



徽商银行股份有限公司
Huishang Bank Corporation Limited

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

STOCK CODE: 3698



2025

Interim Report



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INTERIM REPORT 2025

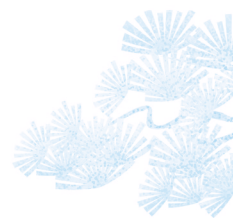




Definitions

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

“Bank” or “Huishang Bank”	Huishang Bank Corporation Limited, including its subsidiaries and branches
“China” or “PRC”	the People’s Republic of China
“PBOC”	the People’s Bank of China
“Domestic Shares”	the ordinary shares issued by the Bank in the PRC with a nominal value of RMB1.00 per share
“H Shares”	the ordinary shares issued by the Bank to overseas investors, which are denominated in RMB, subscribed for in Hong Kong Dollars and listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Corporate Governance Code”	Part 2 of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“Latest Practicable Date”	the latest practicable date prior to the printing for the purpose of ascertaining certain information contained in this report, i.e. 3 September 2025
“Reporting Period”	the first half of 2025 (1 January 2025 to 30 June 2025)
“Yuan” or “RMB”	Renminbi, the lawful currency of China. Unless otherwise specified herein, the currency used in this report shall be Renminbi
“US\$” or “U.S. Dollars”	U.S. dollars, the lawful currency of the United States
“HK\$” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Articles of Association”	Articles of Association of the Bank currently in force
“IFRS” or “International Financial Reporting Standards”	International Financial Reporting Standards
“LPR”	Loan Prime Rate



Chapter I Corporate Information

1.1 CORPORATE INFORMATION

- 1.1.1 Registered Chinese name: 徽商银行股份有限公司¹
Registered English name: Huishang Bank Corporation Limited
- 1.1.2 Secretary to the Board of Directors: Lian Baohua
Company secretary: Ngai Wai Fung
- 1.1.3 Registered and business office address: Huishang Bank Building, No. 1699 Yungu Road, Hefei, Anhui Province, the PRC
- 1.1.4 Contact address: Huishang Bank Building, No. 1699 Yungu Road, Hefei, Anhui Province, the PRC
Tel: +86-551-62667806/65195721
Fax: +86-551-62667661
Postal code: 230092
Bank's website: www.hsbank.com.cn
E-mail: 96588@hsbank.com.cn
- 1.1.5 Principal place of business in Hong Kong: 40/F, Dah Sing Finance Center, No. 248 Queen's Road East, Wanchai, Hong Kong
- 1.1.6 Domestic auditor: KPMG Huazhen LLP (Special General Partnership)
Office address: 8th Floor, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing, the PRC
International auditor: KPMG
Office address: 8th Floor, Prince's Building, Central, Hong Kong
- 1.1.7 Legal advisor as to PRC law: DeHeng Law Offices
Legal advisor as to Hong Kong law: Clifford Chance
- 1.1.8 Domestic Shares trustee agency: China Securities Depository and Clearing Corporation Limited
H Shares registrar: Computershare Hong Kong Investor Services Limited

Note: 1. Huishang Bank Corporation Limited is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.



Chapter I Corporate Information

1.2 COMPANY PROFILE

Headquartered in Hefei, Anhui Province, Huishang Bank is the first banking and financial institution in the PRC jointly established by city commercial banks and urban credit cooperatives with the approval of the former China Banking Regulatory Commission. The Bank was incorporated on 4 April 1997, and changed its name to Huishang Bank Corporation Limited on 30 November 2005. On 28 December 2005, the Bank merged with the 5 city commercial banks of Wuhu, Ma'anshan, Anqing, Huaibei and Bengbu and the 7 urban credit cooperatives of Lu'an, Huainan, Tongling, Fuyang Technology, Fuyang Xinying, Fuyang Yinhe and Fuyang Jinda in Anhui Province and was formally inaugurated. The Bank officially opened for business on 1 January 2006. On 12 November 2013, H Shares of the Bank were listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3698). The Bank holds a financial institution license numbered B0162H234010001 from the former China Banking Regulatory Commission Anhui Office and a business license with the unified social credit code numbered 913400001489746613 from the Anhui Provincial Market Supervisory Authority. The registered address is Huishang Bank Building, No. 1699 Yungu Road, Hefei, Anhui Province, the PRC. As of the end of June 2025, the registered capital of the Bank was RMB13,889,801,211.

The business scope of the Bank includes banking business, securities investment funds custody, sales of publicly offered securities investment funds, foreign exchange settlement and sale business, and foreign exchange business. As at the end of June 2025, the Bank had 13,040 on-the-job employees. Apart from its headquarters, the Bank has 21 branches, 468 front offices and 503 self-service areas (points). The Bank also has four subsidiaries, namely Huishang Bank Financial Leasing Co., Ltd., HSBank Wealth Management Co., Ltd., Wuwei Huiyin Rural Bank Co., Ltd. and Jinzhai Huiyin Rural Bank Co., Ltd. and owns equity interests in Chery HuiYin Motor Finance Service Co., Ltd. and Mengshang Bank Co., Ltd.

By maintaining its market position as a bank “serving the local economy, serving small and medium enterprises (the “SME(s)”) and serving the general public”, the Bank has experienced a continuous relatively fast growth in its business development and a gradual increase in its comprehensive strength, has steadily improved its operational management standards, and has achieved a synergic development of scale, quality and efficiency, receiving full recognition and wide acclaim from all sectors of society. In 2025, the Bank ranked 101st in the “Top 1000 World Banks” by The Banker, a UK magazine, up 11 places from the previous year, and ranked 242nd in the Fortune China 500 list, up 16 places from the previous year.

Chapter II Summary of Accounting Data and Business Data

2.1 MAIN FINANCIAL INFORMATION

Unit: RMB million, except for percentages

	January to June 2025	January to June 2024	Changes over the corresponding period of last year +/(-)%
Operational results			
Operating income ⁽¹⁾	21,157	20,692	2.25
Profit before tax	10,706	10,183	5.14
Net profit	9,328	8,986	3.81
Net profit attributable to shareholders of the Bank	9,109	8,631	5.55

Unit: RMB, except for percentages

	January to June 2025	January to June 2024	Changes over the corresponding period of last year +/(-)%
Per ordinary share			
Basic earnings attributable to shareholders of the Bank	0.66	0.62	6.45
Diluted earnings attributable to shareholders of the Bank	0.66	0.62	6.45
Closing net assets attributable to shareholders of the Bank	10.23	9.40	8.83

Unit: RMB million, except for percentages

	30 June 2025	31 December 2024	Changes over the end of last year +/(-)%
Scale indicators			
Total assets	2,251,854	2,013,753	11.82
Including: total loans and advances to customers ⁽²⁾	1,100,533	1,002,166	9.82
Total liabilities	2,085,296	1,852,086	12.59
Including: total customer deposits ⁽³⁾	1,252,004	1,138,966	9.92
Equity attributable to shareholders of the Bank	162,123	157,450	2.97

Notes: (1) Operating income comprises net interest income, net fee and commission income, net trading income, net income from financial investments and other operating income, net.

(2) Accrued interest and provision for impairment are not included in total loans and advances to customers.

(3) Accrued interest is not included in total customer deposits.

Chapter II Summary of Accounting Data and Business Data

2.2 FINANCIAL RATIOS

Profitability indicators ⁽¹⁾	January to June 2025	January to December 2024	January to June 2024	Unit: %
				Changes over the corresponding period of last year +/-(-)
Return on average total assets (ROA)	0.87	0.83	0.96	(0.09)
Return on average net assets (ROE)	12.95	11.86	13.75	(0.80)
Net interest spread	1.37	1.49	1.57	(0.20)
Net interest margin	1.55	1.71	1.80	(0.25)

Proportion of operating income	January to June 2025	January to December 2024	January to June 2024	Unit: %
				Changes over the corresponding period of last year +/-(-)
Net interest income	68.68	77.01	70.97	(2.29)
Net non-interest income	31.32	22.99	29.03	2.29
Cost-to-income ratio				
(excluding tax and surcharges) ⁽²⁾	22.14	27.71	23.05	(0.91)

Asset quality indicators	30 June 2025	31 December 2024	30 June 2024	Unit: %
				Changes over the corresponding period of last year +/-(-)
Non-performing loan ratio	0.98	0.99	1.14	(0.16)
Allowance to non-performing loan ratio	289.94	286.47	272.51	17.43
Allowance to loans ratio	2.84	2.82	3.10	(0.26)

Chapter II Summary of Accounting Data and Business Data

2.2 FINANCIAL RATIOS (CONTINUED)

Capital adequacy indicators	30 June 2025	31 December 2024	30 June 2024	Unit: % Changes over the corresponding period of last year +/-
Capital adequacy ratio	13.27	13.72	13.37	(0.10)
Tier 1 capital adequacy ratio	11.02	11.41	11.03	(0.01)
Core Tier 1 capital adequacy ratio	9.53	9.83	9.41	0.12

Other indicators	30 June 2025	31 December 2024	30 June 2024	Unit: % Changes over the corresponding period of last year +/-
Equity to total assets ⁽³⁾	7.40	8.03	8.02	(0.62)
Gearing ratio ⁽⁴⁾	92.60	91.97	91.98	0.62

Notes: (1) The ratios are annualized.

(2) Cost-to-income ratio = (Operating expenses – Tax and surcharges)/Operating income.

(3) Equity includes minority interests.

(4) Gearing ratio = Total liabilities/Total assets.

Chapter III Management Discussion and Analysis

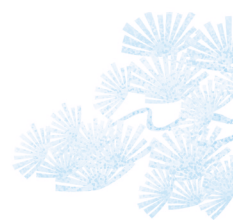
3.1 OVERALL BUSINESS REVIEW

In the first half of 2025, the Bank adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, diligently launched education campaigns to thoroughly implement the “eight-point decision” established rules of the CPC Central Committee, strived to be a pioneer and excel in performance, accelerated reform and transformation, and contributed to formulating the strategy of “Three Areas and One Zone” and comprehensively building a prosperous Anhui, delivering outstanding interim results to all sectors of society and investors.

As at the end of June 2025, the total assets of the Bank were RMB2,251,854 million, representing an increase of RMB238,101 million or 11.82% as compared with the end of last year. Among them, total loans and advances to customers were RMB1,100,533 million, representing an increase of RMB98,367 million or 9.82% as compared with the end of last year. Total liabilities were RMB2,085,296 million, representing an increase of RMB233,210 million or 12.59% as compared with the end of last year. Among them, total customer deposits were RMB1,252,004 million, representing an increase of RMB113,038 million or 9.92% as compared with the end of last year.

As at the end of June 2025, the Bank realized an operating income of RMB21,157 million, representing an increase of RMB465 million or 2.25% as compared with the same period of last year; net profit was RMB9,328 million, representing an increase of RMB342 million or 3.81% as compared with the same period of last year.

As at the end of June 2025, the Bank’s non-performing loan balance was RMB10,765 million, representing an increase of RMB889 million as compared with the end of last year. Non-performing loan ratio was 0.98%, representing a decrease of 0.01 percentage point as compared with the end of last year. Allowance to non-performing loan ratio was 289.94%, representing an increase of 3.47 percentage points as compared with the end of last year.



Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT

3.2.1 Summary of financial performance

From January to June 2025, the Bank realized profit before tax of RMB10,706 million, representing an increase of RMB523 million or 5.14% as compared with the same period of last year. The effective income tax rate was 12.86%, representing an increase of 1.11 percentage points as compared with the same period of last year.

	<i>Unit: RMB million</i>	
	January to June 2025	January to June 2024
Net interest income	14,530	14,686
Net fee and commission income	1,759	1,767
Other net income	4,868	4,239
Operating expenses	4,942	4,980
Impairment losses	5,668	5,700
Share of profits of associates	159	172
Profit before tax	10,706	10,183
Income tax expense	1,377	1,197
Net profit	9,328	8,986
Net profit attributable to shareholders of the Bank	9,109	8,631



Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

3.2.2 Net interest income

From January to June 2025, the Bank's net interest income amounted to RMB14,530 million, representing a decrease of RMB156 million or 1.06% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB2,359 million in net interest income while changes in interest rates resulted in a decrease of RMB2,515 million in net interest income. From January to June 2025, each of the net interest spread and net interest margin of the Bank were 1.37% and 1.55%, representing a decrease of 20 basis points and 25 basis points as compared with the same period of last year, respectively.

The following table sets forth the average balances, interest income and interest expenses, and annualized average yield and cost ratio of the Bank's interest-earning assets and interest-bearing liabilities for the periods indicated.

Unit: RMB million, except for percentages

	January to June 2025			January to June 2024		
	Average Balance ⁽¹⁾	Interest Income	Annualized Average Yield (%)	Average Balance ⁽¹⁾	Interest Income	Annualized Average Yield (%)
Interest-earning assets						
Loans and advances to customers	1,058,036	19,843	3.78	924,361	19,689	4.28
Financial investments	626,621	9,843	3.17	535,909	10,494	3.94
Balances with the central bank	79,791	585	1.48	78,392	584	1.50
Deposits and placements with banks and other financial institutions	98,113	987	2.03	78,292	894	2.30
Financial leasing	68,505	1,814	5.34	65,106	2,056	6.35
Total interest-earning assets and interest income	1,931,066	33,072	3.45	1,682,060	33,717	4.03

Note: (1) Average balance represents the daily average balance.

Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

3.2.2 Net interest income (Continued)

Unit: RMB million, except for percentages

	January to June 2025			January to June 2024		
	Average Balance	Interest Expenses	Annualized Average Cost Ratio (%)	Average Balance	Interest Expenses	Annualized Average Cost Ratio (%)
Interest-bearing liabilities						
Borrowings from the central bank	143,017	1,373	1.94	104,747	1,261	2.42
Customer deposits	1,201,656	11,368	1.91	1,060,051	11,282	2.14
Deposits and placements from banks and other financial institutions ⁽¹⁾	256,083	2,627	2.07	326,224	4,011	2.47
Debt securities issued	302,670	3,174	2.11	188,467	2,477	2.64
Total interest-bearing liabilities and interest expenses	1,903,426	18,542	1.96	1,679,489	19,031	2.28
Net interest income	–	14,530	–	–	14,686	–
Net interest spread⁽²⁾	–	–	1.37	–	–	1.57
Net interest margin⁽²⁾	–	–	1.55	–	–	1.80

Notes: (1) Deposits from insurance companies are included in the item of deposits and placements from banks and other financial institutions.

(2) After the adoption of new accounting standards for financial instruments, gains from the holding of financial assets at fair value through profit or loss will no longer be recorded as interest income. Net interest spread and net interest margin shall be calculated based on interest income (after adjustment).

Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

3.2.2 Net interest income (Continued)

The following table sets forth the changes in interest income and expenses of the Bank caused by the changes in scale and interest rates for the period indicated.

Unit: RMB million

	January to June 2025 vs. January to June 2024		
	Increase/(decrease) factors		Net increase/
	Scale ⁽¹⁾	Interest rate	(decrease)
Assets			
Loans and advances to customers	2,847	(2,693)	154
Financial investments	1,776	(2,427)	(651)
Balances with the central bank	10	(9)	1
Deposits and placements with banks and other financial institutions	226	(133)	93
Financial leasing	107	(349)	(242)
Changes in interest income	4,966	(5,611)	(645)
Liabilities			
Borrowings from the central bank	461	(349)	112
Customer deposits	1,507	(1,421)	86
Deposits and placements from banks and other financial institutions	(862)	(522)	(1,384)
Debt securities issued	1,501	(804)	697
Changes in interest expenses	2,607	(3,096)	(489)
Changes in net interest income	2,359	(2,515)	(156)

Note: (1) The changes in scale were measured by the changes in average balances, while changes in interest rates were measured by changes in average interest rates. The changes caused by a combination of scale changes and interest rate changes were included in the interest rate changes.

Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

3.2.3 Interest income

From January to June 2025, the Bank's interest income was RMB33,072 million, representing a decrease of RMB645 million or 1.91% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB4,966 million in interest income while changes in interest rates resulted in a decrease of RMB5,611 million in interest income.

Interest income from loans and advances

From January to June 2025, the interest income from loans and advances to customers of the Bank was RMB19,843 million, representing an increase of RMB154 million or 0.78% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB2,847 million in interest income from loans and advances to customers while changes in interest rates resulted in a decrease of RMB2,693 million in interest income from loans and advances to customers.

The following table sets forth the average balances, interest income and annualized average yield on each component of the Bank's loans and advances to customers for the periods indicated:

Unit: RMB million, except for percentages

	January to June 2025			January to June 2024		
	Average Balance	Interest Income	Annualized Average Yield (%)	Average Balance	Interest Income	Annualized Average Yield (%)
Corporate loans	675,382	12,777	3.81	611,162	13,250	4.36
Personal loans	304,598	6,667	4.41	253,844	6,011	4.76
Discounted bills	78,056	399	1.03	59,355	428	1.45
Loans and advances to customers	1,058,036	19,843	3.78	924,361	19,689	4.28

Interest income from financial investments

From January to June 2025, the Bank's interest income from financial investments was RMB9,843 million, representing a decrease of RMB651 million or 6.20% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB1,776 million in interest income from financial investments while changes in interest rates resulted in a decrease of RMB2,427 million in interest income from financial investments.

Interest income from deposits and placements with banks and other financial institutions

From January to June 2025, the Bank's interest income from deposits and placements with banks and other financial institutions was RMB987 million, representing an increase of RMB93 million or 10.40% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB226 million in interest income from deposits and placements with banks and other financial institutions while changes in interest rates resulted in a decrease of RMB133 million in interest income from deposits and placements with banks and other financial institutions.

Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

3.2.4 Interest expenses

From January to June 2025, the Bank's interest expenses amounted to RMB18,542 million, representing a decrease of RMB489 million or 2.57% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB2,607 million in interest expenses while changes in interest rates resulted in a decrease of RMB3,096 million in interest expenses.

Interest expense on customer deposits

From January to June 2025, the Bank's interest expense on customer deposits was RMB11,368 million, representing an increase of RMB86 million or 0.76% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB1,507 million in interest expense on customer deposits while changes in interest rates resulted in a decrease of RMB1,421 million in interest expense on customer deposits.

The following table sets forth the average balances, interest expenses and annualized average cost ratio of the Bank's corporate deposits and personal customer deposits for the periods indicated:

Unit: RMB million, except for percentages

	January to June 2025			January to June 2024		
	Average Balance	Interest Expenses	Annualized Average Cost Ratio (%)	Average Balance	Interest Expenses	Annualized Average Cost Ratio (%)
Corporate customer deposits						
Demand deposits	228,740	799	0.70	252,541	1,182	0.94
Time deposits	288,528	3,174	2.22	232,466	2,963	2.56
Sub-total	517,268	3,973	1.55	485,007	4,145	1.72
Personal customer deposits						
Demand deposits	90,360	33	0.07	84,784	202	0.48
Time deposits	594,028	7,362	2.50	490,260	6,936	2.85
Sub-total	684,388	7,395	2.18	575,044	7,138	2.50
Total customer deposits	1,201,656	11,368	1.91	1,060,051	11,282	2.14

Interest expense on deposits and placements from banks and other financial institutions

From January to June 2025, interest expense on deposits and placements from banks and other financial institutions was RMB2,627 million, representing a decrease of RMB1,384 million or 34.51% as compared with the same period of last year, among which expansion of the scale resulted in a decrease of RMB862 million in interest expense on deposits and placements from banks and other financial institutions and changes in interest rates resulted in a decrease of RMB522 million in interest expense on deposits and placements from banks and other financial institutions.

Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

3.2.4 Interest expenses (Continued)

Interest expense on debt securities issued

From January to June 2025, interest expense on debt securities issued was RMB3,174 million, representing an increase of RMB697 million or 28.14% as compared with the same period of last year, among which expansion of the scale resulted in an increase of RMB1,501 million in interest expense on debt securities issued while changes in interest rates resulted in a decrease of RMB804 million in interest expense on debt securities issued.

3.2.5 Net non-interest income

From January to June 2025, the Bank realized net non-interest income of RMB6,627 million, representing an increase of RMB621 million or 10.34% as compared with the same period of last year, which was primarily attributable to the increase in net gains on financial investments.

The table below sets out the main components of net non-interest income of the Bank for the periods indicated:

	<i>Unit: RMB million</i>	
	January to June 2025	January to June 2024
Fee and commission income	1,904	1,934
Custody fees	511	453
Investment banking fees	470	472
Agency commissions	379	408
Guarantee and commitment fees	327	434
Settlement and clearing fees	114	125
Settlement fees	15	11
Others	88	31
Fee and commission expenses	(145)	(167)
Net fee and commission income	1,759	1,767
Other net non-interest income	4,868	4,239
Net trading gains	1,546	2,900
Net gains on financial investments	2,980	1,122
Other operating income, net	342	217
Net non-interest income	6,627	6,006

Net fee and commission income

From January to June 2025, net fee and commission income of the Bank was RMB1,759 million, representing a decrease of RMB8 million or 0.45% as compared with the same period of last year, which was primarily attributable to the decrease in income from guarantee and commitment fees.

Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

3.2.5 Net non-interest income (Continued)

Net trading gains

From January to June 2025, net trading gains of the Bank were RMB1,546 million, representing a decrease of RMB1,354 million or 46.69% as compared with the same period of last year, which was primarily attributable to the decrease in net gains from interest rate products.

Net gains on financial investments

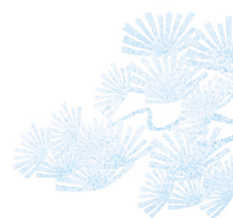
From January to June 2025, net gains on financial investments of the Bank were RMB2,980 million, representing an increase of RMB1,858 million or 165.60% as compared with the same period of last year, which was mainly due to the increase in net gains from derecognition of financial assets at amortised cost and fair value through other comprehensive income.

3.2.6 Operating expenses

From January to June 2025, operating expenses of the Bank were RMB4,942 million, representing a decrease of RMB38 million or 0.76% as compared with the same period of last year.

The following table sets forth the principal components of the Bank's operating expenses for the periods indicated:

	January to June 2025	Unit: RMB million January to June 2024
Staff costs	(2,958)	(3,061)
General operating and administrative expenses	(1,171)	(1,175)
Depreciation and amortization	(555)	(534)
Tax and surcharges	(258)	(210)
Total operating expenses	(4,942)	(4,980)



Chapter III Management Discussion and Analysis

3.2 ANALYSIS OF INCOME STATEMENT (CONTINUED)

3.2.7 Impairment losses

From January to June 2025, the Bank's allowance to impairment losses was RMB5,668 million, representing a decrease of RMB32 million or 0.56% as compared with the same period of last year.

The following table sets forth the principal components of the Bank's impairment losses for the periods indicated:

	<i>Unit: RMB million</i>	
	January to June 2025	January to June 2024
Loans and advances to customers ⁽¹⁾	(5,726)	(1,973)
Financial investments	(40)	(3,687)
Credit commitments	124	200
Deposits with banks and other financial institutions	(22)	(20)
Placements with banks and other financial institutions	26	(62)
Financial assets held under resale agreements	113	(32)
Finance lease receivables	(146)	(192)
Other assets	3	66
Total	(5,668)	(5,700)

Note: (1) Loans and advances to customers comprise loans and advances to customers measured at amortised cost and at fair value through other comprehensive income.



Chapter III Management Discussion and Analysis

3.3 BALANCE SHEET ANALYSIS

3.3.1 Assets

As of 30 June 2025, the Bank's total assets amounted to RMB2,251,854 million, representing an increase of 11.82% as compared with the end of last year. The increase in total assets was primarily due to the increase in assets such as loans and advances to customers and financial investments.

Unit: RMB million, except for percentages

Items	30 June 2025		31 December 2024	
	Amount	% of the total	Amount	% of the total
Total loans and advances to customers	1,100,533	48.87	1,002,166	49.77
Accrued interest of loans and advances to customers	1,892	0.08	2,021	0.10
Provision for loan impairment	(31,351)	(1.39)	(28,238)	(1.40)
Net loans and advances to customers	1,071,074	47.56	975,949	48.46
Financial investments	913,704	40.58	771,673	38.32
Cash and balances with the central bank	88,363	3.92	92,453	4.59
Deposits with banks and other financial institutions	11,591	0.51	14,676	0.73
Placements with banks and other financial institutions	48,337	2.15	48,012	2.38
Derivative financial assets	76	0.00	154	0.01
Financial assets held under resale agreements	5,481	0.24	11,904	0.59
Investments in associates	5,372	0.24	5,261	0.26
Investment properties	4	0.00	4	0.00
Fixed assets	4,345	0.19	4,340	0.22
Right-of-use assets	1,154	0.05	1,167	0.06
Finance lease receivables	69,687	3.09	57,958	2.88
Goodwill	10,671	0.47	10,671	0.53
Deferred income tax assets	16,958	0.75	15,381	0.76
Other assets	5,037	0.22	4,150	0.21
Total assets	2,251,854	100.00	2,013,753	100.00

Chapter III Management Discussion and Analysis

3.3 BALANCE SHEET ANALYSIS (CONTINUED)

3.3.1 Assets (Continued)

3.3.1.1 Loans and advances to customers

As of 30 June 2025, the Bank's total loans and advances to customers amounted to RMB1,100,533 million, representing an increase of 9.82% as compared with the end of last year, and accounting for 48.87% of the Bank's total assets.

Distribution of loans by product type

The following table sets forth the information on the Bank's loans and advances to customers by product type as of the dates indicated.

Unit: RMB million, except for percentages

Items	30 June 2025		31 December 2024	
	Amount	% of the total	Amount	% of the total
Corporate loans	702,176	63.80	627,583	62.62
Discounted bills	78,279	7.11	76,629	7.65
Personal loans	320,078	29.08	297,954	29.73
Total loans and advances to customers	1,100,533	100.00	1,002,166	100.00

3.3.1.2 Financial investments

Financial investments of the Bank consist of listed and non-listed securities denominated in both RMB and foreign currencies, including financial assets at fair value through profit or loss ("FVTPL"), financial assets at fair value through other comprehensive income and financial assets at amortised cost.

The following table sets forth the components of the investment portfolio of the Bank by accounting classification:

Unit: RMB million, except for percentages

Items	30 June 2025		31 December 2024	
	Amount	% of the total	Amount	% of the total
Financial assets at FVTPL	191,919	21.00	168,109	21.79
Financial assets at fair value through other comprehensive income	183,512	20.08	173,959	22.54
Financial assets at amortised cost	538,273	58.91	429,604	55.67
Financial investments	913,704	100.00	771,673	100.00

Note: As the Bank has adopted IFRS 9 – Financial Instruments, the classification and measurement of relevant financial assets are presented in accordance with the requirements of the newly adopted standard.

Chapter III Management Discussion and Analysis

3.3 BALANCE SHEET ANALYSIS (CONTINUED)

3.3.1 Assets (Continued)

3.3.1.2 Financial investments (Continued)

Financial assets at FVTPL

The following table sets forth the components of the financial asset portfolio at fair value through profit or loss of the Bank:

	Unit: RMB million	
	30 June 2025	31 December 2024
Interbank certificates of deposit	54,292	2,327
Debt securities	52,359	27,823
Equity investment	745	229
Fund investments	74,536	77,523
Beneficial rights in asset management plans, trust plans and others	4,158	54,497
Non-guaranteed wealth management products managed by other banks	4,696	3,961
Interest accrued	1,134	1,750
Total financial assets at fair value through profit or loss	191,919	168,109

Notes: As the Bank has adopted IFRS 9 – Financial Instruments, the classification and measurement of relevant financial assets are presented in accordance with the requirements of the newly adopted standard.

Financial assets at fair value through other comprehensive income

The following table sets forth the components of the financial asset portfolio at fair value through other comprehensive income of the Bank:

	Unit: RMB million	
	30 June 2025	31 December 2024
Debt securities	179,722	166,891
Interbank certificates of deposits	1,594	4,445
Equity investments	409	370
Interest accrued	1,787	2,253
Total financial assets at fair value through other comprehensive income	183,512	173,959

Note: As the Bank has adopted IFRS 9 – Financial Instruments, the classification and measurement of relevant financial assets are presented in accordance with the requirements of the newly adopted standard.

Chapter III Management Discussion and Analysis

3.3 BALANCE SHEET ANALYSIS (CONTINUED)

3.3.1 Assets (Continued)

3.3.1.2 Financial investments (Continued)

Financial assets at amortised cost

The following table sets forth the components of the financial asset portfolio at amortised cost of the Bank:

	<i>Unit: RMB million</i>	
	30 June 2025	31 December 2024
Debt securities	514,373	315,597
Beneficial rights in asset management plans, trust plans and others ⁽²⁾	28,296	116,346
Interest accrued	5,765	7,805
Less: provision for impairment	(10,161)	(10,145)
Net financial assets at amortised cost	538,273	429,604

Note: As the Bank has adopted IFRS 9 – Financial Instruments, the classification and measurement of relevant financial assets are presented in accordance with the requirements of the newly adopted standard.

Carrying value and market value

All assets classified as financial assets at FVTPL or financial assets at fair value through other comprehensive income are recorded at market value or fair value.

The following table sets forth the carrying value and market value of the financial assets at amortised cost in the Bank's investment portfolio as of the dates indicated:

	<i>Unit: RMB million</i>			
	30 June 2025		31 December 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortised cost	538,273	559,633	429,604	450,876

Chapter III Management Discussion and Analysis

3.3 BALANCE SHEET ANALYSIS (CONTINUED)

3.3.1 Assets (Continued)

3.3.1.3 Subsidiaries and major companies in which the Bank has shareholdings

Name	Initial investment amount (RMB'000)	Percentage of shareholdings at the end of the period (%)	Number of shares held at the end of the period (in thousand shares)	Carrying value at the end of the period (RMB'000)	Sources of shares held	Remark
Huishang Bank Financial Leasing Co., Ltd.	1,020,000	54	1,620,000	1,706,820	Promotion, participation in capital increase	Subsidiary
HSBank Wealth Management Co., Ltd.	2,000,000	100	2,000,000	2,000,000	Promotion	Subsidiary
Wuwei Huiyin Rural Bank Co., Ltd. ⁽¹⁾	40,000	40	40,000	69,513	Promotion	Subsidiary
Jinzhai Huiyin Rural Bank Co., Ltd. ⁽²⁾	32,800	51	40,800	56,720	Promotion, equity acquisition	Subsidiary
Chery HuiYin Motor Finance Service Co., Ltd.	100,000	20	1,000,000	2,427,760	Promotion, participation in capital increase	Company in which the Bank has shareholdings
Mengshang Bank Co., Ltd.	3,600,000	15	3,000,000	2,944,150	Promotion	Company in which the Bank has shareholdings

Notes:

- (1) In 2010, the Bank invested to establish Wuwei Huiyin Rural Bank Co., Ltd. ("Wuwei Huiyin"). Its registered capital was RMB100 million, of which the Bank contributed RMB40 million, accounting for 40% of its shareholdings. Although the Bank has no absolute controlling interest in Wuwei Huiyin, after taking into account various factors, the company's operating activities since its incorporation indicate that the Bank is able to direct the operating activities of Wuwei Huiyin. Therefore, the Bank has de facto control over it. The Bank included Wuwei Huiyin in its consolidated financial statements on 31 December 2014.
- (2) The Bank invested to establish Jinzhai Huiyin Rural Bank Co., Ltd. ("Jinzhai Huiyin") in 2013. The registered capital of the investee was RMB80 million, of which the Bank contributed RMB32.80 million, accounting for 41% of its shareholdings. In May 2017, Jinzhai Huiyin experienced a shareholding change. Its shareholders, Anhui GuoYuan Investment Co., Ltd. (holding 10% of the shares of Jinzhai Huiyin) and Zhang Huaian (holding 10% of the shares of Jinzhai Huiyin), have been acting in concert with the Bank. Such shareholders will act in concert with the Bank when voting on material decisions regarding the financial and operating policies of Jinzhai Huiyin. In December 2024, the Bank acquired 10% of the shares of Jinzhai Huiyin from its shareholder Guan Houlong, increasing its total contribution to Jinzhai Huiyin to RMB40.80 million and raising its shareholding percentage to 51%.

For further details of the subsidiaries and major companies in which the Bank has shareholdings, please refer to section 3.9.9 "Subsidiaries and major companies in which the Bank has shareholdings" of this report.

Chapter III Management Discussion and Analysis

3.3 BALANCE SHEET ANALYSIS (CONTINUED)

3.3.2 Liabilities

As of 30 June 2025, the total liabilities of the Bank amounted to RMB2,085,296 million, representing an increase of 12.59% as compared with the end of last year, which was mainly due to the steady growth of customer deposits.

Unit: RMB million, except for percentages

Liabilities	30 June 2025		31 December 2024	
	Amount	% of the total	Amount	% of the total
Borrowings from the central bank	170,067	8.16	139,580	7.54
Deposits from banks and other financial institutions	115,372	5.53	175,719	9.49
Placements from banks and other financial institutions	54,751	2.63	49,519	2.67
Derivative financial liabilities	81	0.00	131	0.01
Financial assets sold under repurchase agreements	119,087	5.71	18,806	1.02
Deposits from customers	1,252,004	60.04	1,138,966	61.50
Accrued interests on customer deposits	27,929	1.34	27,954	1.51
Taxes payable	2,382	0.11	2,036	0.11
Debt securities issued	324,804	15.58	282,946	15.28
Deferred income tax liabilities	9	0.00	–	–
Other liabilities	18,809	0.90	16,429	0.89
Total liabilities	2,085,296	100.00	1,852,086	100.00

Customer deposits

The Bank has always been focusing on and actively expanding its deposit business. In 2025, despite increasingly intense competition among its peers, the Bank managed to maintain a steady growth in its customer deposits through various forceful measures. As of 30 June 2025, the Bank's total deposits from customers amounted to RMB1,252,004 million, representing an increase of 9.92% as compared with the end of last year, and accounting for 60.04% of total liabilities of the Bank.

Chapter III Management Discussion and Analysis

3.3 BALANCE SHEET ANALYSIS (CONTINUED)

3.3.2 Liabilities (Continued)

Customer deposits (Continued)

The following table sets forth customer deposits of the Bank by product type and customer type as of the dates indicated:

Unit: RMB million, except for percentages

Items	30 June 2025		31 December 2024	
	Balance	% of the total	Balance	% of the total
Corporate deposits				
Demand deposits	246,724	19.71	223,494	19.62
Time deposits	298,086	23.81	277,099	24.33
Subtotal	544,810	43.52	500,593	43.95
Personal customer deposits				
Demand deposits	92,853	7.42	92,138	8.09
Time deposits	614,342	49.07	546,236	47.96
Subtotal	707,195	56.49	638,374	56.05
Total customer deposits	1,252,004	100.00	1,138,966	100.00

3.3.3 Equity

Unit: RMB million

Items	30 June 2025	31 December 2024
Share capital ⁽¹⁾	13,890	13,890
Other equity instruments	19,999	19,999
Capital reserve	15,233	15,233
Surplus reserve	24,210	22,755
General risk reserve	21,236	19,272
Other comprehensive income	2,553	4,073
Retained earnings	65,002	62,228
Equity attributable to shareholders of the Bank	162,123	157,450
Non-controlling interest	4,435	4,217
Total equity	166,559	161,667

Note: (1) For details of share capital of the Bank, please refer to section 4.1 "Changes in Ordinary Shares of the Bank during the Reporting Period" of this report and note 36 to the financial statements.

Chapter III Management Discussion and Analysis

3.4 LOAN QUALITY ANALYSIS

3.4.1 Distribution of loans by the five-category classification

The following table sets forth the distribution of the Bank's loans by the five-category classification as of the dates indicated:

Unit: RMB100 million, except for percentages

	30 June 2025		31 December 2024	
	Amount	% of the total	Amount	% of the total
Pass	10,772.18	97.88	9,809.16	97.88
Special mention	125.50	1.14	113.74	1.13
Substandard	64.70	0.59	55.70	0.56
Doubtful	9.04	0.08	12.35	0.12
Loss	33.91	0.31	30.71	0.31
Gross loans and advances to customers	11,005.33	100.00	10,021.66	100.00
Total non-performing loans	107.65	0.98	98.76	0.99

Under the five-category classification system of loan supervision, the non-performing loans ("NPLs") of the Bank include loans of substandard, doubtful and loss categories. In the first half of 2025, the Bank proactively implemented various risk control measures by intensifying the disposal of NPLs to ensure the stability of asset quality. As at the end of the Reporting Period, the NPL ratio of the Bank was 0.98%, representing a decrease of 0.01 percentage point as compared with the end of last year.

3.4.2 Distribution of loans and NPLs by product type

The following table sets forth the distribution of loans and NPLs by product type as of the dates indicated:

Unit: RMB100 million, except for percentages

	30 June 2025				31 December 2024			
	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)
Corporate loans	7,021.76	63.80	58.98	0.84	6,275.83	62.62	53.77	0.86
Discounted bills ⁽¹⁾	782.79	7.11	–	0.00	766.29	7.65	–	0.00
Personal loans	3,200.78	29.09	48.67	1.52	2,979.54	29.73	44.99	1.51
Total loans and advances to customers	11,005.33	100.00	107.65	0.98	10,021.66	100.00	98.76	0.99

Note: (1) Overdue discounted bills are transferred to corporate loans.

Chapter III Management Discussion and Analysis

3.4 LOAN QUALITY ANALYSIS (CONTINUED)

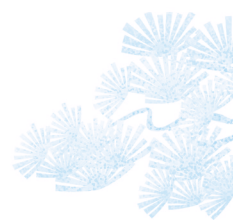
3.4.3 Distribution of loans and NPLs by industry

The following table sets forth the distribution of loans and NPLs by industry as of the dates indicated:

Unit: RMB100 million, except for percentages

	30 June 2025				31 December 2024			
	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)
Corporate loans								
Commerce and services	1,511.57	13.73	24.51	1.62	1,248.27	12.46	23.47	1.88
Manufacturing	1,449.54	13.17	10.31	0.71	1,239.33	12.36	17.42	1.41
Public utilities	2,345.38	21.32	6.11	0.26	2,264.69	22.60	1.00	0.04
Real estate	370.34	3.37	11.56	3.12	369.45	3.68	3.98	1.08
Construction	497.77	4.52	4.93	0.99	430.95	4.30	6.34	1.47
Transportation	141.61	1.29	0.80	0.56	116.26	1.16	0.76	0.65
Energy and chemical	401.04	3.64	0.13	0.03	363.03	3.62	0.34	0.09
Catering and travelling	15.65	0.14	0.26	1.63	11.88	0.12	0.32	2.69
Education and media	74.01	0.67	0.23	0.32	47.84	0.48	0.05	0.10
Financial services	82.49	0.75	0.00	0.00	69.29	0.69	0.00	0.00
Others ⁽¹⁾	132.36	1.20	0.16	0.12	114.84	1.15	0.11	0.10
Discounted bills	782.79	7.11	0.00	0.00	766.29	7.65	0.00	0.00
Personal loans	3,200.78	29.09	48.67	1.52	2,979.54	29.73	44.97	1.51
Total loans and advances to customers	11,005.33	100.00	107.65	0.98	10,021.66	100.00	98.76	0.99

Note: (1) These mainly include the planting, forestry and livestock industry and the fishery industry.



Chapter III Management Discussion and Analysis

3.4 LOAN QUALITY ANALYSIS (CONTINUED)

3.4.4 Distribution of loans and NPLs by geographical segment

The following table sets forth the distribution of loans and NPLs by geographical segment as of the dates indicated:

Unit: RMB100 million, except for percentages

	30 June 2025				31 December 2024			
	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)
Anhui province	9,485.20	86.19	88.83	0.94	8,905.96	88.87	79.00	0.89
Jiangsu province	721.93	6.56	8.25	1.14	595.70	5.94	12.82	2.15
Others	798.20	7.25	10.58	1.33	520.00	5.19	6.94	1.33
Total loans and advances to customers	11,005.33	100.00	107.65	0.98	10,021.66	100.00	98.76	0.99

3.4.5 Distribution of loans and NPLs by type of collateral

The following table sets forth the distribution of loans and NPLs by type of collateral as at the dates indicated:

Unit: RMB100 million, except for percentages

	30 June 2025				31 December 2024			
	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)	Amount of loans	% of the total	Amount of NPLs	NPL ratio (%)
Collateralized loans	2,329.59	21.17	42.95	1.84	2,284.96	22.80	35.08	1.54
Pledged loans	1,483.64	13.48	6.36	0.43	1,471.56	14.68	1.46	0.10
Guaranteed loans	3,707.95	33.69	26.46	0.71	3,201.66	31.95	33.29	1.04
Unsecured loans	2,701.35	24.55	31.88	1.18	2,297.19	22.92	28.93	1.26
Discounted bills	782.79	7.11	0.00	0.00	766.29	7.65	0.00	0.00
Total loans and advances to customers	11,005.33	100.00	107.65	0.98	10,021.66	100.00	98.76	0.99

Chapter III Management Discussion and Analysis

3.4 LOAN QUALITY ANALYSIS (CONTINUED)

3.4.6 Loans of the top 10 single borrowers

The following table sets forth the loans of the Bank's top 10 single borrowers as at the dates indicated:

Unit: RMB million, except for percentages

		30 June 2025	
Top 10 borrowers	Industry that the borrower belongs to	Amount of loans	% of net capital
A	Manufacturing	6,000	3.32
B	Energy and chemical	4,019	2.22
C	Transportation	3,776	2.09
D	Public utilities	3,214	1.78
E	Education and media	3,149	1.74
F	Commerce and services	2,916	1.61
G	Manufacturing	2,480	1.37
H	Commerce and services	2,478	1.37
I	Energy and chemical	2,471	1.37
J	Public utilities	2,435	1.35
Total		32,937	18.21

3.4.7 Distribution of loans by overdue period

The following table sets forth the distribution of loans by overdue period as at the dates indicated:

Unit: RMB million, except for percentages

	30 June 2025	31 December 2024
Total overdue loans and advances to customers listed by duration (in RMB million)		
Less than 3 months	5,091	4,913
3 to 6 months (inclusive)	2,929	2,674
6 to 12 months	2,348	2,271
Over 12 months	2,978	2,800
Total	13,346	12,658
Percentage (%)		
Less than 3 months	38.16	38.82
3 to 6 months (inclusive)	21.94	21.12
6 to 12 months	17.59	17.94
Over 12 months	22.31	22.12
Total	100.00	100.00

Chapter III Management Discussion and Analysis

3.4 LOAN QUALITY ANALYSIS (CONTINUED)

3.4.8 Restructuring loans

The Bank carried out the restructuring for non-performing loans strictly following the principle of “not increasing substantive risks and not reducing risk mitigation”. During the Reporting Period, the Bank’s restructuring NPLs amounted to RMB400.0709 million, representing a decrease of RMB169.6857 million as compared with the corresponding period of last year, which included 7 corporate loans amounting to RMB332.1009 million, and 18 small corporate loans amounting to RMB67.97 million.

3.4.9 Transfer of credit assets

The Bank disposes of its non-performing assets by transferring such assets to asset management companies in its ordinary course of business. In the first half of 2025, the Bank disposed of its non-performing assets of RMB19.50 million through transfer.

3.4.10 Changes in allowances for loan impairment⁽¹⁾

The Bank adopts the “Expected Credit Loss Model” to assess impairment provision and loss on loans on a regular basis in accordance with the requirements of IFRS 9. In measuring the expected loss, the Bank uses a complex model comprising the future macroeconomic situation and the credit history of borrowers and makes relevant assumptions. After carrying out a forward-looking assessment of the expected credit loss on each loan, the Bank classifies the loans into stage one, two and three accordingly and determines the degree of impairment loss based on the degree of default. The Bank will regularly review the methodology and assumptions such as the criteria for a significant increase in credit risk, the definition of credit-impaired assets, the parameters for expected credit loss measurement and forward-looking information, to reduce the difference between the estimated impairment loss and the actual impairment loss on loans.

The following table sets forth the changes in the Bank’s allowances for impairment on loans and advances to customers.

	<i>Unit: RMB million</i>	
	30 June 2025	31 December 2024
Balance at the beginning of the period	28,293	29,972
Allowances for the period	5,726	3,542
Reversal caused by the write-down of interest on impaired loans and advances to customers	(97)	(107)
Write-offs and transfer out for the period	(3,743)	(6,902)
Reversal caused by recovery of loans and advances to customers written off	1,198	1,788
Balance at the end of the period	31,377	28,293

Note: (1) Loans and advances to customers comprise loans and advances to customers measured at amortised cost and at fair value through other comprehensive income.

Chapter III Management Discussion and Analysis

3.5 CAPITAL ADEQUACY RATIO ANALYSIS

The Bank continued to optimize its structure and enhance capital management, thus meeting the regulatory requirements on the capital adequacy ratio during the Reporting Period.

In the first half of 2025, the Bank calculated the capital adequacy ratio in accordance with the relevant requirements of the "Measures for Capital Management of Commercial Banks". As of 30 June 2025, the Bank's capital adequacy ratio was 13.27%, the Tier 1 capital adequacy ratio was 11.02%, and the core Tier 1 capital adequacy ratio was 9.53%.

Unit: RMB million, except for percentages

	30 June 2025	31 December 2024
Core Tier 1 capital	144,615	139,664
Including: Valid portion of paid-up capital	13,890	13,890
Valid portion of capital reserve and other comprehensive income	17,787	19,306
Surplus reserve and general risk provision	45,445	42,027
Retained earnings	65,002	62,228
Valid portion of minority interests	2,490	2,212
Regulatory deductions for core Tier 1 Capital	(14,804)	(13,757)
Core Tier 1 capital, net of deductions	129,811	125,906
Other Tier 1 capital, net of deductions	20,331	20,285
Tier 1 capital, net of deductions	150,142	146,191
Tier 2 capital	30,697	29,502
Including: Valid portion of Tier 2 capital instruments and premium	14,000	14,000
Surplus loss provisions	15,933	14,916
Valid portion of minority interests	764	586
Total capital, net of deductions	180,839	175,693
Credit risk-weighted assets	1,290,592	1,208,217
Market risk-weighted assets	1,814	2,809
Operational risk-weighted assets	69,921	69,921
Risk-weighted assets	1,362,327	1,280,947
Capital adequacy ratio	13.27%	13.72%
Tier 1 capital adequacy ratio	11.02%	11.41%
Core Tier 1 capital adequacy ratio	9.53%	9.83%

Chapter III Management Discussion and Analysis

3.5 CAPITAL ADEQUACY RATIO ANALYSIS (CONTINUED)

Pursuant to regulatory requirements, the capital adequacy ratio of the Bank above was calculated after consolidating relevant data of Huishang Bank Financial Leasing Co., Ltd., HSBank Wealth Management Co., Ltd., Wuwei Huiyin and Jinzhai Huiyin.

