



鄭州銀行股份有限公司

BANK OF ZHENGZHOU CO., LTD.

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

Stock Code: 6196

2025

INTERIM REPORT
中期報告



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* This Report is prepared in both Chinese and English. If there are any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

IMPORTANT NOTICE

The Board of Directors, Board of Supervisors and Directors, Supervisors and senior management of the Bank hereby warrant the truthfulness, accuracy and completeness of the contents of this interim report and that there are no false representations, misleading statements or material omissions, and jointly and severally assume liability for the information hereof.

The 2025 interim report (the “**Report**”) and the announcement of interim results were reviewed and approved at the Bank’s 3rd meeting of the eighth session of the Board of Directors held on 28 August 2025; 9 Directors were eligible to attend the meeting and 9 of them attended in person, with all Supervisors of the Bank being in attendance.

Unless otherwise specified, the financial information set out in this Report represents data from the consolidated financial statements of the Bank and its subsidiaries, namely Henan Jiuding Financial Leasing Co., Ltd., Fugou Zhengyin County Bank Co., Ltd., Xinmi Zhengyin County Bank Co., Ltd., Xunxian Zhengyin County Bank Co., Ltd., Queshan Zhengyin County Bank Co., Ltd. and Xinzheng Zhengyin County Bank Co., Ltd.

The 2025 interim financial report prepared in accordance with China Accounting Standards for Business Enterprises and International Financial Reporting Standards by the Bank was unaudited. ShineWing Certified Public Accountants LLP and SHINEWING (HK) CPA Limited had reviewed the Report in accordance with the PRC and International Review Standards, respectively.

Mr. ZHAO Fei, the legal representative and the chairman of the Bank, Ms. LI Hong, the president of the Bank, Mr. Zhang Houlin, the person-in-charge of accounting of the Bank, and Mr. Fu Qiang, the head of the accounting department of the Bank hereby declare and warrant the truthfulness, accuracy, and completeness of the financial statements in this Report.

The Bank had no plan to distribute cash dividends and bonus shares or implement capitalization issue for the first half of 2025.

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

During the Reporting Period, the Bank was not aware of any material risk that would adversely affect its future development strategies and business targets. The details of the major risks to which the Bank was exposed in its operations and management and the corresponding measures adopted by the Bank are described in this Report. For details, please refer to the information in the section headed “Risk Management” in the chapter headed “Management Discussion and Analysis” of this Report.

DEFINITIONS

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

“2024 AGM”	the annual general meeting of the Bank convened on 27 June 2025
“Articles of Association”	the articles of association of the Bank, as amended from time to time
“A Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Bank, which are listed and traded on the SZSE (stock code: 002936)
“A Shareholder(s)”	holder(s) of A Share(s)
“Bank”, “Bank of Zhengzhou”, or “we”	Bank of Zhengzhou Co., Ltd.* (鄭州銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability on 16 November 1996 in accordance with the PRC laws, and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“Company Law”	the Company Law of the People’s Republic of China
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Stock Exchange Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Bank
“Fugou Zhengyin County Bank”	Fugou Zhengyin County Bank Co., Ltd. (扶溝鄭銀村鎮銀行股份有限公司)
“Group”	the Bank and its subsidiaries

DEFINITIONS (CONTINUED)

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“H Share(s)”	overseas-listed foreign share(s) in the share capital of the Bank, with a nominal value of RMB1.00 each, which are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 6196)
“H Shareholder(s)”	holder(s) of H Share(s)
“Jiuding Financial Leasing Company”	Henan Jiuding Financial Leasing Co., Ltd. (河南九鼎金融租賃股份有限公司)
“Latest Practicable Date”	28 August 2025, being the latest practicable date prior to the publishment of this Report for the purpose of ascertaining certain information contained hereof
“Law on Commercial Banks”	Law on Commercial Banks of the People's Republic of China
“Queshan Zhengyin County Bank”	Queshan Zhengyin County Bank Co., Ltd. (確山鄭銀村鎮銀行股份有限公司)
“Reporting Period”	the six months from 1 January 2025 to 30 June 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People's Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)” or “Ordinary Share(s)”	the A Share(s) and the H Share(s)
“Shareholders” or “Ordinary Shareholders”	the holders of Ordinary Shares
“Stock Exchange Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS (CONTINUED)

“Supervisor(s)”	the supervisor(s) of the Bank
“SZSE”	the Shenzhen Stock Exchange
“SZSE Listing Rules”	the Rules Governing the Listing of Stocks on the SZSE
“Xinmi Zhengyin County Bank”	Xinmi Zhengyin County Bank Co., Ltd. (新密鄭銀村鎮銀行股份有限公司)
“Xinzheng Zhengyin County Bank”	Xinzheng Zhengyin County Bank Co., Ltd. (新鄭鄭銀村鎮銀行股份有限公司)
“Xunxian Zhengyin County Bank”	Xunxian Zhengyin County Bank Co., Ltd. (浚縣鄭銀村鎮銀行股份有限公司)
“Yanling Zhengyin County Bank”	Yanling Zhengyin County Bank Co., Ltd. (鄆陵鄭銀村鎮銀行股份有限公司)
“Zhongmu Zhengyin County Bank”	Zhongmu Zhengyin County Bank Co., Ltd. (中牟鄭銀村鎮銀行股份有限公司)

* *The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), and not subject to the supervision of the Hong Kong Monetary Authority, nor being authorized to carry out banking and/or deposit-taking business in Hong Kong.*

CHAPTER I CORPORATE INFORMATION AND MAJOR FINANCIAL INDICATORS

1 BASIC INFORMATION

Legal name in Chinese:	鄭州銀行股份有限公司(Abbreviation: 鄭州銀行)
Legal name in English:	Bank of Zhengzhou Co., Ltd. (Abbreviation: ZHENGZHOU BANK)
Legal representative:	Mr. ZHAO Fei
Authorized representatives:	Mr. ZHAO Fei, Ms. HAN Huili
Board secretary and contact details:	Ms. HAN Huili Contact address: 22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, China Tel: +86-371-6700 9199 Fax: +86-371-6700 9898 E-mail: ir@zzbank.cn
Joint company secretaries:	Ms. HAN Huili, Dr. NGAI Wai Fung
Securities affairs representative and contact details:	Mr. SHUANG Hongyang ^(Note) Contact address: 22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, China Tel: +86-371-6700 9199 Fax: +86-371-6700 9898 E-mail: ir@zzbank.cn
Places of listing, stock abbreviations and codes:	A Shares: SZSE BANK OF ZHENGZHOU 002936 H Shares: Hong Kong Stock Exchange BANK OF ZHENGZHOU 6196
Unified Social Credit Code:	914100001699995779
Financial licence number:	B1036H241010001
Registered address and office address:	22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, China
Postal code of the registered address and office address:	450018
Principal place of business in Hong Kong:	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
Contact address:	22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou, Henan Province, China
Tel:	+86-371-6700 9199
Fax:	+86-371-6700 9898
E-mail:	ir@zzbank.cn
Website:	www.zzbank.cn

Note: On 28 August 2025, upon consideration and approval at the third meeting of the eighth session of the Board of the Bank, Mr. SHUANG Hongyang was appointed as the securities affairs representative of the Bank, and Mr. CHEN Guang ceased to serve as the securities affairs representative of the Bank.

CHAPTER I CORPORATE INFORMATION AND MAJOR FINANCIAL INDICATORS (CONTINUED)

Newspapers for information disclosure:	Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily
Websites for information disclosure:	Website for publishing the interim report of A Shares: www.cninfo.com.cn Website for publishing the interim report of H Shares: www.hkexnews.hk
Places where the interim report can be obtained:	The general office of the Board of the Bank
Domestic auditor:	ShineWing Certified Public Accountants LLP
Address of domestic auditor:	8/F, Block A, Fuhua Mansion, 8 Chaoyangmen Beidajie, Dongcheng District, Beijing
Undersigned accountants:	Ms. CHEN Wei, Ms. LI Yan
International auditor:	SHINEWING (HK) CPA Limited
Address of international auditor:	17/F, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong
Undersigned accountant:	Mr. Wong Chuen Fai
PRC legal advisor:	King & Wood Mallesons (Beijing)
Hong Kong legal advisor:	King & Wood Mallesons
Registrar for A Shares:	China Securities Depository and Clearing Corporation Limited, Shenzhen Branch
Registrar for H Shares:	Computershare Hong Kong Investor Services Limited

CHAPTER I CORPORATE INFORMATION AND MAJOR FINANCIAL INDICATORS (CONTINUED)

2 MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

The financial data and indicators set forth in this Report are prepared in accordance with the International Financial Reporting Standards. Unless otherwise specified, such information represents the data of the Group stated in RMB.

Unit: RMB'000

Major accounting data	2025	For the six months ended 30 June		
		2024	Increase/decrease for the Reporting Period as compared to the same period of the previous year (%)	2023
Operating results				
Operating income ⁽¹⁾	6,697,153	6,405,142	4.56	6,903,597
Total profit	1,952,478	1,869,575	4.43	2,526,990
Net profit attributable to Shareholders of the Bank	1,627,359	1,593,861	2.10	2,046,633
Net cash flow generated from/used in operating activities	7,757,456	(4,404,722)	N/A	(467,243)
Calculated on a per Share basis (RMB/Share)				
Basic earnings per Share ⁽²⁾	0.18	0.18	—	0.23
Diluted earnings per Share ⁽²⁾	0.18	0.18	—	0.23

CHAPTER I CORPORATE INFORMATION AND MAJOR FINANCIAL INDICATORS (CONTINUED)

Scale indicators	As at 30 June 2025	As at 31 December 2024	Increase/decrease as at the end of the Reporting Period as compared to the end of the previous year (%)	As at 31 December 2023
Total assets	719,738,190	676,365,240	6.41	630,709,429
Gross loans and advances to customers (excluding accrued interest)	406,094,463	387,690,452	4.75	360,608,206
Provision for impairment losses on loans and advances to customers ⁽³⁾	12,839,487	12,668,553	1.35	11,815,080
Total liabilities	662,363,519	620,070,469	6.82	576,394,573
Gross principal of deposits from customers (excluding accrued interest)	446,662,225	404,537,898	10.41	360,961,439
Share capital	9,092,091	9,092,091	–	9,092,091
Shareholders' equity	57,374,671	56,294,771	1.92	54,314,856
Including: equity attributable to Shareholders of the Bank	55,485,934	54,445,031	1.91	52,452,824
Net assets per Share attributable to Ordinary Shareholders of the Bank ⁽⁴⁾ (RMB/Share)	5.00	4.89	2.25	4.67
Net capital base ⁽⁵⁾	60,971,438	60,173,707	1.33	56,372,605
Including: net tier-one capital ⁽⁵⁾	54,495,291	53,937,488	1.03	50,718,655
Total risk-weighted assets ⁽⁵⁾	514,664,672	498,780,953	3.18	455,490,556

CHAPTER I CORPORATE INFORMATION AND MAJOR FINANCIAL INDICATORS (CONTINUED)

			Change as at the end of the Reporting Period as compared to the end of the previous year	
Major financial indicators	As at 30 June 2025	As at 31 December 2024		As at 31 December 2023
Capital adequacy ratio (%)				
Core tier-one capital adequacy ratio ⁽⁵⁾	8.60	8.76	(0.16)	8.90
Tier-one capital adequacy ratio ⁽⁵⁾	10.59	10.81	(0.22)	11.13
Capital adequacy ratio ⁽⁵⁾	11.85	12.06	(0.21)	12.38

	As at 30 June 2025	As at 31 December 2024	Change as at the end of the Reporting Period as compared to the end of the previous year	As at 31 December 2023
Asset quality indicators (%)				
Non-performing loan ratio ⁽⁶⁾	1.76	1.79	(0.03)	1.87
Allowance to non-performing loans ⁽⁶⁾	179.20	182.99	(3.79)	174.87
Allowance to total loans ⁽⁶⁾	3.16	3.27	(0.11)	3.28

