	Of which: deductible amount of significant minority investments in the capital of financial institutions	—	
22	Of which: deductible amount in other net deferred tax assets that rely on the bank's future profitability	—	

Appendix: Supplementary Information

		a	b
		As at June 30, 2026	
		Amounts	Code
23	The total of other items that should be deducted from common equity tier 1 capital	–	
24	Undeducted shortfall that should be deducted from additional tier 1 capital and tier 2 capital	–	
25	Total regulatory adjustments to common equity tier 1 capital	9,014	
26	Net Common Equity Tier 1 capital	1,038,704	
	Additional tier 1 capital		
27	Additional tier 1 capital instruments and related premium	150,000	
28	Of which: portion classified as equity	150,000	
29	Of which: portion classified as liabilities	–	
30	Valid portion of minority interests	184	
31	Additional tier 1 capital before deductions	150,184	
	Additional tier 1 capital: deductions		
32	Direct or indirect investments in own additional tier 1 capital	–	
33	Reciprocal cross-holdings in additional tier 1 capital between banks or between banks and other financial institutions	–	
34	Deductible amount of non-significant minority investments in additional tier 1 capital of unconsolidated financial institutions	–	
35	Deductible amount of significant minority investments in additional tier 1 capital of unconsolidated financial institutions	–	
36	The total of other items that should be deducted from additional tier 1 capital	–	
37	Undeducted shortfall that should be deducted from tier 2 capital	–	
38	Total deductions to additional tier 1 capital	–	
39	Net additional tier 1 capital	150,184	
40	Net tier 1 capital	1,188,888	
	Tier 2 capital		
41	Tier 2 capital instruments and related premium	159,993	
42	Valid portion of minority interests	368	
43	Valid portion of surplus provisions for loss	119,467	
44	Tier 2 capital before deductions	279,828	
	Tier 2 capital: deductions		
45	Direct or indirect investments in own tier 2 capital	–	
46	Reciprocal cross-holdings in tier 2 capital and TLAC non-capital debt instruments between banks or between banks and other financial institutions	–	
47	Deductible amount of non-significant minority investments in tier 2 capital of unconsolidated financial institutions	–	
47a	Deductible amount of non-significant investments in TLAC non-capital debt instruments of unconsolidated financial institutions (for G-SIBs only)	–	
48	Deductible amount of significant minority investments in tier 2 capital of unconsolidated financial institutions	–	
48a	Deductible amount of significant investments in TLAC non-capital debt instruments of unconsolidated financial institutions (for G-SIBs only)	–	
49	The total of other items that should be deducted from tier 2 capital	–	
50	Total deductions to tier 2 capital	–	



	a	b
	As at June 30, 2026	
	Amounts	Code
51 Net tier 2 capital	279,828	
52 Net capital	1,468,716	
53 Risk-weighted assets	10,346,860	
Capital adequacy ratio and additional capital requirements		
54 Common equity tier 1 capital adequacy ratio	10.04%	
55 Tier 1 capital adequacy ratio	11.49%	
56 Capital adequacy ratio	14.19%	
57 Additional capital requirements (%)	3.00	
58 Of which: capital conservation buffer requirement	2.50	
59 Of which: countercyclical buffer requirement	–	
60 Of which: bank G-SIB and/or D-SIB additional requirements	0.50	
61 Net CET 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements (%)	5.04	
Domestic minimum requirements for regulatory capital		
62 Common equity tier 1 capital adequacy ratio	5.00%	
63 Tier 1 capital adequacy ratio	6.00%	
64 Capital adequacy ratio	8.00%	
Amounts below the thresholds for deduction		
65 Undeducted portion of non-significant minority investments of unconsolidated financial institutions	42,010	
65a Undeducted portion of non-significant investments in TLAC non-capital debt instruments of unconsolidated financial institutions (for G-SIBs only)	–	
66 Undeducted portion of significant minority investments of unconsolidated financial institutions	–	
67 Other net deferred tax assets that rely on the bank's future profitability (net of deferred tax liabilities)	70,195	
Applicable caps on the inclusion of surplus provisions in tier 2 capital		
68 Surplus provisions for loss eligible for inclusion in tier 2 capital in respect of exposures subject to standardized approach	131,595	
69 Cap on inclusion of surplus provisions for loss in tier 2 capital under standardized approach	119,467	
70 Surplus provisions for loss eligible for inclusion in tier 2 capital in respect of exposures subject to internal ratings-based approach	–	
71 Cap on inclusion of surplus provisions for loss in tier 2 capital under internal ratings-based approach	–	