Leverage ratio

Unit: RMB million, except for percentages

Items	30 June 2025	31 December 2024
Leverage ratio	6.28%	6.76%
Tier 1 capital, net of deductions	150,142	146,191
Adjusted balance of assets on and off the balance sheet	2,391,612	2,161,489

3.6 SEGMENT PERFORMANCES

Operating segments

The Bank provides services through four main business segments: corporate banking, retail banking, treasury and others. The table below sets forth the segment performance of the Bank by business line as at the periods indicated.

Unit: RMB million, except for percentages

Items	January to June 2025		January to December 2024	
	Total profits before taking into account impairment	Percentage (%)	Total profits before taking into account impairment	Percentage (%)
Corporate banking	8,013	48.94	15,588	58.74
Retail banking	2,272	13.88	4,179	15.75
Treasury	6,553	40.02	8,642	32.57
Others	(464)	(2.84)	(1,872)	(7.06)
Total	16,374	100.00	26,537	100.00

Chapter III Management Discussion and Analysis

3.7 OTHERS

3.7.1 Off-balance sheet balances and important circumstances that may have significant impacts on the financial position and operating results of the Bank

The off-balance sheet items of the Bank include letters of bank acceptance, letters of credit, letters of guarantee, loan commitments, unused credit card lines and others. Financial guarantees and credit commitments, other commitments and contingent liabilities can be found in Note 40 to the financial statements of this interim report.

3.7.2 Overdue outstanding debt

As of 30 June 2025, the Bank had no overdue outstanding debt.

3.8 INFLUENCE OF CHANGES IN OPERATING ENVIRONMENT AND MACRO POLICIES AND THE FOCUSES OF THE OPERATION

1. Economy being Generally Stable with Steady Progress

Since the beginning of this year, the international environment has become increasingly complex and volatile, with growing instability and uncertainty. China's economy has maintained a stable performance while making progress, achieving new results in high-quality development. In the first half of 2025, China's gross domestic product grew by 5.3% year on year, attributable to the strong performance in major economic indicators such as consumption, investment, and foreign trade. By steadfastly advancing new quality productive forces and constantly expanding reform and opening-up, China's economy has demonstrated strong vitality and resilience.

2. Introduction of Proactive and Effective Macroeconomic Policies

In the first half of 2025, the PBOC further intensified counter-cyclical adjustments. In May, the PBOC implemented a package of financial support measures by employing a combination of monetary policy tools to maintain ample liquidity and promote reasonable growth in currency and credit. China implemented a more proactive fiscal policy, which strengthened the introduction of fiscal policies and fund allocation management on key tasks of boosting consumption, and stabilizing employment and the economy to ensure early realization of the policy effectiveness and provide strong support for economic and social development.

3. Monetary Aggregates Maintaining Reasonable Growth and Social Comprehensive Financing Cost Declining

As of the end of June 2025, the stock of social financing scale grew by 8.9% year-on-year, the broad money supply (M2) increased by 8.3% year-on-year and RMB loans rose by 7.1% year-on-year. Social comprehensive financing cost remained low and continued to decline. From January to June 2025, the weighted average interest rates for newly issued corporate loans were approximately 3.3%, about 45 basis points lower than that of the corresponding period of last year. The interest rates for newly issued personal housing loans stood at around 3.1%, approximately 60 basis points lower than that of the corresponding period of last year.



Chapter III Management Discussion and Analysis

3.8 INFLUENCE OF CHANGES IN OPERATING ENVIRONMENT AND MACRO POLICIES AND THE FOCUSES OF THE OPERATION (CONTINUED)

4. Prospects and Measures

In the first half of 2025, Anhui Province achieved a GDP of RMB2,572.3 billion, representing a year-on-year growth of 5.6%. The provincial economy continues to maintain a stable and rapid growth momentum, with the gradual accumulation of new drivers and positive factors. Industrial production has expanded rapidly, with the added value of industrial enterprises above designated size increasing by 8.4% year on year, maintaining a growth rate above 8% for 18 consecutive months. Equipment manufacturing and high-tech manufacturing have played a significant supporting role, with added value increasing by 16.7% and 23.6%, respectively. Imports and exports have maintained double-digit growth for five consecutive months, with exports of the “new trio”, namely lithium-ion batteries, photovoltaic products, and electric vehicles, rising by 67.8%.

In the second half of the year, the Bank will proactively respond to the challenges posed by the “three lows”, namely low interest rates, narrow interest rate spreads, and a low-yield environment, in the banking industry. The Bank will bolster the core drivers of growth, expand the scale of its high-quality customer base, continue to advance refined management, and build a foundation for operational efficiency through cost reduction and efficiency improvement, striving to achieve its strategic objective of becoming one of the “Top 100 World Banks.”

First, the Bank will focus on achieving annual targets by prioritizing loan disbursement. The Bank will deepen collaboration with provincial and local state-owned enterprises to better serve the real economy, and establish an integrated ecosystem encompassing investment, investment banking, and custodial services to meet the disbursement requirements of various policy-driven loans. The Bank will align its strategies with national policies, support the country’s initiative to expand domestic demand, innovate consumer finance scenarios, and launch targeted financial products. The Bank will also enhance profitability by analyzing market interest rate trends and optimizing asset-liability structure.

Second, the Bank will stabilize revenue and optimize business structure. The Bank will deepen customer segmentation strategies to enhance differentiated service capabilities. By leveraging institutional banking, payroll services, and settlement solutions, the Bank aims to expand its core customer base. The Bank will reinforce the concept of “high-quality deposit-based banking” and systematically reduce liability costs.



Chapter III Management Discussion and Analysis

3.8 INFLUENCE OF CHANGES IN OPERATING ENVIRONMENT AND MACRO POLICIES AND THE FOCUSES OF THE OPERATION (CONTINUED)

4. Prospects and Measures (Continued)

Third, the Bank will elevate performance benchmarks and cultivate new competitive advantages. The Bank will build a new cross-border financial ecosystem to accelerate the development of international business as a new growth driver. The Bank will innovate diversified wealth management service scenarios to drive breakthroughs in private banking, deepen cooperation with premium distribution partners, and enrich its product offerings. The Bank will also tap into the underdeveloped county-level markets through localized “one-county-one-strategy” approaches to actively increase its market share.

Fourth, the Bank will strengthen comprehensive risk management and control. The Bank will accelerate the development of a fully digitized risk control system, characterized by full-spectrum coverage, model-driven analytics, digital intelligence integration, and real-time monitoring capabilities, to enhance its digital risk management capabilities. By leveraging big data and AI technologies, the Bank will promote the full-cycle digitalization of credit operations and improve the foresight of risk identification. The Bank will intensify efforts in non-performing asset recovery, adopt a multi-pronged approach to mitigate existing risks, and strive to generate value from non-performing assets.

3.9 BUSINESS OPERATION

3.9.1 Corporate banking business

The Bank provides a full range of corporate financial products and services to corporations, financial institutions and governmental and institutional customers including corporate loans, corporate deposits, investment banking, transaction banking and a series of fee and commission-based services. In particular, the Bank is committed to providing comprehensive service solutions for all types of corporations.

In the first half of 2025, in terms of the corporate banking business, the Bank aligned closely with national strategy and resolutely implemented the strategic deployment of the Provincial Party Committee and the People’s Government of Anhui Province. With transformative development as the main focus, driven by the objectives of gaining momentum and striving for leadership and guided by comprehensive operations, the Bank continually consolidated foundations and strengthened fundamentals through proactive expansion. The Bank established a sound mechanism for coordinated and interconnected development, continued to increase financial support for key sectors, continuously strengthened product innovation and deepened its ability to serve the real economy, and effectively prevented various risks, which have significantly enhanced the sustainable high-quality development of the corporate banking business. As of the end of the Reporting Period, the Bank continued to maintain its leading position in corporate loans and deposits among commercial banks in Anhui Province. Transformation-based business lines including investment banking and transaction banking have all achieved continuous growth and have been widely recognized by the market.

Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.1 Corporate banking business (Continued)

Corporate loans

The Bank provides various corporate loan products, including working capital loans, fixed asset loans, and supply chain financing, to enterprises and institutions with legal operation. In the first half of 2025, anchoring its operations in Anhui Province and serving broader development objectives, the Bank maintained strategic alignment with local development. The Bank continuously intensified support for key sectors such as infrastructure, green finance, rural revitalization, advanced manufacturing, and strategic emerging industries, and key customer bases such as provincial enterprises, enterprises above designated size, (to-be) listed companies, medium-sized customers and SRDI enterprises, enhanced its ability to serve the real economy and effectively improved its corporate loan scales. As of the end of the Reporting Period, the Bank's balance of corporate loans (including discounted bills) was RMB780,455 million, representing an increase of RMB76,243 million from the previous year.

Corporate deposits

The Bank provides corporate customers with corporate deposit products and services, including corporate demand deposits, corporate time deposits, corporate call deposits, corporate agreement deposits, corporate large-amount certificates of deposit and Caizhi (财智) deposits. The Bank actively addresses the challenges brought by the policy impacts of interest rate marketization reform and implements a coordinated development strategy of the Group. The Bank is committed to promoting the marketing of low-cost deposits and has made all-out efforts to increase institutional customer deposits, and endeavored to increase the corporate settlement deposits, thus creating stable sources of revenue for corporate business. The Bank has maintained a leading market position in terms of corporate deposit business in Anhui Province from 2008 to the first half of 2025. As of the end of the Reporting Period, the Bank's balance of corporate deposits amounted to RMB544,810 million.

Discounted bills

In the first half of 2025, the Bank intensified support for the manufacturing, science and technology innovation and green industries, encouraged high-quality and core enterprises to utilize bill services, and actively explored supply chain bills. The Bank further revitalized discounted bill assets and increased the circulation of discounted bills in the secondary market. At the same time, the Bank strengthened the background review of bill transactions to promote compliant and healthy development of the bill business. As of the end of the Reporting Period, the Bank's balance of discounted loan bills amounted to RMB78,279 million, of which the balance of direct discounted loan bills and rediscounted bills amounted to RMB11,879 million and RMB66,400 million, respectively.

Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.1 Corporate banking business (Continued)

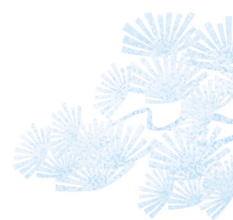
Transaction banking

In the first half of 2025, focusing on the corporate business transformation strategy and driven by the dual initiatives of the “Corporate Banking Business Enhancement Program” and “Light-capital Business Enhancement Program”, the Bank continued to deepen the development of the transaction banking system, achieving steady improvement in operational performance.

Firstly, centering on key regional industries and with focus on the manufacturing and other key industries and sectors, the Bank continuously increased the supply and innovation of “online, digital, and scenario-based” supply chain finance, launched diverse supply chain service models such as online order financing, documentary pledge financing, online domestic factoring, and electronic standalone letters of guarantee, increased investment in fintech, and enhanced specialized supply chain finance information systems and service channels integrating “technology + scenarios + data” to further elevate the quality and efficiency of finance serving the real economy. As of the end of the Reporting Period, the supply chain finance investment of the Bank increased by 64.53% year-on-year. Meanwhile, the Bank intensified scenario-based supply chain finance development by collaborating with “industrial chain leaders” and embedding services into the transaction processes of production, supply and sales to promote the mutually beneficial and win-win development across the upstream and downstream of the supply chain. As of the end of the Reporting Period, the number of customers we served across the upstream and downstream of the industrial chain increased by 31.79% as compared to the same period of last year.

Secondly, the Bank thoroughly implemented the requirements of the State-owned Assets Supervision and Administration Commission of the State Council and Anhui SASAC regarding strengthening the construction of treasury systems, and actively promoted the development of the “Treasury of Huishang Bank” (徽銀司庫) to assist provincial and municipal enterprises in further improving their treasury management level. In addition, the Bank fully leveraged its professional service advantages in cash management to meet customers’ fund management needs across all transaction scenarios. The Bank recorded performance highlights in serving the digital transformation of government authorities, establishing multi-scenario fund supervision mechanisms in livelihood areas, and providing solutions for key industries. As of the end of the Reporting Period, the Bank signed contracts with 16,881 customers on cash management, representing an increase of 10.05% from last year; in the first half of 2025, the transaction amount of the cash management business reached RMB3.87 trillion.

Thirdly, by prioritizing serving the high-quality development of foreign trade enterprises as its strategic focus and adhering to a customer-centric approach and innovation-driven strategy, the Bank actively optimized resource allocation, diversified its foreign trade product portfolio, and established an integrated service system covering international settlement, trade financing, cross-border investment and financing, foreign exchange fund management and value preservation and appreciation, and cross-border RMB settlement. As of the end of the Reporting Period, the Bank realized cross-border settlement of US\$8,870 million in total, representing a year-on-year increase of 47.82%. The Bank guided enterprises to adopt risk-neutral operational principles and recommended RMB as their cross-border settlement currency, actively contributing to RMB internationalization. As of the end of the Reporting Period, the Bank realized cross-border RMB settlement of RMB9,555 million, representing an increase of 18.73% as compared with the corresponding period of last year.



Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.1 Corporate banking business (Continued)

Investment banking business

To promote its business transformation, the Bank focuses on developing investment banking services such as lead underwriting of debt financing instruments, asset securitization, M&A financing, structured financing, and investment and financing consulting. In the first half of 2025, the Bank continuously enriched its investment banking products by launching innovative products such as science and technology innovation bonds, vigorously promoted the development of underwriting of debt financing instruments and completed the issuance of 98 debt financing instruments with a total amount of RMB79,342 million. The underwriting amount was RMB29,420 million.

3.9.2 Personal finance business

Business overview

In the first half of 2025, amid complex and volatile market conditions, the Bank adhered to the five-year strategic development plan as guidance, adapted proactively to market shifts while concentrating on transformational development, capability enhancement and determination to excel. The Bank continued to deepen the construction of the customer management system, strengthened specialized scenarios for personal finance business, deeply promoted digital transformation, and achieved rapid growth in the operating indicators of the personal finance business, thus increasingly enhancing the market competitiveness of the personal finance business.

During the Reporting Period, the Bank effectively promoted the “Enjoying Huishang Bank in Wealth Carnival (徽享財富節)” brand publicity and customer marketing campaign, deepened digital management of personal customers, advanced the functional optimization and iterative upgrades of key platforms including Yizhike, intelligence platform and enjoying Huishang Bank’s non-financial platform, continuously optimized the 3.0 project of outlet capacity enhancement, facilitated the steady growth of high-quality customers, and further optimized the customer base structure.

In the second half of 2025, in the face of a severe and complex external situations and business environment, the Bank will further enhance strategic thinking, implement strategic initiatives, integrate premium resources, strengthen coordination among all segments, continue to consolidate core business foundation while intensifying expansion into new areas, to promote the development of the Bank’s personal finance business to a new level and make new contributions.



Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.2 Personal finance business (Continued)

Wealth management business

The Bank's personal wealth management business mainly includes agency service for sales of personal wealth management products, agency service for sales of funds, agency service for sales of insurance products, agency service for sales of treasury bonds, agency service for sales of asset management plans of securities traders and agency service for sales of precious metals in kind. As of the end of the Reporting Period, the Bank's personal wealth management business (including direct banking business) amounted to RMB211,829 million, the number of customers of which amounted to 1,284,100, representing an increase of 135,100 or 11.76% from the end of last year; the number of high-net value customers amounted to 125,900, representing an increase of 13,400 or 11.91% from the end of last year.

Bank card business

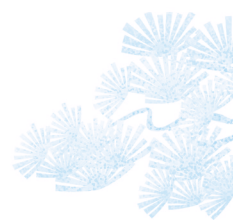
One card

In the first half of 2025, the Bank further deepened the expansion and operation of the customer base of personal business. The Bank proactively carried out various kinds of marketing activities for bank cards, constantly cultivated the card-using habits of customers and constantly enhanced its customer loyalty. As of the end of the Reporting Period, the Bank had 21,604,200 debit cards, and 825,900 cards newly issued during the year; the deposit balances on debit cards were RMB279,583 million, representing an increase of 13.07% as compared with the same period of last year.

Credit card

In the first half of 2025, with personal asset growth as the main line and with a focus on customer and scenario-based operations, the Bank consolidated the foundation of the credit card business to improve development efficiency.

Firstly, the Bank advanced the "dual-card driven strategy" by deeply integrating credit card customers with retail customers, and continuously optimized the structure of the overall customer base. During the Reporting Period, the Bank acquired 80,000 new high-quality customers, with the number of new holders of debit cards and credit cards reaching 61,500. Secondly, the Bank capitalized on its product and policy advantages as a local mainstream bank to capture business opportunities in consumption scenarios to drive steady personal asset growth. As of the end of the Reporting Period, the credit card advance balance was RMB17,221 million, representing a net increase of RMB1,996 million as compared to the beginning of the year. Thirdly, the Bank carried out the work of consumer rights protection by upholding the original aspiration of serving the people through finance and following the "customer-centric" service concept, leading to a significant reduction in credit card-related complaint ratios across the Bank. Fourthly, the Bank fully integrated the credit card business into the Bank's comprehensive risk management system, achieved a comprehensive upgrade of credit card risk management and improved the effectiveness of the management and control of incremental risks.



Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.2 Personal finance business (Continued)

Bank card business (Continued)

Personal customer loans

In the first half of 2025, in terms of the personal asset business, focusing on “digitization and intelligence”, the Bank accelerated the implementation of the personal asset management enhancement projects. Various measures were taken to facilitate the high-quality and coordinated development of the personal asset business, and the scale of the personal loans business steadily increased. As of the end of the Reporting Period, the balance of personal loans of the Bank amounted to RMB227,514 million, representing an increase of RMB12,307 million or 5.72% from the end of last year (excluding Internet-based loans and credit card advances).

Personal customer deposit

In the first half of 2025, facing the complex external situations including declining deposit interest rates, narrowing deposit and loan interest spreads, and intensifying market competition, the Bank persistently adhered to the business philosophy of “putting deposits in a paramount position of the Bank and putting customers first”, adapted to the situation and acted proactively. The Bank realized continuous steady growth in personal deposits through a variety of measures such as enhancing refined deposit management, deepening digital and intelligent management of personal customers, enriching product and service scenarios and improving customer service quality and efficiency. As of the end of the Reporting Period, the Bank’s total personal deposits amounted to RMB707,195 million, representing an increase of RMB68,821 million or 10.78% from the end of last year.

3.9.3 Financial market business

In the first half of 2025, the Bank maintained its market positioning as a regional market maker by strengthening the regional bond market-making and quotation services in Anhui Province. Through enhanced market analysis and proactive capture of business opportunities, the Bank focuses on investment in specialized bonds, including investment in Anhui’s first SME support bond. The Bank increased investment in green bonds such as science and technology innovation bonds, high-growth bonds, sustainability-linked bonds, rural revitalization bonds, as well as green and carbon-neutral bonds, constantly enhancing its quality and efficiency in serving the real economy and advancing the high-quality development of financial market operations.



Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.4 Custody business

In the first half of 2025, in terms of asset custody business, the Bank adhered to the strategic deployment of the head office by advancing the light-capital enhancement projects and proactively developing the new operation philosophy of “Custody+” to empower the business development across the Bank, driving the scale of custody business reaching a new milestone of RMB1.2 trillion. New breakthroughs were achieved in interbank customer expansion, with total served customers growing by 10.1%. Revenue from the custody business achieved stable growth, with profitability ranking the top among city commercial banks.

As of the end of the Reporting Period, the balance of assets under custody (excluding regulating products of corporate and investment banking funds) of the Bank amounted to RMB1,220,656 million, representing an increase of RMB84,063 million or 7.40% from the beginning of the year. The Bank generated an asset custody fee income (excluding regulating products of corporate and investment banking funds) of RMB391,086,100, representing an increase of RMB7,836,600 or 2.04% as compared with the corresponding period of last year.

3.9.5 Distribution channels

The Bank provides products and services through a variety of distribution channels. The Bank’s distribution channels are mainly divided into physical distribution channels and electronic banking channels.

Physical distribution channels

As of the end of the Reporting Period, the Bank had built a total of 503 self-service banking outlets and put into operation a total of 1,795 sets of self-service equipment, including 958 cash recycling machines and 837 intelligent self-service terminals.

Electronic banking channels

Focusing on the construction of digital financial services and business systems, persisting in an innovation-driven approach, supported by technological empowerment, and with a multi-channel integrated service matrix, the Bank embarked on a new journey of digital finance to continuously improve the adaptability, convenience and inclusiveness of financial services.

Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.5 Distribution channels (Continued)

Mobile banking

By consistently adhering to a customer demand-oriented approach, the Bank drove continuous innovation and optimization, newly launched Mobile Banking 7.0, and by relying on its own platform, achieved full self-control over both business and technology. The new version of Mobile Banking integrates the Bank's financial products and services, and by leveraging big data analysis, artificial intelligence and other technologies, it introduces intelligent wealth management tools, including a comprehensive wealth overview, wealth check and monthly statement analysis for the first time, creating an accompaniment-oriented wealth management service system. The Bank placed full attention to regional and customer base differences, enhanced online management of key regions and key customer groups, continuously developed localized, specialized and customized service ecosystems, and expanded external cooperation models and service boundaries, thereby steadily increasing the convenience and inclusiveness of digital financial services. As of the end of the Reporting Period, the mobile banking customer base of the Bank reached a total of 11,583,600, representing a year-on-year increase of 12.63%, with 2,996,900 monthly active users, representing a year-on-year increase of 14.08%.

Open banking

Relying on the financial services innovation integrating with "platform + product + scenario" of the open banking, the Bank actively explored a new model of customer expansion that connects government, enterprises and individuals, strengthened the marketing for standard scenarios such as Fangguanxia e-Account (房管家e賬通), Campus e-Fee Platform (校園e費通) and Smart Fee Collection (智慧繳費), to co-create an open, collaborative, and mutually beneficial financial service ecosystem with business partners through internet-based account systems and payment settlement capabilities. During the Reporting Period, a total of 23 standardized products have been opened, with 313 APIs. The number of transactions reached 667 million, connecting to 57 external parties or traffic platforms, serving 1,869 corporate customers and 136,800 individual customers.

Remote banking

The bank continued to enhance the efficiency of remote banking services by optimizing its online service system and constantly improving the functional architecture of core systems including the remote banking operation platform, call handling platform, video service platform, and intelligent quality inspection, actively advanced the application and implementation of large model technology, and built a comprehensive intelligent customer service system to elevate its intelligent service capabilities. During the Reporting Period, in terms of remote incoming calls, the telephone calls by humans were 1,000,500, the call completion rate was 91.45%, and the customer satisfaction rate was 99.51%; Network channel text service visits were 317,000, representing a year-on-year increase of 42.08%, and video service visits increased by 63.01%; In terms of intelligent services, intelligent voice browsing services provided 1,477,500 times, representing a year-on-year increase of 826.39% and the intelligent robot "Xiaowan" provided services to 697,800 customers, representing a year-on-year increase of 34.23%.

Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.5 Distribution channels (Continued)

Corporate online channel

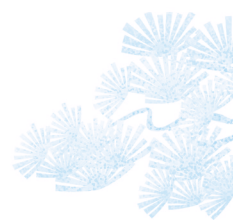
In the first half of 2025, with digital transformation as the focus, through technology empowerment and digital intelligent leadership, the Bank continuously advanced the functional development and iterative optimization of the two major online service channels of corporate online banking and corporate mobile banking, persistently enhanced its customer service capabilities and customer experience, delivering comprehensive one-stop, comprehensive, online and mobile financial services for corporate customers. As of the end of the Reporting Period, as for corporate online channel, the total number of customers of the Bank reached 439,300, representing an increase of 5.19% from the end of last year; the number of transactions reached 20,658,300, representing a year-on-year increase of 10.64%; and the transaction amount reached RMB2.84 trillion, representing a year-on-year increase of 9.31%.

Internet-based loan

During the Reporting Period, the Bank's Internet-based loan closely followed the changes in market regulatory policies. The Bank focused on its Internet self-operated loan products from asset investment, core source of profit, risk control model construction and other perspectives, expanded to the third parties so as to comprehensively advance the development of the Internet-based loan business with high quality and high level, achieving the steady growth of internet-based loan scales. As of the end of the Reporting Period, the balance of personal Internet-based loans of the Bank was RMB71,444 million, representing an increase of RMB7,590 million or 11.89% from the end of last year, achieving operating income of RMB2,005 million.

3.9.6 Financial business for small and micro enterprises

In the first half of 2025, the Bank continuously innovated its business models and enriched its product offerings, deepened and strengthened the coordinated financing support mechanism for small and micro enterprises, effectively addressing their financing challenges. As of the end of the Reporting Period, the balance of inclusive loans to small and micro enterprises of the Bank was RMB168,028 million, representing a net increase of RMB13,629 million as compared with the end of last year; the number of customers was 317,900, achieving a net growth of 50,700 customers from the end of last year, the average loan interest rate was 4.05%.



Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

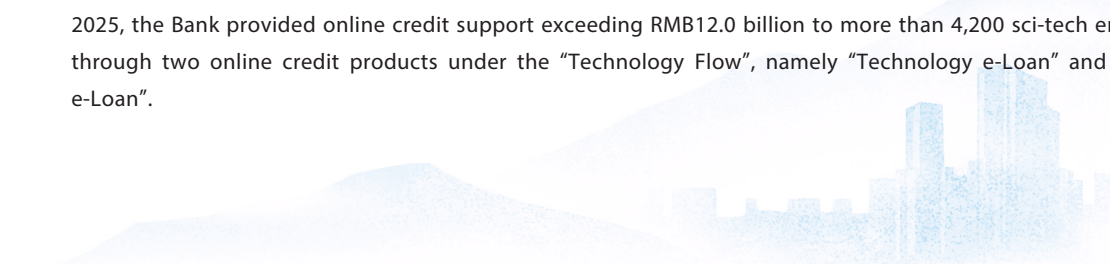
3.9.7 Fintech business

The Bank deeply practiced the essence of General Secretary Xi Jinping's important speech during his inspection in Anhui, actively implemented the decisions and deployment of Provincial Party Committee and the People's Government on supporting science and technology innovation and closely followed the policy orientation of the "Three Places and One Zone" strategy in Anhui, and laid a solid foundation for the "Chapter of Huishang Bank" in fintech, striving to build a "technology innovation bank" with the characteristics of Huishang Bank. The Bank successfully issued RMB5.0 billion of science and technology innovation bonds, winning the honor of Excellent Performance in the Evaluation of the Effectiveness of Credit Policy for Anhui Science and Technology Enterprises in 2024 awarded by the Anhui Branch of the People's Bank of China. The Bank was also the only bank winning the 2025 Anhui Youth May Fourth Medal Collective in the province.

The Bank continuously boosted its efforts to support sci-tech enterprises. Leveraging the fintech organizational structure at the headquarters, branch, and sub-branch levels, the Bank focused on the strategic emerging industry clusters of Anhui Province to proactively promote batch matching services along the industry chain. As of the end of the Reporting Period, the Bank's balance of loans amounted to RMB201,794 million, representing a net increase of RMB33,029 million or 19.57% as compared with the end of last year.

The Bank continuously deepened its fintech ecosystem alliance by establishing cooperation with investment, guarantee, securities, insurance and fund management institutions. Centered on the needs of sci-tech enterprises, the Bank provided them with comprehensive business services. The bank has strengthened collaboration with industry regulatory authorities, establishing 20 "Technology Innovation Hubs" in key industrial parks within its business areas where technology resources are concentrated, to carry out a series of campaigns themed "Entering the Park" within the fintech ecosystem. Through these efforts, the Bank established cooperation with over 5,000 enterprises and entered into cooperation agreements on the "Joint Growth Plan" with a total of over 5,400 enterprises.

According to the distinct life cycle characteristics of technology enterprises, the Bank developed a product spectrum covering seven major categories, including Technology Research and Development Loan (科技研發貸), Talent Loan (人才貸), Technology Commercialization Loan (成果轉化貸) and Intellectual Property e-Loan (知e貸), and provided fintech digital product services of "3+N" of e-Check, e-Apply (e達), e-Loan, propelling the deep integration of innovation chain, industrial chain, capital chain and talent chain. As of the end of the Reporting Period, over 1,200 technology enterprises had received four-chain integrated credit support of over RMB9.0 billion. Under the operation concept of "investment in early-stage, small-sized, long-term and hard technology enterprises", the Bank enhanced promotion of the application of the "Technology Flow". As of the end of June 2025, the Bank provided online credit support exceeding RMB12.0 billion to more than 4,200 sci-tech enterprises through two online credit products under the "Technology Flow", namely "Technology e-Loan" and "Start-up e-Loan".



Chapter III Management Discussion and Analysis

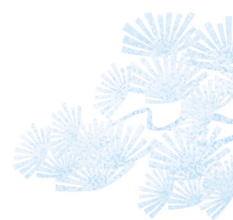
3.9 BUSINESS OPERATION (CONTINUED)

3.9.8 Green finance business

The Bank adheres to the guidance of Xi Jinping's Thought on Ecological Civilization, focuses on achieving the goal of "carbon peak and carbon neutrality", continually upgrades the green financial service system, increases green credit investment, actively develops the role of the main force of local finance and builds a beautiful Anhui with high-quality development of green finance.

In 2025, the Bank won the "Championship in Green Finance" (綠色金融單項獎冠軍) in the labor competition on the "five major aspects" of finance (namely technology finance, green finance, inclusive finance, pension finance and digital finance) in Anhui Province, and secured three first prizes for "Green Financial Products", "Green Financial Governance" and "Sustainability Information Disclosure" in the outstanding green finance case competition in Anhui Province. The Bank completed the first transformation loan in Anhui Province to facilitate the green and low-carbon transformation of high-carbon industries in Anhui Province, and issued the Bank's first sustainability-linked syndicated loan for the coal-fired power sector, setting an exemplary model for applying transition finance instruments in such industry. The Bank significantly increased carbon reduction loans, achieving full coverage of three major carbon reduction loans of clean energy, energy conservation & environmental protection, and carbon reduction technology, supporting key areas for the first time. The Bank consistently implemented environmental information disclosure as required by the PBOC and optimized the quality and efficiency of green financial services, striving to write a significant chapter in advancing green finance.

As of the end of the Reporting Period, the green loan balance of the Bank amounted to RMB144.468 billion in total, representing an increase of RMB37.950 billion or 35.63% as compared with the end of last year. Among these, the green loan balance in Anhui Province amounted to RMB127.820 billion in total, representing an increase of RMB32.076 billion or 33.5% as compared with the end of last year.



Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.9 Subsidiaries and major companies in which the Bank has shareholdings

Subsidiaries

Huishang Bank Financial Leasing Co., Ltd.

Registered in Hefei, Huishang Bank Financial Leasing Co., Ltd. (“Huishang Bank Financial Leasing”) officially commenced its business on 30 April 2015 with an initial registered capital of RMB2.0 billion. The Bank contributed RMB1.02 billion to the registered capital of Huishang Bank Financial Leasing, accounting for 51% of its shareholding. The registered capital of Huishang Bank Financial Leasing increased to RMB3.0 billion in March 2018, to which the Bank contributed RMB1.62 billion, accounting for 54% of its shareholding. As of the end of the Reporting Period, the unaudited total assets, total liabilities, owners’ equity and net profits of Huishang Bank Financial Leasing amounted to RMB75.130 billion, RMB65.655 billion, RMB9.475 billion and RMB752 million, respectively, and the balance of lease assets was RMB73.852 billion with a non-performing financial leasing asset ratio of 0.98%.

HSBank Wealth Management Co., Ltd.

HSBank Wealth Management Co., Ltd. (徽銀理財有限責任公司) (“HSBank Wealth Management”) officially commenced business on 28 April 2020. Incorporated in Hefei with a registered capital of RMB2.0 billion, HSBank Wealth Management was wholly funded by the Bank. As of the end of the Reporting Period, HSBank Wealth Management had unaudited total assets, total liabilities and owners’ equity of RMB4.999 billion, RMB227 million and RMB4.772 billion, respectively.

Wuwei Huiyin Rural Bank Co., Ltd.

Registered in Wuwei City, Wuwei Huiyin officially commenced its business on 8 August 2010. Its registered capital was RMB100 million, to which the Bank contributed RMB40 million, accounting for 40% of its shareholdings. As of the end of the Reporting Period, Wuwei Huiyin had unaudited total assets, balance of loans and balance of deposits of RMB3.645 billion, RMB1.685 billion and RMB3.398 billion, respectively.

Jinzhai Huiyin Rural Bank Co., Ltd.

Registered in Jinzhai County of Lu’an City, Jinzhai Huiyin officially commenced its business on 28 June 2013 with a registered capital of RMB80 million. The Bank firstly contributed RMB32.80 million, accounting for 41% of its shareholdings. In December 2024, the Bank increased its contribution to RMB40.80 million, increasing its shareholding to 51%. As of the end of the Reporting Period, Jinzhai Huiyin had unaudited total assets, balance of loans and balance of deposits of RMB3.106 billion, RMB2.201 billion and RMB2.703 billion, respectively.



Chapter III Management Discussion and Analysis

3.9 BUSINESS OPERATION (CONTINUED)

3.9.9 Subsidiaries and major companies in which the Bank has shareholdings (Continued)

Major companies in which the Bank has shareholdings

Chery HuiYin Motor Finance Service Co., Ltd.

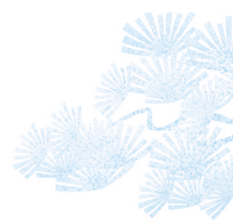
Registered in Wuhu City, Chery HuiYin Motor Finance Service Co., Ltd. ("Chery FS") was established on 13 April 2009. Its initial registered capital was RMB500 million, to which the Bank contributed RMB100 million, accounting for 20% of its shareholdings. In December 2012, the registered capital of Chery FS increased to RMB1,000 million, to which the Bank contributed RMB200 million, accounting for 20% of its shareholdings and the registered capital of Chery FS increased to RMB1,500 million in December 2017, in which the Bank held 300 million shares, accounting for 20% of its shareholdings. In February 2025, the registered capital of Chery FS increased to RMB5,000 million, in which the Bank held 1,000 million shares, accounting for 20% of its shareholdings.

Mengshang Bank Co., Ltd.

Mengshang Bank Co., Ltd. was established on 30 April 2020 in Baotou City. Its registered capital was RMB20 billion, in which the Bank held 3.0 billion shares, accounting for 15% of its shareholdings.

3.10 RISK MANAGEMENT

In the first half of 2025, facing a complex and volatile risk landscape, the Bank advanced the improvement of its comprehensive risk management system under the guidance of the implementation plan of the "Improvement Projects in Nine Areas", with the strategic objective of building a "Grand Risk Control" system characterized by full-spectrum coverage, end-to-end processes, model-driven analytics, digital intelligence integration, and real-time monitoring capabilities, focusing on preventing and mitigating risks in key sectors to ensure stable business growth and effective control of various risks throughout the Group.



Chapter III Management Discussion and Analysis

3.10 RISK MANAGEMENT (CONTINUED)

3.10.1 Credit risk management

Credit risk refers to the risk of loss due to the default of the debtors or counterparties or the reduction in their credit ratings and performance capabilities. Credit risk is the major risk currently faced by the Bank, mainly involving on-and off-balance credit risk exposures in relation to loans, interbank lending, funds, guarantees, commitments, etc.

During the Reporting Period, the Bank paid close attention to the macroeconomic and financial situation and market changes, optimized the application of digital and intelligent credit risk management instruments, stepped up efforts in the prevention and disposal of credit risk, improved professional credit risk management, continuously optimized the asset structure and further improved asset quality.

Firstly, the Bank advanced the “Comprehensive Risk Management Enhancement Project”. Centered on seven key enhancement objectives, the Bank formulated the annual task list and implemented 16 work initiatives across the front office, middle office and back office.

Secondly, the Bank deployed the annual key tasks to guide the Bank in laying out its risk management for the year. The Bank conducted annual risk assessments for individual institutions to comprehensively identify major risk sources, prudently analyze risk trends and effectively strengthen forward-looking management of all major risks.

Thirdly, the Bank developed the guidelines for the annual risk management policy. The Bank integrated and implemented the latest regulatory requirements, proposed 48 key policies holistically, and steered the Bank toward enhanced credit risk control in critical areas.

Fourthly, the Bank strengthened the synergy of annual credit policies and portfolio risk limits. The Bank incorporated policy-restricted industries and products into its annual limit plan. Simultaneously, the Bank actively promoted policy awareness to align credit risk appetite across the Bank.

Please refer to section 3.4 “Loan Quality Analysis” in this report for details of the loan quality distribution.

3.10.2 Large-scale risk exposure management

In accordance with the Management Measures for Large-Scale Risk Exposure of Commercial Banks (《商業銀行大額風險暴露管理辦法》), large-scale risk exposure refers to the credit risk exposure (including various credit risk exposures in the banking book and trading book) to a single customer or a group of related customers of a commercial bank that exceeds 2.5% of its net tier 1 capital. During the Reporting Period, the Bank has incorporated large-scale risk exposure into its overall risk management system, and continuously monitored changes in large-scale risk exposures, so as to effectively control customer concentration risks. Single non-financial institution customers, group non-financial institution customers, single financial institution customers and group financial institution customers of the Bank that reached the standards of large-scale risk exposure were all in compliance with the regulatory requirements.

Chapter III Management Discussion and Analysis

3.10 RISK MANAGEMENT (CONTINUED)

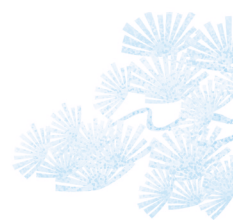
3.10.3 Market risk management

Market risk refers to the risk of losses to the Bank's on-balance sheet and off-balance sheet activities arising from unfavorable changes in market prices (interest and exchange rates, stock and commodity prices). The market risk referred to in this section refers to the market risk except for the interest rate risk in the banking book.

The target of the market risk management of the Bank is to control market risk within a tolerable range based on the Bank's risk appetite and achieve the maximum risk-adjusted revenue.

Based on the guidance of regulatory policies, the Bank has established a complete and reliable market risk management system, adapting to the nature, scale and complexity of its own businesses. The Bank's market risk management system covers the Board of Directors, the Board of Supervisors, senior management, all relevant functional departments, branches and sub-branches, as well as their functional departments involving market risk. The Board of Directors takes the ultimate responsibility for market risk management. The senior management is responsible for formulating, reviewing and supervising all basic systems and procedures of the Bank on market risk, fully mastering the overall conditions of market risk management in the whole Bank and clarifying the paths, frequency and contents of risk reporting to ensure that the Bank has sufficient manpower, materials and proper organizational structure, management information systems and technology to effectively identify, measure, monitor and control market risk.

During the Reporting Period, the Bank improved market risk management, enhanced the monitoring and collection of market risk information, and strengthened regular assessment and reporting of market risk. Based on peer research, the Bank advanced the optimization of the market risk management system with a focus on improving the digital management level of market risk.



Chapter III Management Discussion and Analysis

3.10 RISK MANAGEMENT (CONTINUED)

3.10.4 Operational risk management

Operational risk refers to the risk of loss arising from flawed or problematic internal procedures, personnel, IT systems and external events. Operational risk loss events faced by the Bank mainly include seven categories, namely internal and external frauds, employment system and workplace safety incidents, customers, products and business activities incidents, damage of tangible assets, IT system incidents, execution, delivery and process management incidents.

The Bank has established an organizational structure for operational risk management. It set up the Risk Management Committee under the Board of Directors, and a professional risk management department and an operational risk management team under the senior management, responsible for organizing operational risk management and promoting the establishment of operational risk systems. It has set the target of “no significant operational risk incidents throughout the year, no more than 4 hours for the resumption of important businesses and no more than 0.5 hours for business resumption” on operational risk management. It facilitated the quantification and implementation of key operational risk indicators, continuously carried out routine monitoring, developed information technology risk management strategies and conducted unified quantitative management of information technology risk data.

During the Reporting Period, the Bank advanced the optimization and enhancement of the operational risk management system. Under the framework of the internal control evaluation system, the Bank developed the RCSA (risk and control self-assessment) assessment matrix and methodology for operational risk, promoted the cleansing and supplementation of historical loss data for operational risk, and optimized the business measurement model under the new standard approach. The Bank also initiated the project for the operational risk management system.

3.10.5 Country Risk Management

Country risk refers to the risk that due to political, economic and social changes and events in a country or region, the debtor in that country or region is unable or refuses to pay the Bank's debts, or make the Bank's business presence in that country or region suffer losses, or make the Bank suffer other losses.

During the Reporting Period, the Bank established a system for identifying, measuring, monitoring and controlling country risk, formulated policies and systems for country risk management, enhanced the country rating system, and strengthened monitoring and limit management of country risk.



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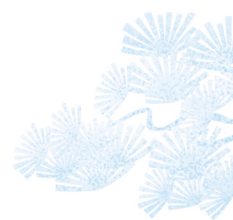
3.10 RISK MANAGEMENT (CONTINUED)

3.10.6 Liquidity risk management

Liquidity risk refers to the risk that the Bank is unable to satisfy its customers' needs for repayment of liabilities due, new loans and reasonable financing, or to satisfy these needs at a reasonable cost. The Risk Management Committee under the Board of the Bank and the Assets and Liabilities Management Committee and the Risk and Internal Control Management Committee under the senior management assume joint responsibilities for formulating policies and strategies on overall liquidity risk management.

The Bank's liquidity risk management aims to balance the relationship among "liquidity, safety and profitability", improve the liquidity management level, safeguard the sustainable and healthy development of various businesses, and implement the risk appetite featuring "prudence, rationality and soundness" of the Board of Directors, and to ensure that the Bank has sufficient funds to meet expected and unexpected capital requirements (including loan growth, deposit withdrawals, debt maturity, and changes in off-balance sheet irrevocable commitments) in a normal operating environment or under stress, to create a stable liquidity environment for continuing operations and promote positive interaction between liquidity management and business development.

During the Reporting Period, the Bank strengthened the liquidity risk management on a forward-looking basis, enhanced the anticipation of the market situation, and effectively managed and dynamically adjusted its strategies. At the same time, the Bank implemented the coordinated management of liquidity and assets and liabilities, made reasonable adjustments to the scale and structure of assets and liabilities according to changes in market conditions and the development of business needs, to ensure its liquidity while pursuing profit growth and value growth and achieve the alignment of "liquidity, safety and profitability" of bank funds. The Bank enhanced its management level of liability stability to secure a moderate total amount of liabilities, stable sources, diversified structures, and well-matched maturities. The Bank emphasized risk prevention and mitigation while promoting business development and profit growth. The Bank stressed the importance of "ensuring adequate liquidity" and flexibly managed and controlled the percentage of liquidity asset portfolio with the highest efficiency. According to its own characteristics and external market environment, the Bank has formulated liquidity scenarios under stress, and conducted stress tests of liquidity risks regularly to analyze its ability to cope with liquidity risks or shocks. During the Reporting Period, the Bank regularly conducted liquidity stress tests in accordance with regulations and reported the test results to the Board of the Bank. The results of stress tests indicated that the Bank's liquidity risk was under control under multiple scenario stress assumptions. In addition, the Bank has formulated contingency plans to prevent potential liquidity crises and has taken effective emergency measures to control the spread of risks under liquidity crisis scenarios. It promoted consolidated management of liquidity risk and supervised and guided subsidiaries in improving their liquidity risk management to ensure overall liquidity safety at the group level.



Chapter III Management Discussion and Analysis

3.10 RISK MANAGEMENT (CONTINUED)

3.10.6 Liquidity risk management (Continued)

The Bank kept close attention on the macro regulatory policies and the situation of fund markets. According to the business development of assets and liabilities of the whole Bank and the liquidity position, the Bank adjusted the liquidity management strategy and the pace of funds operation in a dynamic manner in response to the impact related to stage and season factors on the liquidity position, to improve the ability of handling liquidity risks. As of 30 June 2025, the liquidity coverage ratio of the Bank was 389.95%, while the qualified quality liquidity assets amounted to RMB244.472 billion and the net cash outflow in the next 30 days was RMB62.693 billion. The net stable capital ratio of the Bank was 119.17% as of 31 March 2025, while the available stable capital reached RMB1,358.590 billion and the required stable capital amounted to RMB1,140.008 billion. As of 30 June 2025, the net stable capital ratio of the Bank was 117.67%, while the available stable capital reached RMB1,322.851 billion and the required stable capital amounted to RMB1,124.234 billion.

3.10.7 Interest rate risk management

Interest rate risk refers to the risk of fluctuation in interest rates, which results in an adverse impact on the financial position of the Bank. Interest rate risk of the Bank primarily arises from the structural mismatch of maturity dates or re-pricing periods for its banking portfolio. Currently, the Bank primarily measures its exposure to interest rate risk in account books through methods such as gap analysis, scenario analysis and stress testing. The Bank manages its interest rate risk exposure primarily by adjusting the duration of its banking portfolio based on its assessment of potential changes in the interest rate environment.

The Bank's financial assets and liabilities are mainly denominated in RMB. As the benchmark interest rates for RMB deposits and loans are determined by the PBOC and the RMB LPR is released by the National Interbank Funding Center upon the authorization of the PBOC, the Bank follows the interest rate policies issued by the PBOC when carrying out deposit-taking and lending activities.