		For the six months ended 30 June		
			Change for the Reporting Period as compared to the same period of the previous year	
	2025	2024		2023
Profitability indicators (%)				
Weighted average return on net assets ⁽²⁾ (annualized)	7.24	7.34	(0.10)	9.77
Return on total assets ⁽⁷⁾ (annualized)	0.48	0.52	(0.04)	0.70
Cost-to-income ratio ⁽⁸⁾	21.96	24.73	(2.77)	20.93
Net interest spread ⁽⁹⁾ (annualized)	1.56	1.70	(0.14)	2.06
Net interest margin ⁽¹⁰⁾ (annualized)	1.64	1.80	(0.16)	2.13

CHAPTER I CORPORATE INFORMATION AND MAJOR FINANCIAL INDICATORS (CONTINUED)

	As at 30 June 2025	As at 31 December 2024	Change as at the end of the Reporting Period as compared to the end of the previous year	As at 31 December 2023
Other financial indicators (%)				
Leverage ratio ⁽¹¹⁾	6.83	7.19	(0.36)	7.60
Liquidity ratio ⁽¹¹⁾	82.95	83.07	(0.12)	59.10
Liquidity coverage ratio ⁽¹¹⁾	170.48	305.04	(134.56)	265.83
Loan-to-deposit ratio ⁽¹¹⁾	90.92	95.84	(4.92)	99.90
Percentage of loans to the single largest customer ⁽¹¹⁾	4.82	4.89	(0.07)	5.32
Percentage of loans to the top ten single customers ⁽¹¹⁾	38.07	38.24	(0.17)	35.36
Percentage of credit granted to the single largest group customer ⁽¹¹⁾	11.54	11.44	0.10	9.32
Normal loan migration ratio ⁽¹¹⁾	1.14	3.69	(2.55)	1.98
Special mention loan migration ratio ⁽¹¹⁾	5.32	15.65	(10.33)	11.38
Substandard loan migration ratio ⁽¹¹⁾	—	81.18	(81.18)	85.59
Doubtful loan migration ratio ⁽¹¹⁾	2.98	73.34	(70.36)	47.40

Notes:

- Operating income includes net interest income, net fee and commission income, net trading gains, net gains arising from investments and other operating income, etc.
- Basic earnings per Share, diluted earnings per Share and weighted average return on net assets were calculated according to Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No.9): Calculation and Disclosure of Rate of Return on Equity and Earnings per Share (2010 Revision).

During the Reporting Period, the Bank did not distribute interests on the indefinite-term capital bonds. No interest on the indefinite-term capital bonds had to be deducted from the “net profit attributable to Shareholders of the Bank”, and net proceeds raised from the indefinite-term capital bonds issuance were deducted from the “weighted average net assets”.

- Including the provision for impairment losses on the loans and advances to customers measured at amortized costs and the loans and advances to customers at fair value through other comprehensive income.

CHAPTER I CORPORATE INFORMATION AND MAJOR FINANCIAL INDICATORS (CONTINUED)

4. Representing the equity attributable to Ordinary Shareholders of the Bank after deducting other equity instruments divided by the number of Ordinary Shares at the end of the period.
5. Starting from 2024, the Bank calculated the capital adequacy ratio in accordance with the relevant provisions of the “Administrative Measures for the Capital of Commercial Banks” published by the National Financial Regulatory Administration. Previously, the capital adequacy ratio were calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) (商業銀行資本管理辦法(試行)) of the Former CBIRC and relevant requirements.
6. Non-performing loan ratio was calculated by dividing total non-performing loans (excluding accrued interests) by gross loans and advances to customers (excluding accrued interest); the allowance to non-performing loans was calculated by dividing allowance for impairment losses on loans and advances to customers by total non-performing loans (excluding accrued interest); and the allowance to total loans was calculated by dividing allowance for impairment losses on loans and advances to customers by gross loans and advances to customers (excluding accrued interest).
7. Representing the net profit for the Reporting Period as a percentage of the average balance of the total assets as at the beginning and end of the Reporting Period.
8. Calculated by dividing operating expenses (excluding tax and surcharges) by operating income.
9. Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities based on the daily average of the interest-earning assets and the interest-bearing liabilities.
10. Calculated by dividing net interest income by the daily average interest-earning assets based on the daily average interest earning assets.
11. Leverage ratio, percentage of loans to the single largest customer, percentage of loans to the top ten single customers and percentage of credit granted to the single largest group customer were recalculated in accordance with regulatory criteria based on audited (reviewed) data. Loan-to-deposit ratio was recalculated as per audited (reviewed) total loans divided by total deposits. Other indicators represent data reported to regulatory authorities. Loan migration ratio was based on the criteria of the Bank (the parent).

3 DIFFERENCE IN ACCOUNTING DATA UNDER DOMESTIC AND INTERNATIONAL ACCOUNTING STANDARDS

Neither the Bank's net assets as at the end of the Reporting Period nor the net profit during the Reporting Period calculated in accordance with China Accounting Standards for Business Enterprises differs from that calculated in accordance with the International Financial Reporting Standards.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS

1 REVIEW OF THE ECONOMIC ENVIRONMENT AND THE INDUSTRY

In the first half of 2025, against the backdrop of an increasingly complex and severe international environment and multiple domestic challenges such as insufficient effective demand, all regions and departments in China accelerated the implementation of more proactive and effective macroeconomic policies, maintaining generally stable national economic performance with steady improvement, and fully demonstrating the resilience and vitality of the economy. In the first half of the year, GDP increased by 5.3% year-on-year, with the primary, secondary, and tertiary industries growing by 3.7%, 5.3%, and 5.5%, respectively. First, industrial production maintained rapid growth, with equipment manufacturing and high-tech manufacturing recording robust growth. In the first half of the year, the added value of industrial enterprises above designated size increased by 6.4% year-on-year, among which, equipment manufacturing and high-tech manufacturing increased by 10.2% and 9.5%, respectively. Second, the service sector accelerated, with modern services showing strong development. In the first half of the year, the added value of the service sector increased by 5.5% year-on-year, of which the information transmission, software and IT services sectors, as well as the leasing and business services sectors, increased by 11.1% and 9.6% year-on-year, respectively. Third, the growth of market sales rebounded, with consumer upgrade products showing strong sales performance. In the first half of the year, total retail sales of consumer goods increased by 5.0% year-on-year, with strong sales growth in daily necessities and some premium goods. The trade-in policy for consumer goods continued to take effect, with retail sales of household appliances, audio-visual equipment, and cultural and office supplies in units above the designated size growing by 30.7% and 25.4% year-on-year, respectively. Fourth, fixed-asset investment continued to expand, with manufacturing investment growing rapidly. In the first half of the year, national fixed-asset investment (excluding rural households) increased by 2.8% year-on-year. By sector, infrastructure investment increased by 4.6% year-on-year, manufacturing investment increased by 7.5% year-on-year, while real estate development investment declined by 11.2% year-on-year. Fifth, goods imports and exports maintained growth, with continued optimization in trade structure. In the first half of the year, total goods trade increased by 2.9% year-on-year. Exports grew by 7.2% year-on-year, while imports decreased by 2.7% year-on-year. Sixth, consumer prices remained generally stable, while core CPI showed moderate recovery. In the first half of the year, the national CPI decreased by 0.1% year-on-year, while core CPI (excluding food and energy prices) increased by 0.4%.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In the first half of 2025, Henan Province adhered to the general principle of seeking progress while maintaining stability, focusing on the “two priorities and four focal tasks (兩高四著力)”, and took multiple measures to comprehensively promote the economic performance, maintaining a stable and upward development trend. In the first half of the year, the province’s regional GDP increased by 5.7% year-on-year, with the primary, secondary, and tertiary industries growing by 2.7%, 6.0%, and 6.0%, respectively. First, industrial production maintained rapid growth, with new productive forces flourishing. In the first half of the year, the added value of industrial enterprises above the designated size increased by 8.4% year-on-year, 2.0 percentage points higher than the national average. The added value of high-tech manufacturing and industrial strategic emerging industries above the designated size increased by 14.9% and 10.7% year-on-year, respectively. Second, the service sector maintained a steady rise, and the growth of service sector above the designated size accelerated. In the first half of the year, the added value of the service sector in the province increased by 6.0% year-on-year, 0.2 percentage point faster than the first quarter. From January to May, the operating income of the service sector above the designated size in the province grew by 7.5%. Third, the structure of fixed-asset investment continued to improve, with industrial investment remaining high. In the first half of the year, the province’s fixed-asset investment increased by 5.1% year-on-year, 2.3 percentage points higher than the national average. The province’s industrial investment increased by 25.9% year-on-year, with manufacturing investment increased by 24.8% year-on-year. Fourth, consumer demand continued to be unleashed, with the “trade-in” initiative stimulating consumption vitality. In the first half of the year, the province’s total retail sales of consumer goods increased by 7.2% year-on-year, 2.2 percentage points higher than the national average. Retail sales of wearable smart devices, communication equipment, and computers with peripheral products by units above the designated size in the province increased by 95.3%, 92.3%, and 87.0% year-on-year, respectively.

In the first half of 2025, the People’s Bank of China implemented a moderately accommodative monetary policy, enhanced countercyclical regulation and employed a combination of various monetary policy tools to serve the high-quality development of the real economy. First, the financial aggregate registered appropriate growth. At the end of the first half of the year, the stock of social financing scale grew by 8.9% year-on-year, broad money supply (M2) grew by 8.3% year-on-year, and RMB loans grew by 7.1% year-on-year. Second, the comprehensive social financing costs declined continuously to the record low. The weighted average interest rate for newly issued corporate loans was approximately 3.3%, about 45 basis points lower than that of the same period in the previous year, and the interest rate of newly issued residential mortgage was approximately 3.1%, about 60 basis points lower than that of the same period in the previous year. Third, the credit structure continued to improve. At the end of the first half of the year, the balance of inclusive loans to the small and micro enterprises increased by 12.3% year-on-year, the balance of medium and long-term loans to the manufacturing industry increased by 8.7% year-on-year, and the balance of loans to technology-based SMEs increased by 22.9% year-on-year.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In the first half of 2025, facing the complex and ever-changing economic and financial situation, the banking industry has always adhered to the general principle of seeking progress while maintaining stability, increased financial support, optimized credit structure, strengthened risk prevention and control, and improved service quality and efficiency. Firstly, the total assets maintained growth. At the end of the first half of the year, the total domestic and foreign currency assets of banking and financial institutions amounted to RMB467.3 trillion, a year-on-year increase of 7.9%. Secondly, financial services continued to strengthen. At the end of the first half of the year, the balance of inclusive small and micro enterprise loans from banking and financial institutions was RMB36 trillion, a year-on-year increase of 12.3%; the balance of inclusive agricultural loans was RMB13.9 trillion, an increase of RMB1.1 trillion from the beginning of the year. Thirdly, the overall quality of commercial bank credit assets was stable. At the end of the first half of the year, the balance of non-performing loans in commercial banks was RMB3.4 trillion, with a non-performing loan ratio of 1.49%. Fourthly, the overall risk offsetting ability of commercial banks was sufficient. In the first half of the year, commercial banks achieved a cumulative net profit of RMB1.2 trillion; at the end of the first half of the year, the provision coverage ratio of commercial banks was 211.97%, the loan provision ratio was 3.16%, and the capital adequacy ratio was 15.58%. Fifthly, the liquidity indicators of commercial banks remained stable. At the end of the first half of the year, the liquidity coverage rate of commercial banks was 149.5%, the net stable funds ratio was 127.59%, and the liquidity ratio was 79.90%.