Appendix: Supplementary Information

5. Table CC2: Differences Between the Scope of Accounting Consolidation and the Scope of Regulatory Consolidation

In RMB million

		a	b	c
		As at June 30, 2026		
		Under the scope of accounting consolidation	Under the scope of regulatory consolidation	Code
Assets				
1	Cash and deposits with central bank	1,401,888	1,401,888	
2	Deposits with banks and other financial institutions	347,023	347,023	
3	Placements with banks and other financial institutions	341,236	341,236	
4	Derivative financial assets	8,765	8,765	
5	Financial assets held under resale agreements	263,432	263,432	
6	Loans and advances to customers	10,046,641	10,046,641	
7	Financial investments			
8	Financial assets held for trading	1,091,094	1,091,094	
9	Debt investments	5,482,708	5,482,708	
10	Other debt investments	576,410	576,410	
11	Investments in other equity instruments	6,795	6,795	
12	Long-term equity investment	782	782	
13	Fixed assets	46,628	46,628	
14	Construction in progress	13,951	13,951	
15	Right-of-use assets	11,658	11,658	
16	Intangible assets	10,633	10,633	a
17	Of which: land use rights	1,619	1,619	b
18	Deferred tax assets	70,207	70,207	
19	Other assets	96,127	96,127	
20	Total assets	19,815,978	19,815,978	



		a	b	c
		As at June 30, 2026		
		Under the scope of accounting consolidation	Under the scope of regulatory consolidation	Code
Liabilities				
21	Borrowings from central bank	28,332	28,332	
22	Deposits from banks and other financial institutions	313,828	313,828	
23	Placements from banks and other financial institutions	62,963	62,963	
24	Derivative financial liabilities	5,046	5,046	
25	Financial assets sold under repurchase agreements	291,731	291,731	
26	Customer deposits	17,438,687	17,438,687	
27	Employee benefits payable	21,948	21,948	
28	Tax payable	11,285	11,285	
29	Bonds payable	276,179	276,179	
30	Lease liabilities	11,094	11,094	
31	Deferred tax liabilities	48	48	
32	Of which: deferred tax liabilities related to goodwill	–	–	c
33	Of which: deferred tax liabilities related to intangible assets	–	–	d
34	Other liabilities	156,131	156,131	
35	Total liabilities	18,617,272	18,617,272	
Shareholders' equity				
36	Paid-in capital (or share capital)	120,095	120,095	
37	Of which: amount included in common equity tier 1 capital	120,095	120,095	e
38	Of which: amount included in other tier 1 capital	–	–	f
39	Other equity instruments			
40	Perpetual bonds	150,000	150,000	
41	Capital reserve	271,693	271,693	g
42	Other comprehensive income	5,320	5,320	
43	Surplus reserve	84,157	84,157	h
44	General risk reserve	243,575	243,575	i
45	Undistributed profits	321,499	321,499	j
46	Total shareholders' equity attributable to the Bank	1,196,339	1,196,339	
47	Minority interests	2,367	2,367	
48	Total shareholders' equity	1,198,706	1,198,706	
49	Total liabilities and shareholders' equity	19,815,978	19,815,978	

Note (1): Pursuant to the regulatory requirements, insurance companies and industrial and commercial enterprises should not be included under the scope of regulatory consolidation. As the Group does not have any subsidiaries of the above-mentioned type, the scope of regulatory consolidation is the same as the scope of accounting consolidation.

Note (2): Prepared in accordance with PRC GAAP.

Appendix: Supplementary Information

6. Table CR5-2: Credit Risk Exposures and Credit Conversion Factors (by Risk Weights)

In RMB million, except for percentages

		a	b	c	d
		As at June 30, 2026			
	Risk weight	On-balance sheet exposure	Off-balance sheet exposure (pre-conversion)	Weighted average credit conversion factor*	Exposure (post-conversion and post-mitigation)
1	Less than 40%	9,035,670	137,406	23.11%	9,921,308
2	40-70%	1,973,292	272,434	22.54%	2,251,843
3	75%	2,852,759	751,354	20.88%	2,931,774
4	85%	725,479	249,447	19.04%	710,312
5	90-100%	3,442,936	1,500,694	54.13%	3,323,120
6	105-130%	459,341	308,343	1.62%	463,814
7	150%	70,921	33,754	3.90%	68,989
8	250%	82,300	–	–	82,300
9	400%	12	–	–	12
10	1250%	104	–	–	104
11	Total exposures	18,642,814	3,253,432	34.31%	19,753,576

* Weighting is based on off-balance sheet exposure (pre-conversion).