In the first half of 2025, the Bank enhanced the management of the RMB deposit and loan interest rate, improved the loan pricing process and vigorously implemented a market-based deposit interest rate adjustment mechanism, to improve its interest rate risk pricing capability and put the interest rate risk within the tolerable range of the Bank through various ways. First, the Bank improved the process for the management of the interest rate risk in the banking book, and specified risk preference, risk limit and other important matters. Second, the Bank strengthened the monitoring of loan repricing cycles and guided the adjustment of loan repricing cycles through the internal fund transfer pricing (FTP). Third, the Bank prudently conducted stress tests on the interest rate risk in the banking book to measure and forecast the interest rate risk tolerance in the banking book, and thus improve its interest rate risk management in the banking book under extreme scenarios.



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3.10 RISK MANAGEMENT (CONTINUED)

3.10.8 Liability quality management

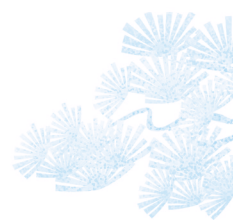
During the Reporting Period, the Bank maintained a healthy quality of liabilities, and its liability business continued to develop steadily. The sources of liabilities were stable, total customer deposits increased by 9.92% from the beginning of the year, and the net stable capital ratio was 117.67%. The liability structure was diversified, forming a liability portfolio characterized by diversified financing channels, decentralized counterparties and a wide range of business types. The match between liabilities and assets was reasonable, with regulatory indicators such as the liquidity coverage ratio and the liquidity ratio consistently meeting regulatory requirements. For details of these indicators, please refer to Section 3.10.6 “Liquidity risk management” and “Unaudited Supplementary Financial Information – LIQUIDITY RATIOS” in Appendix I to the financial statements in this report. The Bank enhanced its ability to actively manage liabilities and promptly and proactively secured funds with the required amount, term and cost based on the needs of business development and management. It strengthened cost control over liabilities and refined both internal and external pricing, resulting in a decrease of 32 basis points in the average cost rate of interest-bearing liabilities compared to the same period of last year. All liability activities were based on real debtor-creditor relationships and in compliance with laws, regulations, and relevant regulatory requirements.

3.10.9 Exchange rate risk management

Exchange rate risk is the risk of loss in the Bank’s earnings arising from the foreign exchange exposure resulting from the imbalance in the currency structure between foreign exchange assets and liabilities when being affected by adverse changes in the exchange rate. The Bank’s foreign currency assets and liabilities are mainly denominated in U.S. dollars, while the rest are denominated in Euros, Hong Kong dollars, Japanese yen, etc.

Since 2025, global trade protectionism has intensified, regional conflicts have escalated, and the US Dollar Index has generally shown a unidirectional movement trend. The Bank closely monitored, among others, the international political and economic landscape, changes in monetary policies of various countries and geopolitical risks. The Bank measured its exchange rate risk through qualitative and quantitative analysis. The major methods included gap analysis, duration analysis, exposure analysis, VAR analysis, stress testing and back testing etc. In order to maintain its exchange rate risk within an acceptable range, the Bank implemented stringent limit-based management measures, primarily including trading limits, risk limits, foreign exposure limits and stop loss limits.

With respect to agency business, the foreign exchange spot, forward and options transactions of the Bank adopted “back-to-back” position closing, which avoided exchange rate risks to a large extent. The Bank also monitored its foreign exchange risk exposure in real time, and maintained reasonable proprietary position exposures within the limit of combined exposures of the Bank approved by the Anhui Branch of the State Administration of Foreign Exchange, and in accordance with the Bank’s limit-based management requirements. In addition, the Bank actively used derivatives to hedge against the risk of exchange rate fluctuations.



Chapter III Management Discussion and Analysis

3.10 RISK MANAGEMENT (CONTINUED)

3.10.10 Reputation risk management

Reputation risk refers to the risk of negative comments to the Bank by relevant stakeholders, the public and the media as a result of the operation and management and other matters of the Bank, the behavior of its practitioners or external events, which may damage its brand value, adversely affect normal operation, or even affect market stability and social stability.

Reputational risk management, as an important part of the Bank's corporate governance and comprehensive risk management systems, covers all behaviors, business activities and business areas of the Bank. During the Reporting Period, the Bank continued to build a better reputation risk management system, improved the working mechanism, steadily promoted the basic management of reputation risk, actively and effectively prevented reputation risks. The Bank adhered to the principle of prevention first, always focused on monitoring, analysis and early warning of public opinions in its daily operation. In addition, the Bank quickly resolves any easy misunderstanding or misinterpretation of information with an effective management system. Meanwhile, the Bank actively carries out external publicity and participates in a broad range of social welfare undertakings and public activities to live up to its corporate social responsibility, in an effort to build a sound corporate image. In the first half of 2025, the Bank effectively managed its reputation risk. There was no occurrence of reputation incidents. The Bank maintained a good relationship with the media, and the media provided favorable overall feedback.

3.10.11 Compliance risk management

Compliance risk refers to the possibility that financial institutions or their employees will bear criminal, administrative, and civil legal liabilities, property losses, reputation losses, and other negative impacts due to violations of compliance regulations with respect to financial institutions' operating and management behaviors or employee performance behaviors.

The Board of Directors of the Bank takes the ultimate responsibility for the compliance of the Bank's business operations. The Risk Management Committee under the Board of Directors monitors compliance risk management effectively. The Board of Supervisors is responsible for supervising the performance of the Board of Directors and the senior management of their duties on compliance management. The senior management is responsible for managing compliance risk, and conducting regular assessments on compliance risk. The Bank has established a robust compliance risk management system and organizational structure, forming three lines of defense at the front, middle and back offices interacting with each other, and the vertical double-line reporting system amongst the head office, branches and sub-branches. It also constantly improved and perfected the compliance risk management system and mechanism so as to ensure effective management and control of compliance risk.

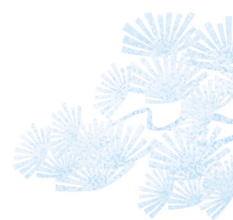


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3.10 RISK MANAGEMENT (CONTINUED)

3.10.11 Compliance risk management (Continued)

The Bank thoroughly implemented regulatory requirements, comprehensively enhanced its risk management capabilities, continuously strengthened its awareness of compliant operations, actively fostered a culture of internal control and compliance, and advanced its development as an outstanding local mainstream bank. During the Reporting Period, the Bank meticulously prepared for the “100-Day Campaign for Compliance Enhancement,” which was systematically advanced around five key aspects of “comprehensive learning, extensive advocacy, thorough inspection, rigorous rectification and significant improvement,” continuously fostering a compliance atmosphere where “everyone emphasizes compliance and all actions follow the rules.” The Bank continuously improved its regulatory framework, refined the compliance obligations database, strengthened the management of the president’s authorization, and enhanced the internal control assessment system to guide compliant and stable business operations. The Bank established a joint compliance and legal review mechanism, revised the review methods for legal documents, and solidified foundational management of internal control and compliance. In accordance with requirements for rectifying formalism to reduce the burden on grassroots and for on-site inspection management, the Bank scientifically formulated on-site inspection plans, increased efforts in coordination of on-site inspections, continuously intensified off-site monitoring, promoted technology-enabled applications, consistently improved inspection efficiency, and refined inspection methodologies. The Bank revised the management system on case prevention, optimized the mechanism for case risk prevention and control, further advanced the “Year of Case Prevention Enhancement” initiative, strengthened the investigation of case risks and employee behaviors, enhanced internal control and compliance case prevention training, and improved the quality of the Bank’s case prevention work, so as to provide a guarantee for the high-quality development of the Bank.



Chapter III Management Discussion and Analysis

3.10 RISK MANAGEMENT (CONTINUED)

3.10.12 Anti-money laundering management

The Bank attached great importance to anti-money laundering and strictly implemented relevant laws and regulations aiming at preventing and controlling money laundering activities, with sound measures vigorously carried out across the Bank.

During the Reporting Period, the Bank put into practice the principle of “risk-based”, strengthened money laundering risk management, continuously improved the anti-money laundering management mechanism, and promoted the transformation to intensive, refined and professional operation of anti-money laundering. The Bank optimized and adjusted the responsibilities for customers’ money laundering risk rating, progressively achieved money laundering risk management throughout the entire customer lifecycle, and effectively enhanced the systematic, precise, and timely management of customers’ money laundering risks. The Bank deeply analyzed “Notice of Money Laundering Risks” issued by the regulatory authorities and typical cases of money laundering in the region, proactively adapted to the anti-money laundering situation in the new period, assessed the latest money laundering trends in its operation areas and the types of major money laundering risks faced by the Bank, promoted the standardization and regularization of model management, explored the mechanism of retrospective model optimization, and enhanced the quality and efficiency of its monitoring and analysis. The Bank focused on improving the coordination of its anti-money laundering efforts, provided ideas for business risk control through research and identification of suspicious activities, constantly improved the money laundering management level, and safeguarded the healthy development of business. The Bank carried out the anti-money laundering audits and focused on the implementation of the regulatory requirements for anti-money laundering, including internal control environment construction for anti-money laundering, information system development, customer due diligence, money laundering risk management, rectification and training. The Bank carried out special campaigns on anti-money laundering risk prevention and control for internal accounts to effectively guard against potential money laundering risks. The Bank actively advanced the connection to the beneficial owner information management system to enhance the accuracy and effectiveness of customer due diligence. The Bank conducted on-site anti-money laundering inspections to achieve full coverage of all institutions within three years, using inspection and supervision as a means to continuously improve the level of anti-money laundering work.



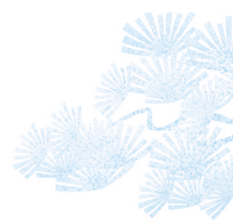
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3.11 INFORMATION TECHNOLOGY

During the Reporting Period, the Bank remained committed to its digital transformation objectives by systematically implementing financial technology strategies and improvement initiatives. Priority was placed on integrating business value chains, reinforcing the data management foundation, and fostering in-depth integration between business operations and technological capabilities, thereby delivering strong technological support for the Bank's high-quality development.

Firstly, adhering to the business value creation through technology. The Bank actively advanced the development of remote banking and completed the customer-facing release of Mobile Banking 7.0, building a multi-dimensional, digital customer service system; advanced the implementation of core IT application innovation project clusters as scheduled, implemented the strategy for domestic substitution of information systems; carried out the digital transformation project for the entire credit risk process, establishing a three-in-one digital risk control system integrating "data + technology + application"; strengthened the application of new technologies such as artificial intelligence by building a comprehensive AI large model service platform (Hui Zhi Dao (徽之道)) and continuously advancing the implementation of new technologies like virtual digital humans; steadily advanced the construction of the IT application innovation cloud platform, next-generation wide area network, and the new data center, continuously strengthening the infrastructure foundation; accelerated the integration of business and technology, formulated talent development plans for interdisciplinary tech professionals, and persistently optimized the customer & user experience enhancement platform, and conducted experience issue research at branch and sub-branch level and promoted the application of the experience platform.

Secondly, enhancing data management capabilities and enriching data application scenarios. The Bank conducted compliance assessments based on the data management capability maturity model, strengthened data standard control, and continuously improved data quality; completed the full-stack domestic substitution of the data warehouse, continuously optimized data marts, and enhanced the comprehensive service capabilities of the data platform; strengthened coordinated management of data demands, reduced the cost of using external data, and reinforced data security controls; ensured the R&D and operations of models, supported the construction of remote banking, and elevated the level of digital risk control throughout the process.



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3.12 PROFIT DISTRIBUTION OF ORDINARY SHARES

Profit distribution plan for 2024

The profit distribution plan of the Bank for 2024 was considered and approved at the 2024 annual general meeting of the Bank held on 30 June 2025.

Audited net profit of the Bank under the headquarter for 2024 was RMB14,542.69 million. Pursuant to the Articles of Association, the profit distribution plan of the Bank for 2024 is as follows:

- (1) RMB1,454.269 million, RMB1,963.74 million and RMB1,454.269 million were allocated to the statutory surplus reserve, general risk provision and discretionary surplus reserve, respectively.
- (2) It was proposed to distribute the cash dividend of RMB2.1 (tax inclusive) per ten shares, with a total cash dividend of approximately RMB2,916.86 million (tax inclusive).

The 2024 final dividend has been paid on 22 August 2025 to shareholders whose names appeared on the register of members of the Bank as at 10 July 2025. All cash dividends paid, which were denominated in RMB, were distributed to domestic shareholders in RMB or Hong Kong dollars to H shareholders, respectively. The exchange rate used for the calculation of dividends paid in Hong Kong Dollars was based on the average central parity rate of RMB against Hong Kong Dollars announced by the PBOC for the five working days before the 2024 annual general meeting of the Bank (i.e. 23, 24, 25, 26 and 27 June 2025). For details, please refer to the Bank's announcement dated 30 June 2025 on poll results of the 2024 annual general meeting.

Interim profit distribution for 2025

The Bank has no interim profit distribution plan for 2025.

3.13 SOCIAL RESPONSIBILITY

The Bank adhered to the values of "treating people with sincerity, upholding justice while pursuing interests", honored the mission of "achieving dreams for customers, creating value for shareholders, promoting employee development and assuming responsibility of citizenship", and has drawn up the vision of "Creating First-class Quality and Building a Centennial Huishang Bank", as well as established the core value of "Integrity, Stability, Innovation and Harmony". In the "Strategic Plan 2021-2025", the Bank clearly puts forward the overall strategic positioning of building an "excellent local mainstream bank" in all aspects, building an excellent corporate culture, integrating the excellent traditional culture of Huishang Bank, and achieving the trust of customers, respect of peers and pride of employees in terms of vision, mission, philosophy, conduct and core value.

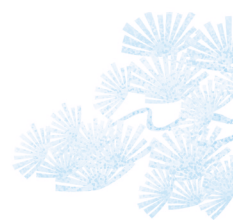


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3.13 SOCIAL RESPONSIBILITY (CONTINUED)

In the first half of 2025, the Bank continued to make active efforts for cultivation and promotion of the financial culture with Chinese characteristics, practiced the requirements of the “Five Musts and Five Nos”, fulfilled its corporate social responsibilities and endeavored to build a high-quality corporate culture that is in line with the development strategy of Huishang Bank with the spirit of the times and the characteristics of Huishang Bank. The Bank kept abreast of the times to enrich the connotation of its corporate culture, promoted the promotion and solidification of its corporate culture, gave full play to the leading role of culture, forged consensus and strived in unity to provide cultural support for building an excellent local mainstream bank and embarking on the new journey of high-quality development of Huishang Bank. The Bank implemented the plan of “Improvement Projects in Nine Areas”, coordinated shareholders, customers, employees and other stakeholders, achieving the full improvement of economic, environmental and social benefits, as well as the coordinated development in terms of scale, quality, structure and efficiency, which have been widely praised by all sectors of society and granted many awards and honors.

During the Reporting Period, adhering to the political and people-centered nature of financial work and with a focus on the requirements for strengthening financial services to support real economy, the Bank dedicated efforts to advancing the “five major aspects” of finance; it vigorously innovated in technology finance by intensifying product innovation for “Four-Chain Integration” and building an ecosystem for technology finance; it steadily advanced green finance by continuously enhancing the regulatory leverage of green credit and actively promoting green lending to support the low-carbon economy; it made targeted efforts in inclusive finance to reduce corporate financing costs and support the development of micro and small enterprises, contributing to stabilizing the overall economy; it supported the development of Rural Issues, actively leveraged the professional advantages of financial institutions, mobilized and consolidated the efforts of the entire bank to drive rural revitalization; it focused on elderly care financial services, enhanced the layout of elderly care finance and steadily advanced the senior-friendly and senior-oriented transformation of service channels; it continuously deepened digital financial innovation initiatives, accelerated the iterative upgrades of key systems and the R&D of new products, optimized the online service system, and enhanced the mining and application of data value; it continued to create a “safe Huishang Bank” with a long-term focus on building a comprehensive, all-staff, and full-process risk management system, enhancing the ability to manage risks and operational risks, and resolutely guarding against systemic risks; it advocated for green office practices, energy conservation, and environmental protection, minimizing the negative impact of daily operations on the environment; it actively conveyed the spirit of public welfare, constantly promoted a focus on people’s livelihoods, protected the environment, being enthusiastic about charity; the Bank encouraged the employees to work as a volunteer, launched a number of donations in the fields of disaster prevention and relief, bravery, rural revitalization, education and charity, and collaborated on branded public welfare projects in areas such as respecting the elderly, assisted the disabled, and aided the poor, fully demonstrated the image of a good corporate citizen; it adhered to a people-oriented approach, paid attention to employee capability building, cared for their physical and mental health, and fostered a positive and harmonious corporate cultural atmosphere; it adhered to the market positioning of a city commercial bank, and took practical actions to support Anhui Province in building the “three places and one zone” and composed a chapter of Chinese-style modernization in Anhui province, to comprehensively support the economic and social development of Anhui, and strove to become an excellent local mainstream bank with a good customer experience, obvious characteristic advantages, solid risk control capabilities, and diversified comprehensive services.



Chapter III Management Discussion and Analysis

3.14 CONSUMER PROTECTION

In the first half of 2025, the Bank continued to deepen and implement consumer rights protection. It completed over 1,800 reviews on consumer protection relating to product and service systems and measures, cooperation (outsourcing) agreements and contracts, marketing activities and promotional materials, conducted a total of over 10 specific training sessions on consumer protection, covering over 1,000 participants including senior and middle management, frontline staff, and new employees, and conducted over 2,800 online and offline educational and promotional activities, reaching more than 34 million consumers.

3.15 RELATED PARTY (CONNECTED) TRANSACTIONS

In the ordinary course of business, the Bank provides commercial banking services and products to the public in China, including the Bank's directors, supervisors and/or their respective associates. During the Reporting Period, connected transactions carried out between the Bank and connected persons (as defined under the Hong Kong Listing Rules) were conducted under normal commercial principles, which were no more favorable than the conditions for similar transactions with non-connected persons. The transaction terms were fair and reasonable and in the interests of the Bank and its shareholders as a whole. A series of connected transactions with connected persons conducted by the Bank, all complied with the aforementioned conditions for connected transactions and were exempted from the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The related party (connected) transactions of the Bank mainly refer to the ordinary on-and off-balance sheet businesses, including loans, debt securities and deposits. As of 30 June 2025, the Bank has 6,379 related legal entities or unincorporated organizations and 2,762 related natural persons. The related party transactions of the Bank totalled RMB117,843 million, of which the balance of credit granted in related party transactions amounted to RMB25,816 million, and deposits (excluding demand deposits), services and other kinds of related party transactions amounted to RMB92,027 million. The balance of credit granted to single related party, the group(s) to which related party(ies) belong(s), and all related parties as a proportion of the net capital of the Bank under the headquarters all complied with the regulatory requirements for related party transactions.



Chapter III Management Discussion and Analysis

3.15 RELATED PARTY (CONNECTED) TRANSACTIONS (CONTINUED)

During the Reporting Period, the Bank implemented the latest regulatory requirements for related party (connected) transactions by amending the management methods for related party transactions and dynamically collecting information on related parties (connected persons), thereby strengthening the foundation for effective identification and statistical reporting of related party (connected) transactions. The Bank regularly reported to the Board of Directors and the Board of Supervisors on the status of related party (connected) transactions and continued to manage related party (connected) transactions on a day-to-day basis. The Bank optimized functions in its related party (connected) transactions management system, such as identifying suspected related parties (connected persons), and further improving the system intelligence of related party (connected) transactions. The Bank adopted multiple measures to disseminate and implement compliance requirements for related party (connected) transactions, strengthened the role of the first line of defense in risk prevention, improved the whole-process risk control mechanism for related party (connected) transactions, further strengthened the management of related party (connected) transaction proposals, and strictly performed review, approval, reporting and disclosure procedures on related party (connected) transactions. During the Reporting Period, the Bank's independent non-executive directors issued independent opinions on the Bank's related party (connected) transactions.

Note 46 to the financial statements discloses, among others, the related party transactions of the Bank during the Reporting Period in accordance with the International Accounting Standards. These related party transactions do not constitute the connected transactions of the Bank under the requirements of Chapter 14A of the Hong Kong Listing Rules.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.1 CHANGES IN ORDINARY SHARES OF THE BANK DURING THE REPORTING PERIOD

	30 June 2025		Changes during the Reporting Period	31 December 2024	
	Number of shares (share)	Percentage (%)	Number of shares (share)	Number of shares (share)	Percentage (%)
Domestic Shares	10,411,051,211	74.95	0	10,411,051,211	74.95
H Shares	3,478,750,000	25.05	0	3,478,750,000	25.05
Total number of ordinary shares	13,889,801,211	100.00	0	13,889,801,211	100.00

Note: As of 30 June 2025, the Bank had a total of 17,118 shareholders of ordinary shares, including 1,295 shareholders of H Shares and 15,823 shareholders of Domestic Shares. The Bank had no controlling shareholders or de facto controller. According to the feedback from the trustee agency, a total of 11,240,000 pledged shares were under judicial freeze or other situations.

4.2 INFORMATION ON THE SHAREHOLDINGS OF THE TOP TEN HOLDERS OF ORDINARY SHARES

As of 30 June 2025, the order of the top ten holders of ordinary shares of the Bank was sorted by: (1) for H Shares, the aggregate of the H Shares of the Bank held by investors which were deposited into the Central Clearing and Settlement System of Hong Kong Exchanges and Clearing Limited ("HKEX") and registered under the name of HKSCC Nominees Limited, a wholly-owned subsidiary of HKEX, representing 25.02% of the total share capital of ordinary shares and representing 99.90% of the total H Shares issued; and (2) for Domestic Shares, the order was based on the number of shares held directly under the domestic shareholders register kept by China Securities Depository and Clearing Corporation Limited.

No.	Name of shareholder	Number of shares held as at the end of the Reporting Period (share)	Percentage of total share capital of ordinary shares (%)	Type of shares	Increase/ decrease during the Reporting Period (share)	Pledged or frozen (share)
1	HKSCC Nominees Limited	3,475,339,078	25.02	H Share	34,800	— ⁽¹⁾
2	Deposit Insurance Fund Management Co., Ltd.	1,559,000,000	11.22	Domestic Share	0	0
3	Anhui Energy Group Co., Ltd.	843,363,819	6.07	Domestic Share	0	0
4	Anhui Guoyuan Financial Holding Group Co., Ltd.	837,810,695	6.03	Domestic Share	0	0
5	Anhui Credit Financing Guaranty Group Co., Ltd.	827,658,091	5.96	Domestic Share	0	0
6	Anhui Transportation Holding Group Co., Ltd.	705,349,937	5.08	Domestic Share	0	0
7	Zhongjing Sihai Co., Ltd.	506,102,476	3.64	Domestic Share	0	0
8	Hefei Xingtai Financial Holdings (Group) Co., Ltd.	378,395,999	2.72	Domestic Share	0	0
9	CCB Trust Co., Ltd.	313,672,053	2.26	Domestic Share	0	0
10	Wuhu Investment Holding Group Co., Ltd. (蕪湖市投資控股集團有限公司) ⁽²⁾	294,012,833	2.12	Domestic Share	0	0

Notes: (1) The relevant information has not yet been obtained by the Bank, nor can it be verified based on the existing information.

(2) According to the public disclosure made by Wuhu Investment Holding Group Co., Ltd. and the information provided to the Bank, the name of the company has been changed from "Wuhu Construction Investment Co., Ltd." to "Wuhu Investment Holding Group Co., Ltd." on 17 January 2025.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.3 SUBSTANTIAL SHAREHOLDERS OF ORDINARY SHARES

According to the relevant requirements of the Interim Measures for the Equity Management of Commercial Banks, based on the register of members maintained by trustee agency of ordinary shares of the Bank and the information publicly disclosed and submitted by shareholders to the Bank, etc., the substantial shareholders of ordinary shares of the Bank as of the end of the Reporting Period are as follows:

No.	Name of substantial shareholder	Number of shares	Individual shareholding ratio (%)	Joint shareholding ratio (%)	Increase/decrease of shareholding during the Reporting Period (share)
1	Deposit Insurance Fund Management Co., Ltd.	1,559,000,000	11.22	11.22	0
2	Zhongjing Xinhua Asset Investment Management Co., Ltd.	224,781,227	1.62	10.59	0
	Wealth Honest Limited	631,871,000	4.55		0
	Golden Harbour Investments Management Limited	440,000,000	3.17		0
	Zhongjing Xinhua Property Management (Hong Kong) Co., Limited	173,993,400	1.25		0
3	Anhui Energy Group Co., Ltd.	843,363,819	6.07	9.70	0
	Anhui Wenergy Company Limited	150,814,726	1.09		0
	Xing An Holdings Limited	329,973,600	2.38		0
	Anhui Natural Gas Development Co., Ltd.	23,579,472	0.17		0
4	Anhui Credit Financing Guaranty Group Co., Ltd.	827,658,091	5.96	7.65	0
	Anhui Guarantee Asset Management Co., Ltd.	235,177,222	1.69		0
5	Wkland Finance Holding Company Limited	562,254,000	4.05	7.00	0
	Wkland Finance Holding II Company Limited	410,130,600	2.95		0
6	Anhui Guoyuan Financial Holding Group Co., Ltd.	837,810,695	6.03	6.29	0
	Anhui Guoyuan Trust Co., Ltd.	35,751,470	0.26		0
	Anhui Guoyuan Ma'anshan Asset Management Co., Ltd.	361,662	0.00		0
7	Anhui Transportation Holding Group Co., Ltd.	705,349,937	5.08	5.10	0
	Anhui Transportation Holding Group (H.K.) Limited	3,299,700	0.02		0
8	Hefei Xingtai Financial Holdings (Group) Co., Ltd.	378,395,999	2.72	4.98	0
	CCB Trust Co., Ltd.	313,672,053	2.26		0
9	Sunshine Life Insurance Corporation Limited	598,094,200	4.31	4.31	0
10	Zhongjing Sihai Co., Ltd.	506,102,476	3.64	3.64	0
11	Wuhu Investment Holding Group Co., Ltd.	294,012,833	2.12	2.12	0

Note: (1) For the definition of substantial shareholders, please refer to the relevant requirements of the Interim Measures for the Equity Management of Commercial Banks, and the shareholding ratio of shareholders and their related parties, persons acting in concert was calculated on a consolidated basis.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS

Based on the register of members maintained by trustee agencies of ordinary shares of the Bank and the information publicly disclosed and submitted by shareholders to the Bank, etc., as of 30 June 2025, the following persons (other than the directors, supervisors and chief executives (as defined in the Hong Kong Listing Rules) of the Bank) had interests and short positions in the shares of the Bank as recorded in the register required to be kept by the Bank pursuant to section 336 of the SFO. In view of the Bank's profit distribution plan for 2017, where bonus shares were issued to shareholders on the basis of 1 share for every 10 shares, implemented in 2018, the number of shares held by shareholders in the table below reflects the number of shares held by shareholders after the issue of bonus shares.

Name of shareholder	Type of share	Long/short position	Capacity	Number of shares (share)	Percentage of the	Percentage of all	Notes
					underlying shares in issue (%)	issued ordinary shares (%)	
Deposit Insurance Fund Management Co., Ltd.	Domestic Share	Long	Beneficial owner	1,559,000,000	14.97	11.22	1
Anhui Energy Group Co., Ltd.	H Share	Long	Interest of controlled corporation	329,973,600	9.49	2.38	2
	Domestic Share	Long	Interest of controlled corporation	174,394,198	1.68	1.26	2
Xing An Holdings Limited	Domestic Share	Long	Beneficial owner	843,363,819	8.10	6.07	2
	H Share	Long	Beneficial owner	329,973,600	9.49	2.38	2
Anhui Credit Financing Guaranty Group Co., Ltd.	Domestic Share	Long	Interest of controlled corporation	235,177,222	2.26	1.69	3
	Domestic Share	Long	Beneficial owner	827,658,091	7.95	5.96	3
Anhui Guoyuan Financial Holding Group Co., Ltd.	Domestic Share	Long	Beneficial owner	837,810,695	8.05	6.03	4
	Domestic Share	Long	Interest of controlled corporation	36,113,132	0.35	0.26	4
Anhui Transportation Holding Group Co., Ltd.	H Share	Long	Interest of controlled corporation	3,299,700	0.09	0.02	5
	Domestic Share	Long	Beneficial owner	705,349,937	6.78	5.08	5
China Vanke Co., Ltd.	H Share	Long	Interest of controlled corporation	972,384,600	27.95	7.00	6
Wkland Finance Holding Company Limited	H Share	Long	Beneficial owner	562,254,000	16.16	4.05	6
Wkland Finance Holding II Company Limited	H Share	Long	Beneficial owner	410,130,600	11.79	2.95	6
Sunshine Insurance Group Corporation Limited	H Share	Long	Interest of controlled corporation	598,094,200	17.19	4.31	7
Sunshine Life Insurance Corporation Limited	H Share	Long	Beneficial owner	598,094,200	17.19	4.31	7
Shanghai Soong Ching Ling Foundation	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Zhongjing Industry (Group) Limited	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Modern Innovation Holdings Co., Limited	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Qingtian Anyin Enterprise Management Consulting Co., Ltd.	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Jing'An Shanghai Silver Investment Co., Ltd.	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	8
Zhongjing Xinhua Asset Investment Management Co., Ltd.	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
	Domestic Share	Long	Beneficial owner	224,781,227	2.16	1.62	8

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Name of shareholder	Type of share	Long/short		Number of shares (share)	Percentage of the	Percentage of all	Notes
		position	Capacity		underlying shares in issue (%)	issued ordinary shares (%)	
Chuangjian Group Co., Ltd.	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 13
Zhongjing Xinhua Property Management (Hong Kong) Co., Limited	H Share	Long	Interest of controlled corporation	1,071,871,000	30.81	7.72	10, 11, 13
	H Share	Long	Beneficial owner	173,993,400	5.00	1.25	9
Wealth Honest Limited	H Share	Long	Interest of controlled corporation	440,000,000	12.65	3.17	11, 13
	H Share	Long	Beneficial owner	631,871,000	18.16	4.55	10
Wealth Honest Cayman Holdings Company Limited	H Share	Long	Interest of controlled corporation	440,000,000	12.65	3.17	11, 13
Qingdao State-owned Assets Supervision & Administration Commission	H Share	Long	Security interest	440,000,000	12.65	3.17	11
Qingdao City Construction Investment (Group) Limited	H Share	Long	Security interest	440,000,000	12.65	3.17	11
Qingdao City Construction Financial Holding Group Co., Ltd.	H Share	Long	Security interest	440,000,000	12.65	3.17	11
China Golden Harbour (Holdings) Group Limited	H Share	Long	Security interest	440,000,000	12.65	3.17	11
Golden Harbour Global Holdings Limited	H Share	Long	Security interest	440,000,000	12.65	3.17	11
Wealth Honest Fund LP	H Share	Long	Interest of controlled corporation	440,000,000	12.65	3.17	11
Golden Harbour Investments Management Limited	H Share	Long	Beneficial owner	440,000,000	12.65	3.17	11
Zheng Yonggang	Domestic Share	Long	Interest of controlled corporation	730,883,703	7.02	5.26	8, 12
Zhou Jiqing	Domestic Share	Long	Interest of controlled corporation	730,883,703	7.02	5.26	8, 12
Ningbo Qinggang Investment Co., Ltd.	Domestic Share	Long	Interest of controlled corporation	730,883,703	7.02	5.26	8, 12
Shanshan Holdings Co., Ltd.	Domestic Share	Long	Interest of controlled corporation	506,102,476	4.86	3.64	12
	Domestic Share	Long	Beneficial owner	224,781,227	2.16	1.62	8
	H Share	Long	Interest of acting in concert	1,245,864,400	35.81	8.97	14
Shanshan Group Co., Ltd.	Domestic Share	Long	Interest of controlled corporation	506,102,476	4.86	3.64	12
Zhongjing Sihai Co., Ltd.	Domestic Share	Long	Beneficial owner	506,102,476	4.86	3.64	12
DRAGON SOUND INVESTMENT LIMITED	Domestic Share	Long	Interest of acting in concert	730,883,703	7.02	5.26	14
	H Share	Long	Beneficial owner	273,449,000	7.86	1.97	13
JOY GLORY HOLDINGS LIMITED	Domestic Share	Long	Interest of acting in concert	730,883,703	7.02	5.26	14
	H Share	Long	Beneficial owner	532,415,400	15.30	3.83	13
SUPERIOR LOGIC INVESTMENTS LIMITED	Domestic Share	Long	Interest of acting in concert	730,883,703	7.02	5.26	14
	H Share	Long	Beneficial owner	440,000,000	12.65	3.17	13
Wang Wenying	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 16
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	15
Liu Jiehong	H Share	Long	Interest of the Spouse	1,245,864,400	35.81	8.97	9, 10, 11, 16
	Domestic Share	Long	Interest of the Spouse	224,781,227	2.16	1.62	15

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Name of shareholder	Type of share	Long/short position	Capacity	Percentage of the		Percentage of all issued ordinary shares (%)	Notes
				Number of shares (share)	underlying shares in issue (%)		
Amer Holdings Group Limited	H Share	Long	Interest of controlled corporation	1,245,864,400	35.81	8.97	9, 10, 11, 16
	Domestic Share	Long	Interest of controlled corporation	224,781,227	2.16	1.62	15
Shenzhen Amer (Group) Limited	H Share	Long	Beneficial owner	1,245,864,400	35.81	8.97	9, 10, 11, 16
	Domestic Share	Long	Beneficial owner	224,781,227	2.16	1.62	15
Guotai Junan Securities Co., Ltd.	H Share	Long	Interest of controlled corporation	483,509,400	13.90	3.48	17
Guotai Junan International Holdings Limited	H Share	Long	Interest of controlled corporation	273,509,400	7.86	1.97	17
Haitong International Holdings Limited	H Share	Long	Interest of controlled corporation	210,000,000	6.04	1.51	17
Haitong International Securities Group Limited	H Share	Long	Interest of controlled corporation	210,000,000	6.04	1.51	17
Haitong International Securities (Singapore) Pte. Ltd.	H Share	Long	Security interest	210,000,000	6.04	1.51	17

Notes:

- (1) Deposit Insurance Fund Management Co., Ltd. directly holds 1,559,000,000 Domestic Shares (long position) of the Bank.
- (2) Xing An Holdings Limited holds 329,973,600 H Shares (long position) of the Bank. Xing An Holdings Limited is a wholly-owned subsidiary directly controlled by Anhui Energy Group Co., Ltd. As such, Anhui Energy Group Co., Ltd. is deemed to be interested in the shares of the Bank held by Xing An Holdings Limited.

At the same time, Anhui Energy Group Co., Ltd. directly holds 843,363,819 Domestic Shares (long position) of the Bank. In addition, Anhui Energy Group Co., Ltd. is deemed to be interested in 150,814,726 Domestic Shares (long position) and 23,579,472 Domestic Shares (long position) of the Bank that were held by its controlling subsidiaries, Anhui Wenergy Company Limited and Anhui Natural Gas Development Co., Ltd., respectively.

- (3) 235,177,222 Domestic Shares (long position) of the Bank are held by Anhui Guarantee Asset Management Co., Ltd. Anhui Guarantee Asset Management Co., Ltd. is a wholly-owned subsidiary of Anhui Credit Financing Guaranty Group Co., Ltd. Anhui Credit Financing Guaranty Group Co., Ltd. is deemed to be interested in the shares of the Bank held by Anhui Guarantee Asset Management Co., Ltd. Meanwhile, Anhui Credit Financing Guaranty Group Co., Ltd. directly holds 827,658,091 Domestic Shares (long position) of the Bank.
- (4) Anhui Guoyuan Ma'anshan Asset Management Co., Ltd. and Anhui Guoyuan Trust Co., Ltd. hold 361,662 Domestic Shares (long position) and 35,751,470 Domestic Shares (long position) of the Bank, respectively. Anhui Guoyuan Financial Holding Group Co., Ltd. is deemed to be interested in the Domestic Shares of the Bank that were held by its controlling subsidiaries, Anhui Guoyuan Ma'anshan Asset Management Co., Ltd. and Anhui Guoyuan Trust Co., Ltd. At the same time, Anhui Guoyuan Financial Holding Group Co., Ltd. directly holds 837,810,695 Domestic Shares (long position) of the Bank.
- (5) Anhui Transportation Holding Group (H.K.) Limited holds 3,299,700 H Shares (long position) of the Bank. Anhui Transportation Holding Group (H.K.) Limited is a wholly-owned subsidiary directly controlled by Anhui Transportation Holding Group Co., Ltd. As such, Anhui Transportation Holding Group Co., Ltd. is deemed to be interested in the shares of the Bank held by Anhui Transportation Holding Group (H.K.) Limited. At the same time, Anhui Transportation Holding Group Co., Ltd. directly holds 705,349,937 Domestic Shares (long position) of the Bank.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

- (6) China Vanke Co., Ltd. is deemed to be interested in a total of 972,384,600 H Shares (long position) of the Bank by virtue of its control over the following corporations, which directly hold interests in the Bank:
- 6.1 Wkland Finance Holding Company Limited holds 562,254,000 H Shares (long position) of the Bank. Wkland Finance Holding Company Limited is a wholly-owned subsidiary indirectly controlled by China Vanke Co., Ltd.
- 6.2 Wkland Finance Holding II Company Limited holds 410,130,600 H Shares (long position) of the Bank. Wkland Finance Holding II Company Limited is a wholly-owned subsidiary indirectly controlled by China Vanke Co., Ltd.
- (7) Sunshine Life Insurance Corporation Limited holds 598,094,200 H Shares (long position) of the Bank. Sunshine Life Insurance Corporation Limited is a subsidiary directly controlled by Sunshine Insurance Group Corporation Limited. Sunshine Insurance Group Corporation Limited is deemed to be interested in the shares of the Bank held by Sunshine Life Insurance Corporation Limited.
- (8) Zhongjing Xinhua Asset Investment Management Co., Ltd. ("Zhongjing Xinhua") directly holds 224,781,227 Domestic Shares (long position) of the Bank. Zhongjing Xinhua is a subsidiary directly controlled by Jing'An Shanghai Silver Investment Co., Ltd. ("Jing'An Silver"). Jing'An Silver is a wholly-owned subsidiary controlled by Qingtian Anyin Enterprise Management Consulting Co., Ltd. (青田安銀企業管理諮詢有限公司, "Qingtian Anyin"). Qingtian Anyin is a wholly-owned subsidiary controlled by Modern Innovation Holdings Co., Limited ("Modern Innovation"). Modern Innovation is a subsidiary directly controlled by Zhongjing Industry (Group) Limited ("Zhongjing Industry"). The 97.5% shares of Zhongjing Industry are held by Shanghai Soong Ching Ling Foundation ("Shanghai Soong Ching Ling Foundation"). Shanghai Soong Ching Ling Foundation, Zhongjing Industry, Modern Innovation, Qingtian Anyin and Jing'An Silver are deemed to be interested in the shares of the Bank held by Zhongjing Xinhua.

Meanwhile, according to the public information of the National Enterprise Credit Information Publicity System, as of the Latest Practicable Date, the registered shareholders of Zhongjing Industry, the indirect controlling shareholder of Zhongjing Xinhua, are Shanghai Gaoyang Youren Asset Management Co., Ltd. (上海高央友人資產經營管理有限公司), Shanghai Gaoyang Family Asset Management Co., Ltd. (上海高央家人資產經營管理有限公司) and Shanghai Gaoyang Colleague Asset Management Co., Ltd. (上海高央同事資產經營管理有限公司).

Shanshan Holdings Co., Ltd. ("Shanshan Holdings") entered into an agreement with Zhongjing Xinhua on 20 August 2019, pursuant to which Shanshan Holdings acquired 224,781,227 Domestic Shares of Huishang Bank held by Zhongjing Xinhua, which have not been transferred. Both parties subsequently had disputes on equity transfer matters and resorted such matters to the court. According to the 2022 Interim Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 30 August 2022, "In the Case (1) and Case (2) regarding disputes on disposal of equity in Zhongjing Sihai, the two cases involve two unlisted equity claims, namely Zhongjing Xinhua's prosecution against Shanshan Holdings for the return of 51.6524% equity in Zhongjing Sihai, and Shanshan Holdings's request to acquire 225,000,000 unlisted domestic shares of Huishang Bank held by Zhongjing Xinhua, which has been withdrawn by Shanshan Holdings due to its adjustment to such request." According to the 2022 Annual Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 28 April 2023, the lawsuit status is that "the judgment of first instance trial has been pronounced and both parties have lodged their appeals; the second instance trial will be heard on 17 May 2023." According to the 2023 Audit Report of Zhongjing Xinhua Asset Investment Management Co., Ltd., disclosed by Zhongjing Xinhua on the SSE on 30 April 2024, "Shanghai High People's Court made a second instance judgment on 22 September 2023, and upheld the first instance judgment." Shanshan Holdings and Shanshan Group have applied for enforcement, respectively, and the Shanghai Financial Court has accepted the case. On 21 March 2024, Zhongjing Xinhua applied for a retrial of the two cases to the Third Circuit Court of the Supreme People's Court. The review opinion of the Supreme People's Court was "meeting the conditions for retrial and recommending filing for review". For details, please refer to the announcements published by Zhongjing Xinhua on the SSE. Based on the information provided to the Bank by Zhongjing Xinhua, the Supreme People's Court issued two civil rulings in July 2024, respectively, and rejected the application of Zhongjing Xinhua for retrial.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

(8) (Continued)

According to the "Announcement of Shanshan Group Co., Ltd. Regarding Progress of the Company's Material Litigations" issued by Shanshan Group on the SSE on 20 January 2023, "On 17 January 2023, Shanghai Financial Court issued the first instance judgements on the two cases regarding the dispute on transfer of equity interests, namely ① the case involving Zhongjing Xinhua v. Shanshan Holdings, Shanshan Group, and Zhongjing Sihai for the dispute on equity transfer contract ((2020) Hu 74 Min Chu No. 1715), and ② the case involving Shanshan Holdings v. Zhongjing Xinhua for the dispute on equity transfer contract ((2020) Hu 74 Min Chu No. 1254) (hereinafter collectively referred to as the "Judgements"), and served the Judgements to Shanshan Holdings, Shanshan Group, and Zhongjing Sihai. Shanshan Group received the Judgements on 18 January 2023. The main content of the two Judgements are summarised as follows: (1) the Framework Agreement on the Transfer of Shares of Huishang Bank Corporation Limited and Equity Interests in Zhongjing Sihai Co., Ltd. entered into by Zhongjing Xinhua and Shanshan Holdings, the Agreement on Transfer of Equity in Zhongjing Sihai Co., Ltd. entered into by Zhongjing Xinhua and Shanshan Group, the Equity Transfer Contract entered into by Zhongjing Xinhua and Shanshan Holdings were terminated on 2 June 2020; (2) Zhongjing Xinhua shall return the amount equal to the consideration paid by Shanshan Holdings for the equity transfer; (3) Shanshan Group shall return 51.6524% equity interests in Zhongjing Sihai registered under the name of Shanshan Group, and Zhongjing Xinhua shall return the corresponding amount of equity transfer consideration; (4) other claims were rejected." According to the "Announcement Regarding Progress of the Company's Material Litigations" published by Shanshan Group on the SSE on 25 September 2023, "On 22 September 2023, Shanghai High People's Court issued the second instance judgements on the above two disputes on transfer of equity interests respectively. Contents of the judgments: the appeals were dismissed and the original judgments were upheld". According to the 2023 Annual Report on Corporate Bonds published by Shanshan Group on 25 April 2024, "in order to safeguard the legitimate rights and interests of the company, the company has applied for enforcement". During the enforcement period, both parties reached a consensus and signed a settlement agreement (the "Settlement Agreement") on 30 November 2023, which came into effect on 6 December 2023. Accordingly, both of the above enforcement cases have been terminated on 13 March 2024. For details, please refer to the announcements published by Shanshan Group on the SSE. Based on the information provided to the Bank by Shanshan Holdings, due to Zhongjing Xinhua's failure to execute the Settlement Agreement, Shanshan Holdings and Shanshan Group have applied to the Shanghai Financial Court for the resumption of enforcement procedures.

According to the disclosure of interests forms submitted by Zhongjing Xinhua to the Hong Kong Stock Exchange, "Zhongjing Xinhua Asset Investment Management Co., Ltd. (hereinafter referred to as "Zhongjing Xinhua"), as considered and approved by its board of directors, agreed to enter into a Letter of Intent for the Transfer of Shares of Huishang Bank Corporation Limited (hereinafter referred to as the "Letter of Intent") with OCI International Holdings Limited (hereinafter referred to as "OCI International") in respect of the disposal of all H Shares and Domestic Shares of Huishang Bank Corporation Limited (hereinafter referred to as "Huishang Bank") held directly and indirectly by the company on 25 June 2021. The Letter of Intent is valid for six months from the date of execution". According to the 2021 Annual Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd., published on the SSE by Zhongjing Xinhua on 28 April 2022, "Since the Company has not reached any binding agreement with OCI International on the sale of shares in Huishang Bank within the validity period, the Letter of Intent hereby lapsed."

According to the "Announcement on Zhongjing Xinhua Asset Investment Management Co., Ltd. Regarding the Disposal of Asset" issued by Zhongjing Xinhua on the SSE on 9 November 2021, "Zhongjing Xinhua Asset Investment Management Co., Ltd. (on behalf of all sellers) entered into an Agreement with Shenzhen Amer (Group) Limited (深圳正威(集團)有限公司) (on behalf of all purchasers) on 6 November 2021, pursuant to which, the sellers shall sell around 1.977 billion shares of Huishang Bank Corporation Limited to the purchasers".

According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, it has entered into an agreement to sell the shares it was interested in, which do not need to be delivered within 4 trading days, involving 1,245,864,400 H Shares of the interest of corporation controlled by Zhongjing Xinhua. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

- (9) Zhongjing Xinhua Property Management (Hong Kong) Co., Limited ("Zhongjing Xinhua Hong Kong") holds 173,993,400 H Shares (long position) of the Bank. Zhongjing Xinhua Hong Kong is a wholly-owned subsidiary directly controlled by Chuangjian Group Co., Ltd. (創見集團有限公司, "Chuangjian Group"), which in turn is a wholly-owned subsidiary directly controlled by Zhongjing Xinhua. Shanghai Soong Ching Ling Foundation, Zhongjing Industry, Modern Innovation, Qingtian Anyin, Jing'An Silver, Zhongjing Xinhua and Chuangjian Group are deemed to be interested in the shares of the Bank held by Zhongjing Xinhua Hong Kong.