2 BUSINESS REVIEW

2.1 Principal Business

Bank of Zhengzhou is a regional joint-stock commercial bank established in November 1996. It went public on the Hong Kong Stock Exchange in December 2015 and was listed on the SZSE in September 2018, becoming the first domestic city commercial bank to be listed on both the A-share and H-share markets. The Bank thoroughly implements major national strategic initiatives and provincial/municipal work arrangements and remains committed to serving the local economy, small and medium-sized enterprises (SMEs), and urban and rural residents, comprehensively enhancing the quality and efficiency of its support for the real economy. It provides customers with high-quality, convenient, and efficient integrated financial services.

The Bank is primarily engaged in corporate banking, retail banking and financial market business. The Bank provides corporate banking customers with diversified financial products and services, including corporate loans (including trade finance), international business and services, corporate deposits, and products and services involving handling fees and commissions. The Bank provides retail banking customers with a wide range of products and services, including loans, deposits, wealth management, bank cards and products and services involving handling fees and commissions. The Bank's financial market business seeks to maximize the return on capital while meeting its liquidity needs, including money market transactions, investment in securities and other financial assets, bond underwriting and distribution, inter-bank discounting and rediscounting of bills, and treasury business conducted on behalf of customers.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

2.2 Operational Performance

During the Reporting Period, the Bank adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the important arrangements of the Party Central Committee, the State Council, and the provincial and municipal Party committees and governments regarding financial work, and focused on the “two priorities and four focal tasks (兩高四著力)”. By coordinating reform and transformation with high-quality development, the Bank solidly advanced business transformation and continuously strengthened its endogenous development momentum.

Strengthening Party-building leadership and consolidating the foundation for development. The Bank upheld the principle of comprehensive Party leadership throughout its reform and development, fully leveraged the Party committee’s important role in “holding the general direction, controlling the general situation and ensuring implementation”, strictly implemented the “first topic” system and the Party committee central group study system, and further strengthened the Party committee’s role in steering and decision-making. The Bank conducted in-depth learning and education on thoroughly implementing the spirit of the Central Committee’s eight-point decision and continue to strengthen work style construction. The Bank also continuously optimized management orientation and behavioral norms, and effectively enhanced the political function, organizational strength, and cohesion of Party organizations.

Adhering to the service orientation and enhancing work quality and efficiency. The Bank has thoroughly grasped the connotation of the political and people-oriented nature of financial work, actively carried out major national, provincial, and municipal development strategies, responded to the needs of local economic development, earnestly fulfilled the social responsibilities of financial institutions, and fully served the local economy, SMEs, and urban and rural residents. It has vigorously supported the construction of Henan Province’s “7+28+N” key industrial chains, closely focused on the “three batches” projects, actively implemented the financing coordination mechanism for small and micro enterprises, continuously built farmer-friendly service stations and community volunteer service stations, and was committed to contributing financial strengths to maintaining stability and benefiting people’s livelihoods.

Promoting reform and transformation to strengthen internal momentum. The Bank has continued to deepen business transformation and development, advanced institutional and mechanism reforms, optimized organizational structures and business processes, improved the talent cultivation and management system, and strengthened performance evaluation and incentive mechanisms. Upholding the principle of “putting external customer experience first and improving internal efficiency first”, the Bank has continuously enhanced online and digital service capabilities, optimized product systems and service processes, improved risk and internal control management systems, promoted synergy across business lines, consolidated the foundation for high-quality development, and built a more professional, stable, high-quality, and efficient modern financial service system.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

2.3 Analysis of Core Competitiveness

Clear strategic objectives and distinctive business characteristics. The Bank have always adhered to the market positioning of “serving local economy, serving small and medium enterprises and serving urban and rural residents” and continuously promotes the characteristic business development. Upholding the philosophy of innovative development, the Bank steadily promotes business transformation, and initiatively thinks about, seeks and mulls changes, and consolidates the foundations of high-quality development to better fulfill the mission of serving real economies.

Sound regional economic development bringing important development opportunities. As a local legal person bank, the Bank has been rooted in Henan, especially Zhengzhou, and always strives to achieve a close integration with the local economy for common development. With the improvement in the quality and efficiency of economic development in Henan and the launching of various national strategic plans and platforms in recent years, the strategic position and comprehensive competitive advantages of Henan have become increasingly prominent. Zhengzhou, the provincial capital, enjoys various regional advantages such as an important national transportation hub and a national central city, and boasts strong development potential. The bright regional development prospects have provided important policy and historical opportunities for the high-quality development of the Bank.

Enhancing technological financial service capabilities to precisely empower technology enterprises. The Bank has actively responded to Henan’s strategic deployment to build a national innovation hub, fully advanced the “Big Picture of Technology Finance”, and continuously guided financial resources toward the science and technology innovation sector. Through measures such as strengthening top-level planning, establishing technology-specialised branches, building composite professional teams, innovating financial products, and constructing an innovation ecosystem, the Bank has continuously enhanced its comprehensive science and technology finance service capabilities, promoted the quality and efficiency of enterprise technological innovation, and injected new momentum into the province-wide industrial transformation and upgrade and high-quality economic development.

Managing compliance risks carefully to ensure sound operations. The Bank has set the base line of “compliance-based development”, created a good atmosphere for “compliance-based operations and sound development”, and continuously improved internal control and compliance management. In particular, the Bank regularly reviews relevant measures and compliance issues, and inspects all aspects of operational and managerial activities from the beginning to the end, thus consolidating the foundation for internal control and compliance; promotes employee behaviour management, and implements swindle prevention and control responsibilities at all levels to develop an inclination for proactive compliance; strengthens employees’ compliance awareness and compliance skills education to build the cornerstone of compliance-based development and promote the healthy development of various business lines; continuously strengthens the construction of the three lines of defense, increases accountability for violations, and eliminates hidden risks in a timely manner.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Cultivating a strong leadership team and optimizing the leadership and support of talents. To address the shortage of personnel in business and management roles, the Bank actively seeks to attract top-tier talent and professionals under a flexible recruitment mechanism, and employs various methods to identify and select outstanding leader candidates who demonstrate strong political integrity and significant contributions. Moreover, the Bank is committed to reforming its leadership structure comprehensively by prioritizing loyalty, integrity, and accountability in its hiring practices. It focuses on improving its business training systems and developing a learning-empowered and expert workforce to ensure professional and dedicated services for its customers.

Creating a corporate culture and adhering to the corporate vision. By embracing the values of professionalism, dedication, diligence, entrepreneurship, and business acumen, the Bank has enhanced the professional capabilities of its employees across the board. In its pursuit of excellence, the Bank has fostered a meticulous, rigorous, and detail-oriented mindset, encouraging all employees to embody the “spirit of craftsmanship.” Its goal is to cultivate an iron army marked by unwavering faith, steadfast commitment, and strict discipline, ensuring that its team remains politically engaged, resolute, and highly skilled.

2.4 Major Awards

In February 2025, the Bank was awarded the “2024 Financial Institutions Practice Award for Five Major Areas” by China Finance Net;

In June 2025, the Bank was awarded the “2025 ESG Green Finance Pioneer Enterprise” by Time Weekly, Time Finance, Business Research Institute (商研院) and Entrepreneurship Circle (創業圈).

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3 FINANCIAL STATEMENTS ANALYSIS

3.1 Income Statement Analysis

During the Reporting Period, confronting with the complex and volatile macroeconomic situation, the Bank insisted on the implementation of the decisions and deployments of the CPC Central Committee and the provincial and municipal governments on financial work, aimed at the goals, moved forward with determination and actively carried out the development of various businesses, maintaining steady operating performance. During the Reporting Period, the Bank recorded an operating income of RMB6,697 million, representing an increase of RMB292 million or 4.56% as compared to the same period of the previous year; net profit of RMB1,666 million, representing an increase of RMB17 million or 1.05% as compared to the same period of the previous year; and net profit attributable to Shareholders of the Bank of RMB1,627 million, representing an increase of RMB33 million or 2.10% as compared to the same period of the previous year. Major items of and changes in the Bank's income statement are set out as follows:

Unit: RMB'000

Item	For the six months ended 30 June			
	2025	2024	Change	Rate of change (%)
Net interest income	5,350,775	5,295,547	55,228	1.04
Non-interest income	1,346,378	1,109,595	236,783	21.34
Operating income	6,697,153	6,405,142	292,011	4.56
Less: Operating expenses	1,559,528	1,663,805	(104,277)	(6.27)
Less: Credit impairment losses	3,171,613	2,860,823	310,790	10.86
Less: Other business costs	7,514	7,239	275	3.80
Operating profit	1,958,498	1,873,275	85,223	4.55
Share of profits of associates	(6,020)	(3,700)	(2,320)	62.70
Profit before taxation	1,952,478	1,869,575	82,903	4.43
Less: Income tax expenses	286,122	220,463	65,659	29.78
Net profit	1,666,356	1,649,112	17,244	1.05
Including: Shareholders of the Bank	1,627,359	1,593,861	33,498	2.10
Non-controlling interests	38,997	55,251	(16,254)	(29.42)

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.1.1 Net Interest Income, Net Interest Spread and Net Interest Margin

During the Reporting Period, the Bank recorded net interest income of RMB5,351 million, representing an increase of RMB55 million or 1.04% as compared to the same period of the previous year and accounted for 79.90% of the operating income. In particular, business scale adjustment resulted in an increase of RMB406 million in net interest income and changes in yield or cost rate resulted in a decrease of RMB351 million in net interest income.

The following table sets forth the average balance of the Bank's interest-earning assets and interest-bearing liabilities, interest income and expenses of such assets, average yield of these interest-earning assets and average cost rate of these interest-bearing liabilities during the Reporting Period:

Unit: RMB'000

Item	For the six months ended 30 June					
	Average balance ⁽⁶⁾	2025 Interest income/expense	Average yield/interest rate (%)	Average balance ⁽⁶⁾	2024 Interest income/expense	Average yield/interest rate (%)
Interest-earning assets						
Loans and advances to customers	397,352,321	7,912,822	3.98	363,054,331	7,728,598	4.26
Investment in securities and other financial assets ⁽¹⁾	177,273,882	2,518,155	2.84	153,726,396	2,621,268	3.41
Deposits with the central bank	25,076,578	176,901	1.41	22,953,937	157,344	1.37
Amounts due from banks and other financial institutions ⁽²⁾	21,475,809	228,820	2.13	15,377,906	160,019	2.08
Lease receivables	30,509,458	897,052	5.88	34,089,803	1,110,229	6.51
Total interest-earning assets	651,688,048	11,733,750	3.60	589,202,373	11,777,458	4.00
Interest-bearing liabilities						
Deposits from customers	419,965,654	4,308,039	2.05	362,899,366	3,943,416	2.17
Amounts due to banks and other financial institutions ⁽³⁾	57,842,729	585,505	2.02	67,418,020	883,608	2.62
Bonds payable	111,072,016	1,126,691	2.03	103,842,123	1,310,753	2.52
Due to the central bank	36,538,643	362,740	1.99	28,263,614	344,134	2.44
Total interest-bearing liabilities	625,419,042	6,382,975	2.04	562,423,123	6,481,911	2.30
Net interest income		5,350,775			5,295,547	
Net interest spread ⁽⁴⁾			1.56			1.70
Net interest margin ⁽⁵⁾			1.64			1.80

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Notes:

1. Consists of financial investments at amortized cost and bonds at fair value through other comprehensive income.
2. Consists of deposits and placements with banks and other financial institutions and financial assets held under resale agreements.
3. Consists of deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements.
4. Calculated as the difference between the average yield on total interest-earning assets and the average cost rate of total interest-bearing liabilities based on the average daily interest-earning assets and interest-bearing liabilities.
5. Calculated by dividing the net interest income by the average balance of interest-earning assets based on the average daily interest-earning assets.
6. Calculated as the average daily balance of the Bank.