7. Table CCR1: Counterparty Credit Risk Exposures (by Approach)

In RMB million, except for coefficients

		a	b	c	d	e	f
		As at June 30, 2026					
		Replacement cost (RC)	Potential future exposure (PFE)	Additional factors of potential future exposure (Add-on)	α used for computing regulatory exposure at default	Exposure at default post-credit risk mitigation	Risk-weighted assets
1	Standardized approach (for derivatives)	5,781	14,066		1.4	27,787	15,236
2	Current exposure method (for derivatives)	–		–	1	–	–
3	Securities financing transactions					108,180	257
4	Total					135,967	15,493



8. Table SEC1: Securitisation Exposures in the Banking Book

In RMB million

	a	b	c	d	e	f	g	h	i	j	k	l
	Bank acts as originator				Bank acts as sponsor				Bank acts as investor			
	Of which simple, transparent and comparable				Of which				Of which			
	Traditional	(STC)	Synthetic	Sub-total	Traditional	STC	Synthetic	Sub-total	Traditional	STC	Synthetic	Sub-total
1 Retail (total) - of which	4,164	-	-	4,164	-	-	-	-	66,443	-	-	66,443
2 residential mortgage	3,889	-	-	3,889	-	-	-	-	6,010	-	-	6,010
3 credit card	36	-	-	36	-	-	-	-	-	-	-	-
4 other retail exposures	239	-	-	239	-	-	-	-	60,433	-	-	60,433
5 re-securitisation	-		-	-	-		-	-	-		-	-
6 Wholesale (total) - of which	-	-	-	-	-	-	-	-	22,483	-	-	22,483
7 loans to corporates	-	-	-	-	-	-	-	-	6,867	-	-	6,867
8 commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-
9 lease and receivables	-	-	-	-	-	-	-	-	14,871	-	-	14,871
10 other wholesale	-	-	-	-	-	-	-	-	745	-	-	745
11 re-securitisation	-		-	-	-		-	-	-		-	-

9. Table SEC2: Securitisation Exposures in the Trading Book

The Group's trading book did not involve securitisation exposures as at June 30, 2026.

Appendix: Supplementary Information

10. Table MR1: Market Risk Under Standardized Approach

In RMB million

		a
		Capital requirement under standardized approach
		As at June 30, 2026
1	General interest rate risk	2,299
2	Equity risk	–
3	Commodity risk	18
4	Foreign exchange risk	3,101
5	Credit spread risk – non-securitisations	4,165
6	Credit spread risk – securitisations (non-correlation trading portfolio)	–
7	Credit spread risk – securitisation (correlation trading portfolio)	–
8	Default risk – non-securitisations	1,848
9	Default risk – securitisations (non-correlation trading portfolio)	–
10	Default risk – securitisations (correlation trading portfolio)	–
11	Residual risk add-on	310
12	Total	11,741

11. Table GSIB1: Disclosure of G-SIB Indicators

For details on the assessment indicators of global systemically important banks of the Group for the previous year and previous periods, please refer to the Bank's website (www.psbc.com/en/investor_relations/finance/financial_reports/).

12. Table LR1: Summary Comparison of Accounting Assets versus Leverage Ratio Exposure Measure

In RMB million

		a
		As at June 30, 2026
1	Total consolidated assets	19,815,978
2	Adjustments that are consolidated for accounting purposes but outside the regulatory scope of consolidation	–
3	Adjustments for fiduciary assets	–
4	Adjustments for derivative financial instruments	20,571
5	Adjustments for securities financing transactions	104,738
6	Adjustments for off-balance sheet items	1,110,762
7	Adjustments for asset securitisation transactions	–
8	Adjustments for unsettled financial assets	–
9	Adjustments for eligible cash pooling transactions	–
10	Adjustments for temporary exemption of central bank reserves (if applicable)	–
11	Adjustments for prudent valuation adjustments and provisions	–
12	Other adjustments	(9,014)
13	Adjusted on- and off-balance sheet exposures	21,043,035