According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, it has entered into an agreement to sell the shares it was interested in, which do not need to be delivered within 4 trading days, involving 215,249,000 H Shares held directly by and 1,030,615,400 H Shares of the interest of corporation controlled by Zhongjing Xinhua Hong Kong. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

- (10) Wealth Honest Limited ("Wealth Honest") holds 631,871,000 H Shares (long position) of the Bank. Wealth Honest is a wholly-owned subsidiary directly controlled by Zhongjing Xinhua Hong Kong. Shanghai Soong Ching Ling Foundation, Zhongjing Industry, Modern Innovation, Qingtian Anyin, Jing'An Silver, Zhongjing Xinhua, Chuangjian Group and Zhongjing Xinhua Hong Kong are deemed to be interested in the shares of the Bank held by Wealth Honest.

According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, it has entered into an agreement to sell the shares it was interested in, which do not need to be delivered within 4 trading days, involving 590,615,400 H Shares held directly by and 440,000,000 H Shares of the interest of corporation controlled by Wealth Honest. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

- (11) Golden Harbour Investments Management Limited ("Golden Harbour") holds 440,000,000 H Shares (long position) of the Bank. The Bank was further informed by Zhongjing Xinhua by email that Wealth Honest Fund LP (a limited partnership established in the Cayman Islands) holds 100% equity interests in Golden Harbour; and Wealth Honest Cayman Holdings Company Limited (a direct wholly-owned subsidiary of Wealth Honest) is the sole general partner of Wealth Honest Fund LP and has absolute control over the operations of the partnership. Wealth Honest can 100% indirectly control Golden Harbour. For information about Wealth Honest, please refer to note (10) above. Shanghai Soong Ching Ling Foundation, Zhongjing Industry, Modern Innovation, Qingtian Anyin, Jing'An Silver, Zhongjing Xinhua, Chuangjian Group, Zhongjing Xinhua Hong Kong, Wealth Honest, Wealth Honest Cayman Holdings Company Limited and Wealth Honest Fund LP are deemed to be interested in the shares of the Bank held by Golden Harbour.

According to the disclosure of interests forms submitted to the Hong Kong Stock Exchange by the Qingdao State-owned Assets Supervision & Administration Commission and its subsidiaries, Golden Harbour Global Holdings Limited, a wholly-owned subsidiary directly controlled by China Golden Harbour (Holdings) Group Limited, holds 70% equity interests in Wealth Honest Fund LP; China Golden Harbour (Holdings) Group Limited is a wholly-owned subsidiary directly controlled by Qingdao City Construction Financial Holding Group Co., Ltd.; Qingdao City Construction Financial Holding Group Co., Ltd. is a wholly-owned subsidiary directly controlled by Qingdao City Construction Investment (Group) Limited; Qingdao City Construction Investment (Group) Limited is wholly-owned by the Qingdao State-Owned Assets Supervision & Administration Commission. The Qingdao State-owned Assets Supervision & Administration Commission, Qingdao City Construction Investment (Group) Limited, Qingdao City Construction Financial Holding Group Co., Ltd., China Golden Harbour (Holdings) Group Limited and Golden Harbour Global Holdings Limited are deemed to be interested in the shares of the Bank held by Golden Harbour.

According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, it has entered into an agreement to sell the shares it was interested in, which do not need to be delivered within 4 trading days, involving 440,000,000 H Shares held directly by Golden Harbour. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

- (12) Zhongjing Sihai Co., Ltd. ("Zhongjing Sihai") holds 506,102,476 Domestic Shares (long position) of the Bank. According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange and business registration information publicly disclosed by Zhongjing Sihai:

In August 2019, Zhongjing Xinhua transferred its equity interests of 51.6524% in Zhongjing Sihai to Shanshan Group, upon which Shanshan Group owned 100% equity interests in Zhongjing Sihai. Shanshan Group is the subsidiary of Shanshan Holdings which owns its equity interests of 54.81%, which in turn is the subsidiary of Ningbo Qinggang which holds its equity interests of 40.54%. Zheng Yonggang and Zhou Jiqing hold the equity interests of 51% and 49% in Ningbo Qinggang, respectively. As such, Zheng Yonggang, Zhou Jiqing, Ningbo Qinggang, Shanshan Holdings and Shanshan Group are deemed to be interested in the shares of the Bank held by Zhongjing Sihai. According to the information submitted by shareholders, Mr. Zheng Yonggang, passed away due to illness, and the relevant equities held by Mr. Zheng Yonggang are intended to enter the inheritance process in accordance with relevant laws and regulations, and the de facto controller and ultimate beneficiary will be re-identified according to the inheritance of his equities, and the other ultimate beneficiary is a natural person, Zhou Jiqing.

According to the "Announcement of Shanshan Group Co., Ltd. Regarding Progress of the Company's Material Litigations" issued by Shanshan Group on the SSE on 20 January 2023, "On 17 January 2023, Shanghai Financial Court issued the first instance judgements on the two cases regarding the dispute on transfer of equity interests, namely ① the case involving Zhongjing Xinhua v. Shanshan Holdings, Shanshan Group, and Zhongjing Sihai for the dispute on equity transfer contract ((2020) Hu 74 Min Chu No. 1715), and ② the case involving Shanshan Holdings v. Zhongjing Xinhua for the dispute on equity transfer contract ((2020) Hu 74 Min Chu No. 1254) (hereinafter collectively referred to as the "Judgements"), and served the Judgements to Shanshan Holdings, Shanshan Group, and Zhongjing Sihai. Shanshan Group received the Judgements on 18 January 2023. The main content of the two Judgements are summarised as follows: (1) the Framework Agreement on the Transfer of Shares of Huishang Bank Corporation Limited and Equity Interests in Zhongjing Sihai Co., Ltd. entered into by Zhongjing Xinhua and Shanshan Holdings, the Agreement on Transfer of Equity in Zhongjing Sihai Co., Ltd. entered into by Zhongjing Xinhua and Shanshan Group, the Equity Transfer Contract entered into by Zhongjing Xinhua and Shanshan Holdings were terminated on 2 June 2020; (2) Zhongjing Xinhua shall return the amount equal to the consideration paid by Shanshan Holdings for the equity transfer; (3) Shanshan Group shall return 51.6524% equity interests in Zhongjing Sihai registered under the name of Shanshan Group, and Zhongjing Xinhua shall return the corresponding amount of equity transfer consideration; (4) other claims were rejected." According to the "Announcement Regarding Progress of the Company's Material Litigations" published by Shanshan Group on the SSE on 25 September 2023, "On 22 September 2023, Shanghai High People's Court issued the second instance judgements on the above two disputes on transfer of equity interests respectively. ... contents of the judgments: the appeals were dismissed and the original judgments were upheld". According to the 2023 Annual Report on Corporate Bonds published by Shanshan Group on 25 April 2024, "in order to safeguard the legitimate rights and interests of the company, the company has applied for enforcement". During the enforcement period, both parties reached a consensus and signed a settlement agreement (the "Settlement Agreement") on 30 November 2023, which came into effect on 6 December 2023. Accordingly, both of the above enforcement cases have been terminated on 13 March 2024. For details, please refer to the announcements published by Shanshan Group on the SSE. Based on the information provided to the Bank by Shanshan Holdings, due to Zhongjing Xinhua's failure to execute the Settlement Agreement, Shanshan Holdings and Shanshan Group have applied to the Shanghai Financial Court for the resumption of enforcement procedures.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

- (13) According to the disclosure of interests forms submitted by DRAGON SOUND INVESTMENT LIMITED, JOY GLORY HOLDINGS LIMITED, and SUPERIOR LOGIC INVESTMENTS LIMITED to the Hong Kong Stock Exchange, related parties acquired 273,449,000, 532,415,400 and 440,000,000 H Shares of the Bank, respectively. According to the disclosure of interests forms submitted by Zhongjing Xinhua Hong Kong, Wealth Honest and Golden Harbour to the Hong Kong Stock Exchange, related parties entered into an agreement in relation to the disposal of shares in which they were interested. The transfer of such share interests has not been completed. Pursuant to relevant requirements of the SFO, during the period from the entering of the agreement to prior to the completion of the transfer of shares, related purchasers and vendors shall be deemed to be interested in such shares they have purchased or disposed of and all of them are beneficial owners.

According to the disclosure of interests forms submitted by Zhongjing Xinhua Hong Kong, Wealth Honest and Golden Harbour to the Hong Kong Stock Exchange, "Zhongjing Xinhua Asset Investment Management Co., Ltd., on behalf of all vendors, issued a written notice to Shanshan Holdings Co., Ltd. on 1 June 2020, announcing the termination of the Framework Agreement signed by the parties on 20 August 2019. In this regard, the relevant vendors are not required to transfer the underlying H Shares to Shanshan Holdings Co., Ltd....".

According to the "Announcement of Zhongjing Xinhua Asset Investment Management Co., Ltd. Regarding the Company's Material Litigations" issued by Zhongjing Xinhua on the SSE on 9 July 2020, "... On 1 June 2020, the Company issued to Shanshan Holdings the "Notice on the Termination of the Framework Agreement between Shanshan Holdings Co., Ltd. and Zhongjing Xinhua Asset Investment Management Co., Ltd. on the Transfer of Shares of Huishang Bank Corporation Limited and Equity Interests in Zhongjing Sihai Co., Ltd." ... The Company has recently filed a lawsuit with the Intermediate People's Court of Huangshan City, Anhui Province and has been accepted. The filing for the case has now been completed." According to the 2020 Annual Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. published on the SSE by Zhongjing Xinhua on 28 April 2021, "Progress of the dispute on transfer of equity interests in Huishang Bank with Shanshan Holdings Co., Ltd.: the Company has filed a lawsuit with the Intermediate People's Court of Huangshan City, Anhui Province. As Shanshan Holdings Co., Ltd. prosecuted first, the two cases have been consolidated to the Shanghai Financial Court for trial..." According to the 2022 Interim Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 30 August 2022, "In the Case (1) and Case (2) regarding disputes on disposal of equity in Zhongjing Sihai, the two cases involve two unlisted equity claims, namely Zhongjing Xinhua's prosecution against Shanshan Holdings for the return of 51.6524% equity in Zhongjing Sihai, and Shanshan Holdings's request to acquire 225,000,000 unlisted domestic shares of Huishang Bank held by Zhongjing Xinhua, which has been withdrawn by Shanshan Holdings due to its adjustment to such request." According to the 2022 Annual Report on Corporate Bonds of Zhongjing Xinhua Asset Investment Management Co., Ltd. disclosed by Zhongjing Xinhua on the SSE on 28 April 2023, the lawsuit status is that "the judgment of first instance trial has been pronounced and both parties have lodged their appeals; the second instance trial will be heard on 17 May 2023." According to the 2023 Audit Report of Zhongjing Xinhua Asset Investment Management Co., Ltd., disclosed by Zhongjing Xinhua on the SSE on 30 April 2024, "Shanghai High People's Court made a second instance judgment on 22 September 2023, and upheld the first instance judgment." Shanshan Holdings and Shanshan Group have applied for enforcement, respectively, and the Shanghai Financial Court has accepted the case. On 21 March 2024, Zhongjing Xinhua applied for a retrial of the two cases to the Third Circuit Court of the Supreme People's Court. The review opinion of the Supreme People's Court was "meeting the conditions for retrial and recommending filing for review". For details, please refer to the announcements published by Zhongjing Xinhua on the SSE. Based on the information provided to the Bank by Zhongjing Xinhua, the Supreme People's Court issued two civil rulings in July 2024, respectively, and rejected the application of Zhongjing Xinhua for retrial.

- (14) According to the disclosure of interests forms submitted by companies, including Shanshan Holdings, to the Hong Kong Stock Exchange, Shanshan Holdings entered into an acting in concert agreement with SUPERIOR LOGIC INVESTMENTS LIMITED, DRAGON SOUND INVESTMENT LIMITED, JOY GLORY HOLDINGS LIMITED, respectively.

Chapter IV Changes in Share Capital and Particulars of Shareholders

4.4 SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES UNDER HONG KONG LAWS AND REGULATIONS (CONTINUED)

Notes: (Continued)

- (15) According to the disclosure of interests forms submitted by Shenzhen Amer (Group) Limited ("Amer Group") to the Hong Kong Stock Exchange, Amer Group purchased 224,781,227 Domestic Shares. Amer Group is a wholly-owned subsidiary of Amer Holdings Group Limited (正威控股集團有限公司) ("Amer Holdings"), which in turn is owned as to 90% by Wang Wenyin. Liu Jiehong is the spouse of Wang Wenyin. Wang Wenyin, Liu Jiehong and Amer Holdings, therefore, are deemed to be interested in the shares of the Bank held by Amer Group. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.
- (16) According to the disclosure of interests forms submitted by Amer Group to the Hong Kong Stock Exchange, Amer Group purchased 1,245,864,400 H Shares. Wang Wenyin, Liu Jiehong and Amer Holdings are deemed to be interested in the shares of the Bank held by Amer Group. According to the information available to the Bank, as of the end of the Reporting Period, the delivery of these shares has not yet been completed.
- (17) Guotai Junan Securities (Hong Kong) Limited holds security interests in 273,509,400 H Shares (long position). According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, Guotai Junan International Holdings Limited is indirectly owned as to 73.88% by Guotai Junan Securities Co., Ltd., and Guotai Junan Securities (Hong Kong) Limited is directly owned as to 100% by Guotai Junan International Holdings Limited. Guotai Junan Securities Co., Ltd. and Guotai Junan International Holdings Limited, therefore, are deemed to be interested in such shares.

Haitong International Securities (Singapore) Pte. Ltd. holds security interests in 210,000,000 H Shares (long position). According to the relevant disclosure of interests forms on the Hong Kong Stock Exchange, Guotai Junan Securities Co., Ltd. acquired the control of Haitong International Holdings Limited and its subsidiaries. Specifically, Haitong International Holdings Limited is owned as to 100% by Guotai Junan Securities Co., Ltd.; Haitong International Securities Group Limited is owned as to 100% by Haitong International Holdings Limited; Haitong International Securities (Singapore) Pte. Ltd. is indirectly owned as to 100% by Haitong International Securities Group Limited. Guotai Junan Securities Co., Ltd., Haitong International Holdings Limited and Haitong International Securities Group Limited, therefore, are deemed to be interested in such shares.

According to the publicly disclosed information of Guotai Haitong Securities Co., Ltd., its company's name was changed from "國泰君安證券股份有限公司 (Guotai Junan Securities Co., Ltd.)" to "國泰海通證券股份有限公司 (Guotai Haitong Securities Co., Ltd.)" on 3 April 2025.

- (18) The information disclosed above is based on the information available on the website of the Hong Kong Stock Exchange and the information available to the Bank as of the Latest Practicable Date. Pursuant to section 336 of the SFO, shareholders of the Bank are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Bank changes, it is not necessary for the shareholder to notify the Bank and the Hong Kong Stock Exchange unless several criteria have been fulfilled, and, therefore, the shareholder's latest shareholding in the Bank may be different from the shareholding filed with the Hong Kong Stock Exchange.

Save as disclosed above, the Bank is not aware of any other person (other than the directors, supervisors and chief executives (as defined in the Hong Kong Listing Rules) of the Bank) having any interests or short positions in the shares and underlying shares of the Bank as of 30 June 2025 as recorded in the register required to be kept by the Bank pursuant to section 336 of the SFO.

Chapter V Directors, Supervisors, Senior Management, Employees and Institutions

5.1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Gender	Position Held
Kong Qinglong	Male	President, Executive Director
Ma Lingxiao	Male	Non-executive Director
Lu Hao	Male	Non-executive Director
Wang Zhaohui	Male	Non-executive Director
Zuo Dunli	Male	Non-executive Director
Gao Yang	Male	Non-executive Director
Wang Wenjin	Male	Non-executive Director
Dai Peikun	Male	Independent Non-executive Director
Zhou Yana	Female	Independent Non-executive Director
Liu Zhiqiang	Male	Independent Non-executive Director
Yin Jianfeng	Male	Independent Non-executive Director
Huang Aiming	Female	Independent Non-executive Director
Xu Jiabin	Male	Independent Non-executive Director
He Jiehua	Male	Chairman of the Board of Supervisors, Employee Representative Supervisor
Zhong Qiushi	Male	Employee Representative Supervisor
Sun Zhen	Male	Employee Representative Supervisor, President of Huaibei Branch
He Zongan	Male	Shareholder Supervisor
Wang Anning	Male	Shareholder Supervisor
Dong Xiaolin	Female	External Supervisor
Zhou Zejiang	Male	External Supervisor
Han Dongya	Male	External Supervisor
Kong Qinglong	Male	President, Executive Director
Zhang Juzhong	Male	Vice President
Xu Guangcheng	Male	Vice President
Huang Xiaoyan	Female	Director of Investment and Wealth Management
Lian Baohua	Male	Secretary to the Board
Liu Fei	Male	Assistant to President
Wang Yong	Male	Chief Information Officer
Zhang Jianping	Male	Director of Human Resources

Note: For details of the position changes of the abovementioned directors, supervisors and senior management, please refer to section 5.2 "Changes in Directors, Supervisors and Senior Management of the Bank" of this report, and their remuneration for 2025 will be disclosed in the 2025 Annual Report of the Bank.

Chapter V Directors, Supervisors, Senior Management, Employees and Institutions

5.2 CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE BANK

1. The Bank announced on 29 April 2025 that the Board of the Bank resolved on the same date to propose the appointment of Mr. Wei Lixiang as a non-executive director of the fourth session of the Board of the Bank. The Bank announced on 30 June 2025 that the Bank held the 2024 annual general meeting on the same day to consider and approve the election of Mr. Wei Lixiang as a non-executive director of the fourth session of the Board of the Bank. The qualification of Mr. Wei Lixiang is subject to approval of the National Financial Regulatory Administration Anhui Office.
2. The Bank announced on 15 July 2025 that the Bank received the resignation of Mr. Zhao Zongren, a non-executive director of the Bank, on 14 July 2025, resigning as a non-executive director, member of the Development Strategy and Consumer Rights Protection Committee and member of the Related Party Transaction Control Committee of the Bank. His resignation took effect on the same date.
3. The Bank announced on 31 July 2025 that Mr. Yan Chen, resigned as the chairman, executive director, chairman and member of the Development Strategy and Consumer Rights Protection Committee, chairman and member of the Risk Management Committee, and member of the Personnel Nomination and Remuneration Committee of the Bank on 30 July 2025. His resignation took effect on the same date.
4. The Bank announced on 8 August 2025 that Mr. Kong Qinglong, an executive director, would perform the duties in place of the chairman of the Development Strategy and Consumer Rights Protection Committee under the Board, and Mr. Lu Hao, a non-executive director, would perform the duties in place of the chairman of the Risk Management Committee under the Board.

Chapter V Directors, Supervisors, Senior Management, Employees and Institutions

5.2 CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE BANK (CONTINUED)

5. Save as disclosed above, pursuant to the requirement of Rule 13.51B(1) of the Hong Kong Listing Rules, the changes in the information of directors, supervisors and senior management of the Bank during the Reporting Period and as of the Latest Practicable Date are as follows:
- (1) Mr. Lu Hao, a non-executive director of the Bank, ceased to serve as a director of Huaibei Guoan Power Co., Ltd. (淮北國安電力有限公司) and a director of Anhui New Energy Venture & Investment Co., Ltd. (安徽省新能創業投資有限責任公司).
 - (2) Mr. Gao Yang, a non-executive director of the Bank, acted as a restructuring consultant to Zhongjing Xinhua Asset Investment Management Co., Ltd.
 - (3) Mr. Xu Jiabin, an independent non-executive director of the Bank, ceased to be an independent director of Inner Mongolia First Machinery Group Co., Ltd. and served as an expert member of The China Council for the Promotion of International Trade.
 - (4) Mr. Zhong Qiushi, an employee representative supervisor of the Bank, ceased to serve as the researcher of the risk management department of the Bank.
 - (5) Mr. Wang Anning, a shareholder supervisor of the Bank, ceased to serve as the chairman of Wuhu Yuanheng Assets Operation Co., Ltd., and served as the chairman of Anhui Changjiang Equity Exchange Company Limited and a director of Anhui Changjiang Agriculture and Forestry Property Exchange Co., Ltd. (安徽長江農林產權交易所有限公司).
 - (6) Mr. Han Dongya, an external supervisor of the Bank, is a postdoctoral fellow in statistics at the International Institute of Finance, University of Science and Technology of China, and member of the Academic Committee of Anhui University.

Save as disclosed above, during the Reporting Period and as of the Latest Practicable Date, the Bank was not aware of any change in the information of directors or supervisors of the Bank which was required to be disclosed pursuant to the requirements of the Rule 13.51B(1) of the Hong Kong Listing Rules. For further profile details of the directors, supervisors and senior management of the Bank, please refer to section 8.3 "Profile of Directors, Supervisors and Senior Management" of the Bank's 2024 Annual Report and the official website of the Bank.

Chapter V Directors, Supervisors, Senior Management, Employees and Institutions

5.3 EMPLOYEES

As of the end of the Reporting Period, the Bank had a total of 13,040 employees in service. Academic distribution: The number of employees with master's degrees or above was 3,273, accounting for 25.10%. The number of employees with fulltime bachelor's degrees was 6,491, accounting for 49.78%. The number of employees with part-time bachelor's degrees was 2,553, accounting for 19.58%. The number of employees with junior college degrees or below was 723, accounting for 5.54%. Gender ratio of employees (including senior management members) was 48.90% (6,376) of male employees and 51.10% (6,664) of female employees. The Bank attaches great importance to employee diversity, equally treats employees regardless of age, gender, nationality and education background, and fully guarantees employees to have equal rights in recruitment, position adjustment, training and promotion. The Bank respects diversity in the working place and is committed to creating a professional, inclusive and diversified working environment.

Staff remuneration policy

The Bank follows the principle of prioritizing efficiency while balancing fairness, comprehensively standardizing remuneration management within a unified framework of rules. The remuneration management links with the goals of strategy implementation, competitiveness enhancement, talent cultivation, and risk control. By continuously refining the incentive and disciplinary mechanisms, the Bank ensures that remuneration plays a guiding role in both operational management and risk control, thereby promoting steady operations and sustainable development of the Bank.

The Bank has established a three-level remuneration management system, namely the Board of Directors, senior management, and head office and branches. The Board of Directors manages the Bank's total amount of remuneration and senior management's remuneration. Under the Board's request, the senior management allocates the total amount of remuneration and drafts policy management of all branches. All branches implement employee salary management within the scope of unified rules and framework.

The Bank has established a deferred payment and clawback mechanism for the performance-based compensation of senior management and key personnel. The deferred payment portion shall account for no less than 40% of the annual performance-based compensation of the relevant personnel during their tenure, with the deferred payment portion for senior management being no less than 50%. For employees who have not triggered any clawback events and have met the Bank's deferred payment management requirements, the deferred compensation will be returned in equal installments starting from the following year within the risk mitigation period, which is generally three years, and may be extended to five years for certain positions. During the Reporting Period, for employees who violated regulations, engaged in misconduct, or caused abnormal risk losses within their scope of responsibilities, the Bank implemented reductions, suspensions, or clawbacks of performance-based compensation in accordance with relevant policies. Details of the implementation of the mechanism in 2024 have been submitted to the Board of Directors for consideration.

Chapter V Directors, Supervisors, Senior Management, Employees and Institutions

5.3 EMPLOYEES (CONTINUED)

Staff training

During the Reporting Period, the Bank attached great importance to talent training, kept taking the study and implementation of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its primary political task, adhered to the leadership of Party building, strengthened planning, coordinated the construction of teams of cadres and staff. At the beginning of the year, the Bank established the Party School of Huishang Bank to actively promote the cultivation of the Party spirit among all the Party members and cadres within the Bank. Through three training platforms, namely the training center, the Huiyin Internet School and the Huiyin Academy, the Bank devoted continuous efforts in formulating a series of talent cultivation and training plans such as “Hui Zhuo”, “Hui Yang”, “Hui Dun”, “Hui Ying”, “Hui Dao”, “Hui Jing”, “Hui Xing”, “Hui Hang” and “Hui Yun”, and developed a systematic and level-based training project system covering all levels of the Bank. The Bank continued to enhance the training of front-line staff, key talents and others, providing a strong guarantee for accelerating the improvement of the capabilities and qualities of all cadres and staff of the Bank.

During the Reporting Period, in accordance with the arrangements and requirements of the CPC Central Committee, Anhui Provincial Party Committee, and the Financial Work Commission of Anhui Provincial Party Committee on relevant tasks of thoroughly implementing the study and education of the “eight-point decision” established rules of the CPC Central Committee, the Bank organized a reading class for thoroughly implementing the study and education of the “eight-point decision” established rules of the CPC Central Committee for the employees of Huishang Bank, and organized symposiums on the study and education and warning educative events for key groups. The Bank actively promoted various offline training programs, including six sessions of the “Great Vision” (大視野) forward-looking leadership seminars for middle and senior management, one session of the “Huizhuo Plan” training for middle and senior management, one session of the “Huiyang Plan” training for senior manager, two sessions of the “Huiying Plan” training for secondary team leaders, two sessions of the “Huijing Plan” training for outstanding grassroots employees, one special training session for enhancing the capabilities of management trainees at the head office, one special training session on “Corporate + Financial Management” for management trainees recruited through campus recruitment by the head office in the first half of the year and one session of the “Huidao Plan” training camp for senior internal trainer. The Bank made full use of online training channels, uploading a total of 373 high-quality micro-courses, conducting 170 live streaming sessions via Zhiniao, and organized 305 online examinations and 64 sessions of roadmap-based thematic learning. A total of 718,000 employees across the Bank took part in such courses in the first half of the year, with aggregate 1,172,000 training hours.

Chapter V Directors, Supervisors, Senior Management, Employees and Institutions

5.4 BRANCHES

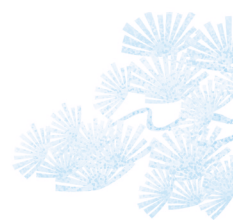
As of 30 June 2025, the composition of branches of the Bank is as follows:

Region	Name of the Institution	Address (China)	Post Code	Number of Branch
Head Office	Head Office	Huishang Bank Building, No. 1699 Yungu Road, Hefei	230092	1
Anhui Province	Hefei Branch	No. 626, Huangshan Road, Gaoxin District, Hefei	230001	87
	Wuhu Branch	No. 1, Beijing Road, Wuhu	241000	38
	Ma'anshan Branch	No. 3663, Taibai Road, Yushan District, Ma'anshan	243000	28
	Anqing Branch	No. 528, Renmin Road, Anqing	246000	30
	Huaibei Branch	No. 253, Renmin Zhong Road, Xiangshan District, Huaibei	235000	22
	Bengbu Branch	Floors 2-9, Block B, Financial Center Building, No. 1699 Tushan East Road, Bengbu	233000	25
	Lu'an Branch	No. 31, Meishan Middle Road, Yu'an District, Lu'an	237000	33
	Huainan Branch	Huishang Bank Huainan Branch Office Building, Shungeng West Road, Tianjia'an District, Huainan	232000	22
	Tongling Branch	No. 999, Yangjiashan Road, Tongling	244000	16
	Fuyang Branch	Business Office Building 65#, Highway Times City, No. 766 Liulin Road, Yingzhou District, Fuyang	236000	31
	Huangshan Branch	No. 2, Tunguang Avenue, Tunxi District, Huangshan	245000	11
	Chizhou Branch	No. 515, Changjiang Zhong Road, Chizhou	247000	12
	Chuzhou Branch	No. 95, Longpan Main Road, Chuzhou	239000	20
	Suzhou Branch	No. 238, Shengli West Road, Suzhou	234000	20
	Xuancheng Branch	No. 109, Meiyuan Road, Xuanzhou District, Xuancheng	242000	15
	Bozhou Branch	2# Building, Bozhou Dongming Plaza, North of Yaodu Avenue, East of Tangwang Avenue, Qiaocheng District, Bozhou	236000	17
Jiangsu Province	Nanjing Branch	No. 231, Zhongyang Road, Nanjing	210000	12
Beijing	Beijing Branch	Floors 3-4 South and 2/F South of Haitai Building, Room 05, 5/F and Room 01, 1/F (South Annex Building of Haitai Building), No. 229, North Fourth Ring Middle Road, Haidian District, Beijing	100101	10
Guangdong Province	Shenzhen Branch	33-35/F, Building 2, North Central One (Chuangxiang Building), intersection of Mintang Road and Baisong 2nd Road, Longhua District, Shenzhen	518000	11
Sichuan Province	Chengdu Branch	No. 365, Jiaozi Avenue, Hi-tech Zone, Chengdu	910095	16
Zhejiang Province	Ningbo Branch	No. 676, Zhongxing Road, No. 787, No. 799 and No. 809 Baizhang East Road, Yinzhou District, Ningbo	315100	10
Total				487

Chapter V Directors, Supervisors, Senior Management, Employees and Institutions

5.5 CHANGES IN CORPORATE GOVERNANCE STRUCTURE

During the Reporting Period, the Bank has merged the IT Department and the System Development Department into the Financial Technology Department, renamed the Big Data Department to the Data Management and Innovation Department, the Human Resources Department (the Party Committee Organization Department) to the Party Committee Organization Department (the Human Resources Department), upgraded the Second Division of the Institutional Client Department to the First Division, and abolished the Infrastructure Construction Office (Temporary); the Bank abolished the Non-credit Asset Investment Decision-making Committee, vested relevant approval functions to the Credit Approval Committee, and renamed the former "Credit Approval Committee" to the "Credit Review Committee". Save for the above changes, the corporate governance structure of the Bank remains unchanged from 2024. For details, please refer to section 9.1 "Corporate Governance Structure" of the Bank's 2024 Annual Report.



Chapter VI Corporate Governance

6.1 OVERVIEW OF CORPORATE GOVERNANCE

The Bank has always been committed to improving its corporate governance mechanism and continuously enhancing its governance capability to effectively safeguard the interests of shareholders and promote the growth of corporate value. Through establishing a comprehensive corporate governance structure, the Bank clearly clarifies the boundaries of responsibilities of the general meetings of shareholders, the Board of Directors, the Board of Supervisors and senior management, and continuously deepens the organic integration of the leadership of the CPC with corporate governance, optimizing the Bank's decision-making, execution and supervision mechanisms to ensure the independent operation, effective checks and balances and collaborative cohesion of all parties. In the governance practice, the Bank complies with the Hong Kong Listing Rules and the Corporate Governance Standards of Banking and Insurance Institutions by incorporating them into the Bank's governance structure and policies. At present, the general meetings of shareholders, the Board of Directors, the Board of Supervisors and senior management of the Bank perform their respective duties and functions efficiently, and jointly form a scientific and regulated corporate governance structure, providing a solid guarantee for the stable operation of the Bank. During the Reporting Period, the governance structure of the Bank remained stable, and the major duties of the general meetings of shareholders, the Board of Directors, the Board of Supervisors, all special committees and senior management did not change, please refer to Chapter IX "Corporate Governance Report" in the 2024 Annual Report of the Bank for detailed contents thereof.

During the Reporting Period, the general meetings of the Bank operated in a compliant manner according to laws, the Board of Directors and the Board of Supervisors earnestly performed their decision-making and supervision functions, and the committees thereunder actively fulfilled their responsibilities to enhance the efficiency of the corporate governance and operation, which ensured the compliant and steady operation and the sustainable and healthy development of the Bank. During the Reporting Period, the Bank convened a total of 34 meetings, including 1 general meeting, 7 Board meetings, 15 meetings of the committees under the Board of Directors, 5 meetings of the Board of Supervisors of the Bank, 3 meetings of the Nomination Committee under the Board of Supervisors and 3 meetings of the Supervisory Committee under the Board of Supervisors.

6.2 GENERAL MEETING

During the Reporting Period, the Bank held one general meeting.

On 30 June 2025, the Bank held the 2024 annual general meeting in Hefei, Anhui Province. The notification, convening, holding and voting procedures of the meeting are complied with the Company Law of the PRC, the Articles of Association and the Hong Kong Listing Rules. For the details of attendance, main topics and voting of this general meeting, please refer to the announcement in relation to the poll results of the 2024 annual general meeting dated 30 June 2025, which was published by the Bank on the websites of the Hong Kong Stock Exchange and the Bank, respectively.

6.3 BOARD OF DIRECTORS AND BOARD OF DIRECTORS COMMITTEE MEETINGS

During the Reporting Period, the Bank held 7 Board meetings, at which 90 resolutions were considered and reviewed. The Bank held 15 meetings of the committees under the Board of Directors (including 3 Nomination and Remuneration Committee meetings, 4 Strategic Development and Consumer Rights Protection Committee meetings, 2 Risk Management Committee meetings, 4 Related Party Transaction Control Committee meetings and 2 Audit Committee meetings), at which 84 resolutions were considered.

Chapter VI Corporate Governance

6.4 BOARD OF SUPERVISORS AND BOARD OF SUPERVISORS COMMITTEE MEETINGS

During the Reporting Period, the Bank held 5 Board of Supervisors meetings, at which 52 resolutions were considered and reviewed.

The Bank held 3 meetings of the Nomination Committee under the Board of Supervisors, at which 7 resolutions were considered. The Bank held 3 meetings of the Supervisory Committee under the Board of Supervisors, at which 16 resolutions were considered.

6.5 WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS AND EXTERNAL SUPERVISORS

During the Reporting Period, the Bank's independent non-executive directors fulfilled their duties in accordance with the law, each serving as the chairman or member of the special committees under the Board and performing their respective duties by the following means: strengthening its supervision over decision-making, focusing on the standard operation and legal procedures of the Board and the special committees, ensuring scientific decision-making, and improving the quality and efficiency of the decision-making; expressing independent opinions on regular financial reports, profit distribution plans, the appointment of accounting firms, the nomination of directors, significant related party transactions and other significant matters and safeguarding the legitimacy and compliance of relevant contents and procedures; exerting professional value, adhering to the principles of objectivity, independence and prudence, based on their own professional experience to actively provide suggestions; actively learning about the operation and management of the Bank, safeguarding the benefits of investors and stakeholders and promoting the healthy development of business; deepening the participation in performing their duties, discharging supervisory duties through means such as attending the meetings of the Board and the special committees thereunder; ensuring that significant matters are operated in a standardized manner under the effective guidance of the Board. The diligent performance of duties by the independent non-executive directors has provided crucial support for the continuous improvement of the Bank's governance level.

During the Reporting Period, chairmen of the Board of Supervisors committees of the Bank were served by external supervisors, which strengthens the role of external supervisors in performance assessment, financial, risks, internal control, compliance and management and other aspects of independent oversight functions, and plays a positive role in improving the management quality and governance structure of the Bank. During the Reporting Period, external supervisors of the Bank can exercise the independent supervision function. In performing their duties, the external supervisors took the initiative to know about the Company's operation and management situations by attending meetings of the Board of Supervisors, convening meetings of the special committees under the Board of Supervisors, being present at the general meetings and Board meetings, participating in regulatory consultations, special research of the Board of Supervisors. Meanwhile, external supervisors actively participated in the research, discussion and decision-making of various issues, and were able to express independent opinions prudently and objectively in order to benefit the development of the Bank and safeguard the legitimate interests of all parties, and performed the duties of external supervisors according to law.

Chapter VI Corporate Governance

6.6 SECURITIES TRANSACTIONS OF DIRECTORS, SUPERVISORS AND THE RELEVANT EMPLOYEES

The Bank has adopted the Model Code as the code of conduct for directors and supervisors (including their spouses and children) and relevant employees of the Bank in respect of their dealings in the Bank's securities. Having made specific enquiries to all the directors and supervisors of the Bank, they confirmed that they had complied with the Model Code during the Reporting Period.

6.7 INTERNAL CONTROL

Following the operation philosophy of compliant and steady development, the Bank has established a sound internal control system according to the provisions under laws and regulations, such as the Basic Norms of Internal Control for Enterprises and its relevant guidelines, the Guidelines for Internal Control of Commercial Banks, as well as the relevant requirements of the Hong Kong Stock Exchange. The Bank has clearly defined the objectives, principles and organizational system of internal control through internal control system infrastructure, exerted full control over the whole process of the operation and management of the Bank, and continued to enhance our internal control system so as to ensure the compliant and steady development of the Bank.

Pursuant to the relevant national laws and regulations, the Bank established a standard corporate governance structure and rules of procedure; formed a scientific and effective segregation of duties as well as a checks and balances mechanism. The Board of the Bank takes ultimate responsibility for the establishment of the internal control system as well as the effectiveness of its implementation. The Board of Supervisors is in charge of overseeing the Board and senior management to establish and improve the internal control system; and overseeing the Board and its directors, senior management and senior officers to perform their duties of internal control. Senior management is responsible for the execution of the internal control system and policies approved by the Board of Directors. The operational management departments at all levels and sales networks form the "first-line defense of internal control" of the Bank, which takes on the primary responsibility of developing and implementing internal control. The internal control management position in each functional department of the head office and branches and the compliance management departments at all levels comprise the "second-line defense of internal control", providing guidance and supervision on the development and implementation of the first-line defense of internal control as well as reporting to the management on the establishment and implementation of the internal control system of the Bank. Being the "third-line defense of internal control", the audit department monitors and assesses the effectiveness of internal control.

During the Reporting Period, the Bank initiated the optimization of internal control indicators, organized 31 departments of the head office of the Bank to conduct training on the optimization of internal control and balance indicators, proceeded with the optimization work by following four principles of complying with external regulatory requirements, adhering to internal rules and regulations, meeting the needs of structure adjustments of the Bank and resolving issues related to indicator functions, continuously optimized 44 business types of key control points of the Bank and effectively identified their risk points. The Bank completed the assessment of internal control operation by designing assessment indicators from six dimensions, including asset quality, regulatory evaluation, and system implementation, assessing the internal control operation of its branches from both result control and process control, and urging all business lines and branches to strengthen internal control specifically focusing on the weak points in internal control.

Chapter VI Corporate Governance

6.8 CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Bank strictly complied with the code provisions as well as most of the recommended best practices of the Corporate Governance Code, except for the following circumstances:

According to the code provision B.2.2 of the Corporate Governance Code, each director (including directors with a specified term) shall be subject to retirement by rotation at least once every three years. The term of office of the fourth session of the Board of the Bank expired in January 2022, and the current directors shall continue to perform their duties until the completion of the re-election.

The term of office of the fourth session of the Board of Supervisors of the Bank expired in December 2021, and the current supervisors shall continue to perform their duties until the completion of the re-election.

Mr. Yan Chen ceased to serve as the chairman of the Board and an executive director of the Bank since 30 July 2025; Mr. Zhao Zongren, a former non-executive director of the Bank ceased to serve as a non-executive director of the Bank since 14 July 2025. Therefore, the current composition of the Board of the Bank of thirteen members does not comply with the requirement of “The Board of Directors shall be composed of fifteen (15) to nineteen (19) directors” as set out in Article 162 of the Articles of Association. The Bank will make further announcement(s) on the relevant successors in due course to comply with the Articles of Association as soon as practicable. For details of the position changes of Mr. Yan Chen and Mr. Zhao Zongren, please refer to Section 5.2 “Changes in Directors, Supervisors and Senior Management of the Bank” of this report.

The Bank will continue to strengthen its corporate governance practices to comply with the requirements of the Corporate Governance Code and meet the higher expectations of the shareholders and investors.

Chapter VII Significant Events

7.1 HOLDING OF SHARES OF OTHER LISTED COMPANIES

As of the end of the Reporting Period, due to matters such as corporate bankruptcy and reorganization during the disposal of non-performing assets, including those from the acquisition of former Baoshang Bank, as ruled by the people's court, the Bank held 47,784,300 shares of Hainan Airlines Holding Co., Ltd. (海南航空控股股份有限公司) (stock code: 600221) and 74,427,800 shares of Hanma Technology Group Co., Ltd. (漢馬科技集團股份有限公司) (stock code: 600375).

Save as disclosed above, the Bank did not hold or trade shares of other listed companies during the Reporting Period.

7.2 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE BANK

There was no purchase, sale or redemption by the Bank of its own listed securities (including sales of treasury shares (as defined in the Hong Kong Listing Rules)) during the Reporting Period.

As of the end of the Reporting Period, the Bank did not hold any treasury shares.

7.3 INTERESTS AND SHORT POSITIONS HELD BY THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES OF THE BANK UNDER HONG KONG LAWS AND REGULATIONS

As of 30 June 2025, the following directors, supervisors and chief executives of the Bank and their respective associates had the following interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code. The table below reflects the number of shares, any interests or short positions in underlying shares and debentures held by the directors, supervisors or chief executives of the Bank:

Name	Position	Type of shares	Capacity	Number of shares (share) (Long position)	Percentage of related issued shares (%)	Percentage of all issued ordinary shares (%)
Dai Peikun	Independent Non-executive Director	Domestic Shares	Interest of the Spouse	3,079	0.0000	0.0000
He Jiehua	Chairman of the Board of Supervisors, Employee Representative Supervisor	Domestic Shares	Interest of the Spouse	8,928	0.0001	0.0001
Zhong Qiushi	Employee Representative Supervisor	Domestic Shares	Beneficial Owner	32,133	0.0003	0.0002
Sun Zhen	Employee Representative Supervisor, President of Huaibei Branch	Domestic Shares	Beneficial Owner	38,085	0.0004	0.0003

Save as disclosed above, as of 30 June 2025, the Bank was not aware that any of the directors, supervisors and chief executives of the Bank and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Bank or its associated corporations.

Chapter VII Significant Events

7.4 PENALTIES AND INVESTIGATIONS OF DIRECTORS AND SUPERVISORS OF THE BANK

During the Reporting Period, no director or supervisor of the Bank has been subject to penalties or investigations by competent authorities causing a material impact on the operations of the Bank.

7.5 MATERIAL LITIGATIONS AND ARBITRATIONS

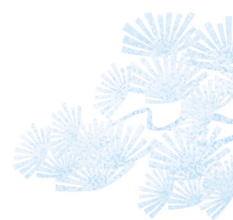
Insofar as the Bank is aware, as of the end of the Reporting Period, the Bank was involved in the following litigation proceeding in its regular course of business: the aggregate number of material pending litigation and arbitrations involving the Bank as a plaintiff amounted to 34, with a total amount of approximately RMB2,389 million. The number of pending and material litigation and arbitrations involving the Bank as a defendant amounted to 9, totalling approximately RMB6,110 million (among these cases, the Bank was involved in 2 cases as a third party, with an amount of approximately RMB3,473 million). The Bank made full provisions for doubtful accounts of loans involved in the cases above, according to expected losses prudently, which is expected to have no material adverse effect on the Bank's financial position and operating results.

7.6 ASSET ACQUISITION, DISPOSAL AND REORGANIZATION

During the Reporting Period, some assets of the Bank had been pledged to other banks and the Ministry of Finance of the PRC as collateral for a sale and repurchase agreement and treasury deposits, the details of which are set out in Note 31 to the financial statements.

Save as disclosed above, the Bank has no other asset acquisition, disposal or reorganization outside the normal scope of business.

As of the end of the Reporting Period, the Bank had no significant investments that are required to be disclosed under Rule 32(4A) of Appendix D2 of the Hong Kong Listing Rules.



Chapter VII Significant Events

7.7 INITIAL PUBLIC OFFERING OF A SHARES

The 2018 annual general meeting was convened by the Bank on 30 June 2019, at which, among others, the proposal for initial public offering and listing of A shares ("A Share Offering") was considered and approved. The Bank proposed issuing no more than 1.5 billion A shares. The Resolution on the extension of the validity period of the A Share Offering of the Bank and Resolution on the extension of the validity period of the authorization of the Board to deal with specific matters in respect of the A Share Offering were considered and approved at the 2019 annual general meeting held on 30 June 2020, the 2020 annual general meeting held on 30 June 2021, the 2021 annual general meeting held on 30 June 2022, the 2022 annual general meeting held on 30 June 2023, the 2023 annual general meeting held on 29 June 2024 and the 2024 annual general meeting held on 30 June 2025 of the Bank. The Bank will extend the validity period of the A Share Offering Plan and the Authorization Resolution for twelve months from the next day immediately after the expiration of the original validity period (namely, the extended period will be from 30 June 2025 to 29 June 2026). Please refer to the circulars of the Bank dated 15 May 2019, 15 May 2020, 25 May 2021, 25 May 2022, 6 June 2023, 14 May 2024 and 16 May 2025 for the details of the resolution on the aforesaid A Share Offering.

The Bank will publish announcements in due course to update the shareholders and potential investors the A Share Offering. The A Share Offering may or may not be completed, and the shareholders and potential investors are advised to exercise caution when dealing in the shares of the Bank.

7.8 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board of Directors (as the convener of the 2024 annual general meeting) received the Ordinary Resolution on the Proposal on Amendments to the Articles of Association of Huishang Bank (Concerning Proposing Shareholders) proposed by Zhongjing Xinhua, our Shareholder on 10 June 2025. The convener agreed to submit such interim proposal as an additional resolution to the 2024 annual general meeting in accordance with relevant provisions of the Company Law of the PRC. Such resolution was considered and approved at the 2024 annual general meeting held on 30 June 2025. The Articles of Association, as revised pursuant to such resolution, shall be subject to the approval of the banking regulatory authority. For details, please refer to the supplementary circular dated 12 June 2025, the second supplementary circular dated 15 June 2025 and the announcement on the poll results of the 2024 annual general meeting dated 30 June 2025 of the Bank.