During the Reporting Period, the net interest spread and net interest margin of the Bank was comprehensively affected by changes in the volume and interest rate. Changes in volume are measured by changes in the average balance of the interest-earning assets and interest-bearing liabilities while changes in interest rate are measured by changes in the average interest rate of the interest-earning assets and interest-bearing liabilities.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Unit: RMB'000

Item	For the six months ended 30 June		
	2025 vs. 2024		Net increase/ (decrease) ⁽³⁾
	Increase/(decrease) due to Volume ⁽¹⁾	Interest rate ⁽²⁾	
Interest-earning assets			
Loans and advances to customers	730,126	(545,902)	184,224
Investment in securities and other financial assets	401,520	(504,633)	(103,113)
Deposits with the central bank	14,550	5,007	19,557
Amounts due from banks and other financial institutions	63,453	5,348	68,801
Lease receivables	(116,604)	(96,573)	(213,177)
Changes in interest income	1,093,045	(1,136,753)	(43,708)
Interest-bearing liabilities			
Deposits from customers	620,106	(255,483)	364,623
Amounts due to banks and other financial institutions	(125,498)	(172,605)	(298,103)
Bonds payable	91,260	(275,322)	(184,062)
Due to the central bank	100,756	(82,150)	18,606
Changes in interest expenses	686,624	(785,560)	(98,936)

Notes:

1. Represents the average balance for the Reporting Period minus the average balance for the previous period, multiplied by the average yield/cost rate for the previous period.
2. Represents the average yield/(cost rate) for the Reporting Period minus the average yield/(cost rate) for the previous period, multiplied by the average balance for the Reporting Period.
3. Represents the interest income/(expenses) for the Reporting Period minus the interest income/(expenses) for the previous period.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Net interest spread and net interest margin

During the Reporting Period, the Bank's net interest spread amounted to 1.56%, representing a year-on-year decrease of 0.14 percentage point, while the Bank's net interest margin amounted to 1.64%, representing a year-on-year decrease of 0.16 percentage point. The main reasons for the decrease in net interest spread and net interest margin are the factors such as continuous narrowing of interest spreads and the repricing of LPRs.

3.1.2 Interest Income

During the Reporting Period, the Bank achieved interest income of RMB11,734 million, representing a decrease of RMB44 million or 0.37% as compared to the same period of the previous year, mainly due to the decrease in interest income from lease receivables.

Interest income from loans

During the Reporting Period, the Bank steadily promoted credit granting. The average balance of loans and advances to customers issued by the Bank increased by RMB34,298 million as compared to the same period of the previous year. The interest income from loans amounted to RMB7,913 million, representing an increase of RMB184 million or 2.38% as compared to the same period of the previous year. Set out below are the average balance, interest income and average yield for each component of the Bank's loans and advances to customers during the Reporting Period:

Unit: RMB'000

Item	For the six months ended 30 June					
	Average balance	2025 Interest income	Average yield (%)	Average balance	2024 Interest income	Average yield (%)
Corporate loans	266,739,866	6,129,124	4.60	256,751,359	6,034,853	4.70
Personal loans	92,557,406	1,546,557	3.34	85,638,279	1,536,750	3.59
Discounted bills	38,055,049	237,141	1.25	20,664,693	156,995	1.52
Gross loans and advances to customers	397,352,321	7,912,822	3.98	363,054,331	7,728,598	4.26

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Interest income from investment in securities and other financial assets

During the Reporting Period, interest income from investment in securities and other financial assets of the Bank amounted to RMB2,518 million, representing a year-on-year decrease of RMB103 million or 3.93%, which was principally attributable to the decrease in average yield of investment in securities and other financial assets.

Interest income from amounts due from banks and other financial institutions

During the Reporting Period, the Bank's interest income from amounts due from banks and other financial institutions increased by RMB69 million or 43.00% year-on-year to RMB229 million, which was primarily attributable to the increase in the scale and average yield of such assets.

Interest income from lease receivables

During the Reporting Period, interest income from lease receivables of the Bank decreased by RMB213 million or 19.20% as compared to the same period of the previous year to RMB897 million, which was primarily attributable to the decrease in the scale and average interest collection rate of lease receivables of Jiuding Financial Leasing Company, a subsidiary of the Bank.

3.1.3 Interest Expense

During the Reporting Period, the Bank's interest expense amounted to RMB6,383 million, representing a decrease of RMB99 million or 1.53% as compared to the same period of the previous year, which was primarily attributable to the interest rate cuts.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Interest expense on deposits from customers

During the Reporting Period, the Bank's interest expense on deposits from customers amounted to RMB4,308 million, representing an increase of RMB365 million or 9.25% as compared to the same period of the previous year, and accounted for 67.49% of all interest expenses.

Unit: RMB'000

Item	For the six months ended 30 June					
	Average balance	2025 Interest expense	Average cost rate (%)	Average balance	2024 Interest expense	Average cost rate (%)
Corporate deposits						
Demand	64,862,152	183,622	0.57	73,576,887	310,103	0.84
Time	92,409,896	949,135	2.05	75,281,382	847,043	2.25
Subtotal	157,272,048	1,132,757	1.44	148,858,269	1,157,146	1.55
Personal deposits						
Demand	27,519,168	35,751	0.26	33,298,898	60,326	0.36
Time	211,883,053	2,900,208	2.74	150,124,172	2,379,741	3.17
Subtotal	239,402,221	2,935,959	2.45	183,423,070	2,440,067	2.66
Others	23,291,385	239,323	2.06	30,618,027	346,203	2.26
Total deposits from customers	419,965,654	4,308,039	2.05	362,899,366	3,943,416	2.17

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Interest expense on amounts due to banks and other financial institutions

During the Reporting Period, the Bank's interest expense on amounts due to banks and other financial institutions amounted to RMB586 million, representing a decrease of RMB298 million or 33.74% as compared to the same period of the previous year, which was primarily attributable to the decrease in both the scale and interest rate on amounts due to banks and other financial institutions during the Reporting Period.

Interest expense on debt securities payable

During the Reporting Period, the Bank's interest expense on debt securities payable amounted to RMB1,127 million, representing a decrease of RMB184 million or 14.04% as compared to the same period of the previous year, which was primarily attributable to the decreased interest rate of interbank deposits during the Reporting Period.

Interest expense arising from amounts due to the central bank

During the Reporting Period, the Bank's interest expense arising from amounts due to the central bank amounted to RMB363 million, representing an increase of RMB19 million or 5.41% as compared to the same period of the previous year, which was primarily attributable to the increase in scale of medium-term lending facility and small enterprises supporting re-lending during the Reporting Period.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.1.4 Non-interest Income

During the Reporting Period, the Bank achieved non-interest income of RMB1,346 million, representing an increase of RMB237 million or 21.34% as compared to the same period of the previous year and accounted for 20.10% of the operating income. Such income includes net fee and commission income of RMB234 million, representing a decrease of RMB32 million as compared to the same period of the previous year; other non-interest income of RMB1,112 million, representing an increase of RMB269 million as compared to the same period of the previous year.

Net fee and commission income

Unit: RMB'000

Item	For the six months ended 30 June			
	2025	2024	Change	Rate of change (%)
Fee and commission income				
Agency and custody services fees	175,412	189,037	(13,625)	(7.21)
Underwriting and advisory fees	28,255	34,391	(6,136)	(17.84)
Acceptance and guarantee services fees	19,040	29,620	(10,580)	(35.72)
Bank card services fees	40,251	52,025	(11,774)	(22.63)
Others	35,499	34,638	861	2.49
Subtotal	298,457	339,711	(41,254)	(12.14)
Fee and commission expenses	64,212	73,712	(9,500)	(12.89)
Net fee and commission income	234,245	265,999	(31,754)	(11.94)

During the Reporting Period, the Bank's net fee and commission income amounted to RMB234 million, representing a decrease of RMB32 million or 11.94% as compared to the same period of the previous year, which was primarily attributable to the decreases in agency and custody service fees, acceptance and guarantee service fees, and bank card service fees during the Reporting Period.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Other non-interest income

Unit: RMB'000

Item	For the six months ended 30 June			
	2025	2024	Change	Rate of change (%)
Net trading gains	197,299	450,279	(252,980)	(56.18)
Net gains arising from investment	895,220	333,609	561,611	168.34
Other operating income	19,614	59,708	(40,094)	(67.15)
Total	1,112,133	843,596	268,537	31.83

During the Reporting Period, other non-interest income amounted to RMB1,112 million, representing an increase of RMB269 million or 31.83% as compared to the same period of the previous year, which was primarily due to the increased net gains arising from debt securities investments at amortized cost and debt securities investments at fair value through other comprehensive income.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.1.5 Operating Expenses

During the Reporting Period, the Bank strengthened financial resources allocation to record operating expenses of RMB1,559 million, representing a decrease of RMB104 million or 6.27% as compared to the same period of the previous year.

Unit: RMB'000

For the six months ended 30 June				
Item	2025	2024	Change	Rate of change (%)
Staff costs	850,699	866,118	(15,419)	(1.78)
Depreciation and amortization	200,011	218,388	(18,377)	(8.41)
Rental and property management expenses	27,529	34,631	(7,102)	(20.51)
Office expenses	1,887	8,821	(6,934)	(78.61)
Tax and surcharges	88,542	79,942	8,600	10.76
Others	390,860	455,905	(65,045)	(14.27)
Total operating expenses	1,559,528	1,663,805	(104,277)	(6.27)

The following table sets forth the major components of staff costs of the Bank during the Reporting Period:

Unit: RMB'000

For the six months ended 30 June				
Item	2025	2024	Change	Rate of change (%)
Salaries, bonuses and allowances	553,365	574,750	(21,385)	(3.72)
Social insurance and annuity	162,338	150,822	11,516	7.64
Supplementary retirement benefits	2,176	2,454	(278)	(11.33)
Staff welfare	24,584	32,844	(8,260)	(25.15)
Housing allowances	68,573	63,645	4,928	7.74
Others	39,663	41,603	(1,940)	(4.66)
Total	850,699	866,118	(15,419)	(1.78)

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.1.6 Credit Impairment Losses

During the Reporting Period, the Bank provided for credit impairment losses of RMB3,172 million based on changes in the market operating environment and asset risks, representing an increase of RMB311 million or 10.86% from the same period of the previous year.

Unit: RMB'000

For the six months ended 30 June				
Item	2025	2024	Change	Rate of change (%)
Impairment losses on loans and advances to customers	2,111,790	1,513,972	597,818	39.49
Impairment losses on financial investments measured at amortized cost	764,599	860,988	(96,389)	(11.20)
Impairment losses on lease receivables	347,981	377,064	(29,083)	(7.71)
Impairment losses on off balance sheet credit commitments	3,998	10,531	(6,533)	(62.04)
Others ^(Note)	1,680	317	1,363	429.97
	(58,435)	97,951	(156,386)	N/A
Total provision for credit impairment losses	3,171,613	2,860,823	310,790	10.86

Note: Others consist of impairment losses on items such as deposits with banks and other financial institutions, financial assets held under resale agreements, placements with banks and other financial institutions, and other receivables, etc.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.1.7 Income Tax Expenses

During the Reporting Period, the Bank's income tax expenses amounted to RMB286 million, representing an increase of RMB66 million or 29.78% as compared to the same period of the previous year. This was mainly due to the combined impact of factors such as the increase in total profit of the Bank as compared to the same period of the previous year, and the decrease in the interest income from state-owned bonds and local government bonds held by the Bank and other tax-exempt income that in compliance with the relevant PRC tax law.