**13. Table LR2: Leverage Ratio Common Disclosure***In RMB million, except for percentages*

	a	b
	As at June 30, 2026	As at March 31, 2026
On-balance sheet exposures		
1 On-balance sheet assets (excluding derivatives and securities financing transactions (SFTs))	19,788,675	19,425,185
2 Less: provisions associated with on-balance sheet exposures	(244,894)	(242,896)
3 Less: Tier 1 capital deductions	(9,014)	(8,280)
4 Total on-balance sheet exposures (excluding derivatives and SFTs)	19,534,767	19,174,009
Derivatives exposures		
5 Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	8,866	5,251
6 Add-on amounts for potential future exposure associated with all derivatives transactions	19,786	16,652
7 Gross-up for derivatives collateral provided where deducted from the balance sheet assets	–	–
8 Less: deductions of receivable assets for cash variation margin provided in derivatives transactions	–	–
9 Less: exempted central counterparty (CCP) leg of client-cleared trade exposures	–	–
10 Adjusted effective notional amount of written credit derivatives	684	839
11 Less: adjusted effective notional offsets and add-on deductions for written credit derivatives	–	–
12 Total derivative exposures	29,336	22,742
Securities financing transaction exposures		
13 Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	263,432	323,982
14 Less: netted amounts of cash payables and cash receivables of gross SFT assets	–	–
15 Counterparty credit risk exposure for SFT assets	104,738	102,678
16 Agent transaction exposures	–	–
17 Total securities financing transaction exposures	368,170	426,660
Other off-balance sheet exposures		
18 Off-balance sheet exposure at gross notional amount	3,255,156	2,912,251
19 Less: adjustments for conversion to credit equivalent amounts	(2,138,948)	(2,000,943)
20 Less: provisions associated with off-balance sheet exposures	(5,446)	(4,840)
21 Off-balance sheet items	1,110,762	906,468
Capital and total exposures		
22 Net tier 1 capital	1,188,888	1,145,692
23 Adjusted on- and off-balance sheet exposures	21,043,035	20,529,879

Appendix: Supplementary Information

		a	b
		As at June 30, 2026	As at March 31, 2026
Leverage ratio			
24	Leverage ratio	5.65%	5.58%
24a	Leverage ratio a ⁽¹⁾	5.65%	5.58%
25	Minimum leverage ratio requirements	4.00%	4.00%
26	Additional leverage buffers	0.25%	0.25%
Disclosure of mean values			
27	Mean value of gross SFT assets	302,892	410,041
27a	Quarter-end value of gross SFT assets	263,432	323,982
28	Adjusted on- and off-balance sheet exposures a ⁽²⁾	21,082,495	20,615,938
28a	Adjusted on- and off-balance sheet exposures b ⁽³⁾	21,082,495	20,615,938
29	Leverage ratio b ⁽⁴⁾	5.64%	5.56%
29a	Leverage ratio c ⁽⁵⁾	5.64%	5.56%

Note (1): Leverage ratio a refers to the leverage ratio without taking into account the temporarily exempted deposit reserves.

Note (2): Adjusted on- and off-balance sheet exposures a refers to the balance of adjusted on- and off-balance sheet assets calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, taking into account the temporarily exempted deposit reserves.

Note (3): Adjusted on- and off-balance sheet exposures b refers to the balance of adjusted on- and off-balance sheet assets calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, without taking into account the temporarily exempted deposit reserves.

Note (4): Leverage ratio b refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, taking into account the temporarily exempted deposit reserves.

Note (5): Leverage ratio c refers to the leverage ratio calculated using the simple arithmetic average of the daily balances of securities financing transactions during the latest quarter, without taking into account the temporarily exempted deposit reserves.

14. Table LIQ1: Liquidity Coverage Ratio

In RMB million, except for percentages

		a
		Total adjusted value
		As at June 30, 2026
1	High-quality liquid assets	3,694,813
2	Net cash outflow ⁽¹⁾	1,779,269
3	Liquidity coverage ratio (%)	207.66

Note (1): Net cash outflow refers to the net cash outflow for the next 30 days.

15. Table LIQ2: Net Stable Funding Ratio

In RMB million, except for percentages

		a	b
		Total weighted value	Total weighted value
		As at June 30, 2026	As at March 31, 2026
1	Total available stable funding	16,591,645	16,323,818
2	Total required stable funding	9,728,597	9,391,691
3	Net stable funding ratio (%)	170.55	173.81



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