Chapter VII Significant Events

7.9 ENGAGEMENT OF ACCOUNTING FIRMS

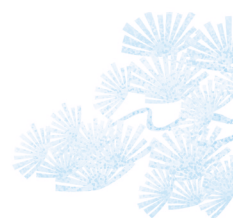
Upon completion of the audit work of the Bank for the year 2024, Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young have provided audit services to the Bank for eight consecutive years, which is the maximum term of consecutive engagement of an accounting firm as stipulated. The Bank was required to change its external auditors for the year 2025. Based on the evaluation results of public tender, and as considered and approved by the Audit Committee of the Board and the Board, the Board proposed to appoint KPMG Huazhen LLP (Special General Partnership) as the accounting firm for domestic auditing of the Bank for the year 2025 and to appoint KPMG as the accounting firm for overseas auditing of the Bank for the year 2025, with their terms of office commencing from the date of approval at the general meeting of the Bank and ending on the date of conclusion of the 2025 annual general meeting of the Bank. The Bank held the 2024 annual general meeting on 30 June 2025, and considered and approved the Resolution on the Appointment of External Auditors of Huishang Bank for 2025. The above matters regarding the appointment of accounting firms became effective after the approval from the shareholders of the Bank at the shareholders' meeting. For details of the above change of accounting firms, please refer to the announcement dated 30 December 2024, the circular dated 16 May 2025, and the announcement on the poll results of the 2024 annual general meeting dated 30 June 2025 of the Bank.

Save as disclosed above, the Bank has not been involved in any other matters regarding changes of accounting firms over the past three years.

7.10 THE PUBLIC FLOAT OF H SHARES

Based on the public information available to the Bank and to the knowledge of the Board of Directors, from April 2016 to the Latest Practicable Date, the Bank's H Share public float was below 25%, the minimum level as required in Rule 8.08(1) of the Hong Kong Listing Rules. As at the Latest Practicable Date, the Bank's H Share public float was 16.08%.

According to the Board resolutions, the Bank will proactively promote the initial public offering and listing of A shares, so as to restore its public float as soon as practicable. For details on the public float of the Bank's H Shares, please refer to the announcements and the circulars published by the Bank since 11 May 2016 in relation to the public float of the Bank's H Shares.



Chapter VII Significant Events

7.11 REVIEW OF INTERIM RESULTS

KPMG, as the external auditor of the Bank, has reviewed the interim financial report (unaudited) of the Bank prepared in accordance with the International Accounting Standards and the disclosure requirements of the Hong Kong Listing Rules. In addition, the Audit Committee under the Board of Directors of the Bank has also reviewed and approved the interim results and financial report of the Bank for the six months ended 30 June 2025. Any discrepancies between the total amount and percentages and the sum of items shown in the tables in this report are due to rounding.

7.12 PUBLICATION OF INTERIM REPORT

The Bank has prepared its interim report under the International Financial Reporting Standards and the Hong Kong Listing Rules in both Chinese and English versions, which are available on the HKEXnews website of the Hong Kong Stock Exchange at www.hkexnews.hk and the official website of the Bank at www.hsbank.com.cn. If there is any discrepancy in understanding the Chinese and English versions of this report, the Chinese version shall prevail.

In this report, the financial data for the six months ended 30 June 2024 and 2025 have not been audited, and the financial data for the year ended 31 December 2024 have been audited.



Chapter VIII Interim Financial Report



Independent Review Report

Independent review report

To the Board of Directors of Huishang Bank Corporation Limited

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

INTRODUCTION

We have reviewed the accompanying interim financial information, which comprises the interim condensed consolidated statement of financial position of Huishang Bank Corporation Limited ("Huishang Bank") and its subsidiaries (the "Group") as at 30 June 2025, the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in shareholders' equity, the interim condensed consolidated cash flow statement for the six-month period then ended, and the interim condensed notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 Interim Financial Reporting ("IAS 34") issued by the International Accounting Standards Board.

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

SCOPE OF REVIEW

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

Independent Review Report (Continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Certified Public Accountants

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

28 August 2025



Unaudited Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months period ended 30 June 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	For the six month period ended 30 June	
		2025	2024
Interest income	4	33,072,446	33,717,474
Interest expense	4	(18,542,752)	(19,031,401)
Net interest income		14,529,694	14,686,073
Fee and commission income	5	1,904,199	1,934,384
Fee and commission expense	5	(144,841)	(167,636)
Net fee and commission income		1,759,358	1,766,748
Net trading gains	6	1,546,141	2,899,956
Net gains on financial investments	7	2,979,544	1,122,050
Including: Net gains on derecognition of financial assets measured at amortised cost		1,671,349	204,325
Other operating income	8	342,077	217,310
Operating income		21,156,814	20,692,137
Operating expenses	9	(4,941,504)	(4,980,390)
Impairment losses on credits	11	(5,668,352)	(5,700,473)
Operating profit		10,546,958	10,011,274
Net gains on investments in associates		158,900	171,750
Profit before income tax		10,705,858	10,183,024
Income tax	12	(1,377,367)	(1,196,563)
Profit for the period		9,328,491	8,986,461
Net profit attributable to:			
Shareholders of the Bank		9,109,476	8,630,741
Non-controlling interests		219,015	355,720
Earnings per share attributable to ordinary shareholders of the Bank (expressed in RMB per share)			
Basic and diluted	13	0.66	0.62

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

Unaudited Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months period ended 30 June 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	For the six months period ended 30 June	
		2025	2024
Profit for the period		9,328,491	8,986,461
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net gains on investment in equity instruments designated at fair value through other comprehensive income	38	38,321	70,427
Other comprehensive income that cannot be transferred to profit or loss under the equity method		(3,593)	2,411
Less: associated impact of income tax	38	(9,580)	(17,607)
Sub-total		25,148	55,231
Items that may be reclassified subsequently to profit or loss			
Net gains on investment in debt instruments measured at fair value through other comprehensive income	38	(2,039,672)	1,193,264
Other comprehensive income that can be transferred to profit or loss under the equity method		(15,286)	20,700
Less: associated impact of income tax	38	509,592	(298,109)
Sub-total		(1,545,366)	915,855
Other comprehensive income for the year, net of tax		(1,520,218)	971,086
Total comprehensive income for the period		7,808,273	9,957,547
Total comprehensive income attributable to:			
Shareholders of the Bank		7,590,044	9,601,331
Non-controlling interests		218,229	356,216
		7,808,273	9,957,547

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

Unaudited Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	30 June 2025	31 December 2024
Assets			
Cash and balances with the central bank	14	88,363,488	92,452,685
Deposits with banks and other financial institutions	15	11,590,945	14,676,207
Placements with banks and other financial institutions	16	48,337,114	48,012,448
Derivative financial assets	17	75,829	154,242
Financial assets held under resale agreements	18	5,481,153	11,904,017
Loans and advances to customers	19	1,071,074,126	975,949,136
Financial investments			
– Financial assets at fair value through profit or loss	20	191,919,136	168,109,461
– Financial assets at amortised cost	20	538,272,967	429,603,806
– Financial assets at fair value through other comprehensive income	20	183,512,321	173,959,298
Investments in associates	21	5,371,910	5,261,079
Investment property		3,882	4,002
Property, plant and equipment	22	4,345,408	4,339,577
Right-of-use assets	23	1,153,675	1,166,778
Finance lease receivables	24	69,686,539	57,958,411
Goodwill	25	10,670,776	10,670,776
Deferred income tax assets	26	16,957,655	15,380,607
Other assets	27	5,037,506	4,150,544
Total assets		2,251,854,430	2,013,753,074
Liabilities			
Borrowings from the central bank		170,067,184	139,579,603
Deposits from banks and other financial institutions	29	115,372,150	175,718,955
Placements from banks and other financial institutions	30	54,751,226	49,518,618
Derivative financial liabilities	17	80,956	131,083
Financial assets sold under repurchase agreements	31	119,087,316	18,806,136
Deposits from customers	32	1,279,933,767	1,166,920,648
Taxes payable	33	2,381,748	2,035,748
Bonds issued	34	324,803,556	282,946,293
Deferred income tax liabilities	26	8,826	–
Other liabilities	35	18,809,125	16,428,829
Total liabilities		2,085,295,854	1,852,085,913

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

Unaudited Interim Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	30 June 2025	31 December 2024
Shareholders' equity			
Share capital	36	13,889,801	13,889,801
Other equity instruments	36	19,999,128	19,999,128
Capital reserve	36	15,233,380	15,233,380
Surplus reserve	37	24,209,758	22,755,489
General reserve	37	21,235,717	19,271,977
Other comprehensive income	38	2,553,294	4,072,726
Retained earnings	37	65,002,372	62,227,763
Equity attributable to shareholders of the Bank		162,123,450	157,450,264
Non-controlling interests		4,435,126	4,216,897
Total shareholders' equity		166,558,576	161,667,161
Total liabilities and shareholders' equity		2,251,854,430	2,013,753,074

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

The condensed consolidated financial statements were approved and authorised for issuance by the Board of Directors of Huishang Bank Corporation Limited on 28 August 2025 and signed on its behalf by:

Kong Qinglong

President

Liu Fei

Assistant President

Fang Lixin

Head of the Finance Department

Unaudited Interim Condensed Consolidated Statement of Changes in Shareholders' Equity

For the six months period ended 30 June 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Equity attributable to shareholders of the Bank								Total
	Share	Other	Capital	Surplus	General	Other	Retained	Non-	
	capital	equity	reserve	reserve	reserve	comprehensive	earnings	controlling	
	Note 36	Note 36	Note 36	Note 37	Note 37	Note 38	Note 37	interests	
Balance at 1 January 2025	13,889,801	19,999,128	15,233,380	22,755,489	19,271,977	4,072,726	62,227,763	4,216,897	161,667,161
(1) Comprehensive income									
Profit for the period	-	-	-	-	-	-	9,109,476	219,015	9,328,491
Fair value changes through other comprehensive income	-	-	-	-	-	(1,512,869)	-	(786)	(1,513,655)
Asset impairment through other comprehensive income	-	-	-	-	-	12,316	-	-	12,316
Other comprehensive income recognised under the equity method	-	-	-	-	-	(18,879)	-	-	(18,879)
Total comprehensive income for the period	-	-	-	-	-	(1,519,432)	9,109,476	218,229	7,808,273
(2) Profit distribution									
Distribution of dividends	-	-	-	-	-	-	(2,916,858)	-	(2,916,858)
Appropriation for surplus reserve	-	-	-	1,454,269	-	-	(1,454,269)	-	-
Appropriation for general reserve	-	-	-	-	1,963,740	-	(1,963,740)	-	-
Balance at 30 June 2025	13,889,801	19,999,128	15,233,380	24,209,758	21,235,717	2,553,294	65,002,372	4,435,126	166,558,576
Balance at 1 January 2024	13,889,801	19,999,357	15,230,704	19,948,581	17,584,011	2,124,467	54,206,156	3,743,765	146,726,842
(1) Comprehensive income									
Profit for the period	-	-	-	-	-	-	8,630,741	355,720	8,986,461
Fair value changes through other comprehensive income	-	-	-	-	-	1,118,152	-	496	1,118,648
Asset impairment through other comprehensive income	-	-	-	-	-	(170,673)	-	-	(170,673)
Other comprehensive income recognised under the equity method	-	-	-	-	-	23,111	-	-	23,111
Total comprehensive income for the period	-	-	-	-	-	970,590	8,630,741	356,216	9,957,547
(2) Profit distribution									
Distribution of dividends	-	-	-	-	-	-	(2,027,911)	-	(2,027,911)
Appropriation for surplus reserve	-	-	-	1,352,639	-	-	(1,352,639)	-	-
Appropriation for general reserve	-	-	-	-	1,609,480	-	(1,609,480)	-	-
Balance at 30 June 2024	13,889,801	19,999,357	15,230,704	21,301,220	19,193,491	3,095,057	57,846,867	4,099,981	154,656,478

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

Unaudited Interim Condensed Consolidated Cash Flow Statement

For the six months period ended 30 June 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	For the six months period ended 30 June	
	2025	2024
Cash flows from operating activities:		
Profit before income tax	10,705,858	10,183,024
Adjustments:		
Impairment losses on credits	5,668,352	5,700,473
Depreciation and amortisation	557,834	533,811
Provisions for outstanding litigations and outstanding compensations	14,219	–
Net (gains)/losses from disposal of assets	(189,544)	6,911
Interest income from financial investments	(9,843,344)	(10,493,915)
Changes in fair value and net exchange losses/(gains)	190,146	(873,072)
Net gains on investments in associates	(158,900)	(171,750)
Net gains on financial investments	(2,979,544)	(1,122,050)
Interest expense from lease liabilities	15,638	15,362
Interest expense from bonds issued	3,174,574	2,476,967
Sub-total	7,155,289	6,255,761
Net changes in operating assets:		
Net decrease in balances with the central bank	465,720	1,558,252
Net (increase)/decrease in deposits and placements with banks and other financial institutions	(4,832,825)	1,241,976
Net (increase)/decrease in financial assets held for trading	(22,311,372)	5,614,428
Net decrease in financial assets held under resale agreements	12,072,768	12,489,603
Net increase in loans and advances to customers	(100,975,560)	(82,579,963)
Net increase in finance lease receivables	(11,723,991)	(4,641,311)
Net decrease/(increase) in other assets	1,112,450	(1,004,320)
Net changes in operating liabilities:		
Net (decrease)/increase in deposits and placements from banks and other financial institutions	(54,539,686)	22,718,900
Net increase/(decrease) in borrowings from the central bank	29,721,711	(39,831,362)
Net increase in financial assets sold under repurchase agreements	100,376,665	12,515,471
Net increase in deposits from customers	113,038,109	100,932,055
Net increase in other liabilities	453,817	1,583,885
Income tax paid	(2,203,053)	(1,997,722)
Net cash flows generated from operating activities	67,810,042	34,855,653

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

Unaudited Interim Condensed Consolidated Cash Flow Statement (Continued)

For the six months period ended 30 June 2025

(All amounts expressed in thousands of RMB unless otherwise stated)

	Note	For the six months period ended 30 June	
		2025	2024
Cash flows from investing activities:			
Proceeds from disposal of property, plant, equipment and other long-term assets		229,122	41,267
Payment for purchase of property, plant, equipment, intangible assets and other long-term assets		(410,764)	(251,645)
Interest income received from financial investments		10,165,374	10,589,953
Proceeds from disposal of financial investments at maturity		351,855,986	400,338,336
Payment for purchase of financial investments		(473,892,748)	(461,230,628)
Net cash flows generated from investing activities		(112,053,030)	(50,512,717)
Cash flows from financing activities:			
Proceeds from issuance of bonds		187,279,027	132,170,000
Payment for dividends and interest paid on bonds issued		(1,273,148)	(1,817,116)
Repayments of lease liabilities		(175,771)	(167,943)
Repayments of borrowings		(147,254,180)	(117,824,638)
Net cash flows generated from financing activities		38,575,928	12,360,303
Effect of foreign exchange rate changes on cash and cash equivalents		104,375	(7,404)
Net decrease in cash and cash equivalents		(5,562,685)	(3,304,165)
Cash and cash equivalents at the beginning of the period		42,701,809	43,557,585
Cash and cash equivalents at the end of the period	44	37,139,124	40,253,420
Net cash flows from operating activities include:			
Interest received		27,269,318	27,607,542
Interest paid		15,297,293	14,369,586

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

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(All amounts expressed in thousands of RMB unless otherwise stated)

1 GENERAL INFORMATION

Huishang Bank Corporation Limited (the “Bank”) is a joint-stock commercial bank registered in Anhui Province. The Bank was formerly known as Hefei City Cooperatives Bank, which was established on 4 April 1997, and was renamed as Hefei Commercial Bank Co., Ltd. on 28 July 1998. The Bank was further renamed as Huishang Bank Corporation Limited on 30 November 2005 with the approval of the general office of the former China Banking Regulatory Commission (“CBRC”) Anhui Branch. As approved by CBRC Anhui Branch, the Bank acquired five former city commercial banks in Wuhu, Ma’anshan, Anqing, HuaiBei and Bengbu and seven city credit cooperatives in Lu’an, Huainan, Tongling and Fuyang Technology, Fuyang Xinying, Fuyang Yinhe and Fuyang Jinda on 28 December 2005. The Bank holds the financial institution licence (B0162H234010001) from CBRC Anhui Branch and the business licence of legal enterprise with unified social credit code No.913400001489746613. The registered address of the Bank is Huishang Bank Building, No.1699 Yungu Road, Hefei, Anhui Province, China. The Bank was listed on the Hong Kong Stock Exchange on November 2013 and issued the H shares to foreign investors (Stock Code: 3698). As at 30 June 2025, the total share capital of the Bank was RMB13.89 billion.

The principal activities of the Bank and its subsidiaries (collectively, the “Group”) include Renminbi (“RMB”) and foreign currency deposits, loans, clearing and settlement services, asset custody services, finance leasing services, asset management and the provision of services as approved by the respective regulators.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(1) Basis of preparation

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

The unaudited interim condensed consolidated financial statements contain certain explanatory notes, which provide explanations of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the financial statements for the year ended 31 December 2024. The selected notes do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”), therefore the unaudited interim condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

(2) Changes in material accounting policies

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

In the current reporting period, the Group has adopted the following standards and amendments issued by the IASB, that are mandatorily effective for the current reporting period.

		Note
Amendments to IAS 21	Lack of exchangeability	(i)

- (i) Details of these amendments have been disclosed in the Group’s consolidated financial statements for the year ended 31 December 2024. The adoption of these amendments does not have a significant impact on the financial position and financial performance of the Group.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

(2) Changes in material accounting policies (Continued)

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

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

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

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

(ii) IFRS 18: Presentation and disclosure in financial statements

Details of these amendments have been disclosed in the Group's consolidated financial statements for the year ended 31 December 2024. The Group has not completed its assessment of the impact on the Group's consolidated financial statements of adopting the IFRS 18.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

(3) Significant accounting judgements and estimates

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

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

3 THE BANK'S BALANCE SHEET AND STATEMENT OF CHANGES IN OWNERS' EQUITY

	30 June 2025	31 December 2024
Assets		
Cash and balances with the central bank	87,916,253	92,052,902
Deposits with banks and other financial institutions	7,464,342	8,585,254
Placements with banks and other financial institutions	51,650,818	49,113,914
Derivative financial assets	75,829	154,242
Financial assets held under resale agreements	5,341,800	11,362,485
Loans and advances to customers	1,067,548,575	972,469,927
Financial investments		
– Financial assets at fair value through profit or loss	164,954,904	165,208,873
– Financial assets at amortised cost	473,919,708	429,340,229
– Financial assets at fair value through other comprehensive income	179,390,038	169,066,465
Investments in subsidiaries	3,833,053	3,833,053
Investments in associates	5,371,910	5,261,079
Investment property	3,882	4,002
Property, plant and equipment	4,046,968	4,151,312
Right-of-use assets	1,136,858	1,149,450
Goodwill	10,670,776	10,670,776
Deferred income tax assets	15,351,049	13,941,081
Other assets	4,621,505	3,807,818
Total assets	2,083,298,268	1,940,172,862

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

3 THE BANK'S BALANCE SHEET AND STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

	30 June 2025	31 December 2024
Liabilities		
Borrowings from the central bank	170,007,184	139,519,571
Deposits from banks and other financial institutions	115,819,032	176,832,422
Placements from banks and other financial institutions	5,896,764	1,993,303
Derivative financial liabilities	80,956	131,083
Financial assets sold under repurchase agreements	29,002,412	16,184,221
Deposits from customers	1,273,685,832	1,160,709,256
Taxes payable	2,205,080	1,753,872
Bonds issued	318,761,270	281,442,333
Other liabilities	11,870,826	9,937,780
Total liabilities	1,927,329,356	1,788,503,841
Shareholders' equity		
Share capital	13,889,801	13,889,801
Other equity instruments	19,999,128	19,999,128
Capital reserve	15,221,111	15,221,111
Surplus reserve	24,209,758	22,755,489
General reserve	19,870,680	17,906,940
Other comprehensive income	2,511,585	3,935,734
Retained earnings	60,266,849	57,960,818
Total shareholders' equity	155,968,912	151,669,021
Total liabilities and shareholders' equity	2,083,298,268	1,940,172,862

Kong Qinglong

President

Liu Fei

Assistant President

Fang Lixin

Head of the Finance Department

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

3 THE BANK'S BALANCE SHEET AND STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other comprehensive income	Retained earnings	Total
Balance at 1 January 2025	13,889,801	19,999,128	15,221,111	22,755,489	17,906,940	3,935,734	57,960,818	151,669,021
(1) Comprehensive income								
Net profit for the period	-	-	-	-	-	-	8,640,898	8,640,898
Fair value changes through other comprehensive income	-	-	-	-	-	(1,417,585)	-	(1,417,585)
Asset impairment through other comprehensive income	-	-	-	-	-	12,315	-	12,315
Other comprehensive income recognised under the equity method	-	-	-	-	-	(18,879)	-	(18,879)
Total comprehensive income	-	-	-	-	-	(1,424,149)	8,640,898	7,216,749
(2) Profit distribution								
Distribution of dividends	-	-	-	-	-	-	(2,916,858)	(2,916,858)
Appropriation for surplus reserve	-	-	-	1,454,269	-	-	(1,454,269)	-
Appropriation for general reserve	-	-	-	-	1,963,740	-	(1,963,740)	-
Balance at 30 June 2025	13,889,801	19,999,128	15,221,111	24,209,758	19,870,680	2,511,585	60,266,849	155,968,912

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

3 THE BANK'S BALANCE SHEET AND STATEMENT OF CHANGES IN OWNERS' EQUITY (CONTINUED)

	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other comprehensive income	Retained earnings	Total
Balance at 1 January 2024	13,889,801	19,999,357	15,221,300	19,948,581	16,297,460	2,091,404	50,732,427	138,180,330
(1) Comprehensive income								
Net profit for the period	-	-	-	-	-	-	8,070,475	8,070,475
Fair value changes through other comprehensive income	-	-	-	-	-	1,071,609	-	1,071,609
Asset impairment through other comprehensive income	-	-	-	-	-	(170,673)	-	(170,673)
Other comprehensive income recognised under the equity method	-	-	-	-	-	23,111	-	23,111
Total comprehensive income	-	-	-	-	-	924,047	8,070,475	8,994,522
(2) Profit distribution								
Distribution of dividends	-	-	-	-	-	-	(2,027,911)	(2,027,911)
Appropriation for surplus reserve	-	-	-	1,352,639	-	-	(1,352,639)	-
Appropriation for general reserve	-	-	-	-	1,609,480	-	(1,609,480)	-
Balance at 30 June 2024	13,889,801	19,999,357	15,221,300	21,301,220	17,906,940	3,015,451	53,812,872	145,146,941

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

4 NET INTEREST INCOME

	For the six months period ended 30 June	
	2025	2024
Interest income		
Balances with the central bank	584,920	584,683
Deposits and placements with banks and other financial institutions	987,340	893,864
Loans and advances to customers	19,842,808	19,688,874
Financial investments	9,843,344	10,493,915
Others	1,814,034	2,056,138
Sub-total	33,072,446	33,717,474
Interest expense		
Borrowings from the central bank	(1,373,282)	(1,261,358)
Deposits and placements from banks and other financial institutions	(2,626,661)	(4,010,719)
Deposits from customers	(11,368,235)	(11,282,357)
Bonds issued	(3,174,574)	(2,476,967)
Sub-total	(18,542,752)	(19,031,401)
Net interest income	14,529,694	14,686,073

5 NET FEE AND COMMISSION INCOME

	For the six months period ended 30 June	
	2025	2024
Fee and commission income		
Custody fees	511,060	452,942
Investment banking fees	469,846	471,591
Agency fees	378,505	408,328
Guarantee and commitment fees	327,020	434,137
Payment and settlement fees	114,190	124,670
Bank card fees	63,301	(202)
Acquiring business fees	14,721	11,538
Others	25,556	31,380
Sub-total	1,904,199	1,934,384
Fee and commission expense	(144,841)	(167,636)
Net fee and commission income	1,759,358	1,766,748

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

6 NET TRADING GAINS

	For the six months period ended 30 June	
	2025	2024
Net gains or losses from foreign exchange	47,389	7,219
Net gains from interest rate products	437,812	1,816,283
Net gains from funds and other transactions	1,060,940	1,076,454
Total	1,546,141	2,899,956

7 NET GAINS ON FINANCIAL INVESTMENTS

	For the six months period ended 30 June	
	2025	2024
Net (losses)/gains on derecognition of financial assets at fair value through profit or loss	(31,184)	80,060
Net gains on derecognition of financial assets at amortised cost	1,671,349	204,325
Net gains on derecognition of financial assets at fair value through other comprehensive income	1,325,768	826,981
Others	13,611	10,684
Total	2,979,544	1,122,050

8 OTHER OPERATING INCOME

	For the six months period ended 30 June	
	2025	2024
Gains from asset disposals	194,697	997
Government grants	113,708	192,127
Net gains on bills	7,418	9,522
Others	26,254	14,664
Total	342,077	217,310

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

9 OPERATING EXPENSES

	Note	For the six months period ended 30 June	
		2025	2024
Staff costs	10	2,957,654	3,060,975
General operating and administrative expenses		1,087,794	1,088,490
Depreciation and amortisation		554,988	533,811
Taxes and surcharges		258,062	210,495
Operating lease rental expenses		10,550	18,577
Others		72,456	68,042
Total		4,941,504	4,980,390

10 STAFF COSTS

	For the six months period ended 30 June	
	2025	2024
Salaries, bonuses, allowances and subsidies	1,925,464	2,135,319
Long-term employee benefits	226,635	147,690
Post-employment benefits – defined contribution plans	366,014	357,722
Other social insurance and welfare costs	439,541	420,244
Total	2,957,654	3,060,975

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

11 IMPAIRMENT LOSSES ON CREDITS

	For the six months period ended 30 June	
	2025	2024
Deposits with banks and other financial institutions	21,673	19,653
Placements with banks and other financial institutions	(25,834)	62,440
Financial assets held under resale agreements	(113,097)	32,061
Loans and advances to customers		
– At amortised cost	5,755,288	2,036,956
– At fair value through other comprehensive income	(28,807)	(63,567)
Financial investments		
– Financial assets at amortised cost	(5,414)	3,851,050
– Financial assets at fair value through other comprehensive income	45,227	(163,997)
Finance lease receivables	146,377	191,884
Other assets	(3,006)	(66,487)
Credit commitments and financial guarantees	(124,055)	(199,520)
Total	5,668,352	5,700,473

12 INCOME TAX

	Note	For the six months period ended 30 June	
		2025	2024
Current income tax			
– Mainland China income tax		2,445,577	2,279,081
Deferred income tax	26	(1,068,210)	(1,082,518)
Total		1,377,367	1,196,563

The provision for Mainland China income tax includes income tax based on the statutory tax rate of 25% of the taxable income of the Group as determined in accordance with the relevant PRC income tax rules and regulations.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

12 INCOME TAX (CONTINUED)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the taxation rate of 25%. The major reconciliation items are as follows:

	Note	For the six months period ended 30 June	
		2025	2024
Profit before income tax		10,705,858	10,183,024
Tax calculated at the applicable statutory tax rate of 25%		2,676,465	2,545,756
Tax effect of non-deductible expenses	(1)	80,206	55,381
Tax effect arising from tax-exempt and halved income	(2)	(1,443,008)	(1,407,684)
Tax filing differences		11,795	8,085
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this period		51,909	–
Available deductible loss from previous years		–	(4,975)
Income tax expense		1,377,367	1,196,563

(1) The Group's non-deductible expenses primarily represent non-deductible assets write-offs and related expenses.

(2) Non-taxable income mainly represents interest income arising from PRC treasury bonds and local government bonds as well as income from mutual funds; the Group's tax-halved income mainly represents interest income from Chinese Railway Construction Bonds held by the Group.

13 EARNINGS PER SHARE (BASIC AND DILUTED)

(1) Basic earnings per share was calculated by dividing the net profit attributable to the ordinary shareholders of the Bank by the weighted average number of ordinary shares in issue during the period.

	For the six months period ended 30 June	
	2025	2024
Net profit attributable to shareholders of the Bank (in RMB thousands)	9,109,476	8,630,741
Interest on perpetual bonds declared during the period	–	–
Weighted average number of ordinary shares in issue (in thousands) at the end of the period	13,889,801	13,889,801
Basic earnings per share (in RMB)	0.66	0.62

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

13 EARNINGS PER SHARE (BASIC AND DILUTED) (CONTINUED)

(2) Diluted earnings per share

For the period from 1 January 2025 to 30 June 2025, there was no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding (for the period from 1 January 2024 to 30 June 2024: Nil).

14 CASH AND BALANCES WITH THE CENTRAL BANK

	Note	30 June 2025	31 December 2024
Cash		1,030,661	1,110,290
Statutory reserves	(1)	67,084,283	67,636,272
Excess reserves	(2)	20,127,491	22,156,572
Fiscal deposits with the central bank		86,269	1,511,207
Sub-total		88,328,704	92,414,341
Accrued interest		34,784	38,344
Total		88,363,488	92,452,685

- (1) The Group deposits statutory reserves with the central bank. The statutory reserves are not available for use in the Group's daily business.

As at the end of the reporting period, the statutory reserve rates of the Bank were as follows:

	30 June 2025	31 December 2024
Statutory reserve rate for RMB deposits	5.50%	6.00%
Statutory reserve rate for foreign currency deposits	4.00%	4.00%

As at 30 June 2025, statutory reserve rates for Jinzhai Huiyin Village and Township Bank Co., Ltd. and Wuwei Huiyin Village and Township Bank Co., Ltd. were 5.00% and 5.00% (31 December 2024: 5.00% and 5.00%).

- (2) Excess reserves deposit with the central bank are mainly for clearing purposes.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

15 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Banks in Mainland China	9,249,815	13,976,437
Non-banking financial institutions in Mainland China	512,643	131,684
Banks outside Mainland China	1,856,590	566,199
Sub-total	11,619,048	14,674,320
Accrued interest	10,939	19,256
Less: Provision for impairment	(39,042)	(17,369)
Total	11,590,945	14,676,207

16 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Banks in Mainland China	1,796,809	3,290,550
Non-banking financial institutions in Mainland China	46,450,000	44,550,000
Sub-total	48,246,809	47,840,550
Accrued interest	168,023	275,450
Less: Provision for impairment	(77,718)	(103,552)
Total	48,337,114	48,012,448

17 DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2025		
	Nominal amount	Fair value	
		Assets	Liabilities
Derivative financial instruments held for trading:			
Foreign exchange contracts	17,647,851	21,181	(19,864)
Interest rate contracts	11,020,000	54,648	(61,092)
Total	28,667,851	75,829	(80,956)

	31 December 2024		
	Nominal amount	Fair value	
		Assets	Liabilities
Derivative financial instruments held for trading:			
Foreign exchange contracts	5,786,008	63,851	(33,906)
Interest rate contracts	14,970,000	90,391	(97,177)
Total	20,756,008	154,242	(131,083)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

18 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	30 June 2025	31 December 2024
By collateral type:		
Bonds	5,539,070	12,072,768
Sub-total	5,539,070	12,072,768
Accrued interest	922	3,185
Less: Provision for impairment	(58,839)	(171,936)
Total	5,481,153	11,904,017

19 LOANS AND ADVANCES TO CUSTOMERS

(1) Loans and advances to customers by measurement attributes are as follows:

	30 June 2025	31 December 2024
Loans and advances at amortised cost		
– Corporate loans	702,175,787	627,583,388
– Personal loans	320,078,313	297,953,979
Sub-total	1,022,254,100	925,537,367
Loans and advances at fair value through other comprehensive income		
– Discounted bills	78,278,811	76,629,055
Sub-total	78,278,811	76,629,055
Total	1,100,532,911	1,002,166,422
Accrued interest	1,892,362	2,020,974
Total loans and advances	1,102,425,273	1,004,187,396
Less: Provision for impairment of loans and advances at amortised cost	(31,351,147)	(28,238,260)
Carrying amount of loans and advances	1,071,074,126	975,949,136
Provision for impairment of loans and advances at fair value through other comprehensive income	(25,597)	(54,404)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(2) Reconciliation of provision for impairment of loans and advances to customers:

(a) **Reconciliation of provision for impairment of loans at amortised cost are as follows:**

30 June 2025				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the period	11,857,777	8,371,590	8,008,893	28,238,260
Charge for the period	1,068,381	2,433,181	2,253,726	5,755,288
Stage transfer				
Transfer to Stage 1	826,343	(600,418)	(225,925)	–
Transfer to Stage 2	(347,744)	812,499	(464,755)	–
Transfer to Stage 3	(28,792)	(1,729,375)	1,758,167	–
Write-off and transfer out	–	–	(3,742,750)	(3,742,750)
Recovery of loans written off	–	–	1,198,271	1,198,271
Other changes	–	–	(97,922)	(97,922)
Balance at the end of the period	13,375,965	9,287,477	8,687,705	31,351,147

31 December 2024				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	13,688,290	6,869,967	9,310,644	29,868,901
(Reversal)/charge for the year	(1,131,818)	893,370	3,829,218	3,590,770
Stage transfer				
Transfer to Stage 1	389,076	(283,338)	(105,738)	–
Transfer to Stage 2	(1,029,900)	1,128,407	(98,507)	–
Transfer to Stage 3	(57,871)	(236,816)	294,687	–
Write-off and transfer out	–	–	(6,901,660)	(6,901,660)
Recovery of loans written off	–	–	1,786,976	1,786,976
Other changes	–	–	(106,727)	(106,727)
Balance at the end of the year	11,857,777	8,371,590	8,008,893	28,238,260

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(2) Reconciliation of provision for impairment of loans and advances to customers: (Continued)

(b) **Reconciliation of provision for impairment of loans at fair value through other comprehensive income are as follows:**

30 June 2025				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the period	50,824	3,580	–	54,404
Reversals during the period	(26,407)	(2,400)	–	(28,807)
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Balance at the end of the period	24,417	1,180	–	25,597

31 December 2024				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	101,820	1,576	–	103,396
(Reversal)/charge for the year	(50,996)	2,004	–	(48,992)
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Balance at the end of the year	50,824	3,580	–	54,404

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

- (3) Concentration of credit risks of loans and advances to customers (excluding accrued interest and provision for impairment) analyzed by industry sectors:

	30 June 2025		31 December 2024	
	Amount	%	Amount	%
Corporate loans				
Public utilities	234,538,131	21	226,469,436	23
Commerce and service	151,157,001	14	124,826,986	12
Manufacturing	144,953,590	13	123,932,931	12
Construction	49,777,422	5	43,095,148	4
Energy and chemistry	40,103,503	3	36,302,767	3
Real estate	37,034,286	3	36,945,452	3
Transportation	14,161,104	1	11,625,513	1
Financial services	8,248,908	1	6,928,557	1
Education and media	7,400,728	1	4,784,003	1
Catering and travelling	1,565,200	1	1,187,576	1
Others	13,235,914	1	11,485,019	1
Discounted bills	78,278,811	7	76,629,055	8
Total corporate loans	780,454,598	71	704,212,443	70
Personal loans				
Residential mortgage loans	137,023,815	12	130,716,159	13
Credit cards	17,221,127	2	15,185,512	2
Others	165,833,371	15	152,052,308	15
Total personal loans	320,078,313	29	297,953,979	30
Total loans and advances	1,100,532,911	100	1,002,166,422	100

- (4) The contractual amounts of loans and advances to customers (excluding accrued interest and provision for impairment) are analysed by security type as follows:

	30 June 2025	31 December 2024
Unsecured	270,135,413	229,719,448
Guaranteed	370,794,988	320,165,826
Collateralised	232,959,326	228,495,677
Pledged	226,643,184	223,785,471
Total	1,100,532,911	1,002,166,422

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

19 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

- (5) Concentration of credit risks of loans and advances to customers (excluding accrued interest and provision for impairment) analyzed by geographical area:

	30 June 2025			31 December 2024		
	Total loans	%	Proportion of impaired loans	Total loans	%	Proportion of impaired loans
Anhui Province	948,519,991	86.19%	1.03%	890,596,530	88.87%	0.89%
Jiangsu Province	72,193,344	6.56%	1.14%	59,569,734	5.94%	2.15%
Other regions	79,819,576	7.25%	1.33%	52,000,158	5.19%	1.33%
Total	1,100,532,911	100.00%	1.06%	1,002,166,422	100.00%	0.99%

- (6) Overdue loans analysed by overdue days and security type are as follows:

	30 June 2025				
	Over 1 to 90 days (inclusive)	Over 90 days to 1 year (inclusive)	Over 1 year to 3 years (inclusive)	Overdue over 3 years	Total
Unsecured	1,978,554	2,297,820	777,254	85,934	5,139,562
Guaranteed	616,296	694,977	429,827	292,068	2,033,168
Collateralised	2,491,226	2,255,017	1,205,958	110,092	6,062,293
Pledged	5,096	29,397	37,000	39,890	111,383
Total	5,091,172	5,277,211	2,450,039	527,984	13,346,406

	31 December 2024				
	Over 1 to 90 days (inclusive)	Over 90 days to 1 year (inclusive)	Over 1 year to 3 years (inclusive)	Overdue over 3 years	Total
Unsecured	1,648,967	1,994,736	734,662	151,905	4,530,270
Guaranteed	681,696	1,240,553	306,271	258,739	2,487,259
Collateralised	2,521,774	1,672,223	1,178,310	92,772	5,465,079
Pledged	60,545	37,926	37,560	39,890	175,921
Total	4,912,982	4,945,438	2,256,803	543,306	12,658,529

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

20 FINANCIAL INVESTMENTS

Financial assets at fair value through profit or loss	Note	30 June 2025	31 December 2024
Listed in Mainland China	(1)		
– Interbank certificates of deposits		54,292,051	2,327,350
– Bonds		52,358,852	27,125,853
– Equity investments		744,984	229,035
Sub-total		107,395,887	29,682,238
Listed in Hong Kong			
– Bonds		–	697,452
Sub-total		–	697,452
Unlisted			
– Mutual funds		74,535,613	77,522,637
– Asset management plans, trust schemes and others		4,158,063	54,497,033
– Non-guaranteed wealth management products managed by financial institutions		4,695,569	3,960,524
Sub-total	(2)	83,389,245	135,980,194
Accrued interest		1,134,004	1,749,577
Total		191,919,136	168,109,461

Financial assets at amortised cost	Note	30 June 2025	31 December 2024
Listed in Mainland China	(1)		
– Bonds		502,328,734	305,669,612
Listed in Hong Kong			
– Bonds		12,044,524	9,927,855
Unlisted			
– Asset management plans, trust schemes and others		28,295,737	116,346,379
Sub-total		542,668,995	431,943,846
Accrued interest		5,764,982	7,805,009
Less: Provision for impairment		(10,161,010)	(10,145,049)
Financial assets at amortised cost, net		538,272,967	429,603,806

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

20 FINANCIAL INVESTMENTS (CONTINUED)

Financial assets at fair value through other comprehensive

income	Note	30 June 2025	31 December 2024
Debt instruments			
Listed in Mainland China			
– Bonds		179,721,831	166,890,692
– Interbank certificates of deposits		1,594,412	4,444,849
Sub-total		181,316,243	171,335,541
Equity instruments			
Unlisted			
– Equity investments	(3)	408,619	370,297
Sub-total		408,619	370,297
Accrued interest		1,787,459	2,253,460
Total		183,512,321	173,959,298
Provision for impairment		(1,055,000)	(1,009,773)

(1) Bonds traded in the Mainland China Interbank Bond Market are included in "Listed in Mainland China".

(2) Financial investments at fair value through profit or loss include financial assets held for trading and financial assets that cannot pass the solely payments of principal and interest test ("SPPI test").

(3) The Group designates part of non-trading equity investments as financial investments at fair value through other comprehensive income.

Financial investments analysed by issuer are as follows:

Financial assets at fair value through profit or loss	30 June 2025	31 December 2024
Analysed by issuers		
– Governments	3,849,662	4,235,606
– Banks and other financial institutions	174,149,224	146,912,049
– Corporate entities	12,672,558	14,942,118
– Others	113,688	270,111
Sub-total	190,785,132	166,359,884
Accrued interest	1,134,004	1,749,577
Total	191,919,136	168,109,461

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

20 FINANCIAL INVESTMENTS (CONTINUED)

Financial assets at amortised cost	30 June 2025	31 December 2024
Analysed by issuers		
– Governments	339,452,053	287,368,622
– Banks and other financial institutions	174,392,300	129,286,139
– Corporate entities	28,824,642	15,289,085
Sub-total	542,668,995	431,943,846
Accrued interest	5,764,982	7,805,009
Less: Provision for impairment	(10,161,010)	(10,145,049)
Total	538,272,967	429,603,806
Financial assets at fair value through other comprehensive income	30 June 2025	31 December 2024
Debt instruments		
Analysed by issuers		
– Governments	59,570,686	78,080,830
– Banks and other financial institutions	34,410,120	28,581,329
– Corporate entities	87,335,437	64,673,382
Sub-total	181,316,243	171,335,541
Equity instruments	408,619	370,297
Accrued interest	1,787,459	2,253,460
Total	183,512,321	173,959,298
Provision for impairment	(1,055,000)	(1,009,773)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

20 FINANCIAL INVESTMENTS (CONTINUED)

Reconciliation of provision for impairment of financial assets at amortised cost are as follows:

30 June 2025				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the period	2,254,582	335,082	7,555,385	10,145,049
Charge for/(reversal) for the period	814,422	(68,893)	(750,943)	(5,414)
Stage transfer				
Transfer to Stage 1	3,491	(3,491)	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Recovery of assets written off	21,375	–	–	21,375
Balance at the end of the period	3,093,870	262,698	6,804,442	10,161,010

31 December 2024				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	2,864,918	403,058	6,005,731	9,273,707
(Reversal)/charge for the year	(610,336)	(67,976)	4,088,185	3,409,873
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Write-off and transfer out	–	–	(2,555,000)	(2,555,000)
Recovery of assets written off	–	–	16,469	16,469
Balance at the end of the year	2,254,582	335,082	7,555,385	10,145,049

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

20 FINANCIAL INVESTMENTS (CONTINUED)

Reconciliation of provision for impairment of financial assets at fair value through other comprehensive are as follows:

30 June 2025				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the period	650,034	188,289	171,450	1,009,773
Charge for the period	44,544	683	–	45,227
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Balance at the end of the period	694,578	188,972	171,450	1,055,000

31 December 2024				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
Balance at the beginning of the year	812,964	101,054	171,450	1,085,468
(Reversal)/charge for the year	(162,930)	87,235	–	(75,695)
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	–	–	–	–
Balance at the end of the year	650,034	188,289	171,450	1,009,773

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

21 INVESTMENTS IN ASSOCIATES

(1) Information about subsidiaries of the Bank

	Note	Principal place of business	Registered place	Business nature	Registered capital	Shareholding percentage	Percentage of voting rights
Jinzhai Huiyin Village and Township Bank Co., Ltd.	(a)	Jinzhai County	Jinzhai County	Financial services	80,000	51%	51%
Wuwei Huiyin Village and Township Bank Co., Ltd.	(b)	Wuwei County	Wuwei County	Financial services	100,000	40%	40%
Huiyin Financial Leasing Co., Ltd.	(c)	Hefei	Hefei	Financial services	3,000,000	54%	54%
Huiyin Wealth Management Co., Ltd.	(d)	Hefei	Hefei	Financial services	2,000,000	100%	100%

- (a) The Bank established Jinzhai Huiyin Village and Township Bank Co., Ltd. with a capital contribution ratio of 41% on 28 June 2013. The Bank has entered into a concerted action agreement with three shareholders with an aggregate capital contribution of 30%, and these shareholders agreed to act in concert with the Bank when voting for material decisions regarding financial and operation policies of the investee. Since the Bank has effective control over the investee, the investee was included in the scope of the consolidated financial statements.

In May 2017, one of the three concert party shareholders transferred its shareholding to an external shareholder, which invalidated the shareholder's original concert action agreement, and the Bank constituted a concert party with the two shareholders who contributed 20% of the capital, and these shareholders agreed to act in concert with the Bank when voting for material decisions regarding financial and operation policies of the investee. Since the Bank has effective control over the investee, the investee was included in the scope of the consolidated financial statements.

In December 2024, the Bank acquired a 10% equity interest in Jinzhai Huiyin Village and Township Bank Co., Ltd. with a capital contribution of RMB24 million, increasing the Bank's shareholding to 51%.

- (b) The Bank established Wuwei Huiyin Village and Township Bank Co., Ltd. in 2010 with a registered capital of RMB100 million, of which the Group contributed RMB40 million, accounting for 40% of the registered capital. Wuwei Huiyin Village and Township Bank Co., Ltd. officially commenced its business on 8 August 2010 with the approval of the former CBRC. Although the Bank has no absolute controlling interest in Wuwei Huiyin Village and Township Bank Co., Ltd., after taking into account various circumstances, the past operating activities have shown that the Bank has the ability to dominate the relevant operating activities of Wuwei Huiyin Village and Township Bank Co., Ltd., and there is a situation of de facto control, and the Group has included Wuwei Huiyin Village and Township Bank Co., Ltd. in the scope of consolidation as at 31 December 2014 onwards.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

21 INVESTMENTS IN ASSOCIATES (CONTINUED)

(1) Information about subsidiaries of the Bank (Continued)

- (c) The Bank established Huiyin Financial Leasing Co., Ltd. with a capital contribution ratio of 51% on 29 April 2015. Since the Bank has effective control over the investee, the investee was included in the scope of the consolidated financial statements. In March 2018, the Bank invested RMB687 million to participate in the capital increase of Huiyin Financial Leasing Co., Ltd. and the registered capital of Huiyin Financial Leasing Co., Ltd. increased from RMB2 billion to RMB3 billion, and the Bank's shareholding increased to 54%.
- (d) The Bank established Huiyin Wealth Management Co., Ltd. on 26 April 2020 with a full capital contribution of RMB2 billion, which is included in the scope of the consolidated financial statements as the Bank has 100% control over it.