Unit: RMB'000

Item	For the six months ended 30 June			
	2025	2024	Change	Rate of change (%)
Current tax	785,110	677,866	107,244	15.82
Deferred tax	(498,988)	(457,403)	(41,585)	9.09
Total income tax expenses	286,122	220,463	65,659	29.78

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.2 Balance Sheet Analysis

3.2.1 Assets

As at the end of the Reporting Period, the Bank's total assets amounted to RMB719,738 million, representing an increase of RMB43,373 million or 6.41% from the end of the previous year. The increase in total assets was mainly due to the increase in loans and advances to customers, financial investments, and placements with banks and other financial institutions. The balances (after provision) of the components of the Bank's total assets and their respective percentages are as follows:

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024		Change	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Assets						
Cash and deposits with the central bank	30,657,089	4.26	29,008,339	4.29	1,648,750	(0.03)
Deposits with banks and other financial institutions	2,342,258	0.33	1,797,835	0.27	544,423	0.06
Placements with banks and other financial institutions	17,116,529	2.38	14,099,825	2.08	3,016,704	0.30
Financial assets held under resale agreements	4,642,417	0.65	5,885,781	0.87	(1,243,364)	(0.22)
Loans and advances to customers	394,317,365	54.79	376,048,659	55.60	18,268,706	(0.81)
Financial investments						
– Financial investments at fair value through profit or loss	40,880,460	5.68	32,484,947	4.80	8,395,513	0.88
– Financial investments at fair value through other comprehensive income	31,095,501	4.32	21,447,481	3.17	9,648,020	1.15
– Financial investments at amortized cost	150,218,902	20.87	147,416,874	21.80	2,802,028	(0.93)
Lease receivables	30,309,262	4.21	30,657,280	4.53	(348,018)	(0.32)
Investments in associates	600,883	0.08	607,767	0.09	(6,884)	(0.01)
Property and equipment	3,353,096	0.46	3,404,238	0.50	(51,142)	(0.04)
Deferred tax assets	6,700,594	0.93	6,066,105	0.90	634,489	0.03
Other assets	7,503,834	1.04	7,440,109	1.10	63,725	(0.06)
Total assets	719,738,190	100.00	676,365,240	100.00	43,372,950	–

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Loans and advances to customers

As at the end of the Reporting Period, the Bank's total loans and advances to customers amounted to RMB406,094 million, representing an increase of RMB18,404 million or 4.75% from the end of the previous year. The Bank's loans and advances to customers were mainly composed of corporate loans, personal loans and discounted bills. Set out below is a breakdown of the Bank's loans by business line:

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Corporate loans ⁽¹⁾	274,622,573	67.63	268,943,624	69.37
Personal loans	94,555,769	23.28	90,956,747	23.46
Discounted bills	36,916,121	9.09	27,790,081	7.17
Total loans and advances to customers	406,094,463	100.00	387,690,452	100.00
Add: Accrued interest	1,046,510		1,014,709	
Less: Provision for impairment losses ⁽²⁾	12,823,608		12,656,502	
Book value of loans and advances to customers	394,317,365		376,048,659	

Notes:

1. Forfeiting is included in the corporate loans.
2. Excluding provision for impairment losses on forfeiting and discounted bills, which was included in other comprehensive income.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(1) Corporate loans

Corporate loan is the largest component of the Bank's loans and advances to customers. As at the end of the Reporting Period, the Bank's corporate loans amounted to RMB274,623 million, accounting for 67.63% of the Bank's total loans and advances to customers and representing an increase of RMB5,679 million or 2.11% from the end of the previous year. During the Reporting Period, the Bank actively implemented national, provincial and municipal strategic deployments, and steadily carried out credit issuance, thereby achieving steady growth in corporate loans.

The following table sets forth a breakdown of the Bank's corporate loans by collateral:

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Unsecured loans	67,555,960	24.60	63,481,795	23.60
Guaranteed loans	169,789,744	61.83	164,198,550	61.05
Loans secured by mortgages	16,942,471	6.17	17,479,616	6.50
Pledged loans	20,334,398	7.40	23,783,663	8.85
Total corporate loans	274,622,573	100.00	268,943,624	100.00

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

(2) Personal loans

As at the end of the Reporting Period, the Bank's total personal loans amounted to RMB94,556 million, accounting for 23.28% of the Bank's total loans and advances to customers and representing an increase of RMB3,599 million or 3.96% from the end of the previous year, which was primarily attributable to the increase in the size of the personal residential mortgage loans and consumption loan business compared with the end of the previous year.

The following table sets forth a breakdown of the Bank's personal loans by product type:

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Personal business loans	38,272,306	40.48	38,343,283	42.16
Personal residential mortgage loans	32,208,624	34.06	31,914,959	35.09
Personal consumption loans	20,694,679	21.89	17,142,102	18.84
Credit card loans	3,380,160	3.57	3,556,403	3.91
Total personal loans	94,555,769	100.00	90,956,747	100.00

(3) Discounted bills

As at the end of the Reporting Period, the Bank's discounted bills amounted to RMB36,916 million, representing an increase of RMB9,126 million or 32.84% from the end of the previous year. During the Reporting Period, the Bank flexibly adjusted the scale of bill financing according to the needs of business development and the financing needs of customers.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Investments in securities and other financial assets

As at the end of the Reporting Period, the Bank's total investments in securities and other financial assets amounted to RMB223,953 million, representing an increase of RMB20,830 million or 10.26% from the end of the previous year. Details are set out as follows:

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Financial investments at amortized cost	152,275,528	68.00	149,395,276	73.55
Financial investments at fair value through other comprehensive income	30,796,744	13.75	21,242,093	10.46
Financial investments at fair value through profit or loss	40,880,460	18.25	32,484,947	15.99
Total investments in securities and other financial assets	223,952,732	100.00	203,122,316	100.00
Add: Accrued interest	1,695,347		1,668,388	
Less: Provision for impairment losses ^(Note)	3,453,216		3,441,402	
Book value of investments in securities and other financial assets	222,194,863		201,349,302	

Note: Excluding provision for impairment losses on financial investments at fair value through other comprehensive income.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Bank's investment in securities is classified into debt instruments and equity instruments. Set out below is a breakdown of the Bank's investment in securities by product:

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Debt securities investments				
Government bonds	70,797,333	31.73	61,083,217	30.20
Debt securities issued by policy banks	43,233,273	19.38	38,068,665	18.82
Debt securities issued by banks and other financial institutions	27,603,555	12.37	20,825,451	10.30
Debt securities issued by corporate issuers	25,170,292	11.28	23,047,013	11.40
Subtotal	166,804,453	74.76	143,024,346	70.72
Investment products under trust scheme	30,083,945	13.49	35,182,196	17.40
Investment products managed by securities companies	25,825,147	11.58	23,462,463	11.60
Others ^(Note)	377,764	0.17	584,528	0.28
Total debt instruments	223,091,309	100.00	202,253,533	100.00
Equity instruments	861,423		868,783	
Total investments in securities and other financial assets	223,952,732		203,122,316	

Note: Others consist of debt financing schemes, etc.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The following table sets forth a breakdown of the top ten financial bonds by nominal value balance held by the Bank:

Unit: RMB'000

No.	Type of bonds	Nominal value balance	Interest rate (%)	Maturity date	Impairment
1	2016 financial bonds	3,250,000	3.33	2026/2/22	—
2	2024 financial bonds	2,680,000	1.86	2029/11/8	—
3	2024 financial bonds	2,650,000	2.17	2034/8/16	—
4	2016 financial bonds	2,490,000	3.33	2026/1/6	—
5	2020 financial bonds	1,880,000	3.09	2030/6/18	—
6	2020 financial bonds	1,740,000	3.07	2030/3/10	—
7	2019 financial bonds	1,360,000	3.45	2029/9/20	—
8	2024 financial bonds	1,310,000	2.63	2034/1/8	—
9	2020 financial bonds	1,290,000	3.79	2030/10/26	—
10	2019 financial bonds	1,170,000	3.74	2029/7/12	—

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.2.2 Liabilities

As at the end of the Reporting Period, the Bank's total liabilities amounted to RMB662,364 million, representing an increase of RMB42,293 million or 6.82% from the end of the previous year, which was mainly due to the increase in liabilities such as deposits from customers, bonds payable and settlement receivable/payable.

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024		Change	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Due to the central bank	39,150,828	5.91	35,037,760	5.65	4,113,068	0.26
Deposits from banks and other financial institutions	12,748,984	1.92	12,380,094	2.00	368,890	(0.08)
Placements from banks and other financial institutions	27,833,398	4.20	28,727,216	4.63	(893,818)	(0.43)
Financial assets sold under repurchase agreements	9,201,326	1.39	16,699,143	2.69	(7,497,817)	(1.30)
Deposits from customers	456,521,930	68.92	413,096,026	66.62	43,425,904	2.30
Tax payable	429,998	0.06	418,069	0.07	11,929	(0.01)
Debt securities issued	111,531,354	16.84	110,242,221	17.78	1,289,133	(0.94)
Other liabilities (Note)	4,945,701	0.76	3,469,940	0.56	1,475,761	0.20
Total	662,363,519	100.00	620,070,469	100.00	42,293,050	-

Note: Other liabilities primarily consist of payment and collection clearance accounts, staff costs payable, and estimated liabilities, etc.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Deposits from customers

As at the end of the Reporting Period, the Bank's gross principal of deposits from customers amounted to RMB446,662 million, representing an increase of RMB42,124 million or 10.41% from the end of the previous year. The steady growth in the Bank's deposits from customers was mainly attributable to the overall growth of the deposit business as a result of the Bank's vigorous efforts in building its customer base. Set out below is a breakdown of the Bank's deposits from customers by product type and maturity profile:

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Corporate deposits				
Demand	66,931,181	14.98	74,067,481	18.31
Time	101,803,450	22.79	85,731,919	21.19
Subtotal	168,734,631	37.77	159,799,400	39.50
Personal deposits				
Demand	30,194,738	6.76	29,393,888	7.27
Time	227,903,034	51.02	188,785,501	46.66
Subtotal	258,097,772	57.78	218,179,389	53.93
Other deposits	19,829,822	4.45	26,559,109	6.57
Gross principal of deposits from customers	446,662,225	100.00	404,537,898	100.00
Add: Accrued interest	9,859,705		8,558,128	
Total deposits from customers	456,521,930		413,096,026	

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.2.3 Shareholders' Equity

As at the end of the Reporting Period, the Bank's total Shareholders' equity amounted to RMB57,375 million, representing an increase of RMB1,080 million or 1.92% from the end of the previous year. The total equity attributable to shareholders of the Bank amounted to RMB55,486 million, representing an increase of RMB1,041 million or 1.91% from the end of the previous year, which was mainly due to the sustained profit of the Bank.

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Shareholders' equity				
Share capital	9,092,091	15.85	9,092,091	16.15
Capital reserve	5,985,102	10.43	5,985,102	10.63
Fair value reserve	402,474	0.71	809,842	1.44
Remeasurement of net defined benefit liability	(95,300)	(0.17)	(98,054)	(0.17)
Surplus reserve	3,875,978	6.76	3,875,978	6.89
General risk reserve	9,143,233	15.94	9,143,233	16.24
Retained earnings	17,083,501	29.78	15,637,984	27.78
Other equity instruments	9,998,855	17.43	9,998,855	17.75
Total equity attributable to Shareholders of the Bank	55,485,934	96.73	54,445,031	96.71
Non-controlling interests	1,888,737	3.27	1,849,740	3.29
Total Shareholders' equity	57,374,671	100.00	56,294,771	100.00

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.2.4 Off-balance Sheet Commitments

The following table sets forth a breakdown of the Bank's off-balance sheet credit commitments as at the end of the Reporting Period:

Unit: RMB'000

Item	As at 30 June 2025	As at 31 December 2024
Credit commitments		
Bank acceptances	54,210,593	51,346,071
Letters of credit	8,262,545	7,416,763
Guarantees	288,577	369,023
Unused credit card commitments	10,842,702	10,051,341
Loan commitments	3,738,206	2,638,276
Total	77,342,623	71,821,474

In addition, as at the end of the Reporting Period, there was no material litigation in which the Bank or any of its subsidiaries is a defendant. As at the date of this Report, the Bank had no significant contingent liabilities. Details of off-balance sheet commitments are disclosed in "Credit commitments" of Note 39 "COMMITMENTS AND CONTINGENCIES" to the financial statements in the chapter headed "Independent Auditor's Review Report" of this Report.