(2) Investments in associates

Investments in associates of the Group comprising ordinary shares of unlisted companies are as follows:

	Principal place of business and registered office	Business nature	Registered capital	Shareholding percentage	Percentage of voting rights
Chery Huiyin Motor					
Finance Service Co., Ltd.	Anhui Province	Auto financing	5,000,000	20%	20%
	Inner Mongolia	Commercial			
MengShang Bank Co., Ltd.	Autonomous Region	banking	20,000,000	15%	15%

Analysis of movements in the Group's investments in associates is as follows:

Investments in associates	30 June 2025	31 December 2024
Balance at the beginning of the period/year	5,261,079	5,151,471
Additions during period/year	–	–
Cash dividends received	(29,190)	(23,188)
Net gains on investments in associates	158,900	103,300
Other changes in equity	(18,879)	29,496
Total	5,371,910	5,261,079

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

21 INVESTMENTS IN ASSOCIATES (CONTINUED)

(2) Investments in associates (Continued)

The carrying amount of investments in associates is as follows:

	30 June 2025	31 December 2024
Chery Huiyin Motor Finance Service Co., Ltd.	2,427,760	2,305,550
MengShang Bank Co., Ltd.	2,944,150	2,955,529
Total	5,371,910	5,261,079

22 PROPERTY, PLANT AND EQUIPMENT

	Plant and buildings	Motor vehicles	Electronic and other equipment	Construction in progress	Property, plant and equipment held under operating lease	Total
Cost						
As at 1 January 2025	5,387,789	44,469	2,095,944	284,188	–	7,812,390
Additions	13,582	2,864	141,349	32,906	120,525	311,226
Transfer in/(out)	–	–	33,169	(49,623)	–	(16,454)
Decreases	(260,832)	(2,225)	(89,672)	–	–	(352,729)
Other transfers out	–	–	–	(13,980)	–	(13,980)
As at 30 June 2025	5,140,539	45,108	2,180,790	253,491	120,525	7,740,453
Accumulated depreciation						
As at 1 January 2025	(1,848,699)	(26,105)	(1,598,009)	–	–	(3,472,813)
Depreciation	(117,475)	(2,329)	(112,733)	–	(2,846)	(235,383)
Decreases	230,420	2,157	80,574	–	–	313,151
As at 30 June 2025	(1,735,754)	(26,277)	(1,630,168)	–	(2,846)	(3,395,045)
Total net book value	3,404,785	18,831	550,622	253,491	117,679	4,345,408

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

22 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant and buildings	Motor vehicles	Electronic and other equipment	Construction in progress	Total
Cost					
As at 1 January 2024	5,383,985	43,533	2,115,826	249,955	7,793,299
Additions	15,041	8,436	169,900	126,548	319,925
Transfer in/(out)	–	–	55,721	(68,961)	(13,240)
Decreases	(11,237)	(7,500)	(245,503)	–	(264,240)
Other transfers out	–	–	–	(23,354)	(23,354)
As at 31 December 2024	5,387,789	44,469	2,095,944	284,188	7,812,390
Accumulated depreciation					
As at 1 January 2024	(1,624,135)	(31,878)	(1,598,371)	–	(3,254,384)
Depreciation	(235,407)	(1,502)	(211,204)	–	(448,113)
Decreases	10,843	7,275	211,566	–	229,684
As at 31 December 2024	(1,848,699)	(26,105)	(1,598,009)	–	(3,472,813)
Total net book value	3,539,090	18,364	497,935	284,188	4,339,577

The recoverable amount of the Group's property, plant and equipment was not less than its carrying amount during the reporting period, and therefore, no provision for impairment of property, plant and equipment was recognised.

As at 30 June 2025, the Group has plant and buildings that have not yet received certificates of ownership, with the cost of RMB30.98 million (31 December 2024: RMB30.98 million). The management believes that there are no significant difficulties for the Group to obtain the certificates of ownership on the above plant and buildings, and such matter will not have any significant adverse impact on the Group's overall financial position.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

23 RIGHT-OF-USE ASSETS

	Plant and buildings	Motor vehicles	Electronic and other equipment	Land use rights	Total
Cost					
As at 1 January 2025	1,989,307	11,627	556	170,863	2,172,353
Additions	168,988	–	–	–	168,988
Disposals and transfers out	(158,720)	(6,817)	–	–	(165,537)
As at 30 June 2025	1,999,575	4,810	556	170,863	2,175,804
Accumulated depreciation					
As at 1 January 2025	(929,638)	(8,821)	(399)	(66,717)	(1,005,575)
Depreciation	(172,877)	(1,827)	(56)	(1,818)	(176,578)
Transfers out	153,362	6,662	–	–	160,024
As at 30 June 2025	(949,153)	(3,986)	(455)	(68,535)	(1,022,129)
Total net book value	1,050,422	824	101	102,328	1,153,675

	Plant and buildings	Motor vehicles	Electronic and other equipment	Land use rights	Total
Cost					
As at 1 January 2024	1,918,457	15,740	1,555	170,863	2,106,615
Additions	379,541	953	–	–	380,494
Disposals and transfers out	(308,580)	(5,066)	(999)	–	(314,645)
Revaluation of lease liabilities	(111)	–	–	–	(111)
As at 31 December 2024	1,989,307	11,627	556	170,863	2,172,353
Accumulated depreciation					
As at 1 January 2024	(884,957)	(8,027)	(1,145)	(63,081)	(957,210)
Depreciation	(332,292)	(5,823)	(253)	(3,636)	(342,004)
Transfers out	287,611	5,029	999	–	293,639
As at 31 December 2024	(929,638)	(8,821)	(399)	(66,717)	(1,005,575)
Total net book value	1,059,669	2,806	157	104,146	1,166,778

All right-of-use plant and buildings of the Group are located in Mainland China.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

24 FINANCE LEASE RECEIVABLES

(1) The Group's finance lease receivables are analysed by maturity date as follows:

	30 June 2025	31 December 2024
Within 1 year	30,485,634	27,116,041
1 to 3 years	36,836,248	31,262,782
Over 3 years	13,433,442	9,483,775
Sub-total	80,755,324	67,862,598
Less: Unearned finance income	(7,837,790)	(6,476,542)
Finance lease receivables, net	72,917,534	61,386,056
Add: Accrued interest	1,039,501	888,987
Less: Provision for impairment of finance leases receivable	(4,270,496)	(4,316,632)
Lease receivables, net	69,686,539	57,958,411

(2) Reconciliation of provision for impairment of finance lease receivables are as follows:

	For the six months period ended 30 June 2025			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
As at 1 January 2025	589,955	3,142,585	584,092	4,316,632
Charge for the period	77,704	62,157	6,516	146,377
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	(1,124)	1,124	–	–
Transfer to Stage 3	–	(315,139)	315,139	–
Write-off and transfer out	–	–	(245,389)	(245,389)
Recovery of assets written off	–	–	52,876	52,876
Balance at the end of the period	666,535	2,890,727	713,234	4,270,496

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

24 FINANCE LEASE RECEIVABLES (CONTINUED)

(2) Reconciliation of provision for impairment of finance lease receivables are as follows: (Continued)

	For the year ended 31 December 2024			Total
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	
Balance at the beginning of the year	595,425	2,695,675	521,675	3,812,775
Charge for the year	30,883	786,556	46,821	864,260
Stage transfer				
Transfer to Stage 1	–	–	–	–
Transfer to Stage 2	(36,344)	36,344	–	–
Transfer to Stage 3	(9)	(375,990)	375,999	–
Write-off and transfer out	–	–	(426,484)	(426,484)
Recovery of assets written off	–	–	66,081	66,081
Balance at the end of the year	589,955	3,142,585	584,092	4,316,632

25 GOODWILL

	30 June 2025	31 December 2024
Balance at the beginning of the period/year	14,567,826	14,567,826
Additions/(decreases) during the period/year	–	–
Balance at the end of the period/year	14,567,826	14,567,826
Provision for impairment	(3,897,050)	(3,897,050)
Net amount at the end of the period/year	10,670,776	10,670,776

The Group completed a business combination not under common control in November 2020 with resultant goodwill of RMB14,567.83 million.

The Group conducted impairment testing on goodwill at each year-end. As at 30 June 2025, the Group made provisions for impairment of goodwill of RMB3,897.05 million.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

26 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred income taxes for transactions in PRC are calculated on all temporary differences using an effective tax rate of 25% for the six months ended 30 June 2025 (for the year ended 31 December 2024: 25%).

	For the six months period ended 30 June 2025	For the year ended 31 December 2024
Balance at the beginning of the period/year	15,380,607	14,238,323
Charged to the income statement in the current period/year	1,068,210	1,781,592
Credited to other comprehensive income	500,012	(639,308)
Balance at the end of the period/year	16,948,829	15,380,607

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

26 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES (CONTINUED)

Deferred tax assets and deferred tax liabilities before any offsetting:

	30 June 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (deferred tax liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/ (deferred tax liabilities)
Provision for impairment of assets	62,407,948	15,601,987	57,502,083	14,377,003
Changes in fair value of derivative financial liabilities	80,956	20,239	131,083	32,771
Employee benefits payable	2,729,564	682,391	3,226,215	806,554
Changes in fair value of financial assets at fair value through profit or loss (FVTPL)	3,815,083	953,771	4,196,985	1,049,246
Fair value changes in loans and advances to customers at fair value through other comprehensive	77,752	19,438	137,244	34,310
Fair value changes in financial assets at fair value through other comprehensive income	10,736	2,684	9,936	2,484
Provisions	1,258,441	314,610	1,368,618	342,155
Others	2,042,920	510,730	2,216,629	554,157
Sub-total	72,423,400	18,105,850	68,788,793	17,198,680
Amount offset		(1,148,195)		(1,818,073)
Deferred income tax assets after offsetting		16,957,655		15,380,607
Changes in fair value of derivative financial assets	(75,829)	(18,957)	(154,242)	(38,561)
Changes in fair value of financial assets at fair value through profit or loss (FVTPL)	(969,469)	(242,367)	(1,443,724)	(360,931)
Fair value changes in financial assets at fair value through other comprehensive income	(2,453,104)	(613,276)	(4,528,254)	(1,132,064)
Others	(1,129,685)	(282,421)	(1,146,074)	(286,517)
Sub-total	(4,628,087)	(1,157,021)	(7,272,294)	(1,818,073)
Amount offset		1,148,195		1,818,073
Deferred income tax liabilities after offsetting		(8,826)		–

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

27 OTHER ASSETS

	Note	30 June 2025	31 December 2024
Long-term deferred expenses		1,672,976	1,145,097
Other receivables	(1)	1,083,177	998,588
Continued involvement in assets		1,008,170	998,506
Intangible assets	(2)	518,145	512,980
Foreclosed assets	(3)	222,052	234,785
Others		532,986	260,588
Total		5,037,506	4,150,544

(1) Other receivables

The ageing analysis of the Group's other receivables is as follows:

30 June 2025	Within 1 year	1 to 3 years	Over 3 years	Total
Other receivables	828,200	80,173	437,562	1,345,935
Provision for impairment	(84,701)	(25,011)	(153,046)	(262,758)
Net amount	743,499	55,162	284,516	1,083,177

31 December 2024	Within 1 year	1 to 3 years	Over 3 years	Total
Other receivables	605,735	102,208	421,311	1,129,254
Provision for impairment	(2,884)	(45,847)	(81,935)	(130,666)
Net amount	602,851	56,361	339,376	998,588

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

27 OTHER ASSETS (CONTINUED)

(2) Intangible assets

Intangible assets of the Group are mainly computer software.

	30 June 2025	31 December 2024
Cost		
Balance at the beginning of the period/year	1,646,092	1,427,224
Additions	81,165	212,395
Transfers from construction in progress	16,454	13,240
Disposals	(384)	(6,767)
Balance at the end of the period/year	1,743,327	1,646,092
Accumulated amortisation		
Balance at the beginning of the period/year	(1,133,112)	(941,476)
Amortisation during period/year	(92,453)	(198,116)
Disposals	383	6,480
Balance at the end of the period/year	(1,225,182)	(1,133,112)
Net book value	518,145	512,980

(3) Foreclosed assets

	30 June 2025	31 December 2024
Real estate and land use rights	183,532	203,356
Others	125,062	117,971
Total	308,594	321,327
Provision for impairment	(86,542)	(86,542)
Net amount	222,052	234,785

Foreclosed assets are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. The Group does not generally occupy foreclosed assets for its own business use.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

28 PROVISION FOR IMPAIRMENT OF ASSETS

	As at 1 January 2025	Charge for/ (reversal) for the period	Write-offs and transfers out	Recovery of assets written off	Other changes	As at 30 June 2025
Deposits with banks and other financial institutions	17,369	21,673	-	-	-	39,042
Placements with banks and other financial institutions	103,552	(25,834)	-	-	-	77,718
Financial assets held under resale agreements	171,936	(113,097)	-	-	-	58,839
Loans and advances to customers						
- Loans and advances at amortised cost	28,238,260	5,755,288	(3,742,750)	1,198,271	(97,922)	31,351,147
- Loans and advances at fair value through other comprehensive income	54,404	(28,807)	-	-	-	25,597
Financial investments						
- Financial assets at amortised cost	10,145,049	(5,414)	-	21,375	-	10,161,010
- Financial assets at fair value through other comprehensive income	1,009,773	45,227	-	-	-	1,055,000
Finance lease receivables	4,316,632	146,377	(245,389)	52,876	-	4,270,496
Other financial assets	282,648	(3,006)	(28,740)	16,060	70	267,032
Foreclosed assets	86,542	-	-	-	-	86,542
Goodwill	3,897,050	-	-	-	-	3,897,050
Total	48,323,215	5,792,407	(4,016,879)	1,288,582	(97,852)	51,289,473

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

28 PROVISION FOR IMPAIRMENT OF ASSETS (CONTINUED)

	As at 1 January 2024	Charge for/ (reversal) for the year	Write-offs and transfers out	Recovery of assets written off	Other changes	As at 31 December 2024
Deposits with banks and other financial institutions	13,103	4,266	–	–	–	17,369
Placements with banks and other financial institutions	28,763	74,789	–	–	–	103,552
Financial assets held under resale agreements	139,492	29,444	–	3,000	–	171,936
Loans and advances to customers						
– Loans and advances at amortised cost	29,868,901	3,590,770	(6,901,660)	1,786,976	(106,727)	28,238,260
– Loans and advances at fair value through other comprehensive income	103,396	(48,992)	–	–	–	54,404
Financial investments						
– Financial assets at amortised cost	9,273,707	3,409,873	(2,555,000)	16,469	–	10,145,049
– Financial assets at fair value through other comprehensive income	1,085,468	(75,695)	–	–	–	1,009,773
Finance lease receivables	3,812,775	864,260	(426,484)	66,081	–	4,316,632
Other financial assets	239,372	44,406	(24,947)	23,817	–	282,648
Foreclosed assets	93,649	(7,107)	–	–	–	86,542
Goodwill	3,020,437	876,613	–	–	–	3,897,050
Total	47,679,063	8,762,627	(9,908,091)	1,896,343	(106,727)	48,323,215

29 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Banks in Mainland China	5,793,167	2,398,853
Other financial institutions in Mainland China	108,752,905	172,128,813
Accrued interest	826,078	1,191,289
Total	115,372,150	175,718,955

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

30 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Banks in Mainland China	54,459,363	49,017,455
Accrued interest	291,863	501,163
Total	54,751,226	49,518,618

31 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	30 June 2025	31 December 2024
Securities sold under repurchase agreements	115,594,816	12,607,385
Precious metals sold under repurchase agreements	2,456,712	6,071,991
Bills sold under repurchase agreements	1,004,513	–
Accrued interest	31,275	126,760
Total	119,087,316	18,806,136

32 DEPOSITS FROM CUSTOMERS

Item	30 June 2025	31 December 2024
Demand deposits		
– Corporate customers	246,723,903	223,493,546
– Personal customers	92,852,586	92,137,559
Time deposit (including deposits at call)		
– Corporate customers	298,086,252	277,098,659
– Personal customers	614,341,574	546,236,443
Accrued interest	27,929,452	27,954,441
Total	1,279,933,767	1,166,920,648

33 TAXES PAYABLE

	30 June 2025	31 December 2024
Income tax	1,547,719	1,305,195
Value-added tax (VAT)	715,612	624,393
Others	118,417	106,160
Total	2,381,748	2,035,748

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

34 ISSUANCE OF BONDS

	Note	30 June 2025	31 December 2024
20 Tier 2 capital bonds 01	(1)	8,000,000	8,000,000
21 Tier 2 capital bonds 01	(2)	6,000,000	6,000,000
22 Special financial bonds for small and micro enterprises loans 01	(3)	–	10,000,000
22 Green bonds	(4)	5,000,000	5,000,000
23 Financial Bonds	(5)	20,000,000	20,000,000
23 Special financial bonds for small and micro enterprises loans 01	(6)	10,000,000	10,000,000
24 Financial bonds 01	(7)	20,000,000	20,000,000
24 Huiyin Financial leasing bonds 01	(8)	1,500,000	1,500,000
25 Huiyin Financial Leasing green bonds	(9)	2,000,000	–
25 Huiyin Financial Leasing bonds 01	(10)	2,500,000	–
25 Sci-Tech Innovation Corporation bonds 01	(11)	5,000,000	–
25 Financial bonds 01	(12)	15,000,000	–
Inter-bank certificate of deposits issued	(13)	228,442,738	201,456,918
Accrued interest		1,360,818	989,375
Total		324,803,556	282,946,293

- (1) The Group issued financial bonds of RMB8 billion on 24 September 2020 in China Interbank Bond Market, with a maturity of 10 years and a fixed coupon rate of 4.50%, interest is paid annually. The Group has an option to redeem part or all of the bonds at face value at the end of the fifth interest-bearing year of this bond, subject to regulatory approval. Claims on Tier 2 capital bonds are subordinate to depositors and ordinary debts and are superior to equity, other tier 1 capital instruments and mixed capital debts.
- (2) The Group issued financial bonds of RMB6 billion on 22 October 2021 in China Interbank Bond Market, with a maturity of 10 years and a fixed coupon rate of 4.09%, interest is paid annually. The Group has an option to redeem part or all of the bonds at face value at the end of the fifth interest-bearing year of this bond, subject to regulatory approval. Claims on Tier 2 capital bonds are subordinate to depositors and ordinary debts and are superior to equity, other tier 1 capital instruments and mixed capital debts.
- (3) The Group issued special financial bonds for small and micro enterprises loans of RMB10 billion on 25 February 2022 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.83%, interest is paid annually. The bonds were due and payable on 1 March 2025.
- (4) The Group issued green financial bonds of RMB5 billion on 5 August 2022 in China Finance Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.53%, interest is paid annually.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

34 ISSUANCE OF BONDS (CONTINUED)

- (5) The Group issued financial bonds of RMB20 billion on 10 July 2023 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.69%, interest is paid annually.
- (6) The Group issued special financial bonds for small and micro enterprises loans of RMB10 billion on 20 November 2023 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.78%, interest is paid annually.
- (7) The Group issued financial bonds of RMB20 billion on 22 May 2024 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.25%, interest is paid annually.
- (8) The Group issued financial bonds of RMB1.5 billion on 14 November 2024 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 2.19%, interest is paid annually.
- (9) The Group issued financial bonds of RMB2 billion on 10 January 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.80%, interest is paid annually.
- (10) The Group issued financial bonds of RMB2.5 billion on 16 May 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.90%, interest is paid annually.
- (11) The Group issued the Sci-Tech Innovation bonds of RMB5 billion on 20 May 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.67%, interest is paid annually.
- (12) The Group issued financial bonds of RMB15 billion on 28 May 2025 in China Interbank Bond Market, with a maturity of 3 years and a fixed coupon rate of 1.78%, interest is paid annually.
- (13) As at 30 June 2025, the total number of immature interbank certificates of deposits was 160, with a total face value of RMB228.44 billion (as at 31 December 2024, the total number of immature interbank certificates of deposits was 144, with a total face value of RMB203.15 billion).

For the six months period ended 30 June 2025, there were no defaults on principal and interest or other breaches to the agreements with respect to these bonds.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

35 OTHER LIABILITIES

	Note	30 June 2025	31 December 2024
Unearned rent and deposits under lease arrangements	(1)	6,247,288	5,680,688
Employee benefits and welfare payable	(2)	3,193,048	3,670,403
Dividends payable		3,025,403	177,554
Provisions		1,258,441	1,369,604
– Provisions for expected litigation losses	40	398,205	383,986
– Provision for impairment of credit commitments and financial guarantees	(3)	850,387	974,442
– Others		9,849	11,176
Funds to be settled		1,121,898	1,593,501
Continued involvement in liabilities		1,008,170	998,506
Lease liabilities		999,056	995,714
Other payables		892,913	943,038
Accrued expenses		395,082	370,642
Deferred income		317,483	296,560
Temporary receipts for the entrusted business		59,789	63,583
Asset securitisation		20,927	37,355
Others		269,627	231,681
Total		18,809,125	16,428,829

(1) Unearned rent and deposits under lease arrangements

As at 30 June 2025 and 31 December 2024, all of the Group's unearned rent and deposits under lease arrangements were unearned rent and deposits under lease arrangements of Huishang Bank Financial Leasing Co., Ltd., a subsidiary of the Group.

(2) Employee benefits and welfare payable

	30 June 2025	31 December 2024
Short-term employee benefits	2,965,460	3,334,721
Long-term employee benefits	198,957	232,281
Post-employment benefits	14,079	90,674
Early retirement benefits	14,552	12,727
Total	3,193,048	3,670,403

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

35 OTHER LIABILITIES (CONTINUED)

(2) Employee benefits and welfare payable (Continued)

Short-term employee benefits

	1 January 2025	Additions during the period	Decreases during the period	30 June 2025
Salaries, bonuses, allowances and subsidies	2,907,184	1,925,464	(2,286,992)	2,545,656
Staff welfare	–	89,253	(89,253)	–
Social insurance	3,434	135,681	(135,756)	3,359
– Medical insurance	3,309	132,854	(132,938)	3,225
– Work-related injury insurance	65	2,827	(2,818)	74
– Maternity insurance	60	–	–	60
Housing fund	804	181,621	(175,017)	7,408
Labour union fee, staff and workers' education fee	109,531	31,154	(45,417)	95,268
Other short-term employee benefits	313,768	6	(5)	313,769
Total	3,334,721	2,363,179	(2,732,440)	2,965,460

Short-term employee benefits

	1 January 2024	Additions during the year	Decreases during the year	31 December 2024
Salaries, bonuses, allowances and subsidies	2,390,768	4,302,964	(3,786,548)	2,907,184
Staff welfare	–	302,960	(302,960)	–
Social insurance	3,358	275,333	(275,257)	3,434
– Medical insurance	3,235	269,921	(269,847)	3,309
– Work-related injury insurance	63	5,412	(5,410)	65
– Maternity insurance	60	–	–	60
Housing fund	950	358,507	(358,653)	804
Labour union fee, staff and workers' education fee	110,455	121,015	(121,939)	109,531
Other short-term employee benefits	313,768	5,813	(5,813)	313,768
Total	2,819,299	5,366,592	(4,851,170)	3,334,721

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

35 OTHER LIABILITIES (CONTINUED)

(2) Employee benefits and welfare payable (Continued)

Long-term employee benefits

	1 January 2025	Additions during the period	Decreases during the period	30 June 2025
Deferred compensation	232,281	226,635	(259,959)	198,957
Total	232,281	226,635	(259,959)	198,957

Long-term employee benefits

	1 January 2024	Additions during the year	Decreases during the year	31 December 2024
Deferred compensation	205,229	298,061	(271,009)	232,281
Total	205,229	298,061	(271,009)	232,281

Post-employment benefits

	1 January 2025	Additions during the period	Decreases during the period	30 June 2025
Basic pension insurance	5,084	220,760	(220,263)	5,581
Unemployment insurance	285	7,134	(7,103)	316
Annuity	85,305	138,120	(215,243)	8,182
Total	90,674	366,014	(442,609)	14,079

Post-employment benefits

	1 January 2024	Additions during the year	Decreases during the year	31 December 2024
Basic pension insurance	8,782	425,984	(429,682)	5,084
Unemployment insurance	279	13,974	(13,968)	285
Annuity	10,190	365,130	(290,015)	85,305
Total	19,251	805,088	(733,665)	90,674

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

35 OTHER LIABILITIES (CONTINUED)

(2) Employee benefits and welfare payable (Continued)

Early retirement benefits

	30 June 2025	31 December 2024
Early retirement benefits payable	14,552	12,727
Total	14,552	12,727

(3) Provisions – provisions for impairment of credit commitments and financial guarantees

For the six months period ended 30 June 2025				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
As at 1 January 2025	507,415	432,027	35,000	974,442
Reversals during the period	(76,904)	(12,151)	(35,000)	(124,055)
Stage transfer				
Transfer to Stage 1	14	(14)	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	(630)	–	630	–
As at 30 June 2025	429,895	419,862	630	850,387

For the year ended 31 December 2024				
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL – Impaired)	Total
As at 1 January 2024	635,219	553,776	–	1,188,995
(Reversal)/charge for the year	(127,725)	(121,629)	34,801	(214,553)
Stage transfer				
Transfer to Stage 1	120	(120)	–	–
Transfer to Stage 2	–	–	–	–
Transfer to Stage 3	(199)	–	199	–
As at 31 December 2024	507,415	432,027	35,000	974,442

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

36 SHARE CAPITAL, OTHER EQUITY INSTRUMENTS AND CAPITAL RESERVE

(1) Share capital

The Bank's share capital is comprised of issued and fully paid ordinary shares, with par value of RMB1 per share. The number of shares is as follows:

	30 June 2025	31 December 2024
Number of statutory share capital, issued and fully paid (thousand)	13,889,801	13,889,801

(2) Other equity instruments

Perpetual bonds outstanding as at 30 June 2025 and 31 December 2024

Outstanding perpetual bonds	Issuance date	Accounting classification	Initial dividend rate	Issuance price (RMB)	Total issuance amount		Amount (Equivalent to RMB thousand)	Maturity date	Interest calculation method
					(RMB billion)	(RMB thousand)			
23 Huishang Bank Perpetual Bonds 01 ^(a)	26 October 2023	Equity instruments	3.80%	100	10	10,000,000	No maturity date	Floating interest rates	
24 Huishang Bank Perpetual Bonds 01 ^(b)	11 November 2024	Equity instruments	2.55%	100	10	10,000,000	No maturity date	Floating interest rates	
Funds raised						20,000,000			
Less: Issuance fees						(872)			
Carrying amount						19,999,128			

- (a) Huishang Bank separately obtained approval on 25 June 2023 and 8 October 2023, from the PBOC and the Anhui Supervision Bureau of the State Financial Supervision and Administration of China to issue capital bonds with non – fixed maturities of no more than RMB10 billion in the national interbank bond market; in October 2023, Huishang Bank successfully issued Huishang Bank Co., Ltd. 2023 No Fixed-Term Capital Bonds, and completed bond registration and custody at the Interbank Market Clearing House Co., Ltd. The bond was filed on 26 October 2023, and was issued on 30 October 2023. The bond issuance has a scale of RMB10 billion, and the unit face value is RMB100. It is issued at par with par value and coupon rate is 3.80%.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

36 SHARE CAPITAL, OTHER EQUITY INSTRUMENTS AND CAPITAL RESERVE (CONTINUED)

(2) Other equity instruments (Continued)

Perpetual bonds outstanding as at 30 June 2025 and 31 December 2024 (Continued)

The duration of the bond is consistent with the Bank's continuing operations. Five years after the date of issuance, the Bank has the right to redeem all or part of the bonds at annual interest payment date (including the interest payment date of the fifth year after the date of issuance) on the premise that the redemption prerequisites are met, and the NAFS has approved. When the write-down triggering conditions are met, the bank has the right to write down all or part of the above-mentioned bonds that have been issued and surviving according to the total face value of the bonds if they are reported to the NAFS and agreed, but without the consent of the bondholders. The principal of the bond is settled in the order of depositors, general creditors and subordinated debts higher than the bonds, but before all classes of shares held by shareholders; the bonds are in the same order as other tier 1 capital instruments with the same repayment order be compensated.

The aforesaid bonds are paid by non-cumulative interest, and the Bank has the right to cancel part or all of the dividends of the bonds, which does not constitute a default event. The Bank is free to dispose of the proceeds of the cancellation of dividends for repayment of other due debts, but the Bank will not distribute profits to ordinary shareholders until the full interest payment is resume.

- (b) Huishang Bank separately obtained approval on 16 April 2024 and 8 October 2023, from the PBOC and the Anhui Supervision Bureau of the State Financial Supervision and Administration of China to issue capital bonds with non – fixed maturities of no more than RMB10 billion in the national interbank bond market; in November 2024, Huishang Bank successfully issued Huishang Bank Co., Ltd. 2024 No Fixed-Term Capital Bonds, and completed bond registration and custody at the Interbank Market Clearing House Co., Ltd. The bond was filed on 11 November 2024, and was issued on 13 November, 2024. The bond issuance has a scale of RMB10 billion, and the unit face value is RMB100. It is issued at par with par value and coupon rate is 2.55%.

The duration of the bond is consistent with the Bank's continuing operations. Five years after the date of issuance, the Bank has the right to redeem all or part of the bonds at annual interest payment date (including the interest payment date of the fifth year after the date of issuance) on the premise that the redemption prerequisites are met, and the NAFS has approved. When the write-down triggering conditions are met, the bank has the right to write down all or part of the above-mentioned bonds that have been issued and surviving according to the total face value of the bonds if they are reported to the NAFS and agreed, but without the consent of the bondholders. The principal of the bond is settled in the order of depositors, general creditors and subordinated debts higher than the bonds, but before all classes of shares held by shareholders; the bonds are in the same order as other tier 1 capital instruments with the same repayment order be compensated.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

36 SHARE CAPITAL, OTHER EQUITY INSTRUMENTS AND CAPITAL RESERVE (CONTINUED)

(2) Other equity instruments (Continued)

Perpetual bonds outstanding as at 30 June 2025 and 31 December 2024 (Continued)

The aforesaid bonds are paid by non-cumulative interest, and the Bank has the right to cancel part or all of the dividends of the bonds, which does not constitute a default event. The Bank is free to dispose of the proceeds of the cancellation of dividends for repayment of other due debts, but the Bank will not distribute profits to ordinary shareholders until the full interest payment is resume.

Relevant information of amounts attributable to holders of equity instruments

Item	30 June 2025	31 December 2024
Equity attributable to shareholders of the Bank	162,123,450	157,450,264
– Equity attributable to ordinary shareholders of the Bank	142,124,322	137,451,136
– Equity attributable to holders of the Bank's other equity	19,999,128	19,999,128
Equity attributable to non-controlling shareholders	4,435,126	4,216,897

(3) Capital reserve

Transactions with the following natures are included in the capital reserve:

- (a) share premium arising from the issuance of shares at prices in excess of their par value;
- (b) donations received from shareholders; and
- (c) any other items specified by the PRC regulations.

Capital surplus can be utilised for the issuance of share dividends, or the increase of paid-up capital as approved by the shareholders.

As at 30 June 2025 and 31 December 2024, the Group's capital reserves were as follows:

	30 June 2025	31 December 2024
Share premiums	15,233,380	15,233,380

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

37 OTHER RESERVES AND RETAINED EARNINGS

Pursuant to the relevant PRC regulations, the appropriation of profits to the statutory general reserve, the discretionary reserve and the distribution of dividends in each year are based on the recommendations of the directors and are subject to the resolutions to be passed at the General Meeting of Shareholders.

(1) Surplus reserve

Item	30 June 2025	31 December 2024
Statutory surplus reserve		
Balance at the beginning of the period/year	12,314,214	10,859,945
Additions during period/year	–	1,454,269
Balance at the end of the period/year	12,314,214	12,314,214
Discretionary surplus reserve		
Balance at the beginning of the period/year	10,441,275	9,088,636
Additions during period/year	1,454,269	1,352,639
Balance at the end of the period/year	11,895,544	10,441,275
Total	24,209,758	22,755,489

Pursuant to the “Company Law of the PRC” and the Bank’s Articles of Association, the Bank is required to appropriate 10% of its net profit in the statutory financial statements to the statutory surplus reserve. The appropriation to the statutory surplus reserve may be ceased when the accumulated appropriation reaches over 50% of the registered capital. The Bank can appropriate the discretionary reserve after the appropriation for statutory surplus reserve. Discretionary surplus reserve can be utilised to offset losses for previous years or increase the share capital subject to the approval of the shareholders’ meetings.

(2) General reserve

Item	30 June 2025	31 December 2024
Balance at the beginning of the period/year	19,271,977	17,584,011
Additions during the period/year	1,963,740	1,687,966
Balance at the end of the period/year	21,235,717	19,271,977

Pursuant to the Notice on Promulgation of the Administrative Measures on Accrual of Provisions by Financial Enterprises (Cai Jin 2012 No.[20]) issued by the Ministry of Finance at 30 March 2012, the balance of general provisions should not be less than 1.50% of the closing balance of risk assets in principle, and should be fully appropriated within 5 years. The above Administrative Measures became effective since 1 July 2012.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

37 OTHER RESERVES AND RETAINED EARNINGS (CONTINUED)

(3) Retained earnings

Item	30 June 2025	31 December 2024
Retained earnings at the beginning of the period/year	62,227,763	54,206,156
Add: Net profit for the period	9,109,476	15,414,392
Less: Appropriation for statutory surplus reserve	–	(1,454,269)
Appropriation for discretionary surplus reserve	(1,454,269)	(1,352,639)
Appropriation for general reserve	(1,963,740)	(1,687,966)
Distribution of dividends on ordinary shares	(2,916,858)	(2,027,911)
Distribution of bond interest on perpetual bonds	–	(870,000)
Retained earnings at the end of the period/year	65,002,372	62,227,763

38 OTHER COMPREHENSIVE INCOME

Other comprehensive income attributable to the Company in the condensed consolidated statement of financial position

	Fair value changes in equity instruments at fair value through other comprehensive		Fair value changes in debt instruments at fair value through other comprehensive		Movements in impairment of debt instruments at fair value through other comprehensive		Other comprehensive income that can be transferred to profit or loss under the equity method	Other comprehensive income that cannot be transferred to profit or loss under the equity method	Other comprehensive income attributable to non-controlling shareholders	Total	
	Before-tax amount	Income tax effect	Before-tax amount	Income tax effect	Before-tax amount	Income tax effect			Sub-total		
Balance at 1 January 2024	295,191	(73,798)	1,404,065	(350,992)	1,188,864	(297,217)	8,742	(50,388)	2,124,467	146	2,124,613
Changes in amount during the prior year	65,607	(16,402)	2,617,151	(654,078)	(124,687)	31,172	22,896	6,600	1,948,259	1,261	1,949,520
Balance at 31 December 2024	360,798	(90,200)	4,021,216	(1,005,070)	1,064,177	(266,045)	31,638	(43,788)	4,072,726	1,407	4,074,133
Changes in amount during the period	38,321	(9,580)	(2,055,306)	513,696	16,420	(4,104)	(15,286)	(3,593)	(1,519,432)	(786)	(1,520,218)
Balance at 30 June 2025	399,119	(99,780)	1,965,910	(491,374)	1,080,597	(270,149)	16,352	(47,381)	2,553,294	621	2,553,915

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

39 DIVIDENDS

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

- (i) Offsetting of accumulated losses (if any);
- (ii) Appropriation of 10% of the Bank’s net profit to non-distributable statutory surplus reserve;
- (iii) Appropriation for general reserve;
- (iv) Payment for dividends to shareholders of preference shares;
- (v) Appropriation to discretionary reserve after the approval of shareholders’ meeting of the Bank. These reserves form part of the shareholders’ equity. The distributed cash dividends are recognised in the consolidated statement of financial position upon the approval at the shareholders’ meeting.

(1) Distribution of dividends on ordinary shares

	For the six months period ended 30 June 2025	For the six months period ended 30 June 2024
Dividends declared for the period/year	2,916,858	2,027,911
Dividend rates of cash dividends for ordinary shares (RMB/share)	0.21	0.146
Dividends paid during the period/year	69,010	1,950,260

Pursuant to the resolution of the shareholders’ meeting of the Bank held on 30 June 2025, the 2024 dividend distribution was made on the basis of the shareholders registered on 10 July 2025 at RMB0.21 per share (tax included), with a total cash dividend of approximately RMB2,916.86 million to be distributed.

Pursuant to the resolution of the shareholders’ meeting of the Bank held on 29 June 2024, the 2023 dividend distribution was made on the basis of the shareholders registered on 10 July 2024 at RMB0.146 per share (tax included), with a total cash dividend of approximately RMB2,027.91 million to be distributed.

(2) Distribution of bond interest on perpetual bonds

The Bank distributed the bond interest on the 2023 No Fixed-term Capital Bonds amounting to RMB380 million on 30 October 2024.

The Bank distributed the bond interest on the 2019 No Fixed-term Capital Bonds amounting to RMB490 million on 3 December 2024.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

40 CREDIT COMMITMENTS AND FINANCIAL GUARANTEES, OTHER COMMITMENTS AND CONTINGENT LIABILITIES

(1) Credit commitments and financial guarantees

The following table indicates the Group's credit commitments and financial guarantees that have been contracted for but not performed:

	30 June 2025	31 December 2024
Issuance of bank acceptance bills	96,405,164	103,407,791
Issuance of letter of credit	53,144,350	45,462,809
Issuance of letter of guarantee	25,704,973	28,247,542
Credit commitments	273,800	796,963
Unused credit card lines	21,658,043	19,072,655
Total	197,186,330	196,987,760

(2) Capital commitments

	30 June 2025	31 December 2024
Purchase contracts, approved for but not contracted	161,946	348,288
Purchase contracts, contracted for but not paid	363,418	260,538
Total	525,364	608,826

(3) Certificate treasury bond redemption commitments

The Group is entrusted by the MOF as an agent to issue the certificate treasury bonds. Holders of these certificate treasury bonds have a right to redeem the bonds at any time prior to the maturity date and the Group is obligated to fulfil the redemption obligation in accordance with the principal of these treasury bonds as well as interests payable up to the redemption date determined in the early redemption arrangements. As at 30 June 2025, the Group's redemption commitments on certificate treasury bonds that have been underwritten, sold but not matured were RMB2.30 billion at the nominal value (31 December 2024: RMB1.84 billion).

The Group's management believes that the amount of the above treasury bonds that the Group needs for early redemption before the maturity date is not significant.

(4) Legal proceedings

During the reporting period, the Group was involved as defendants in certain lawsuits arising from its normal business operations. As at 30 June 2025, the balance of provisions for litigation losses as advised by in-house or external legal professionals was RMB398.21 million (31 December 2024: RMB383.99 million). The management of the Group believes that the final result of these lawsuits will not have a material impact on the financial position or operations of the Group.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

41 COLLATERALS

(1) Assets pledged

Certain financial assets of the Group are used as collaterals for financial liabilities, and the analysis of related assets is as follows:

	30 June 2025	31 December 2024
Bonds	352,119,684	211,688,623
Bills	1,004,692	250,287
Total	353,124,376	211,938,910

Financial assets sold under repurchase agreements included certain transactions under which the title of the pledged securities has been transferred to counterparties. As at 30 June 2025, the Group did not have derecognised financial assets sold under repurchase agreements with titles transferred to counterparties (31 December 2024: Nil).

In addition, the Group did not have collaterals for derivative transactions or collaterals in accordance with regulatory requirements.

(2) Collateral accepted

The Group enters into the purchase-and-resale transactions as well as securities lending transactions in accordance with general commercial terms and holds collaterals under the transactions accordingly. As at the balance sheet date, the Group did not hold collaterals that could be directly disposed of or re-pledged in the absence of default by counterparties.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

42 FIDUCIARY ACTIVITIES

The Group provides custodian and trustee services for independent third parties. These entrusted assets held by the Group are not presented in the financial information. Meanwhile, the Group grants entrusted loans on behalf of independent third party lenders, such loans are also not presented in the financial information.

	30 June 2025	31 December 2024
Entrusted loans	36,194,768	35,863,486
Entrusted wealth management funds	209,869,582	197,778,908

43 STRUCTURED ENTITIES

(1) Unconsolidated structured entities

The unconsolidated structure entities managed by the Group are mainly the pooled investment entities established by the Group for the issuance and sale of wealth management products ("wealth management entities"). The Group had not provided any guarantee or undertaking with regard to principal or returns for these products (non-guaranteed wealth management products). Wealth management entities mainly invest in money market instruments, bonds and credit assets. As the manager of these products, the Group, on behalf of its customers, invests in the underlying assets with funds raised in accordance with the product contracts and allocates the proceeds to investors according to the operation of the products. As the manager of these assets, the Group obtains corresponding wealth management fees as income. During the six months period ended 30 June 2025, the Group received RMB262.15 million as income from corresponding wealth management fees (for the six months period ended 30 June 2024: RMB301.92 million).

As at 30 June 2025, the carrying amount of unconsolidated outstanding non-guarantee wealth management products managed by the Group that are not included in the was RMB209.71 billion (31 December 2024: RMB197.78 billion). The Group did not purchase financial assets from unconsolidated wealth management products during the six months period ended 30 June 2025 (for the six months period ended 30 June 2024: Nil). There are no agreed liquidity arrangements, guarantees or other commitments between the Group and wealth management entities or any third party that increase the Group's risks or decrease the Group's benefits as a result of the above wealth management products.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

43 STRUCTURED ENTITIES (CONTINUED)

(1) Unconsolidated structured entities (Continued)

In order to better utilise the funds to obtain gains, the Group also invests in some of such structured entities sponsored by the Group or third-party independent organisations, which mainly include funds, wealth management products, asset management plans and products under trust schemes. The Group obtains interest income and net trading gains as a result of its investments in such structured entities. During the six months period ended 30 June 2025, the Group did not provide liquidity support for such structured entities (for the six months period ended 30 June 2024: Nil).

The following table presents the carrying amount (including accrued interest) and maximum exposure to losses of the assets formed by the Group's holding of unconsolidated structured entities.

As at 30 June 2025	Carrying amount	Maximum exposure to losses
Financial assets at fair value through profit or loss		
– Fund investments	74,535,613	74,535,613
– Non-guarantee wealth management products	4,763,592	4,763,592
– Asset management plans, trust schemes and others	3,280,586	3,280,586
Financial assets at amortised cost		
– Financial assets at amortised cost	7,964,509	4,689,645
Total	90,544,300	87,269,436

There is no available market information on the carrying amount of the unconsolidated structured entities in which the Group invests as described above.

(2) Consolidated structured entities

The consolidated structured entities are mainly certain funds, wealth management products, asset management plans and products under trust schemes for which the Group makes investment decisions.

The Group controls these entities because the Group has power over, is exposed to, or has right 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 returns.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

44 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprises the following amounts with an original maturity of less than three months:

	30 June 2025	30 June 2024
Cash	1,030,661	1,009,940
Excess reserves	20,127,491	17,215,373
Deposits and placements with banks	10,441,902	22,028,107
Financial assets held under resale agreements	5,539,070	–
Total	37,139,124	40,253,420

45 TRANSFERS OF FINANCIAL ASSETS

In the ordinary course of business, the Group enters into transactions by which it transfers recognised financial assets to third parties or structured entities. In some cases, these transfers may give rise to full or partial derecognition of the financial assets concerned. 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 recognise the transferred assets.

(1) Financial assets sold under repurchase agreements

Sales and repurchase agreements are transactions in which the Group sells a financial asset and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. Since the repurchase prices are fixed, the Group is still exposed to substantially all the credit risks and market risks and rewards of those securities sold. These financial assets, which the Group does not have the ability to use during the term of the arrangements, are not derecognised in the financial statements but regarded as “collateral” for the secured lending, as the Group retains substantially all of the risks and rewards of ownership of these financial assets. In addition, the Group recognises a financial liability for the consideration received.

As at 30 June 2025 and 31 December 2024, the Group entered into repurchase agreements with certain counterparties. Proceeds from selling such securities are presented as “financial assets sold under repurchase agreements”.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

45 TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

(1) Financial assets sold under repurchase agreements (Continued)

The following table provides a summary of carrying amounts related to the transferred financial assets that are not derecognised and the associated liabilities:

	30 June 2025		31 December 2024	
	Collaterals	Associated liabilities	Collaterals	Associated liabilities
Bonds	117,720,472	115,594,816	11,096,731	9,985,470
Bills	1,004,692	1,004,513	250,287	248,712
Total	118,725,164	116,599,329	11,347,018	10,234,182

(2) Securities lending transactions

Transferred financial assets that do not qualify for derecognition mainly include securities lent to counterparties under securities lending agreements. The counterparties are allowed to sell or re-pledge those securities lent under agreements to repurchase in the absence of default by the Group, but has an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. As at 30 June 2025, the carrying amount of the Group's and the Bank's transferred assets under the securities lending transactions was RMB50 million (31 December 2024: Nil).

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

45 TRANSFERS OF FINANCIAL ASSETS (CONTINUED)

(3) Asset securitisation

In the ordinary course of business, the Group sells credit assets to special purpose entities, which in turn issue asset-backed securities or fund shares to investors. The Group may hold a portion of its investments in subordinated tranches in such credit asset transfer transactions, thereby retaining a portion of the risks and rewards of the transferred credit assets. The Group analyses whether to derecognise the related credit assets according to the degree of the retained risks and rewards.

For credit asset securitisation that meet the conditions for derecognition, the Group derecognises all transferred credit assets, and the carrying amount of the asset-backed securities held by the Group under these credit asset securitisation transactions as at 30 June 2025 was RMB282 million (31 December 2024: RMB329 million), with the maximum exposure to loss similar to the carrying amount.