3.2.5 Asset Right Restriction as at the end of the Reporting Period

Details of the Bank's pledged assets are disclosed in (e) "Pledged assets" of Note 39 "COMMITMENTS AND CONTINGENCIES" to the financial statements in the chapter headed "Independent Auditor's Review Report" of this Report.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.3 Loan Quality Analysis

During the Reporting Period, the Bank continuously strengthened its credit risk management and the disposal of non-performing assets, thus keeping the overall quality of loans under control. As at the end of the Reporting Period, the balance of non-performing loans amounted to RMB7,165 million and the non-performing loan ratio was 1.76%, representing a decrease of 0.03 percentage point as compared to the end of the previous year.

3.3.1 Distribution of Loans by Five-Category Loan Classification

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Normal	390,701,231	96.21	372,929,164	96.19
Special mention	8,228,182	2.03	7,838,250	2.02
Substandard	4,206,428	1.04	3,128,467	0.81
Doubtful	1,385,651	0.34	1,866,947	0.48
Loss	1,572,971	0.38	1,927,624	0.50
Total loans and advances to customers	406,094,463	100.00	387,690,452	100.00
NPLs and NPL ratio^(Note)	7,165,050	1.76	6,923,038	1.79

Note: NPL ratio is calculated by dividing the total non-performing loans (excluding accrued interest) by the total loans and advances to customers (excluding accrued interest).

According to the five-category loan classification system, the Bank classified its non-performing loans into substandard, doubtful and loss categories.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.3.2 Distribution of Loans and Non-Performing Loans by Product Type

Unit: RMB'000

Item	As at 30 June 2025				As at 31 December 2024			
	Amount	% of total (%)	NPL amount	NPL ratio (%)	Amount	% of total (%)	NPL amount	NPL ratio (%)
Corporate loans								
Short-term loans	94,265,777	23.21	825,090	0.88	90,377,568	23.31	1,226,637	1.36
Medium and long-term loans	180,356,796	44.42	4,867,654	2.70	178,566,056	46.06	4,277,750	2.40
Subtotal	274,622,573	67.63	5,692,744	2.07	268,943,624	69.37	5,504,387	2.05
Discounted bills	36,916,121	9.09	–	–	27,790,081	7.17	–	–
Personal loans								
Personal business loans	38,272,306	9.42	1,015,633	2.65	38,343,283	9.89	862,988	2.25
Personal residential mortgage loans	32,208,624	7.93	244,033	0.76	31,914,959	8.23	332,291	1.04
Personal consumption loans	20,694,679	5.10	139,532	0.67	17,142,102	4.42	132,696	0.77
Credit card balance	3,380,160	0.83	73,108	2.16	3,556,403	0.92	90,676	2.55
Subtotal	94,555,769	23.28	1,472,306	1.56	90,956,747	23.46	1,418,651	1.56
Total	406,094,463	100.00	7,165,050	1.76	387,690,452	100.00	6,923,038	1.79

As at the end of the Reporting Period, the NPL ratio of corporate loans (excluding discounted bills) was 2.07%, increased by 0.02 percentage point from the end of the previous year; the NPL ratio of personal loans was 1.56%, remaining at the same level as the end of the previous year.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.3.3 Distribution of Loans and Non-Performing Loans by Industry

Unit: RMB'000

Item	As at 30 June 2025				As at 31 December 2024			
	Amount	% of total (%)	NPL amount	NPL ratio (%)	Amount	% of total (%)	NPL amount	NPL ratio (%)
Wholesale and retail	52,967,891	13.04	2,034,292	3.84	52,474,645	13.54	1,276,732	2.43
Manufacturing	14,345,137	3.53	117,679	0.82	13,911,729	3.59	425,184	3.06
Construction	28,055,657	6.91	318,315	1.13	29,765,864	7.68	433,621	1.46
Real estate	21,112,468	5.20	2,057,926	9.75	22,215,825	5.73	2,122,660	9.55
Financing	22,006,385	5.42	–	–	15,097,011	3.89	–	–
Leasing and commercial services	68,017,021	16.76	708,828	1.04	67,081,072	17.30	708,107	1.06
Water, environment and public facility management	45,372,618	11.17	1,720	–	45,663,106	11.78	6,074	0.01
Agriculture, forestry, animal husbandry and fishery	2,025,260	0.50	89,102	4.40	2,149,359	0.55	133,337	6.20
Transportation, storage and postal services	5,822,647	1.44	19,424	0.33	6,210,898	1.60	20,757	0.33
Production and supply of electricity, heating power, gas and water	3,462,826	0.85	3,130	0.09	3,602,227	0.93	3,058	0.08
Accommodation and catering	898,475	0.22	296,716	33.02	750,697	0.19	328,803	43.80
Mining	3,100,199	0.76	57	–	3,866,257	1.00	–	–
Culture, sports and entertainment	1,778,453	0.44	1,192	0.07	1,183,893	0.31	1,182	0.10
Others	5,657,536	1.39	44,363	0.78	4,971,041	1.28	44,872	0.90
Total corporate loans	274,622,573	67.63	5,692,744	2.07	268,943,624	69.37	5,504,387	2.05
Total personal loans	94,555,769	23.28	1,472,306	1.56	90,956,747	23.46	1,418,651	1.56
Discounted bills	36,916,121	9.09	–	–	27,790,081	7.17	–	–
Total	406,094,463	100.00	7,165,050	1.76	387,690,452	100.00	6,923,038	1.79

As at the end of the Reporting Period, the non-performing corporate loans of the Bank were mainly concentrated in the real estate industry, wholesale and retail industry, and leasing and commercial services industry, with NPL ratios of 9.75%, 3.84% and 1.04%, respectively.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.3.4 Distribution of Loans and Non-Performing Loans by Collateral

The following table sets forth a breakdown of the Bank's loans and non-performing loans by collateral:

Unit: RMB'000

Item	As at 30 June 2025				As at 31 December 2024			
	Amount	% of total (%)	NPL amount	NPL ratio (%)	Amount	% of total (%)	NPL amount	NPL ratio (%)
Unsecured loans	86,097,493	21.20	913,241	1.06	79,043,252	20.39	949,208	1.20
Guaranteed loans	172,530,025	42.48	3,747,872	2.17	166,911,477	43.05	3,560,447	2.13
Loans secured by mortgages	87,790,974	21.62	2,485,150	2.83	87,460,703	22.56	2,393,914	2.74
Pledged loans	59,675,971	14.70	18,787	0.03	54,275,020	14.00	19,469	0.04
Total	406,094,463	100.00	7,165,050	1.76	387,690,452	100.00	6,923,038	1.79

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.3.5 Borrower Concentration

As at the end of the Reporting Period, the Bank's loan balance to any single borrower did not exceed 10% of the Bank's net capital. The following table sets forth, as at the end of the Reporting Period, the Bank's loan balance to the ten largest single borrowers (excluding group borrowers), none of which was a non-performing loan.

Unit: RMB'000

Item	Industry	As at 30 June 2025		
		Principal balance	% of total loans (%)	% of net capital (%)
Borrower A	Leasing and commercial service	2,936,000	0.72	4.82
Borrower B	Water, environment and public facility management	2,706,722	0.67	4.44
Borrower C	Leasing and commercial service	2,479,800	0.61	4.07
Borrower D	Transportation, storage and postal services	2,469,780	0.61	4.05
Borrower E	Water, environment and public facility management	2,424,400	0.60	3.98
Borrower F	Real estate	2,346,400	0.58	3.85
Borrower G	Construction	2,063,247	0.51	3.38
Borrower H	Leasing and commercial service	2,003,126	0.49	3.29
Borrower I	Water, environment and public facility management	1,919,800	0.47	3.15
Borrower J	Leasing and commercial service	1,855,000	0.46	3.04
Total		23,204,275	5.72	38.07

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.3.6 Overdue Loans

Unit: RMB'000

Item	As at 30 June 2025		As at 31 December 2024	
	Amount	% of total (%)	Amount	% of total (%)
Current loans	385,006,365	94.81	368,152,815	94.96
Loans past due for ^(Note) 3 months (inclusive) or less	10,403,221	2.56	6,393,379	1.65
Over 3 months to 1 year (inclusive)	2,919,020	0.72	6,849,191	1.77
Over 1 year	7,765,857	1.91	6,295,067	1.62
Subtotal	21,088,098	5.19	19,537,637	5.04
Gross loan principal	406,094,463	100.00	387,690,452	100.00

Note: Representing the principal amount of the loans on which principal or interest is overdue.

As at the end of the Reporting Period, the Bank's overdue loans amounted to RMB21,088 million, representing an increase of RMB1,550 million or 7.94% as compared to the end of the previous year. Overdue loans accounted for 5.19% of the total loans, up by 0.15 percentage point as compared to the end of the previous year.

3.3.7 Repossessed Assets and Provision for Impairment

As at the end of the Reporting Period, the book value of the Bank's repossessed assets was RMB3,704 million and there were no indications of impairment during the Reporting Period.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.3.8 Provision and Write-off of Allowance for Losses on Loans

During the Reporting Period, the Bank made a loan loss reserve of RMB2,112 million, with RMB2,108 million provided for loans and advances to customers measured at amortized cost, and RMB4 million for loans and advances to customers measured at fair value through other comprehensive income. RMB56 million of written-off loans was recovered. As at the end of the Reporting Period, the balance of the Bank's loan loss reserve was RMB12,839 million, of which the balance of impairment losses on loans and advances to customers measured at amortized cost was RMB12,824 million and the balance of impairment losses on loans and advances to customers measured at fair value through other comprehensive income was RMB16 million.

Changes in provision for impairment losses on loans and advances to customers measured at amortized cost are set out as follows:

Unit: RMB'000

Item	As at 30 June 2025	As at 31 December 2024
Opening balance	12,656,502	11,809,634
Increase for the period	2,107,962	5,131,322
Write-off and disposal for the period	(1,665,065)	(4,054,449)
Recovery of written-off loans	56,178	133,900
Other changes	(331,969)	(363,905)
Closing balance	12,823,608	12,656,502

Changes in provision for impairment losses on loans and advances to customers at fair value through other comprehensive income are set out as follows:

Unit: RMB'000

Item	As at 30 June 2025	As at 31 December 2024
Opening balance	12,051	5,446
Provision for the period	3,828	6,605
Closing balance	15,879	12,051

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.4 Cash Flow Statement Analysis

During the Reporting Period, the Bank's net cash inflow from operating activities was RMB7,757 million, where the cash inflow was RMB60,067 million, representing an increase of RMB21,116 million from the same period of the previous year, mainly due to the increase in the net increment of amount due to the central bank and the net increment of deposits from customers; and the cash outflow was RMB52,310 million, representing an increase of RMB8,954 million from the same period of the previous year, mainly due to the increase in the net increment of financial assets held for trading.

During the Reporting Period, the Bank's net cash outflow used in investing activities was RMB9,475 million, where the cash inflow was RMB43,577 million, representing an increase of RMB4,290 million from the same period of the previous year, mainly due to the increase in cash inflow received from the recovery of investments; the cash outflow was RMB53,052 million, representing an increase of RMB12,768 million from the same period of the previous year, mainly due to the increase in cash outflow for investment payments.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the Reporting Period, the Bank's net cash inflow from financing activities was RMB110 million, where the cash inflow was RMB82,848 million, representing an increase of RMB5,820 million from the same period of the previous year, mainly due to the increase in cash inflows received from the issuance of interbank deposits; the cash outflow was RMB82,739 million, representing an increase of RMB8,145 million from the same period of the previous year, mainly due to the increase in cash outflows for the repayment of interbank deposits.

Unit: RMB'000

Item	For the six months ended 30 June		
	2025	2024	Year-on-year change
Subtotal of cash inflows from operating activities	60,067,481	38,951,152	21,116,329
Subtotal of cash outflows from operating activities	(52,310,025)	(43,355,874)	(8,954,151)
Net cash flows generated from/ used in operating activities	7,757,456	(4,404,722)	12,162,178
Subtotal of cash inflows from investing activities	43,576,798	39,286,385	4,290,413
Subtotal of cash outflows from investing activities	(53,051,745)	(40,283,727)	(12,768,018)
Net cash flows used in investing activities	(9,474,947)	(997,342)	(8,477,605)
Subtotal of cash inflows from financing activities	82,848,442	77,028,309	5,820,133
Subtotal of cash outflows from financing activities	(82,738,934)	(74,593,817)	(8,145,117)
Net cash flows generated from financing activities	109,508	2,434,492	(2,324,984)
Effect of exchange rate changes on cash and cash equivalents	(2,773)	9,262	(12,035)
Net decrease in cash and cash equivalents	(1,610,756)	(2,958,310)	1,347,554

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.5 Business Segment Report

The following table sets forth the Bank's total operating income by business segment for the periods indicated.

Unit: RMB'000

Item	For the six months ended 30 June			
	2025		2024	
	Amount	% of total (%)	Amount	% of total (%)
Corporate banking business	3,546,202	52.96	3,690,218	57.61
Retail banking business	1,235,851	18.45	1,193,334	18.63
Treasury business	1,895,486	28.30	1,461,882	22.82
Others <i>(Note)</i>	19,614	0.29	59,708	0.94
Total operating income	6,697,153	100.00	6,405,142	100.00

Note: This segment consists primarily of equity investments and the corresponding income, and any other businesses that do not constitute a reporting segment on their own.

3.6 Significant Accounting Policies, Accounting Estimates and Accounting Methods

3.6.1 Explanation of changes in accounting policies, accounting estimates and accounting methods as compared with the financial report of the previous accounting period

During the Reporting Period, the Bank's significant accounting policies, accounting estimates and accounting methods had not been changed.

3.6.2 Explanation of major accounting errors correction during the Reporting Period that require retrospective restatement

During the Reporting Period, the Bank did not have any major accounting errors correction that need to be retrospectively restated.

3.6.3 Explanation of changes in the scope of the consolidated statements as compared with the financial report of the previous accounting period

There are no changes in the scope of the consolidated statements for the current period as compared with the financial report for the previous accounting period.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3.7 Assets and Liabilities at Fair Value

Unit: RMB'000

Item	Opening balance	Gains and losses from changes in fair value for the Reporting Period	Accumulated changes in fair value recognised in equity	Impairment accrued during the Reporting Period	Closing balance
Financial investments at fair value through profit or loss (excluding derivative financial assets)	32,484,947	133,378	–	–	40,880,460
Financial investments at fair value through other comprehensive income	21,447,481	–	487,840	(1,680)	31,095,501
Subtotal of financial assets	53,932,428	133,378	487,840	(1,680)	71,975,961

3.8 Major Statement Items and Financial Indicators with Changes of More than 30% and the Main Reasons for the Changes

Unit: RMB'000

Item	For the six months ended 30 June			Analysis of major reasons
	2025	2024	Change compared to the same period of the previous year (%)	
Net trading gains	197,299	450,279	(56.18)	Mainly due to the changes in fair value from debt securities investments at fair value through profit or loss.
Net gains arising from investment	895,220	333,609	168.34	Mainly due to the increased net gains arising from debt securities investments at amortized cost and debt securities investments at fair value through other comprehensive income.
Other operating income	19,614	59,708	(67.15)	Mainly due to a decrease in other gains.
Share of profits of associates	(6,020)	(3,700)	62.70	Mainly due to an increase in operating profits of associates of the Bank as compared to the same period of the previous year.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Unit: RMB'000

Item	As at 30 June 2025	As at 31 December 2024	Changes compared to the end of the previous year (%)	Analysis of major reasons
Deposits with banks and other financial institutions	2,342,258	1,797,835	30.28	Mainly due to the adjustment of the Bank on the structure of such assets based on a comprehensive consideration of asset-liability matching and market liquidity conditions.
Financial assets sold under repurchase agreements	9,201,326	16,699,143	(44.90)	
Financial investments at fair value through other comprehensive income	31,095,501	21,447,481	44.98	Mainly due to an increase in the scale of debt securities investments measured at fair value through other comprehensive income.
Other liabilities	4,945,701	3,469,940	42.53	Mainly due to an increase in settlement funds as compared to the end of the previous year.
Fair value reserve	402,474	809,842	(50.30)	Mainly due to a decrease in fair value from debt securities investments at fair value through other comprehensive income.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

4 INVESTMENT ANALYSIS

4.1 Overview

The following table sets out the details of the Bank's equity investments as at the end of the Reporting Period:

Unit: RMB'000

Item	As at 30 June 2025	As at 31 December 2024	The Bank's share of the interest in the investee (%)
Jiuding Financial Leasing Company	1,020,000	1,020,000	51.00
Fugou Zhengyin County Bank	30,120	30,120	50.20
Xinmi Zhengyin County Bank	64,000	64,000	51.20
Xunxian Zhengyin County Bank	51,000	51,000	51.00
Queshan Zhengyin County Bank	25,500	25,500	51.00
Xinzheng Zhengyin County Bank	53,960	53,960	51.00
Zhongmu Zhengyin County Bank	555,870	555,870	49.51
Yanling Zhengyin County Bank	34,950	34,950	49.58
China UnionPay Co., Ltd.	27,200	27,200	0.27
Clearing Center for City Commercial Banks	400	400	1.29
Total	1,863,000	1,863,000	

For details of the Bank's other investments as at the end of the Reporting Period, please refer to the paragraphs headed "Balance Sheet Analysis" in the chapter headed "Management Discussion and Analysis" of the Report.

4.2 Significant Equity Investments Made During the Reporting Period

During the Reporting Period, the Bank did not make any significant equity investment.

4.3 Significant Non-equity Investments in Progress During the Reporting Period

During the Reporting Period, the Bank did not have any significant non-equity investment in progress.

4.4 Use of Proceeds

During the Reporting Period, there was no use of proceeds by the Bank. The Bank did not retain any unused proceeds from past periods for use in the Reporting Period.

4.5 Operations of Subsidiaries

4.5.1 Operations of Subsidiaries

Jiuding Financial Leasing Company

As at the end of the Reporting Period, the Bank held 51.00% equity interest in Jiuding Financial Leasing Company, a subsidiary of the Bank with a registered capital of RMB2 billion. Jiuding Financial Leasing Company was established in the PRC where it carries out its business. Its principal businesses include: (1) financial leasing business; (2) outward or inward transfer of financial leasing assets; (3) fixed income securities investment business; (4) acceptance of leasing deposits from lessees; (5) taking time deposits with a term of three months or more from non-banking shareholders; (6) interbank lending; (7) borrowing from financial institutions; (8) offshore borrowing; (9) sale and disposal of leased assets; (10) economic consultancy; (11) other business approved by the CBIRC (business activities subject to approval according to law may be carried out only after being approved by the competent authorities). As at the end of the Reporting Period, Jiuding Financial Leasing Company had total assets of RMB34,055 million, net assets of RMB4,148 million, and total financial leasing of RMB31,671 million. During the Reporting Period, it recorded operating income of RMB600 million, operating profit of RMB218 million and net profit of RMB163 million.

Fugou Zhengyin County Bank

As at the end of the Reporting Period, the Bank held 50.20% equity interest in Fugou Zhengyin County Bank, a subsidiary of the Bank with a registered capital of RMB60 million. Fugou Zhengyin County Bank was established in the PRC where it carries out its business. Its principal businesses include: (1) taking deposits from the public; (2) issuing short-term, medium-term and long-term loans; (3) domestic settlement; (4) bill acceptance and discounting; (5) interbank lending; (6) debit card business; (7) acting as issuing agent, cashing agent and underwriter of government bonds; (8) acting as collection and payment agent; (9) other business approved by the banking regulatory authority of the PRC (business activities requiring licensing shall be carried out with valid permits or qualification certificates).

Xinmi Zhengyin County Bank

As at the end of the Reporting Period, the Bank held 51.20% equity interest in Xinmi Zhengyin County Bank, a subsidiary of the Bank with a registered capital of RMB125 million. Xinmi Zhengyin County Bank was established in the PRC where it carries out its business. Its principal businesses include: (1) taking deposits from the public; (2) issuing short-term, medium-term and long-term loans; (3) domestic settlement; (4) bill acceptance and discounting; (5) interbank lending; (6) banking card business; (7) acting as issuing agent, cashing agent and underwriter of government bonds; (8) acting as collection and payment agent and insurance agent; (9) other business approved by the banking regulatory authority (business activities subject to approval according to law may be carried out only after being approved by the competent authorities).

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Xunxian Zhengyin County Bank

As at the end of the Reporting Period, the Bank held 51.00% equity interest in Xunxian Zhengyin County Bank, a subsidiary of the Bank with a registered capital of RMB100 million. Xunxian Zhengyin County Bank was established in the PRC where it carries out its business. Its principal businesses include: (1) taking deposits from the public; (2) issuing short-term, medium-term and long-term loans; (3) domestic settlement; (4) bill acceptance and discounting; (5) acting as issuing agent, cashing agent and underwriter of government bonds; (6) interbank lending; (7) debit card business; (8) acting as collection and payment agent and insurance agent; (9) other business approved by the banking regulatory authority (business operations requiring permits shall be carried out after obtaining relevant permits from the competent authorities) (business activities subject to approval according to law may be carried out only after being approved by the competent authorities).

Queshan Zhengyin County Bank

As at the end of the Reporting Period, the Bank held 51.00% equity interest in Queshan Zhengyin County Bank, a subsidiary of the Bank with a registered capital of RMB50 million. Queshan Zhengyin County Bank was established in the PRC where it carries out its business. Its principal businesses include: (1) taking deposits from the public; (2) issuing short-term, medium-term and long-term loans; (3) domestic settlement; (4) bill acceptance and discounting; (5) interbank lending; (6) banking card business; (7) acting as issuing agent, cashing agent and underwriter of government bonds; (8) acting as collection and payment agent and insurance agent; (9) other business approved by the banking regulatory authority (business activities subject to approval according to law may be carried out only after being approved by the competent authorities).

Xinzheng Zhengyin County Bank

As at the end of the Reporting Period, the Bank held 51.00% equity interest in Xinzheng Zhengyin County Bank, a subsidiary of the Bank with a registered capital of RMB105.8 million. Xinzheng Zhengyin County Bank was established in the PRC where it carries out its business. Its principal businesses include: (1) taking deposits from the public; (2) issuing short-term, medium-term and long-term loans; (3) domestic settlement; (4) bill acceptance and discounting; (5) interbank lending; (6) banking card business; (7) acting as issuing agent, cashing agent and underwriter of government bonds; (8) acting as collection and payment agent; (9) other business approved by the banking regulatory authority (business activities subject to approval according to law may be carried out only after being approved by the competent authorities).

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

4.5.2 Operations of Investee Companies

As at the end of the Reporting Period, the Bank held 49.51% and 49.58% equity interest in Zhongmu Zhengyin County Bank and Yanling Zhengyin County Bank, respectively. County banks were committed to the marketing positioning of “supporting rural and small enterprises”, focused on their principal businesses and responsibilities, provided services in rural areas and empowered “agriculture, farmers and rural areas” with more financial resources, injecting financial “vitality” to rural revitalization. They continuously enhanced compliance awareness, and gradually improved the ability to prevent risks, endeavoring to maintain regional financial stability.

4.5.3 Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures During the Reporting Period

During the Reporting Period, the Bank did not have material acquisitions and disposals of subsidiaries, associates and joint ventures.

4.6 Structured Entities Controlled by the Bank

Details of the structured entities controlled by the Bank are set out in Note 40 to the financial statements in the chapter headed “Independent Auditor’s Review Report” in this Report.