Where substantially all the risks and rewards associated with the ownership of transferred credit assets have neither been transferred nor retained, and the control over the credit assets has not been relinquished, the Group recognises the asset to the extent of its continuing involvement. In the first half of 2025, the Group did not incur any situation where it retained a certain degree of continued involvement in the transferred credit assets by holding part of the investments (2024: Nil). As at 30 June 2025, the carrying amount of the Group's self-owned securities was RMB1,008 million (31 December 2024: RMB998 million). The Group acts as a loan service institution for the above specific-purpose trusts, manages the credit assets transferred to the specific-purpose trusts and receives the corresponding handling fees as a loan asset manager. In the first half of 2025 and during the year ended 31 December 2024, the Group did not provide financial support to the above specific-purpose trusts.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

46 RELATED PARTY TRANSACTIONS

- (1) According to requirements of IAS, the Group's major related parties and their shareholding percentage are as follows:

Name of the enterprise	Shareholding percentage	
	30 June 2025	31 December 2024
Deposit Insurance Fund Management Co., Ltd.	11.22%	11.22%
Zhongjing Xinhua Asset Management Co., Ltd.	10.59%	10.59%
Anhui Province Energy Group Co., Ltd.	9.70%	9.70%
Anhui Credit Financing Guaranty Group Co., Ltd.	7.65%	7.65%
China Vanke Co., Ltd.	7.00%	7.00%
Anhui Guoyuan Financial Holding Group Co., Ltd.	6.29%	6.29%
Anhui Transportation Holding Group Co., Ltd.	5.10%	5.10%
Hefei Xingtai Financial Holding Group Co., Ltd.	4.98%	4.98%
Sunshine Insurance Group Co., Ltd.	4.31%	4.31%
Zhongjin Sihai Industry Co., Ltd.	3.64%	3.64%
Wuhu Investment Holding Group Co., Ltd.	2.12%	2.12%

(2) **Related party transactions and balances**

The Group's related party transactions are mainly loans and deposits. The Group's related party transactions were conducted under general commercial terms and normal business processes, and the pricing principles were consistent with those adopted in transactions with independent third-parties.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Related party transactions and balances (Continued)

(a) Transactions with major shareholders and balances

The balances and range of interest rates of the Group's transactions with groups and joint ventures belonging to its major shareholders as at 30 June 2025 and 31 December 2024 are set out below:

	30 June 2025		31 December 2024	
	Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Placements with banks and other financial institutions	–	–	850,000	1.77%
Loans and advances to customers	2,811,185	0.26%	2,541,117	0.26%
Financial investments	2,120,000	0.26%	410,000	0.05%
Deposits from banks and other financial institutions	252,328	0.22%	446,114	0.25%
Deposits from customers	5,470,287	0.43%	4,245,587	0.36%
Issuance of letter of guarantee	28,389	0.40%	53,256	0.19%
Issuance of letter of credit	272,958	0.51%	123,718	0.27%
Total	10,955,147	0.35%	8,669,792	0.26%

	30 June 2025	31 December 2024
Loans and advances to customers	1.20%~4.00%	2.50% – 6.27%
Deposits from banks and other financial institutions	0.20%~0.35%	0.20% – 0.72%
Deposits from customers	0.05%~3.35%	0.10% – 3.55%

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Related party transactions and balances (Continued)

(a) Transactions with major shareholders and balances (Continued)

Interest income on loans, interest expenses on deposits and management fees of asset management programmes of the Group and the groups and joint ventures belonging to its substantial shareholders for the periods indicated are set out below:

	For the six months period ended 30 June			
	2025		2024	
	Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Interest income	35,466	0.19%	11,554	0.03%
Interest expense	28,278	0.22%	161,976	0.85%
Fee and commission income	420	0.02%	–	–
Fee and commission expense	793	0.55%	702	0.42%

(b) Transactions with other related parties and balances

The balances and range of interest rates of the Group's transactions with other related parties as at 30 June 2025 and 31 December 2024 are set out below:

	30 June 2025		31 December 2024	
	Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Loans and advances to customers	5,806,605	0.54%	4,897,902	0.50%
Financial investments	1,173,886	0.14%	435,000	0.06%
Deposits from banks and other financial institutions	4,637,786	4.00%	2,347,166	1.34%
Deposits from customers	3,893,715	0.31%	11,189,782	0.96%
Issuance of bank acceptance bills	107,649	0.11%	476,112	0.46%
Issuance of letter of guarantee	–	–	173,959	0.62%
Issuance of letter of credit	150,348	0.28%	747,560	1.64%
Total	15,769,989	1.47%	20,267,481	0.62%

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Related party transactions and balances (Continued)

(b) Transactions with other related parties and balances (Continued)

	30 June 2025	31 December 2024
Loans and advances to customers	0.90%~4.45%	2.20% – 5.40%
Deposits from banks and other financial institutions	0.30%~2.05%	0.30% – 2.02%
Deposits from customers	0.05%~3.35%	0.05% – 3.55%

Interest income from loans to other related parties and interest expense on deposits for the periods indicated are set out below:

	For the six months period ended 30 June			
	2025		2024	
	Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Interest income	58,951	0.31%	5,079	0.02%
Interest expense	18,392	0.14%	23,643	0.12%
Fee and commission income	300	0.02%	–	–
Fee and commission expense	360	0.25%	59	0.04%

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Related party transactions and balances (Continued)

(c) Transactions with associates and balances

The balances and range of interest rates of the Group's transactions with associates as at 30 June 2025 and 31 December 2024 are set out below:

	30 June 2025		31 December 2024	
	Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Financial investments	220,000	0.03%	270,000	0.03%
Deposits from banks and other financial institutions	30,662	0.03%	159,391	0.09%
Total	250,662	0.03%	429,391	0.04%

	30 June 2025	31 December 2024
Deposits from banks and other financial institutions	0.72%	0.72%

Interest expense on deposits from the Group's associates for the periods indicated are set out below:

	For the six months period ended 30 June			
	2025		2024	
	Amount	Percentage of similar transactions	Amount	Percentage of similar transactions
Interest expense	110	0.01%	798	0.01%

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

46 RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Related party transactions and balances (Continued)

(d) Transactions with key management personnel:

	For the six months period ended 30 June	
	2025	2024
Remuneration of directors, supervisors and senior management	6,608	7,421

	30 June 2025	31 December 2024
Balance at the end of the period/year		
Loans to key management personnel	2,069	4,896
Deposits from key management personnel	14,516	5,544

	For the six months period ended 30 June	
	2025	2024
Transactions during the period:		
Interest income from loans to key management personnel	34	91
Interest expense on deposits from key management personnel	1	3

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

47 SEGMENT REPORTING

The Group manages its operations in terms of both business and geographic areas.

From the business perspective, the Group provides financial services through 4 major business segments listed below:

Corporate banking

The corporate banking segment encompasses banking products and services provided to corporate customers, government authorities and financial institutions. These products and services include current accounts, deposits, overdrafts, loans, trade-related products and other credit facilities, foreign currency business, and wealth management products.

Personal banking

The personal banking segment covers banking products and services provided to individual customers. These products and services include savings deposits, retail loans, credit and debit cards, payments and settlements, wealth management products, insurance and various other intermediary businesses.

Treasury

The Group's treasury business invests in debt instruments for the Group and provides money market transactions or repurchase transactions. The results of the treasury business segment include the inter-segment profit or loss effects of internal funding surpluses or shortfalls arising from operations with interest-earning assets and interest-bearing liabilities, as well as exchange gains and losses.

Others

Others represent other businesses that are not included in the above reporting segments or that cannot be allocated on a reasonable basis.

From the geographical perspective, the Group conducts its business activities mainly in Mainland China and has established a number of branches in and outside the Anhui Province. In presenting information by geographical segments, operating revenue is classified based on the location of the branch that generates the revenue; segment assets, liabilities and capital expenditure are classified based on the branch to which they are attributable.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

47 SEGMENT REPORTING (CONTINUED)

(1) Business segment

	For the six months period ended 30 June 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	15,260,989	7,034,838	10,776,619	–	33,072,446
External interest expense	(4,019,185)	(7,395,072)	(7,128,495)	–	(18,542,752)
Inter-segment net interest income/(expense)	(2,373,767)	4,394,295	(2,020,528)	–	–
Net interest income	8,868,037	4,034,061	1,627,596	–	14,529,694
Net fee and commission income	795,864	365,249	598,245	–	1,759,358
Net trading gains	–	–	1,546,141	–	1,546,141
Net gains on financial investments	–	–	2,979,544	–	2,979,544
Other operating income	74,541	36,409	13,540	217,587	342,077
Operating expenses	(1,725,764)	(2,163,486)	(211,814)	(840,440)	(4,941,504)
<i>Including: Depreciation and amortisation</i>	(189,112)	(250,784)	(19,545)	(95,547)	(554,988)
Impairment losses on credits	(4,150,582)	(1,722,273)	204,503	–	(5,668,352)
Net gains on investments in associates	–	–	–	158,900	158,900
Profit before income tax	3,862,096	549,960	6,757,755	(463,953)	10,705,858
Capital expenditure	123,590	163,893	12,773	62,442	362,698

	As at 30 June 2025				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	865,118,152	368,333,526	996,069,307	5,375,790	2,234,896,775
<i>Including: Investments in associates</i>	–	–	–	5,371,910	5,371,910
Deferred income tax assets					16,957,655
Total assets					2,251,854,430
Segment liabilities	(566,508,087)	(725,530,379)	(787,273,894)	(5,983,494)	(2,085,295,854)
Credit commitments and financial guarantees	175,528,287	21,658,043	–	–	197,186,330

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

47 SEGMENT REPORTING (CONTINUED)

(1) Business segment (Continued)

	For the six months period ended 30 June 2024				
	Corporate banking	Personal banking	Treasury	Others	Total
External interest income	16,288,469	6,325,840	11,103,165	–	33,717,474
External interest expense	(4,137,782)	(7,144,575)	(7,749,044)	–	(19,031,401)
Inter-segment net interest income/(expense)	(2,606,755)	4,327,355	(1,720,600)	–	–
Net interest income	9,543,932	3,508,620	1,633,521	–	14,686,073
Net fee and commission income	880,546	304,447	581,755	–	1,766,748
Net trading gains	–	–	2,899,956	–	2,899,956
Net gains on financial investments	–	–	1,122,050	–	1,122,050
Other operating income	102,369	83,874	22,128	8,939	217,310
Operating expenses	(1,530,719)	(2,272,361)	(262,528)	(914,782)	(4,980,390)
<i>Including: Depreciation and amortisation</i>	(208,838)	(216,192)	(24,257)	(84,524)	(533,811)
Impairment losses on credits	(1,321,330)	(609,997)	(3,769,146)	–	(5,700,473)
Net gains on investments in associates	–	–	–	171,750	171,750
Profit before income tax	7,674,798	1,014,583	2,227,736	(734,093)	10,183,024
Capital expenditure	77,343	114,816	13,265	46,221	251,645

	As at 31 December 2024				
	Corporate banking	Personal banking	Treasury	Others	Total
Segment assets	732,203,984	338,569,904	922,098,632	5,499,947	1,998,372,467
<i>Including: Investments in associates</i>	–	–	–	5,261,079	5,261,079
Deferred income tax assets					15,380,607
Total assets					2,013,753,074
Segment liabilities	(515,901,223)	(656,705,428)	(673,122,903)	(6,356,359)	(1,852,085,913)
Credit commitments and financial guarantees	188,994,715	31,621,794	–	–	220,616,509

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

47 SEGMENT REPORTING (CONTINUED)

(2) Geographical segment

For the six months period ended 30 June 2025						
	Anhui Province	Jiangsu Province	Head Office	Other regions	Elimination among segments	Total
External interest income	18,614,658	1,379,097	11,508,413	1,570,278	–	33,072,446
External interest expense	(10,792,235)	(634,628)	(5,917,313)	(1,198,576)	–	(18,542,752)
Inter-segment net interest income/(expense)	2,608,963	(63,756)	(2,870,340)	325,133	–	–
Net interest income	10,431,386	680,713	2,720,760	696,835	–	14,529,694
Net fee and commission income	949,350	186,418	370,018	253,572	–	1,759,358
Net trading gains	115,667	12,669	1,268,803	149,002	–	1,546,141
Net gains on financial investments	114,492	23,209	2,878,771	(36,928)	–	2,979,544
Other operating income	46,114	430	292,838	2,695	–	342,077
Operating expenses	(3,026,986)	(205,305)	(1,165,265)	(543,948)	–	(4,941,504)
Including: Depreciation and amortisation	(299,065)	(20,086)	(131,511)	(104,326)	–	(554,988)
Impairment losses on credits	(5,432,505)	(210,751)	211,469	(236,565)	–	(5,668,352)
Net gains on investments in associates	–	–	158,900	–	–	158,900
Profit before income tax	3,197,518	487,383	6,736,294	284,663	–	10,705,858
Capital expenditure	195,446	13,127	85,945	68,180	–	362,698

As at 30 June 2025						
	Anhui Province	Jiangsu Province	Head Office	Other regions	Elimination among segments	Total
Segment assets	1,258,148,909	72,457,382	774,683,560	133,509,934	(3,903,010)	2,234,896,775
Including: Investments in associates			5,371,910			5,371,910
Deferred income tax assets						16,957,655
Total assets						2,251,854,430
Segment liabilities	(1,236,629,690)	(72,083,276)	(658,103,157)	(122,382,741)	3,903,010	(2,085,295,854)
Credit commitments and financial guarantees	90,598,753	33,223,594	23,498,043	50,078,679	(212,739)	197,186,330

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

47 SEGMENT REPORTING (CONTINUED)

(2) Geographical segment (Continued)

For the six months period ended 30 June 2024						
	Anhui Province	Jiangsu Province	Head Office	Other regions	Elimination among segments	Total
External interest income	19,318,226	1,132,896	11,835,866	1,430,486	–	33,717,474
External interest expense	(10,951,306)	(576,510)	(6,398,317)	(1,105,268)	–	(19,031,401)
Inter-segment net interest income/(expense)	3,395,565	16,891	(3,877,669)	465,213	–	–
Net interest income	11,762,485	573,277	1,559,880	790,431	–	14,686,073
Net fee and commission income	1,167,319	184,705	271,815	142,909	–	1,766,748
Net trading gains	31,354	820	2,934,152	(66,370)	–	2,899,956
Net gains on financial investments	14,792	28,416	1,033,623	45,219	–	1,122,050
Other operating income	473,331	2,752	(263,730)	4,957	–	217,310
Operating expenses	(3,016,431)	(187,572)	(1,242,337)	(534,050)	–	(4,980,390)
<i>Including: Depreciation and amortisation</i>	(253,226)	(17,644)	(160,020)	(102,921)	–	(533,811)
Impairment losses on credits	(1,078,624)	554,244	(2,539,123)	(2,636,970)	–	(5,700,473)
Net gains on investments in associates	–	–	171,750	–	–	171,750
Profit before income tax	9,354,226	1,156,642	1,926,030	(2,253,874)	–	10,183,024
Capital expenditure	136,784	7,217	88,694	18,950	–	251,645

As at 30 June 2024						
	Anhui Province	Jiangsu Province	Head Office	Other regions	Elimination among segments	Total
Segment assets	1,161,376,878	55,623,413	607,522,140	94,203,532	(5,618,314)	1,913,107,649
<i>Including: Investments in associates</i>	–	–	5,323,143	–	–	5,323,143
Deferred income tax assets						15,005,125
Total assets						1,928,112,774
Segment liabilities	(1,140,846,365)	(55,091,865)	(485,423,870)	(93,903,377)	1,809,181	(1,773,456,296)
Credit commitments and financial guarantees	122,386,833	34,020,694	8,490	34,422,873	(244,101)	190,594,789

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT

Overview

The Group's operations expose it to a variety of financial risks, and the Group analyses, evaluates, accepts and manages some level or combination of risks. Managing financial risks is critical to the financial industry, while business operations inevitably entail financial risks. The Group therefore aims to maintain an appropriate balance between risk and return in order to minimise the impact on the Group's financial performance.

The Group's financial risk management policy is designed to identify and analyse relevant financial risks in order to establish appropriate risk limits and control procedures, and to monitor financial risks and their limits through reliable information systems.

The main financial risks to which the Group is exposed are credit risk, market risk, liquidity risk and operational risk. The market risk includes exchange rate risk and interest rate risk.

The Board of Directors of the Group formulates the Group's risk appetite. Based on the risk appetite formulated by the Board of Directors, the management of the Group develops appropriate risk management policies and procedures in the areas of credit risk, market risk and liquidity risk.

(1) Credit risk

Credit risk is the risk of loss due to default by the debtor or counterparty or a reduction in their credit rating or performance ability. Credit risk increases when counterparties are concentrated in similar industries or geographical regions. On-balance sheet credit risk exposures include loans to customers, financial investments, derivatives and interbank transactions, while off-balance sheet credit risk exposures also exist. The Group's principal activities are currently concentrated in Anhui Province, the PRC, which indicates that the Group's credit portfolio is subject to concentration risk and is more susceptible to changes in economic conditions on a geographical basis. Accordingly, the management manages its credit risk exposure prudently. The Risk Management Department of the Head Office is responsible for the overall credit risk and for reporting to the management of the Group on a regular basis.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(a) Credit risk management

(i) Credit business

The Group has designed an effective organisational structure for credit risk management, credit policies and processes and also conducted systematic control procedures specifically for the identification, assessment, monitoring and management of credit risk. The Group has continuously improved its risk management system, clarified the management functions of each segment under the credit business, continuously optimised and adjusted its credit business processes, and strengthened the control and management on credit risks by means of process optimisation and digital risk controls. The Risk Management Department, the Credit Review Department and the Asset Preservation Department collaborate to manage the credit risk of the entire bank, and organises the relevant departments to regularly formulate credit policies for a certain period in accordance with the relevant national laws and regulations, economic policies and the market environment, and in conjunction with the Group's operating policies, to continuously carry out risk management of the credit business.

The Group's credit risk management policy covers key aspects of credit investigation, review and approval as well as post-credit management. In the credit investigation process, customer credit risk ratings are conducted and credit investigation reports are completed; in the review and approval process, credit operations are subject to the approval of the authorised approver; in the post-credit management process, the Group conducts continuous monitoring on activated credit projects, provides early warning on negative signals and events that may affect the repayment ability of borrowers, and takes countermeasures to prevent and control risks.

The Group has formulated a series of policies to mitigate credit risk through different methods. The acquisition of collaterals, deposits and the obtaining of guarantees from companies or individuals are among the important methods for the Bank to control credit risk. The Group has stipulated that the types of specific acceptable collaterals and pledges, including buildings and other land attachments, land use rights, machinery and equipment, construction in progress, transportation equipment, inventories, certificates of deposit, bonds, bills, accounts receivable, warehouse receipts and toll rights. When circumstances occur that may affect the realisation of the Group's pledge rights or other circumstances that require additional collaterals or changing the collateral, the Group requires measures such as the timely provision of additional guarantees or the reduction of credit balances in order to prevent risks.

The Group sets limits on the amount of credit exposure to a single borrower, group, industry and region to facilitate the optimisation of the credit risk asset structure.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(a) Credit risk management (Continued)

(ii) Bonds and other bills

The Group manages its exposure to credit risk by limiting the types of issuers of bonds and other instruments in which it invests.

(iii) Deposits with banks and other financial institutions, placements with banks and other financial institutions as well as financial assets held under resale agreements

The Group's Head Office assesses and manages the credit risk of individual financial institutions on a regular basis. Credit lines are set up for individual banks or non-bank financial institutions with which the Group has financial dealings.

(iv) Other financial assets classified as at amortised cost

Other financial assets classified as at amortised cost include asset management plans, products under trust scheme and others. The Group has implemented a rating system for cooperating asset management companies and trust companies, and also conducts follow-up risk management on a regular basis.

(v) Credit-related commitments

The main purpose of a credit commitment is to ensure that the customer can obtain the required funds. The issuance of a letter of guarantee is an irrevocable commitment made by the Group that it will honour its payment obligations on behalf of the customer in the event that the customer is unable to meet its payment obligations to third parties, and the Group bears the same credit risk as a loan. The Group generally reduces its exposure to credit risk in providing such service by charging margins. The Group's maximum exposure to potential credit risk is an amount equal to the total amount of the credit commitments.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(a) Credit risk management (Continued)

(vi) Five-tier classification of financial assets

The Group manages the classification of financial assets in accordance with the risk classification methods and procedures stipulated in the *Measures for the Risk-based Classification of Financial Assets of Commercial Banks (Decree [2023] No.1 of the China Banking and Insurance Regulatory Commission of the People's Bank of China)*. The classification measures require banks to classify financial assets subject to credit risk according to the degree of risk into the following five categories: Normal, Special-mentioned, Substandard, Doubtful and Loss, where assets under the substandard, doubtful and loss categories are collectively referred to as non-performing assets.

The core definition of the five-tier classification is as follows:

Normal:	The debtor is able to perform the contract, and there is no objective evidence showing that it is unable to repay the principal, interest or earnings in full and on time.
Special-mentioned:	Although there are some factors which are likely to have adverse impact on the performance of the contract, the debtor is currently able to repay the principal, interest or earnings.
Substandard:	The debtor is unable to repay the principal, interest or earnings in full, or the financial asset has been credit impaired.
Doubtful:	The debtor is unable to repay the principal, interest or earnings in full, and the financial asset has been significantly credit impaired.
Loss:	After all possible measures are taken, only a few part of financial assets can be recovered, or all of the financial assets are lost.

In order to ensure that the Group's current financial asset risk classification mechanism is in line with the requirements of the Measures for the Risk-based Classification of Financial Assets of Commercial Banks, the Group's financial asset risk classification is dynamically adjusted in real time, at least quarterly.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL")

ECLs are a risk of default probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls which discounted at the original interest rate (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The Group distinguishes between three stages in the calculation of ECLs, based on the changes in credit risk of a financial instrument since initial recognition:

- Stage 1: Financial instruments for which there has been no significant increase in credit risk since initial recognition are included in Stage 1, and the loss allowances is measured at an amount equal to 12-month ECLs for the financial instrument;
- Stage 2: Financial instruments with a significant increase in credit risk since initial recognition for which there is no objective evidence of impairment are included in stage 2, and the loss allowances is measured at an amount equal to lifetime ECLs for the financial instrument;
- Stage 3: Financial assets for which objective evidence of impairment exists at the balance sheet date are included in stage 3, and the loss allowances is measured at an amount equal to lifetime ECLs for the financial instrument.

For financial instruments for which a loss allowance has been measured in a previous accounting period at an amount equal to lifetime ECLs for the financial instrument, but at the current balance sheet date the financial instrument is no longer classified as a case where the credit risk has increased significantly since the initial recognition, the Group measures the loss allowance of the financial instrument at the current balance sheet date at an amount equal to 12-month ECLs.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") (Continued)

The Group measures the ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money;
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

When measuring the ECL, it is not necessary to identify every possible scenario. However, the Group considers the risk or probability of a credit loss occurring to reflect the likelihood that a credit loss will occur and the probability that a credit loss will not occur (even if the likelihood of a credit loss occurring is remote).

The Group assesses the ECLs in conjunction with forward-looking information, and a number of models as well as assumptions are used in its ECL measurements. These models and assumptions relate to future macroeconomic conditions and the creditworthiness of the borrower (e.g. the likelihood of customer defaults and the corresponding losses). The Group uses judgements, assumptions and estimates in the measurement of ECLs as required by accounting standards, for example:

- Criteria for determining significant increase in credit risk
- Definition of credit-impaired assets
- Parameters of the ECL measurement
- Forward-looking information
- Modification of contractual cash flows

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") (Continued)

Criteria for determining significant increase in credit risk

The Group assesses at each balance sheet date whether there has been a significant increase in the credit risk of the relevant financial instruments since initial recognition. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including qualitative and quantitative analysis based on the Group's historical data, external credit risk ratings and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group compares the risk of default of financial instruments on the balance sheet date and on the initial recognition date to determine the change in default risk during the expected duration of financial instruments.

The Group considers the credit risk of financial instruments has increased significantly when one or more of the following quantitative and qualitative criteria or maximum indicators are triggered:

Quantitative criteria

The debtor's contractual payment (including principal or interest) is overdue (except for short-term overdue due to operational or technical reasons) and is not overdue more than 90 days (inclusive).

Qualitative criteria

- Significant adverse changes in the debtor's operational or financial conditions
- Special-mentioned category under the five-tier classification
- List of early warning customers
- The internal rating level of the debtor is CCC, CC, C

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") (Continued)

Definition of credit-impaired assets

The criteria adopted by the Group to determine whether a credit impairment occurs for a financial asset under *IFRS 9 – Financial instruments* is consistent with the internal credit risk management objectives for relevant financial instrument, in addition to consideration of quantitative and qualitative indicators. The Group considers the following factors when assessing whether a debtor is credit-impaired:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the creditor having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- the debtor is overdue more than 90 days on any principal, advances, interest or investments in corporate bonds of the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single identifiable event.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") (Continued)

Parameters of the ECL measurement

Depending on there has been a significant increase in credit risk and whether credit impairment has been incurred, the Group measures the provision for impairment on the basis of 12-month ECLs or the lifetime ECLs respectively. Key parameters for the measurement of ECLs include the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The Group considers quantitative analysis and forward-looking information of historical statistical data (such as credit ratings of counterparties, guarantee methods, types of collateral and pledges, repayment methods, etc.) to establish the PD, LGD and EAD models on the basis of the Basel II Capital Accord system, which is currently used for risk management, and in accordance with the requirements of *IFRS 9 – Financial instruments*.

Definitions are as follows:

- PD is the likelihood that a debtor will not be able to meet its repayment obligations in the next 12 months or throughout the remaining lifetime of the debtor. The Group's PD is based on the results of the internal rating-based model, adjusted for forward-looking information and excluding prudential adjustments to reflect the "point-in-time" PD of a debtor under the current macroeconomic environment;
- LGD is the Group's expectation regarding the extent to which losses will be incurred on exposure at default. LGD varies depending on the type of counterparty, the type and priority of recourse, and the collateral. LGD is a percentage of the loss of the exposure at the time of default and is calculated on the basis of the next 12 months or the lifetime;
- EAD is the amount that would be payable by the Group in the next 12 months, or throughout the remaining lifetime, in the event of a default.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") (Continued)

Forward-looking information

The assessment of significant increase in credit risk and the calculation of ECL involve forward-looking information. The Group conducts historical data analysis to identify key economic indicators affecting the credit risk and ECLs of each business type, such as gross domestic product (GDP) (quarterly), value added of industry (monthly), consumer price index (CPI), ex-factory price index of industrial products (PPI), private fixed asset investment, total retail sales of consumer goods, money supply, and RMB loan disbursements.

The impact of these economic indicators on the PD and the LGD varies for different types of business. The Group applies expert judgement in this process and, based on the results of the expert judgement, forecasts these economic indicators on a quarterly basis and determines the impact of these economic indicators on the PD and the LGD by performing regression analysis.

In addition to providing the baseline economic scenario, the Group combines the results of statistical analysis and expert judgement to determine other possible scenarios and their weightings. The Group measures the related loss allowance either as a weighted 12-month ECL (Stage 1) or as a weighted lifetime ECL (Stage 2 and Stage 3). The weighted credit losses above are calculated by multiplying the ECLs under each scenario by the weight of the corresponding scenario.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(b) Expected credit loss ("ECL") (Continued)

Assessment on credit risk of financial assets with modified contractual cash flows

In order to achieve maximum collections, the Group sometimes modifies the contractual terms of loans as a result of commercial negotiations or financial difficulties of the borrower. Such contractual modifications include loan extensions, payment waiver period, and the provision of a grace period for repayment. Based on loans where the management judges that it is probable that the customer will continue to make repayments, the Group has loan specific restructuring policies and operating procedures, and such policies are reviewed on an ongoing basis. Restructuring of loans is most common in the management of medium-term and long-term loans.

When a contractual modification does not result in substantial changes and does not lead to derecognition of the original asset, the Group continues to assess the risk of default of the modified asset at the balance sheet date by comparing it with the risk of default at initial recognition under the terms of the original contract. The Group monitors the subsequent status of the modified assets. If the Group determines, after assessment, that the credit risk has been significantly improved as a result of contractual modifications, the related assets are transferred from Stage 3 or Stage 2 to Stage 1, and the basis of calculation of the loss allowance is changed from the lifetime ECL to the 12-month ECL. Assets should be observed for at least six consecutive months to meet specific criteria before being reversed.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(c) Maximum exposure to credit risk

(i) Financial instruments included in impairment assessment

The table below analyses the Group's exposure to credit risk of major financial instruments included in the ECL assessment. The information on maximum credit risk exposure reflects the worst-case scenario for credit risk exposures at the end of each reporting period, without taking into account any available collaterals or other credit enhancements. The Group's credit risk exposures arise mainly from the credit business as well as treasury business.

	30 June 2025								
	Book value				Provision for impairment				Maximum exposure to credit risk
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Financial assets at amortised cost									
Balances with the central bank	87,332,827	-	-	87,332,827	-	-	-	-	87,332,827
Deposits with banks and other financial institutions	11,629,987	-	-	11,629,987	(39,042)	-	-	(39,042)	11,590,945
Placements with banks and other financial institutions	48,414,832	-	-	48,414,832	(77,718)	-	-	(77,718)	48,337,114
Financial assets held under resale agreements	5,539,992	-	-	5,539,992	(58,839)	-	-	(58,839)	5,481,153
Loans and advances to customers	983,874,842	28,544,421	11,727,199	1,024,146,462	(13,375,965)	(9,287,477)	(8,687,705)	(31,351,147)	992,795,315
Financial investments	540,629,883	583,772	7,220,322	548,433,977	(3,093,870)	(262,698)	(6,804,442)	(10,161,010)	538,272,967
Finance lease receivables	68,171,225	5,056,037	729,773	73,957,035	(666,535)	(2,890,727)	(713,234)	(4,270,496)	69,686,539
Other financial assets	828,200	80,173	437,562	1,345,935	(84,701)	(25,011)	(153,046)	(262,758)	1,083,177
Total	1,746,421,788	34,264,403	20,114,856	1,800,801,047	(17,396,670)	(12,465,913)	(16,358,427)	(46,221,010)	1,754,580,037
Financial assets at fair value through other comprehensive income									
Loans and advances to customers	78,276,467	2,344	-	78,278,811	-	-	-	-	78,278,811
Financial investments	182,558,097	384,091	161,514	183,103,702	-	-	-	-	183,103,702
Total	260,834,564	386,435	161,514	261,382,513	-	-	-	-	261,382,513
Credit commitments	195,837,290	1,342,040	7,000	197,186,330	-	-	-	-	197,186,330

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(c) Maximum exposure to credit risk (Continued)

(i) Financial instruments included in impairment assessment (Continued)

	31 December 2024								
	Book value				Provision for impairment				Maximum exposure to credit risk
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	
Financial assets at amortised cost									
Balances with the central bank	91,342,395	-	-	91,342,395	-	-	-	-	91,342,395
Deposits with banks and other financial institutions	14,693,576	-	-	14,693,576	(17,369)	-	-	(17,369)	14,676,207
Placements with banks and other financial institutions	48,116,000	-	-	48,116,000	(103,552)	-	-	(103,552)	48,012,448
Financial assets held under resale agreements	12,075,953	-	-	12,075,953	(171,936)	-	-	(171,936)	11,904,017
Loans and advances to customers	899,229,311	18,452,790	9,876,240	927,558,341	(11,857,777)	(8,371,590)	(8,008,893)	(28,238,260)	899,320,081
Financial investments	431,402,051	744,636	7,602,168	439,748,855	(2,254,582)	(335,082)	(7,555,385)	(10,145,049)	429,603,806
Finance lease receivables	55,074,882	6,588,097	612,064	62,275,043	(589,955)	(3,142,585)	(584,092)	(4,316,632)	57,958,411
Other financial assets	605,735	102,208	552,509	1,260,452	(2,884)	(45,847)	(81,935)	(130,666)	1,129,786
Total	1,552,539,903	25,887,731	18,642,981	1,597,070,615	(14,998,055)	(11,895,104)	(16,230,305)	(43,123,464)	1,553,947,151
Financial assets at fair value through other comprehensive income									
Loans and advances to customers	76,622,040	7,015	-	76,629,055	-	-	-	-	76,629,055
Financial investments	173,043,752	383,735	161,514	173,589,001	-	-	-	-	173,589,001
Total	249,665,792	390,750	161,514	250,218,056	-	-	-	-	250,218,056
Credit commitments	194,858,890	2,041,370	87,500	196,987,760	-	-	-	-	196,987,760

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(c) Maximum exposure to credit risk (Continued)

(ii) Financial instruments not included in impairment assessment

The analysis of the Group's credit risk exposure of those financial assets at fair value through profit or loss which are not included in the impairment assessment are as follows:

	30 June 2025	31 December 2024
Derivative financial instruments	75,829	154,242
Financial investments		
– Financial assets at fair value through profit or loss	191,919,136	168,109,461
Total	191,994,965	168,263,703

(d) Risk limit management and mitigation measures

The Group carefully manages and controls credit risk concentrations, including individual borrower, group, industry and region. The Group has established mechanisms to set the credit risk limit that an individual borrower can bear, and the Group also conducts reviews on the credit risk limit at least once a year.

The Group implements the one-tier corporate management system, with the Head Office managing the business licences of branches and operating departments. Based on the regional economic development situation, branch operation and management level, credit business varieties, as well as customers' credit rating, guarantee method and customer scale, etc., the head office implements dynamic and flexible authorisation of credit business operation to branches on an annual basis, and conducts regular inspections and supervision of the implementation of the authorisation to ensure that the operating behaviour of branches and various operating departments is in line with the authorisation provisions.

The Group has formulated a series of policies and adopted various measures to mitigate credit risk. The acquisition of collaterals, deposits and the obtaining of guarantees from companies or individuals are among the important methods for the Bank to control credit risk.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(d) Risk limit management and mitigation measures (Continued)

The Group has established a series of pledge policies setting out the types of specific pledges that are acceptable, which mainly include the following types:

- Properties and land use rights
- General movable properties
- Term deposit certificates, bonds, warehouse receipts, etc.

The fair value of pledged collaterals is generally subject to appraisal by professional appraisal organisations designated by the Group. In order to reduce credit risk, the Group has stipulated the maximum collateral rate (the ratio of loan amount to the fair value of the collateral) for different collaterals. The major types of collateral and their corresponding maximum collateral rates for corporate loans and retail loans are as follows:

Collaterals	Maximum collateral rate
Residential properties, commercial properties, and construction land use rights	70%
Office buildings	60%
General movable properties	50%
RMB deposit receipts, cashier's checks, government bonds	90%
Financial bonds	80%
Warehouse receipts	60%

For loans guaranteed by third parties, the Group assesses the guarantor's financial condition, historical creditworthiness, and its repayment ability.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(d) Risk limit management and mitigation measures (Continued)

Loans that are credit-impaired and the related holding of collaterals to mitigate the potential losses are presented below:

30 June 2025				
	Gross exposure	Provision for impairment	Carrying amount	Exposures covered by collaterals
Loans and advances at amortised cost	11,727,199	(8,687,705)	3,039,494	4,977,105

31 December 2024				
	Gross exposure	Provision for impairment	Carrying amount	Exposures covered by collaterals
Loans and advances at amortised cost	9,876,240	(8,008,893)	1,867,347	3,652,514

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(e) Credit risk rating of bond investments

Distribution of ratings by external rating agencies on bond investments held by the Group at the balance sheet date:

30 June 2025				
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
Inter-bank certificate of deposits issued	54,292,051	–	1,594,412	55,886,463
Government bonds	3,849,662	339,452,053	59,570,686	402,872,401
Bonds issued by policy banks	14,665,400	160,013,738	28,246,261	202,925,399
Other bonds				
– AAA	25,375,650	1,738,537	9,409,765	36,523,952
– AA – to AA+	2,007,624	1,970,000	6,864,543	10,842,167
– Not rated	6,460,516	11,198,930	75,630,576	93,290,022
Total	106,650,903	514,373,258	181,316,243	802,340,404

31 December 2024				
	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Total
Inter-bank certificate of deposits issued	2,327,350	–	4,444,849	6,772,199
Government bonds	4,235,606	287,368,622	78,080,830	369,685,058
Bonds issued by policy banks	10,074,168	6,744,902	20,470,233	37,289,303
Other bonds				
– AAA	3,300,177	8,076,239	10,405,450	21,781,866
– AA – to AA+	3,468,620	1,124,753	3,469,327	8,062,700
– Not rated	6,744,734	12,282,952	54,464,852	73,492,538
Total	30,150,655	315,597,468	171,335,541	517,083,664

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(f) Concentration risk analysis for financial assets with credit risk exposure

Concentration risk for geographical sectors

30 June 2025	Mainland			Total
	China	Hong Kong	Others	
Balances with the central bank	87,332,827	–	–	87,332,827
Deposits with banks and other financial institutions	9,750,214	7,237	1,833,494	11,590,945
Placements with banks and other financial institutions	48,337,114	–	–	48,337,114
Derivative financial assets	75,829	–	–	75,829
Financial assets held under resale agreements	5,481,153	–	–	5,481,153
Loans and advances to customers	1,071,074,126	–	–	1,071,074,126
Financial investments		–	–	
– Financial assets at fair value through profit or loss	191,919,136	–	–	191,919,136
– Financial assets at amortised cost	526,527,019	11,745,948	–	538,272,967
– Financial assets at fair value through other comprehensive income	183,512,321	–	–	183,512,321
Finance lease receivables	69,686,539	–	–	69,686,539
Other financial assets	1,083,177	–	–	1,083,177
Total	2,194,779,455	11,753,185	1,833,494	2,208,366,134

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(1) Credit risk (Continued)

(f) Concentration risk analysis for financial assets with credit risk exposure (Continued)

Concentration risk for geographical sectors (Continued)

31 December 2024	Mainland China	Hong Kong	Others	Total
Financial assets				
Balances with the central bank	91,342,395	–	–	91,342,395
Deposits with banks and other financial institutions	14,130,638	6,583	538,986	14,676,207
Placements with banks and other financial institutions	48,012,448	–	–	48,012,448
Derivative financial assets	154,242	–	–	154,242
Financial assets held under resale agreements	11,904,017	–	–	11,904,017
Loans and advances to customers	975,949,136	–	–	975,949,136
Financial investments				
– Financial assets at fair value through profit or loss	167,412,009	697,452	–	168,109,461
– Financial assets at amortised cost	419,971,095	9,632,711	–	429,603,806
– Financial assets at fair value through other comprehensive income	173,959,298	–	–	173,959,298
Finance lease receivables	57,958,411	–	–	57,958,411
Other financial assets	1,129,786	–	–	1,129,786
Total	1,961,923,475	10,336,746	538,986	1,972,799,207

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk

Market risk is the risk of fluctuations in the fair value or future cash flows of the Group's exposure to financial instruments held by the Group as a result of fluctuations in market prices, which mainly include fluctuation risks arising from interest rates, exchange rates, equities, commodities and their implied volatility.

The Group's market risk consists of transactional market risk from trading business as well as interest rate and exchange rate risk on the bank accounts due to changes in the overall return and economic value of the bank accounts as a result of changes in elements such as the interest rate level, exchange rate level and the maturity structure.

The Board of Directors of the Bank is ultimately responsible for monitoring the Bank's market risk management to ensure that the Bank effectively identifies, measures, monitors and controls various market risks assumed by each business. Within the authority scope of the Board of Directors, the operating management is fully responsible for the implementation of the market risk management strategies, policies and various decisions approved by the Board of Directors. The Risk Management Department of the Head Office is the unified management department on the market risk, which mainly manages the market risk of the whole bank at the system level and supervises the implementation of the relevant departments.

(a) Market risk measurement techniques

In measuring and monitoring market risk, the Group mainly adopts sensitivity analysis, foreign exchange exposure analysis, gap analysis, duration analysis, stress testing and value-at-risk analysis. In managing market risk, the Group adopts strict authorisation limits, which are determined based on factors such as the Group's overall ability to withstand market risk, product categories and the Group's business strategies. The Group sets different exposure limits and adopts different quantitative measures to manage different categories of market risk on the Group's trading and bank accounts. The Group has also optimised the risk management system of the treasury business, adjusted the relevant risk parameters and improved the risk measurement models in accordance with regulatory requirements.

(b) Interest rate risk

Interest rate risk is the risk that the Bank's financial position will be adversely affected by changes in interest rate level. The Group's interest rate risk arises primarily from the risk of mismatch in the maturity or repricing term structure of the Bank's portfolio. A mismatch in the term structure may result in the Group's net interest income being affected by changes in the prevailing interest rate level. In addition, different pricing benchmarks for different products may also result in exposure to interest rate risk for assets and liabilities within the same repricing term. Currently, the Group assesses the interest rate risk exposure mainly through gap analysis, sensitivity analysis and duration analysis. The Group manages its exposure to interest rate risk by adjusting the term of the Bank's portfolio primarily based on the assessment of potential changes in the interest rate environment.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk (Continued)

The following table summarises the Group's interest rate risks. Assets and liabilities in the table are classified according to the earlier of the contractual repricing date and the maturity date and are stated at book value.

30 June 2025	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest- bearing	Total
Assets							
Balances with the central bank	87,298,043	-	-	-	-	1,065,445	88,363,488
Deposits with banks and other financial institutions	10,987,998	271,878	320,130	-	-	10,939	11,590,945
Placements with banks and other financial institutions	3,146,655	13,878,825	31,143,611	-	-	168,023	48,337,114
Derivative financial assets	-	-	-	-	-	75,829	75,829
Financial assets held under resale agreements	5,480,231	-	-	-	-	922	5,481,153
Loans and advances to customers	123,868,551	152,113,704	647,671,907	85,119,805	60,571,794	1,728,365	1,071,074,126
Financial investments							
– Financial assets at fair value through profit or loss	79,326,886	9,009,655	56,144,367	35,342,412	5,898,168	6,197,648	191,919,136
– Financial assets at amortised cost	32,109,505	25,078,692	141,720,809	159,828,808	173,770,171	5,764,982	538,272,967
– Financial assets at fair value through other comprehensive income	4,474,728	5,305,261	19,634,409	111,635,794	40,266,051	2,196,078	183,512,321
Finance lease receivables	3,094,660	3,765,557	17,702,067	43,467,731	735,097	921,427	69,686,539
Other financial assets	71,170	-	-	-	-	1,012,007	1,083,177
Total assets	349,858,427	209,423,572	914,337,300	435,394,550	281,241,281	19,141,665	2,209,396,795

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk (Continued)

30 June 2025	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest- bearing	Total
Liabilities							
Borrowings from the central bank	(22,000,000)	(25,941,367)	(120,776,924)	-	-	(1,348,893)	(170,067,184)
Deposits from banks and other financial institutions	(10,254,072)	(37,850,000)	(66,442,000)	-	-	(826,078)	(115,372,150)
Placements from banks and other financial institutions	(4,503,479)	(9,823,221)	(36,774,000)	(3,358,663)	-	(291,863)	(54,751,226)
Derivative financial liabilities	-	-	-	-	-	(80,956)	(80,956)
Financial assets sold under repurchase agreements	(116,599,329)	-	(2,456,712)	-	-	(31,275)	(119,087,316)
Deposits from customers	(400,452,974)	(76,875,039)	(342,728,239)	(431,912,375)	(35,688)	(27,929,452)	(1,279,933,767)
Bonds issued	(8,694,254)	(71,817,744)	(152,930,740)	(76,000,000)	(14,000,000)	(1,360,818)	(324,803,556)
Other financial liabilities	(28,825)	(50,813)	(209,263)	(599,491)	(110,664)	(6,524,182)	(7,523,238)
Total liabilities	(562,532,933)	(222,358,184)	(722,317,878)	(511,870,529)	(14,146,352)	(38,393,517)	(2,071,619,393)
Total interest rate sensitivity gap	(212,674,506)	(12,934,612)	192,019,422	(76,475,979)	267,094,929	(19,251,852)	137,777,402

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk (Continued)

31 December 2024	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest- bearing	Total
Assets							
Balances with the central bank	91,304,051	–	–	–	–	1,148,634	92,452,685
Deposits with banks and other financial institutions	14,206,699	100,056	350,196	–	–	19,256	14,676,207
Placements with banks and other financial institutions	7,972,138	14,449,360	25,315,500	–	–	275,450	48,012,448
Derivative financial assets	–	–	–	–	–	154,242	154,242
Financial assets held under resale agreements	11,900,832	–	–	–	–	3,185	11,904,017
Loans and advances to customers	376,160,169	105,981,404	345,774,542	82,704,718	64,440,692	887,611	975,949,136
Financial investments							
– Financial assets at fair value through profit or loss	3,215,472	1,992,115	7,982,251	16,921,473	4,193,397	133,804,753	168,109,461
– Financial assets at amortised cost	4,007,887	7,499,491	33,311,572	153,284,472	223,695,375	7,805,009	429,603,806
– Financial assets at fair value through other comprehensive income	7,671,182	9,198,754	10,826,231	99,714,212	43,925,162	2,623,757	173,959,298
Finance lease receivables	57,060,461	95,080	120,791	667,218	14,861	–	57,958,411
Other financial assets	–	–	–	–	–	1,129,786	1,129,786
Total assets	573,498,891	139,316,260	423,681,083	353,292,093	336,269,487	147,851,683	1,973,909,497

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk (Continued)

31 December 2024	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest- bearing	Total
Liabilities							
Borrowings from the central bank	(23,700,000)	(11,694,712)	(103,601,836)	-	-	(583,055)	(139,579,603)
Deposits from banks and other financial institutions	(7,564,666)	(76,998,000)	(89,965,000)	-	-	(1,191,289)	(175,718,955)
Placements from banks and other financial institutions	(6,620,405)	(11,087,500)	(28,160,580)	(3,148,970)	-	(501,163)	(49,518,618)
Derivative financial liabilities	-	-	-	-	-	(131,083)	(131,083)
Financial assets sold under repurchase agreements	(17,313,926)	-	(1,365,450)	-	-	(126,760)	(18,806,136)
Deposits from customers	(398,624,270)	(94,502,594)	(234,905,229)	(410,933,732)	(382)	(27,954,441)	(1,166,920,648)
Bonds issued	(9,472,550)	(72,758,780)	(134,225,588)	(51,500,000)	(14,000,000)	(989,375)	(282,946,293)
Other financial liabilities	-	(37)	(17,008)	(494,779)	(483,890)	(1,694,439)	(2,690,153)
Total liabilities	(463,295,817)	(267,041,623)	(592,240,691)	(466,077,481)	(14,484,272)	(33,171,605)	(1,836,311,489)
Total interest rate sensitivity gap	110,203,074	(127,725,363)	(168,559,608)	(112,785,388)	321,785,215	114,680,078	137,598,008

The Group minimises the interest rate sensitivity gap between assets and liabilities mainly by narrowing the loan repricing term and the duration of investment business, etc.

The majority of the Group's interest-bearing assets and liabilities are denominated in RMB. The potential impact on the Group's net interest income if the yield curves of assets denominated in various currencies were shifted by 100 basis points in parallel, with other factors held constant, as at the balance sheet dates shown below, is analysed as follows:

	Movements in expected net interest income	
	30 June 2025	31 December 2024
100 basis points parallelly shift up in yield curves	193,986	1,788,326
100 basis points parallelly shift down in yield curves	(193,986)	(1,788,326)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(b) Interest rate risk (Continued)

The sensitivity analysis to other comprehensive income is based on the effect of changes in fair value of bond investments held at fair value through other comprehensive income at each balance sheet date after revaluation at certain interest rate changes, as analysed below:

	30 June 2025	31 December 2024
Increase by 100 basis points	(5,085,556)	(5,121,883)
Decrease by 100 basis points	5,444,568	5,459,977

The above sensitivity analysis is based on assets and liabilities having a static interest rate risk structure. The relevant analysis only measures changes in interest rates within one year and reflects the impact of repricing of the Group's assets and liabilities on the Group's annualised net interest income within one year based on the following assumptions:

- The fluctuation range of interest rates for different interest-bearing assets and interest-bearing liabilities is the same;
- The interest rates for demand deposits and the central bank reserves remain unchanged;
- The yield curve moves in a parallel fashion as changes in interest rates;
- All repriced assets and liabilities are assumed to be repriced in the middle of the period to which they relate;
- Changes in business after the balance sheet date are not considered and the analysis is based on a static gap at the balance sheet date;
- The impact of changes in interest rate on the customer behaviour is not considered;
- The impact of changes in interest rate on market prices is not considered;
- The necessary measures taken by the Group for changes in interest rate are not considered.

Based on the above constraints, the actual changes in the Group's net profit as a result of an increase or decrease in interest rate may differ from the results of the sensitivity analysis.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(c) Foreign exchange risk

The Group is exposed to foreign exchange risk, which is the risk that the level of positions held by the Group in foreign currency exposures will be affected by fluctuations in the exchange rates of major foreign currencies. The Group's main principle in controlling foreign exchange risk is to match its assets and liabilities across currencies as closely as possible and to keep the foreign exchange risk within the limits set by the Group. The Group sets risk tolerance limits in accordance with the guidelines of the Risk Management Committee, relevant regulatory requirements and the management's evaluation on the current environment, and minimises possible currency mismatches between assets and liabilities by rationalising the sources and uses of funds denominated in foreign currency. Foreign exchange risk exposure is subject to license management by business type and dealer authority.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(c) Foreign exchange risk (Continued)

The following table summarises the distribution of the Group's foreign exchange exposure as at the balance sheet date, with the carrying amounts of assets and liabilities denominated in the respective original currencies translated into RMB:

30 June 2025	RMB	USD	EUR	Others	Total
Assets					
Cash and balances with the central bank	88,181,858	176,575	1,486	3,569	88,363,488
Deposits with banks and other financial institutions	7,657,521	1,952,821	1,727,098	253,505	11,590,945
Placements with banks and other financial institutions	46,540,305	1,796,809	-	-	48,337,114
Derivative financial assets	54,649	16,330	4,813	37	75,829
Financial assets held under resale agreements	5,481,153	-	-	-	5,481,153
Loans and advances to customers	1,069,751,533	1,291,089	12,745	18,759	1,071,074,126
Financial investments					
– Financial assets at fair value through profit or loss	191,908,598	10,538	-	-	191,919,136
– Financial assets at amortised cost	538,272,967	-	-	-	538,272,967
– Financial assets at fair value through other comprehensive income	183,512,321	-	-	-	183,512,321
Finance lease receivables	69,686,539	-	-	-	69,686,539
Other financial assets	866,268	216,088	-	821	1,083,177
Total assets	2,201,913,712	5,460,250	1,746,142	276,691	2,209,396,795
Liabilities					
Borrowings from the central bank	(170,067,184)	-	-	-	(170,067,184)
Deposits from banks and other financial institutions	(115,372,108)	(42)	-	-	(115,372,150)
Placements from banks and other financial institutions	(54,142,745)	(608,481)	-	-	(54,751,226)
Derivative financial liabilities	(61,092)	(13,761)	(4,375)	(1,728)	(80,956)
Financial assets sold under repurchase agreements	(119,087,316)	-	-	-	(119,087,316)
Deposits from customers	(1,274,381,887)	(5,477,074)	(53,026)	(21,780)	(1,279,933,767)
Bonds issued	(324,803,556)	-	-	-	(324,803,556)
Other financial liabilities	(7,263,859)	(90,100)	-	(169,278)	(7,523,237)
Total liabilities	(2,065,179,747)	(6,189,458)	(57,401)	(192,786)	(2,071,619,392)
Net position	136,733,965	(729,208)	1,688,741	83,905	137,777,403
Credit commitments and financial guarantees	175,883,829	19,736,260	1,042,659	523,582	197,186,330

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(c) Foreign exchange risk (Continued)

31 December 2024	RMB	USD	EUR	Others	Total
Assets					
Cash and balances with the central bank	92,275,253	173,688	1,219	2,525	92,452,685
Cash and balances with the central bank	13,340,997	947,920	143,010	244,280	14,676,207
Placements with banks and other financial institutions	46,121,899	1,890,549	–	–	48,012,448
Derivative financial assets	90,391	55,310	2,619	5,922	154,242
Financial assets held under resale agreements	11,904,017	–	–	–	11,904,017
Loans and advances to customers	974,801,307	1,134,442	–	13,387	975,949,136
Financial investments					
– Financial assets at fair value through profit or loss	168,098,464	10,997	–	–	168,109,461
– Financial assets at amortised cost	429,603,806	–	–	–	429,603,806
– Financial assets at fair value through other comprehensive income	173,959,298	–	–	–	173,959,298
Finance lease receivables	57,958,411	–	–	–	57,958,411
Other financial assets	961,150	167,848	788	–	1,129,786
Total assets	1,969,114,993	4,380,754	147,636	266,114	1,973,909,497
Liabilities					
Borrowings from the central bank	(139,579,603)	–	–	–	(139,579,603)
Deposits from banks and other financial institutions	(175,718,913)	(42)	–	–	(175,718,955)
Placements from banks and other financial institutions	(48,778,213)	(740,405)	–	–	(49,518,618)
Derivative financial liabilities	(97,177)	(22,731)	(508)	(10,667)	(131,083)
Financial assets sold under repurchase agreements	(18,806,136)	–	–	–	(18,806,136)
Deposits from customers	(1,161,843,383)	(4,961,867)	(82,259)	(33,139)	(1,166,920,648)
Bonds issued	(282,946,293)	–	–	–	(282,946,293)
Other financial liabilities	(2,690,153)	–	–	–	(2,690,153)
Total liabilities	(1,830,459,871)	(5,725,045)	(82,767)	(43,806)	(1,836,311,489)
Net position	138,655,122	(1,344,291)	64,869	222,308	137,598,008
Credit commitments and financial guarantees	174,645,308	20,407,262	1,084,179	851,011	196,987,760

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(2) Market risk (Continued)

(c) Foreign exchange risk (Continued)

The Group's net foreign exchange exposure was insignificant, with the main foreign currencies being the USD and the EUR. When the foreign exchange rate against the RMB changes by 1%, the potential impact on the Group's net profit arising from the foreign exchange translation differences due to exchange rate fluctuations of the Group's net foreign exchange exposure as mentioned above is analysed as follows:

Currency	Changes in foreign exchange rates	Movements in expected net interest income	
		30 June 2025	31 December 2024
USD	+1%	(5,469)	(17,431)
EUR	+1%	12,666	1,683

In performing the exchange rate sensitivity analysis, the Group has made the following general assumptions in determining the business conditions and financial parameters, but has not taken into account:

- Changes in businesses after the balance sheet date and analysis of static gaps based on the balance sheet date;
- The impact of exchange rate changes on customer behaviour;
- The impact of exchange rate changes on market prices;
- The necessary measures taken by the Group against changes in exchange rates.

Based on the above constraints, the actual changes in the Group's net profit as a result of movements in exchange rate may differ from the results of the sensitivity analysis.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk

Maintaining the matching on the maturity structure of assets and liabilities as well as the effective control over matching variances are of paramount importance to the management of the Group. Due to the uncertain maturities and different categories of business, banks rarely maintain a perfect match between assets and liabilities. Unmatched positions may enhance returns, but also increase the risk of losses.

The matching on the maturity structure of assets and liabilities as well as the bank's ability to replace maturing interest-bearing liabilities at an acceptable cost are important factors in evaluating the bank's liquidity and exposures to interest rate as well as exchange rate changes.

The Group is exposed to various types of routine cash withdrawal requirements, which include payment requirements for overnight deposits, demand deposits, maturing time deposits, bonds payable, customer loan drawdowns, guarantees and other cash-settled derivative financial instruments. Based on historical experience, a significant portion of maturing deposits are not withdrawn immediately on maturity but are renewed with the Group. To ensure that it can cope with unforeseen funding requirements, the Group has set minimum standards of fund deposits to cater for various types of withdrawal requests.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(a) Analysis of undiscounted cash flows

The following table shows an analysis on undiscounted contractual cash flows of financial liabilities at the balance sheet dates. The actual cash flows of these financial instruments may be significantly different from the analysis presented below.

30 June 2025	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Liabilities						
Borrowings from the central bank	(22,241,430)	(26,731,406)	(122,430,912)	-	-	(171,403,748)
Deposits from banks and other financial institutions	(10,466,678)	(38,546,824)	(67,198,300)	-	-	(116,211,802)
Placements from banks and other financial institutions	(4,626,757)	(10,063,822)	(37,125,865)	(3,387,618)	-	(55,204,062)
Financial assets sold under repurchase agreements	(116,611,805)	-	(2,475,557)	-	-	(119,087,362)
Deposits from customers	(401,704,509)	(79,308,934)	(354,435,751)	(451,591,151)	(36,920)	(1,287,077,265)
Bonds issued	(8,717,688)	(72,142,630)	(155,509,636)	(80,624,049)	(14,850,800)	(331,844,803)
Other financial liabilities	(6,555,114)	(54,529)	(224,564)	(643,326)	(118,756)	(7,596,289)
Total non-derivative financial liabilities	(570,923,981)	(226,848,145)	(739,400,585)	(536,246,144)	(15,006,476)	(2,088,425,331)
Derivative financial instruments						
Derivative financial instruments with full-amount delivery	(110,171)	(619,102)	(159,229)	(6,973)	-	(895,475)
- Total cash inflows	4,394,671	7,920,257	2,198,415	1,637,861	-	16,151,204
- Total cash outflows	(4,504,842)	(8,539,359)	(2,357,644)	(1,644,834)	-	(17,046,679)
Derivative financial instruments with net-amount delivery	-	-	1,663	(5,302)	-	(3,639)
Total derivative financial instruments	(110,171)	(619,102)	(157,566)	(12,275)	-	(899,114)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(a) Analysis of undiscounted cash flows (Continued)

31 December 2024	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Liabilities						
Borrowings from the central bank	(23,913,744)	(12,078,967)	(105,548,016)	-	-	(141,540,727)
Deposits from banks and other financial institutions	(7,588,530)	(77,943,604)	(91,954,322)	-	-	(177,486,456)
Placements from banks and other financial institutions	(7,128,581)	(11,147,784)	(28,522,033)	(3,264,142)	-	(50,062,540)
Financial assets sold under repurchase agreements	(17,512,769)	-	(1,393,137)	-	-	(18,905,906)
Deposits from customers	(401,479,159)	(98,619,370)	(246,432,294)	(445,384,453)	(565)	(1,191,915,841)
Bonds issued	(9,600,468)	(64,963,922)	(141,420,728)	(56,392,500)	(14,605,400)	(286,983,018)
Other financial liabilities	(1,694,439)	(37)	(17,008)	(494,779)	(483,890)	(2,690,153)
Total non-derivative financial liabilities	(468,917,690)	(264,753,684)	(615,287,538)	(505,535,874)	(15,089,855)	(1,869,584,641)
Derivative financial instruments						
Derivative financial instruments with full-amount						
delivery	1,848	26,392	5,707	7,335	-	41,282
- Total cash inflows	2,128,807	1,874,382	306,625	1,494,401	-	5,804,215
- Total cash outflows	(2,126,959)	(1,847,990)	(300,918)	(1,487,066)	-	(5,762,933)
Derivative financial instruments with net-amount						
delivery	805	(886)	735	(6,860)	-	(6,206)
Total derivative financial instruments	2,653	25,506	6,442	475	-	35,076

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(b) Maturity analysis

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

30 June 2025	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	Indefinite	Total
Cash and balances with the central bank	21,158,153	-	34,784	-	-	-	-	67,170,551	88,363,488
Deposits with banks and other financial institutions	10,819,030	175,551	276,186	320,178	-	-	-	-	11,590,945
Placements with banks and other financial institutions	-	3,170,253	13,956,785	31,210,076	-	-	-	-	48,337,114
Derivative financial assets	-	2,752	5,367	42,227	25,483	-	-	-	75,829
Financial assets held under resale agreements	-	5,481,153	-	-	-	-	-	-	5,481,153
Loans and advances to customers	-	94,364,603	73,586,558	300,255,921	211,812,879	386,096,101	4,958,064	-	1,071,074,126
Financial investments									
- Financial assets at fair value through profit or loss	78,892,648	2,211,274	9,376,176	55,494,408	36,942,632	5,845,845	1,669,971	1,486,182	191,919,136
- Financial assets at amortised cost	-	2,243,733	7,360,495	38,728,029	167,074,688	322,462,298	403,724	-	538,272,967
- Financial assets at fair value through other comprehensive income	-	4,331,467	5,366,944	19,839,971	112,861,128	40,542,678	161,514	408,619	183,512,321
Finance lease receivables	-	4,617,193	3,537,030	17,739,650	42,715,124	733,926	343,616	-	69,686,539
Other financial assets	-	292,001	100,428	373,141	212,758	33,679	71,170	-	1,083,177
Total assets	110,869,831	116,889,980	113,600,753	464,003,601	571,644,692	755,714,527	7,608,059	69,065,352	2,209,396,795
Borrowings from the central bank	-	(22,003,375)	(26,265,548)	(121,798,261)	-	-	-	-	(170,067,184)
Deposits from banks and other financial institutions	(6,664,470)	(3,629,013)	(38,237,743)	(66,840,924)	-	-	-	-	(115,372,150)
Placements from banks and other financial institutions	-	(4,536,824)	(9,910,863)	(36,942,980)	(3,360,559)	-	-	-	(54,751,226)
Derivative financial liabilities	-	(4,403)	(6,165)	(38,838)	(31,550)	-	-	-	(80,956)
Financial assets sold under repurchase agreements	-	(116,611,759)	-	(2,475,557)	-	-	-	-	(119,087,316)
Deposits from customers	(350,828,118)	(50,855,226)	(79,156,017)	(352,919,765)	(446,137,731)	(36,910)	-	-	(1,279,933,767)
Bonds issued	-	(8,694,253)	(71,930,728)	(152,930,740)	(76,808,877)	(14,438,958)	-	-	(324,803,556)
Other financial liabilities	-	(6,553,007)	(50,813)	(209,263)	(599,491)	(110,664)	-	-	(7,523,238)
Total liabilities	(357,492,588)	(212,887,860)	(225,557,877)	(734,156,328)	(526,938,208)	(14,586,532)	-	-	(2,071,619,393)
Net amount on liquidity gap	(246,622,757)	(95,997,880)	(111,957,124)	(270,152,727)	44,706,484	741,127,995	7,608,059	69,065,352	137,777,402

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(b) Maturity analysis (Continued)

31 December 2024	Repayable on demand	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Overdue	Indefinite	Total
Cash and balances with the central bank	23,266,864	38,344	-	-	-	-	-	69,147,477	92,452,685
Deposits with banks and other financial institutions	14,105,888	120,067	100,056	350,196	-	-	-	-	14,676,207
Placements with banks and other financial institutions	-	8,044,578	14,578,509	25,389,361	-	-	-	-	48,012,448
Derivative financial assets	-	9,606	30,317	13,434	100,885	-	-	-	154,242
Financial assets held under resale agreements	-	11,904,017	-	-	-	-	-	-	11,904,017
Loans and advances to customers	-	84,366,886	81,036,154	238,213,406	205,630,455	362,353,951	4,348,284	-	975,949,136
Financial investments									
- Financial assets at fair value through profit or loss	132,608,686	1,363,669	2,002,302	7,992,505	17,046,731	4,225,968	2,227,155	642,445	168,109,461
- Financial assets at amortised cost	-	4,186,422	7,670,020	33,645,480	155,690,229	228,377,455	34,200	-	429,603,806
- Financial assets at fair value through other comprehensive income	-	7,689,228	9,292,091	10,928,565	101,244,475	44,434,642	-	370,297	173,959,298
Finance lease receivables	-	3,402,521	3,847,827	15,555,636	34,560,148	566,895	25,384	-	57,958,411
Other financial assets	-	407,044	11,612	327,005	306,555	8,977	68,593	-	1,129,786
Total assets	169,981,438	121,532,382	118,568,888	332,415,588	514,579,478	639,967,888	6,703,616	70,160,219	1,973,909,497
Borrowings from the central bank	-	(23,803,071)	(11,863,067)	(103,913,465)	-	-	-	-	(139,579,603)
Deposits from banks and other financial institutions	(5,366,200)	(2,206,820)	(77,580,597)	(90,565,338)	-	-	-	-	(175,718,955)
Placements from banks and other financial institutions	-	(6,627,320)	(11,140,271)	(28,508,233)	(3,242,794)	-	-	-	(49,518,618)
Derivative financial liabilities	-	(11,776)	(11,452)	(11,718)	(96,137)	-	-	-	(131,083)
Financial assets sold under repurchase agreements	-	(17,426,501)	-	(1,379,635)	-	-	-	-	(18,806,136)
Deposits from customers	(334,406,723)	(66,917,603)	(98,211,937)	(243,338,845)	(424,045,037)	(503)	-	-	(1,166,920,648)
Bonds issued	-	(9,472,550)	(73,026,501)	(134,275,842)	(52,032,656)	(14,138,744)	-	-	(282,946,293)
Other financial liabilities	-	(1,694,439)	(37)	(17,008)	(494,779)	(483,890)	-	-	(2,690,153)
Total liabilities	(339,772,923)	(128,160,080)	(271,833,862)	(602,010,084)	(479,911,403)	(14,623,137)	-	-	(1,836,311,489)
Net amount on liquidity gap	(169,791,485)	(6,627,698)	(153,264,974)	(269,594,496)	34,668,075	625,344,751	6,703,616	70,160,219	137,598,008

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(3) Liquidity risk (Continued)

(c) Liquidity risk analysis of off-balance sheet items

The Group provides guarantees and issues letters of credit based on the creditworthiness of the customer and the deposited margins. Customers usually do not fully withdraw the amount of the commitments under the guarantees provided or letters of credit issued by the Group, and therefore the funds required for the provision of guarantees and the issuance of letters of credit by the Group are generally lower than the amounts of the Group's other commitments. Meanwhile, many credit commitments may not need to be actually honoured due to expiry or suspension, so the contractual amount of the credit commitment is not representative of the necessary future funding requirements.

30 June 2025	Within 1 year	1 to 5 years	Over 5 years	Total
Issuance of bank acceptance bills	96,405,164	–	–	96,405,164
Issuance of letter of credit	52,798,860	345,490	–	53,144,350
Issuance of letter of guarantee	11,975,654	13,726,333	2,986	25,704,973
Credit commitments	203,800	70,000	–	273,800
Unused credit card lines	3,620,224	18,009,806	28,013	21,658,043
Total	165,003,702	32,151,629	30,999	197,186,330

31 December 2024	Within 1 year	1 to 5 years	Over 5 years	Total
Issuance of bank acceptance bills	103,407,791	–	–	103,407,791
Issuance of letter of credit	44,858,744	604,065	–	45,462,809
Issuance of letter of guarantee	16,760,566	11,484,262	2,714	28,247,542
Credit commitments	291,463	505,500	–	796,963
Unused credit card lines	2,718,505	16,347,055	7,095	19,072,655
Total	168,037,069	28,940,882	9,809	196,987,760

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

48 FINANCIAL RISK MANAGEMENT (CONTINUED)

(4) Operational risk

Operational risk is the risk of losses due to issues with internal processes, staff, IT systems and external events, including legal risk but excluding strategic and reputational risk.

The Group effectively prevents operational risks, reduces losses, enhances its ability to respond to shocks from internal and external events, and provides safeguards for the sound operation of its business through the establishment of an operational risk management system that is commensurate with the nature, scale, complexity and risk characteristics of the Group's business, and the construction and implementation of procedures for the identification, assessment, measurement, monitoring, control and mitigation of risks.

The Group has implemented an operational risk management structure (led by the Board of Directors, the Board of Supervisors and the senior management) based on three lines of defence. The Board of Directors bears the ultimate responsibility for operational risk management of the Group; the Board of Supervisors bears the supervisory responsibility for operational risk management; and the senior management bears the implementation responsibility for operational risk management, and is responsible for the implementation of the operational risk management strategy, basic system and management system approved by the Board of Directors. The first line of defence includes all levels of business and management, which are the direct bearers and managers of operational risk and are responsible for operational risk management in their respective areas; the second line of defence consists of lead departments at all levels responsible for operational risk management and measurement, which guide, oversee and maintain the independence of operational risk management in the first line of defence; the third line of defence includes internal audit departments at all levels, which monitor and evaluate the performance of the first and second lines of defence and their effectiveness.

(5) Country-by-country risk

Country-by-country risk is the risk that, as a result of political, economic and social changes and events in a particular country or region, a debtor in that country or region will be unable or refuse to repay the Group's debts, or the Group will suffer losses on its commercial presence in that country or region, or the Group will suffer other losses.

The Group has established a system for the identification, measurement, monitoring and control of country-by-country risks, formulated policies and systems for country-by-country risk management, improved the country-by-country rating system, and strengthened the monitoring and limit management of country-by-country risks. During the reporting period, the Group's overall country-by-country risks were controllable.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

49 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(1) Fair value hierarchy

IFRS 7 specifies the hierarchy of valuation techniques based on whether the inputs to the valuation technique are observable or unobservable. Observable inputs reflect market information obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two inputs have resulted in the following fair value hierarchy:

Level 1 inputs: Unadjusted quoted prices in active markets that are observable for identical assets or liabilities. Listed equity securities and debt instruments are included in this level.

Level 2 inputs: Inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities. Most over-the-counter derivatives and bonds are included in this level. The sources of input parameters for yield curve or counterparty credit risk are ThomsonReuters, Bloomberg and China Bond.com.

Level 3 inputs: Inputs that are unobservable for underlying assets or liabilities. Equity instruments and debt instruments with significant unobservable components are included in this level.

(2) Financial instruments not measured at fair value

Fair value estimates are made at a specific point in time based on relevant market information and information relating to the various financial instruments. The fair value estimates for various financial instruments are based on the methods and assumptions set out below:

(a) Balances with the central bank, deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, deposits from other banks, placements from banks and other financial institutions, financial assets sold under repurchase agreements, other financial assets and liabilities

The fair values of the above financial assets and liabilities approximate their carrying amounts as they have maturities of less than one year or are floating rate.

(b) Loans and advances to customers at amortised cost

The majority of loans and advances to customers are repriced at least annually at market interest rates. Therefore, the carrying amounts of loans and advances approximate their fair values.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

49 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(2) Financial instruments not measured at fair value (Continued)

(c) Deposits from customers

The fair values of checking accounts, savings accounts and short-term money market deposits are payables to customers on demand. The fair value of time deposits with fixed maturities is determined using the discounted cash flow method at the prevailing time deposit interest rate that approximates the remaining maturity of the time deposit. At the end of the reporting period, the carrying amounts of customer deposits approximated their fair values.

(d) Finance lease receivables

The balance of finance lease receivables is determined in accordance with the effective interest rate method. As the effective interest rate embedded in the finance lease business is linked to and adjusted in real time in line with the interest rate prescribed by the People's Bank of China, the fair value approximates the carrying amount.

(e) Financial assets at amortised cost and bonds issued

The following table shows the carrying amounts of the Group's financial assets and bonds payable measured at amortised cost that are not carried at fair value at the balance sheet date, as well as their corresponding fair values.

	30 June 2025		31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial investments – Financial assets at amortised cost	538,272,967	559,632,908	429,603,806	450,875,614
Financial liabilities				
Bonds issued	(324,803,556)	(324,212,927)	(282,946,293)	(284,462,058)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

49 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(2) Financial instruments not measured at fair value (Continued)

(e) **Financial assets at amortised cost and bonds issued** (Continued)

(i) *Financial assets at amortised cost*

If the fair value of a financial asset measured at amortised cost is based on quoted prices in an active market, it is presented in level 1. Financial assets measured at amortised cost are presented in levels 2 and 3 if relevant market information is not available and are valued using discounted cash flow models or, where applicable, determined by reference to quoted market prices for products with similar credit risk, maturity and yield.

(ii) *Bonds issued*

If the fair value of bonds payable is based on quoted prices in active markets, they are presented in Level 1. If all significant inputs required for the fair value calculation of bonds payable are observable, they are presented in Level 2.

Except for the financial assets and financial liabilities mentioned above, other financial assets and financial liabilities not measured at fair value in the consolidated statement of financial position are determined at their fair value using the discounted future cash flow method, and there is no significant difference between the carrying amount and the fair value of these financial assets due to their short maturities or the interest rates fluctuating according to the market interest rates.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

49 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(3) Financial instruments measured at fair value

30 June 2025	Level 1	Level 2	Level 3	Total
Derivative financial assets	–	75,829	–	75,829
Loans and advances to customers at fair value through other comprehensive income	–	78,278,811	–	78,278,811
Financial investments				
– Financial assets at fair value through profit or loss (excluding accrued interest)	75,146,210	111,616,799	4,022,123	190,785,132
– Financial assets at fair value through other comprehensive income (excluding accrued interest)	–	181,316,243	408,619	181,724,862
Total assets	75,146,210	371,287,682	4,430,742	450,864,634
Derivative financial liabilities	–	(80,956)	–	(80,956)
Total liabilities	–	(80,956)	–	(80,956)

31 December 2024	Level 1	Level 2	Level 3	Total
Derivative financial assets	–	154,242	–	154,242
Loans and advances to customers at fair value through other comprehensive income	–	76,629,055	–	76,629,055
Financial investments				
– Financial assets at fair value through profit or loss (excluding accrued interest)	77,621,277	83,892,312	4,846,295	166,359,884
– Financial assets at fair value through other comprehensive income (excluding accrued interest)	–	171,335,541	370,297	171,705,838
Total assets	77,621,277	332,011,150	5,216,592	414,849,019
Derivative financial liabilities	–	(131,083)	–	(131,083)
Total liabilities	–	(131,083)	–	(131,083)

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no significant transfers among levels of fair value.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

49 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(3) Financial instruments measured at fair value (Continued)

The following table shows the movement during the six months period ended 30 June 2025 for each category of financial instruments classified as level 3 of the fair value hierarchy:

	Financial assets at fair value through profit or loss (excluding accrued interest)	Financial assets at fair value through other comprehensive income (excluding accrued interest)	Total
1 January 2025	4,846,295	370,297	5,216,592
Total gains or losses:			
– Recognised in profit or loss	98,978	–	98,978
– Recognised in other comprehensive income	–	38,322	38,322
Additions	1,635	–	1,635
Settlement and derecognition	(924,786)	–	(924,786)
30 June 2025	4,022,122	408,619	4,430,741
Unrealised gains on financial assets at FVTPL held as at 30 June 2025	138,395	–	138,395

The following table shows the movement during the year ended 31 December 2024 for each category of financial instruments classified as level 3 of the fair value hierarchy:

	Financial assets at fair value through profit or loss (excluding accrued interest)	Financial assets at fair value through other comprehensive income (excluding accrued interest)	Total
1 January 2024	13,201,039	304,689	13,505,728
Total gains or losses:			
– Recognised in profit or loss	(1,427,751)	–	(1,427,751)
– Recognised in other comprehensive income	–	65,608	65,608
Additions	26,203	–	26,203
Settlement and derecognition	(6,953,196)	–	(6,953,196)
31 December 2024	4,846,295	370,297	5,216,592
Unrealised gains on financial assets at FVTPL held as at 31 December 2024	(1,645,587)	–	(1,645,587)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

49 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(3) Financial instruments measured at fair value (Continued)

When the quoted prices from the active market are not available the Group determines the fair value of financial instruments through valuation techniques.

The fair values of financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments are calculated by reference to available market prices. If market prices are not available, fair values are estimated using pricing models or discounted cash flow method. For investments in debt instruments, the Group determines the valuation results in accordance with the valuation results of the China Central Depository & Clearing Co., Ltd, and the valuation methodology falls under the category of valuation techniques with observable market information for all significant valuation parameters.

The carrying amount of financial instruments valued using valuation techniques that include unobservable market data during the reporting period is not significant and the impact on the fair value measurement results of replacing the original unobservable assumptions in the model with other reasonable unobservable assumptions is not significant.

50 CAPITAL MANAGEMENT

The Group adopts a capital management approach that is adequate to protect against the risks inherent in the businesses in which the Group operates, with the objective of bringing it into line with external regulatory and shareholder return requirements, as well as facilitating the Group's business development and risk management.

The Group prudently determines the capital adequacy ratio target based on regulatory requirements in conjunction with the Group's risk profile, and safeguards the realisation of the management target through various methods such as limit management. Depending on changes in the economic environment and the characteristics of the risks faced, the Group will actively adjust its capital structure. These capital structure adjustments typically include adjustments to dividend distributions, capital increases and the issuance of new capital replenishment instruments.

The Group calculates the capital adequacy ratio from 1 January 2024 onwards in accordance with *the Administrative Measures for the Capital of Commercial Banks* issued by the National Financial Regulatory Administration in 2023. The weighting method is used for credit risk measurement, the simplified standardised method is used for market risk measurement and the standardised method is used for operational risk measurement.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

51 SUBSEQUENT EVENTS

The Group has no significant subsequent events.

52 COMPARATIVE FIGURES

Certain comparative data have been reclassified to conform to the presentation requirements during the period.

Appendix I – Unaudited Supplementary Financial Information

(All amounts expressed in thousands of RMB unless otherwise stated)

According to Hong Kong Listing Rules and Banking (Disclosure) Rules, the Group discloses the following supplementary financial information:

1 LIQUIDITY RATIOS

	30 June 2025	31 December 2024
RMB current assets to RMB current liabilities	114.40%	122.65%
Foreign currency current assets to foreign currency current liabilities	70.19%	25.97%

Liquidity ratios are calculated according to the relevant regulations published by the National Financial Regulatory Administration.

2 CURRENCY CONCENTRATIONS

	USD	EUR	Others	Total
30 June 2025				
Spot assets	5,460,250	1,746,142	276,691	7,483,083
Spot liabilities	(6,189,458)	(57,401)	(192,786)	(6,439,645)
Forward purchases	588,022	59,891	3,923	651,836
Forward sales	(907,351)	(50,648)	–	(957,999)
Net long/(short) position	(1,048,537)	1,697,984	87,828	737,275
31 December 2024				
Spot assets	4,380,754	147,636	266,114	4,794,504
Spot liabilities	(5,725,045)	(82,767)	(43,806)	(5,851,618)
Forward purchases	1,593,602	3,718	–	1,597,320
Forward sales	(1,127,481)	(163,772)	(1,776,169)	(3,067,422)
Net long/(short) position	(878,170)	(95,185)	(1,553,861)	(2,527,216)

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

3 INTERNATIONAL CLAIMS

International claims are the sum of cross-border claims in all currencies and local claims in foreign currencies. The Group is principally engaged in business operations within Chinese Mainland and regards all the claims on third parties outside Chinese Mainland as cross border claims.

International claims include balances with the central bank, deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions, financial assets held for trading, financial assets designated at fair value through profit or loss, loans and advances to customers, financial assets held under resale agreements, financial assets at fair value through other comprehensive income and financial assets at amortised cost.

International claims are disclosed based on different countries or regions. A country or region is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are made by an overseas branch of a bank whose head office is located in another country.

	Banks and other financial institutions	Others	Total
30 June 2025			
Asia Pacific (excluding Mainland China)	68,261	37,302	105,563
– Hong Kong	7,317	11,913	19,230
Europe	30,070	333	30,403
North and South America	1,739,337	165	1,739,502
Oceania	23,519	3,047	26,566
Total	1,861,187	40,847	1,902,034
31 December 2024			
Asia Pacific (excluding Mainland China)	87,106	34,434	121,540
– Hong Kong	6,583	12,356	18,939
Europe	42,184	78	42,262
North and South America	385,089	173	385,262
Oceania	31,190	3,194	34,384
Total	545,569	37,879	583,448

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

4 LOANS AND ADVANCES TO CUSTOMERS

(1) Overdue loans and advances to customers

Total amount of overdue loans and advances to customers:

	30 June 2025	31 December 2024
Total loans and advances to customers which have been overdue:		
Within 3 months	5,091,172	4,912,982
3 to 6 months	2,928,679	2,673,986
6 to 12 months	2,348,532	2,271,452
Over 12 months	2,978,023	2,800,109
Total	13,346,406	12,658,529
By percentage:		
Within 3 months	38.15%	38.82%
3 to 6 months	21.94%	21.12%
6 to 12 months	17.60%	17.94%
Over 12 months	22.31%	22.12%
Total	100.00%	100.00%

Total amounts of overdue loans and advances to customers and provision for impairment by geographic segment:

	30 June 2025		31 December 2024	
	Overdue loans to customers	Allowance for ECL	Overdue loans to customers	Allowance for ECL
Anhui Province	10,899,557	(6,752,864)	10,579,573	(6,804,963)
Jiangsu Province	839,800	(603,159)	1,234,812	(1,016,117)
Other regions	1,607,049	(1,032,320)	844,144	(586,356)
Total	13,346,406	(8,388,343)	12,658,529	(8,407,436)

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

4 LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(2) Impaired loans and advances to customers

	30 June 2025		31 December 2024	
	Impaired loans to customers	Allowance for ECL	Impaired loans to customers	Allowance for ECL
Corporate loans	6,861,798	(4,826,003)	5,376,878	(4,398,022)
Personal loans	4,865,401	(3,861,702)	4,499,362	(3,610,871)
Total	11,727,199	(8,687,705)	9,876,240	(8,008,893)

	30 June 2025		31 December 2024	
	Impaired loans to customers	Allowance for ECL	Impaired loans to customers	Allowance for ECL
Anhui Province	9,844,599	(7,164,035)	7,900,024	(6,089,138)
Jiangsu Province	824,949	(641,423)	1,282,178	(1,160,548)
Other regions	1,057,651	(882,247)	694,038	(759,207)
Total	11,727,199	(8,687,705)	9,876,240	(8,008,893)

(3) Restructured loans

Restructured assets are financial assets for which commercial banks have made adjustments to debt contracts in favour of the debtor, or refinanced the debtor's existing debts, including borrowing new money to repay old debts, in order to induce the debtor to repay its debts, as a result of the debtor's financial difficulties. As at 30 June 2025, the carrying amount of the Group's restructured loans was RMB3,437 million (31 December 2024: RMB3,611 million).

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC:

(1) Significant related-party transactions approved by the Board of Directors

For the six months ended 30 June 2025, Huishang Bank Corporation Limited complied with the requirements of the *Administrative Measures for Related-Party Transactions of Banking and Insurance Institutions*, together with the relevant rules and regulations of the Bank, and approved proposals on major related party transactions defined in the above documents (the “related parties as defined by the former CBIRC”). Details of the approvals are as follows:

Date of approval by the Board of Directors	Meeting	Content	New facility amount (including low-risk amount)
2025/2/26	The 70 th Session of the 4 th Board of Directors	Proposal on the Approval of the Related-Party Transactions of Huishang Bank Entered with Hefei Xing Tai Financial Holding Group Co., Ltd. and its Affiliates	14,672,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Energy Group Co., Ltd. and its Affiliates	5,950,000
2025/4/29	The 72 nd Session of the 4 th Board of Directors	Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Guoyuan Shareholdings (Group) Co., Ltd. and its Affiliates	4,395,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Provincial Transportation Holdings Group Co., Ltd. and its Subsidiaries	3,487,043
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Wuhu Investment Holding Group Co., Ltd. and its Affiliates	7,868,250
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Chery HuiYin Motor Finance Service Co., Ltd.	4,600,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with CCB Financial Leasing Corporation Limited and Its Affiliate – CCB Financial Asset Investment Co., Ltd.	5,000,000

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(1) Significant related-party transactions approved by the Board of Directors (Continued)

Date of approval by the Board of Directors	Meeting	Content	New facility amount (including low-risk amount)
2025/6/27	The 75 th Session of the 4 th Board of Directors	Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Huishang Bank Financial Leasing Co., Ltd.	15,000,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Energy Group Co., Ltd. and its Affiliates	20,120,000
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Provincial Transportation Holdings Group Co., Ltd. and its Affiliates	22,245,952
		Proposal on Approval of Related-Party Transactions of Huishang Bank Entered with Anhui Credit Financing Guarantee Group Co., Ltd. and its Affiliates	5,350,000

(2) Implementation of significant related-party transactions

For the six months ended 30 June 2025, the significant related-party transactions between Huishang Bank Corporation Limited and its related parties as defined by the former CBIRC are as follows:

(a) *The amount of a single related-party transaction accounting for more than 1% of the net capital of the Bank as at the end of the previous quarter*

For the six months ended 30 June 2025, Huishang Bank had no single related-party transaction with an amount reaching over 1% of its net capital as at the end of the previous quarter.

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUIZHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) *The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates

Related parties	Transaction type	Amount
Hefei Xing Tai Financial Holding Group Co., Ltd.	Liquidity loans	1,299,780
	Bond investments	630,000
	Deposits	171,990
	Underwriting fees	234
Anhui Xingtai Financial Leasing Co., Ltd.	Liquidity loans	301,000
	Domestic letters of credit	127,820
	Domestic factoring	303,000
	Deposits	124,256
	Collection of underwriting fees	226
	Debt financing instruments	60,000
Hefei Xingtai Small Loan Co., Ltd.	Liquidity loans	80,000
	Deposits	1,421
Hefei Xingtai Commercial Factoring Co., Ltd.	Deposits	271
Anhui Xingtai Financing Guarantee Group Co., Ltd.	Deposits	383,022
Hefei Xingtai Technology Credit Guarantee Co., Ltd.	Compensation made for the Banks as the guarantor	21,730
	Deposits	42,245
CCB Trust Co., Ltd.	Collection of custody fees for trust plans	85
	Interest paid for interbank deposit receipts	8,040
	Deposits	500,000

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUIZHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) *The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter (Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
Huafu Fund Management Co., Ltd.	Interest received for reverse repurchase of bonds	268
	Interest paid for interbank deposit receipts	1,927
	Collection of custody fees for fund products	551
	Payment of fund management fees	1,386
	Consignment revenue	9
	Cash bond trading	300,000
CCB Fund Management Co., Ltd.	Payment of management fees for asset management plans	3,788
	Interest received for reverse repurchase of bonds	1,461
	Interest paid for interbank deposit receipts	6,385
	Collection of custody fees for fund special accounts	1
	Interest received for reverse repurchase of bonds	157
CCB Principal Capital Management Co., Ltd.	Separate letters of guarantee	488,420
Hefei Guokong Construction Financing Guarantee Co., Ltd.	Compensation made for the Banks as the guarantor	17,710
	Deposits	277,552
	Bond balances	50,000
Hefei Urban Construction Development Co., Ltd.	Deposits	64,177
Anhui Amber Property Service Co., Ltd.	Property management fees and electricity charges	50
Anhui Public Resources Trading Group Co., Ltd.	Deposits	232,286

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUIZHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) *The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter (Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
Anhui Public Resources Trading Group Project Management Co., Ltd.	Successful bidding service fees	71
	Bidding margins	130
	Deposits	15,500
Hefei Property Rights Trading Center	Agency service charges	11
	Payment of margins	130
Suzhou Security Service Co., Ltd.	Security expenses	1,665
Chizhou Security Guard Service Co., Ltd.	Security expenses	558
	Deposits	27,676
Hefei Security Group Co., Ltd.	Security expenses	9,197
	Deposits	15,393
Ma'anshan Yuanchuang Construction Co., Ltd.	Fixed asset loans	87,850
	Deposits	28,457
Hefei Xingtai Commercial Assets Operation Co., Ltd.	Deposits	15,440
Hefei Changfeng Xingtai Financing Guarantee Co., Ltd.	Deposits	4,707
	Compensatory	800
Hefei Tongka Co., Ltd.	Technical service fee	200
	Deposits	85,452
Hefei Xingtai Guarantee Asset Management Co., Ltd.	Liquidity loans	94,000
	Deposits	460,097
Hefei Urban Construction Beicheng Real Estate Co., Ltd.	Deposits	415

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUIZHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) *The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter (Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
China Construction Bank Corporation	Collection for bank acceptance bills as entrusted	1,633,000
	Negotiable discount outright sale	4,365,000
	Act as the actual financier for asset management plans invested by the Bank	5,200,000
	Act as the actual financier for non-breakeven wealth management products invested by the Bank	189,000
	Interest paid for positive repurchases	20,933
	Cash bond trading	10,730,000
	Interest received for reverse repurchases	237
	Deposits from other banks	3,037
	Payment for matured discounted bank acceptance bills	886,957
	Foreign exchange forward transaction	18,092
	Foreign exchange option transaction	472,468
	Foreign exchange spot transaction	1,476,443
	Placements in foreign currencies from banks and other financial institutions	59,992,429
	Handling fees for issuance of letters of credit on behalf	322
Jiayin (Zhejiang) Real Estate Land Asset Appraisal Co., Ltd.	Appraisal fees	59
MCC Jianxin Investment Fund Management (Beijing) Co., Ltd.	Collection of custody fees for private funds	85
Hefei High Tech Public Resources Exchange Co., Ltd.	Deposits	19,306

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUISHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) *The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter (Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
Anhui Xingtai Information Technology Co., Ltd.	Data service fees	357
Hefei For Industrial Technology Development Co., Ltd.	Deposits	46,894
Hefei Luyang Financial City Investment Development Co., Ltd.	Syndicated loans	40,764
Hefei Xinzhan Gongtong Industrial Technology Co., Ltd.	Fixed asset loans	190,000
CCB Engineering Consulting Co., Ltd. Anhui Branch	Deposits Audit fees	1,306 183
Hefei Xingtai Supply Chain Management Co., Ltd.	Liquidity loans	24,000
Hefei Xingtai Property Management Co., Ltd.	Liquidity loans	50,000
Hefei Seed City Construction and Science and Technology Development Fund Partnership (Limited Partnership)	Deposits Deposits	37 50,000
Anhui Xingtai Financial Consultancy Co., Ltd.	Deposits	8,096
Hefei Urban Construction Hupo Real Estate Co., Ltd.	Deposits	1,964
Hefei Engineering Tongdao Industrial Park Management Co., Ltd.	Deposits	2,277
Hefei Gongtong Industrial Technology Yinshang Co., Ltd.	Deposits	3,736
Hefei Hengniu Property Co., Ltd.	Deposits	74

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUIZHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(2) Implementation of significant related-party transactions (Continued)

(b) *The accumulated balance of transactions with a single related party accounting for more than 5% of the net capital of the Bank as at the end of the previous quarter (Continued)*

Hefei Xingtai Financial Holdings (Group) Co., Ltd. and its affiliates (Continued)

Related parties	Transaction type	Amount
Hefei Xingtai Finance and Innovation Research Institute Co., Ltd.	Deposits	7,623
Hefei Xingtai Technology Finance Leasing Co., Ltd.	Liquidity loans	80,000
	Deposits	5,535
Hefei Xingtai Capital Management Co., Ltd.	Deposits	1,692
Hehuai Industrial Technology Co., Ltd.	Deposits	42,747
Lujiang Meilu Real Estate Development Co., Ltd.	Deposits	15,887
Hefei Urban Construction Xinzhan Real Estate Co., Ltd.	Syndicated loans	40,000
	Deposits	187,636
Hefei Xingtai Equity Investment Management Co., Ltd.	Liquidity loans	50,000
	Deposits	12,184

Appendix I – Unaudited Supplementary Financial Information (Continued)

(All amounts expressed in thousands of RMB unless otherwise stated)

5 HUIZHANG BANK CORPORATION LIMITED MAKES A SUPPLEMENTARY DISCLOSURE OF THE FOLLOWING INFORMATION IN ACCORDANCE WITH THE FORMER CBIRC: (CONTINUED)

(3) Related-party transactions with related natural persons

The Bank's related natural persons (as defined under the *Administrative Measures for Related-Party Transactions of Banking and Insurance Institutions*) mainly include: (1) natural person shareholders, actual controllers, persons acting in concert and final beneficiaries of banking and insurance institutions; (2) natural persons that hold more than 5% of the equity of banking and insurance institutions or those who hold less than 5% of the equity but have a significant influence on the operation and management of banking and insurance institutions; (3) directors and supervisors of banking and insurance institutions, senior management of head offices and material branches, as well as persons with approval authority or decision-making power for core business such as large-scale credit extension, assets transfer, insurance fund application, etc.; (4) spouses, parents, adult children and siblings of the persons mentioned in articles 1-3 above; (5) directors, supervisors and senior management of the related parties mentioned in the 1st and 2nd items under Article 7 of the Administrative Measures. The Bank's natural person shareholders hold or control less than 5% of the equity, and the Bank has no major natural person shareholders.

As at 30 June 2025, the balance of related party transactions by related natural persons of the Bank was RMB113.07 million, which mainly comprised personal housing loans, personal comprehensive consumption revolving loans, credit card overdrafts, and other services. The total of time deposits and other related-party transactions was RMB379.23 million. All the related-party transactions with related natural persons are normal related-party transactions.



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