5 CAPITAL MANAGEMENT

The Bank’s capital management focuses on capital adequacy ratio and return on capital. Through forward-looking capital planning, it ensures reasonable capital space is reserved for normal operations and development from a capital perspective, with the capital adequacy ratio consistently meeting regulatory requirements. The Bank implements bank-wide capital performance evaluation to enhance capital utilization efficiency, and employs capital allocation, risk pricing, and performance evaluation to fully safeguard return on capital.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

5.1 Capital Adequacy Ratio Analysis

The Bank continued to refine its business structure and strengthen its capital management. Set out below are the Bank's capital adequacy ratios as at the end of the Reporting Period and the end of the previous year calculated in accordance with the Administrative Measures for Capital of Commercial Banks 《商業銀行資本管理辦法》 issued by the National Financial Regulatory Administration and other relevant requirements issued:

Unit: RMB'000

Item	As at 30 June 2025	As at 31 December 2024
Core tier-one capital		
Share capital	9,092,091	9,092,091
Valid portion of capital reserve	5,985,102	5,985,102
Fair value reserve	406,091	814,800
Remeasurement of net defined benefit liability	(95,300)	(98,054)
Surplus reserve	3,875,978	3,875,978
General risk reserve	9,243,217	9,243,217
Retained earnings	16,994,488	15,537,398
Valid portion of minority interests	1,690,766	1,686,766
Total core tier-one capital	47,192,433	46,137,298
Core tier-one capital deductions	(2,937,163)	(2,437,921)
Net core tier-one capital	44,255,270	43,699,377
Additional tier-one capital		
Additional tier-one capital instruments and related premium	9,998,855	9,998,855
Valid portion of minority interests	241,166	239,256
Net tier-one capital	54,495,291	53,937,488
Tier-two capital		
Surplus provision for loan impairment	5,993,815	5,757,707
Valid portion of minority interests	482,332	478,512
Net tier-two capital	6,476,147	6,236,219
Net capital base	60,971,438	60,173,707
Total risk-weighted assets	514,664,672	498,780,953
Core tier-one capital adequacy ratio (%)	8.60	8.76
Tier-one capital adequacy ratio (%)	10.59	10.81
Capital adequacy ratio (%)	11.85	12.06

Note: For details, please refer to the column headed "Financial Summary" under Investor Relations on the Bank's website.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

5.2 Leverage Ratio Analysis

Unit: RMB'000

Item	30 June 2025	31 March 2025	31 December 2024	30 September 2024
Net tier-one capital	54,495,291	54,032,943	53,937,488	53,784,291
Balance of on/off-balance sheet assets after adjustment	798,085,999	779,186,708	750,061,754	743,550,418
Leverage ratio (%)	6.83	6.93	7.19	7.23

Note: Starting from 2024, indicators related to leverage ratio are calculated based on the requirements of the Administrative Measures for the Capital of Commercial Banks published by National Financial Regulatory Administration. For details, please refer to the column headed “Financial Summary” under Investor Relations on the Bank’s website.

6 BUSINESS OPERATION

6.1 Corporate Banking Business

During the Reporting Period, the Bank consistently adhered to its market positioning of “serving the local economy, serving small and medium-sized enterprises, and serving urban and rural residents”, continuously increasing support for the real economy, strengthening financial backing for technological innovation enterprises, and extending inclusive financial services to grassroots levels to benefit more micro and small businesses. The Bank actively implemented the important strategic plans of the central and local governments, fully supporting high-quality development in key areas and major projects at the provincial and municipal levels. It focused on key tasks such as the “Five Major Areas”, “Thousands of Enterprises and Households Outreach” program and “Rural Revitalization”, striving to build core strengths of professionalism, flexibility, and efficiency, thereby providing robust financial momentum for the high-quality development of the local economy.

6.1.1 Corporate Deposits

The Bank adhered to the “customer-centric” philosophy, continuously focused on customer needs, enhanced service capabilities, refined customer segmentation and tiered management strategies, explored scenario-based customer acquisition opportunities, continuously optimized the customer experience of electronic channels such as treasury management, actively participated in government-industry digitalization initiatives and product innovation, embedded financial services into all aspects of corporate operations through scenario integration, established a process-based management mechanism covering the entire cycle of product demand identification, design, and implementation, met customer fund settlement needs with high-quality financial services, improved customer satisfaction, and drove steady growth in corporate deposits. As of the end of the Reporting Period, the Bank’s corporate deposit balance reached RMB168.735 billion, an increase of RMB8.935 billion from the end of the previous year.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

6.1.2 Corporate Loans

During the Reporting Period, the Bank actively implemented national, provincial, and municipal strategic initiatives, fully advancing five major areas: technological finance, green finance, inclusive finance, pension finance and digital finance. It precisely allocated more credit resources to key areas of the real economy, such as technological innovation, green and low-carbon development, and advanced manufacturing. The Bank conducted in-depth assessments of regional industries and customer needs, enhanced its capability to analyze industrial trends, refined its customer targeting strategy, and comprehensively improved the quality and efficiency of integrated financial services. It accurately aligned with Henan Province's "three batches" major projects and the provincial and municipal "7+28+N" key industrial clusters, increasing loan support for major infrastructure and livelihood projects. The Bank also strengthened credit support for urban renewal, social welfare, and cultural tourism, among other sectors. In strict accordance with provincial and municipal government directives, it methodically advanced the real estate financing coordination mechanism and affordable housing projects, achieving a virtuous cycle between its own development and its contribution to local economic and social progress. As of the end of the Reporting Period, the Bank's total corporate loans (including advances, forfeiting, and discounted bills) amounted to RMB311.539 billion, representing an increase of RMB14.805 billion or 4.99% from the end of the previous year.

6.1.3 Investment Banks

The market share of the Bank's capital-light business continued to rise, with customer satisfaction and market recognition significantly enhanced. During the Reporting Period, the Bank cumulatively issued 18 debt financing instruments with a total issuance size of RMB11.368 billion, ranking 4th in the province in terms of both underwriting share and number of issuances. By leveraging matchmaking services to mobilize resources from various financial institutions, the Bank successfully executed 25 matchmaking transactions amounting to RMB5.590 billion, effectively enhancing customer stickiness and reducing the Bank's capital consumption. The Bank fully supported the development of the real economy in Henan Province and the construction of "Credit Henan" and "Credit Zhengzhou". During the Reporting Period, the Bank added RMB6.896 billion in credit bond investments. Focusing on high-quality projects within the province and driving innovation, the Bank signed 11 new syndicated loan agreements and disbursed 18 syndicated loans during the Reporting Period. Among these, acting as the lead bank and agent bank, the Bank successfully arranged a sustainability (ESG)-linked working capital syndicated loan for a client, achieving a "zero" breakthrough in serving Henan enterprises' green and low-carbon transformation through syndicated loans. Additionally, the Bank actively assisted provincial enterprises in broadening financing channels and effectively lowering financing costs.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

6.1.4 Transaction Banks

During the Reporting Period, the Bank's transaction banking business focused on supply chain finance, leveraging products such as factoring, letters of credit, and merchant bills to serve customers across the entire industrial chain. It conducted in-depth research on key industrial chains in provinces and cities, identified customer needs, and provided various financing services to micro, small and medium-sized enterprises within the industrial chain, contributing to stabilizing and strengthening the chain. The Bank continued to optimize and iterate products such as Cloud Business, Zhenghaofu (鄭好付) and commercial acceptance bills to enhance customer experience and risk monitoring capabilities. Cross-border finance further improved customer experience by establishing a foreign exchange clearing service platform and optimizing online services for foreign exchange account opening, letters of credit, and other products. During the Reporting Period, financing services were provided to over 1,100 industrial chain customers.

6.1.5 Technological Finance

During the Reporting Period, the Bank actively integrated into the broader context of local economic development, continuously strengthened its support for technological innovation, and provided comprehensive, multi-level financial support to tech companies, channeling more financial "liquidity" toward innovation hubs and fully advancing the "Big Picture of Technology Finance". The Bank established four specialized tech branches, built a multidisciplinary professional team that "understands technology, industry, and finance", and increased financial support for early-stage and growth-phase enterprises and teams. It innovatively launched the "Enterprise Benefit Loan" product, implemented the financing coordination mechanism for small and micro enterprises, and focused on enhancing the inclusivity and coverage of tech finance. The Bank also deepened bank-research cooperation and coordination, formulating comprehensive financial service solutions for key provincial research entities and building a diversified tech finance "ecosystem". As of the end of the Reporting Period, the Bank's outstanding loans to technology-based enterprises reached RMB28.735 billion, an increase of RMB2,267 million from the end of the previous year.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

6.2 Retail Banking Business

During the Reporting Period, the Bank resolutely implemented the requirements on high-quality development, adhered to the “customer-centred” philosophy, deeply developed citizen and rural finance and focused on building four steward services, namely “Citizen Steward”, “Financing Steward”, “Wealth Steward” and “Rural Steward”, and steadily promoted the development of the retail business. As at the end of the Reporting Period, the Bank’s principal balance of personal deposits amounted to RMB258.098 billion, representing an increase of 18.30% from the end of the previous year. The Bank’s total balance of personal loans amounted to RMB94.556 billion, representing an increase of 3.96% from the end of the previous year. The Bank had issued a total of 8.5257 million debit cards, representing an increase of 265,000 cards from the end of the previous year. The Bank had issued a total of 874,900 Shangding credit cards, representing an increase of 49,100 cards from the end of the previous year. The size of wealth financial assets reached RMB54.415 billion. The Bank had issued a total of 307,200 Rural Revitalization Cards, representing an increase of 48,700 cards from the end of the previous year.

6.2.1 Citizen Steward

During the Reporting Period, the Bank steadfastly maintained its market positioning of “serving urban and rural residents”. Based on citizens’ essential demands in daily life, the Bank focused on their basic necessities and improved the function of finance in providing convenience services to better shape the role of “Citizen Steward”.

Deepening public-private collaboration and expanding the core customer base. The Bank launched the “Zhenghuixin (鄭惠薪)” one-stop digital payroll platform, combined with corporate presentations and exclusive benefit activities, to provide enterprises and their employees with efficient and intelligent comprehensive payroll service solutions. In partnership with labor unions, exclusive activities such as “One-Cent Travel”, spend-and-save promotions, and free Spring Festival couplet distributions were conducted to create a personalized financial service experience for union cardholders.

Adhering to financial innovation and demonstrating our commitment to serving the people. During the Reporting Period, the Bank established a refined customer service system, actively implemented financial policies to boost consumption, and issued the “Kaifeng City-Themed Platinum Credit Card”. With a focus on benefiting people’s livelihoods, we connected key areas such as culture and tourism, transportation, supermarkets, and dining, enhancing financial accessibility for residents. The credit card business continued to advance in areas including customer base development, digital transformation, scenario construction, and customer experience improvement.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

6.2.2 *Financing Steward*

During the Reporting Period, the Bank actively fulfilled its social responsibilities, adhered to the customer-centric service philosophy, continued to build its distinctive brand of inclusive financial services, worked to enhance the quality and scale of consumer finance, and solidly advanced the implementation and effectiveness of retail asset initiatives.

Optimizing business processes and expanding the inclusive customer base. For the “Zheng e-Loan (Business) (鄭e貸(經營))” product, the Bank continuously improved processes and adopted an online model to provide credit support, with a maximum loan amount of RMB500,000 per transaction. During the Reporting Period, the Bank launched “Zheng Hui Loan (鄭惠貸)”, a rural-focused product, which adopted a two-stage approval model of “online big data model preliminary review + offline simplified manual financial due diligence for increased limits” based on the risk control logic of “people-centric, big data + manual verification”, thereby broadening the coverage of inclusive services.

Supporting consumption upgrades and promoting paperless development. For “Zheng e-Loan (Consumer) (鄭e貸(消費))”, the Bank implemented six major optimizations, including adjusting credit limits and terms, adding renewal marketing leads for existing customers, modifying implementation rules, refining approval policies, and introducing a function for interest-free coupons for the next N days. The Bank also advanced the electronic contract signing function for the “House e-Finance (房e融)” business, with seven municipal branches having launched the feature by the end of the Reporting Period.

Expanding market outreach and establishing a rural loan team. The Bank continued to promote the registration of specialized markets, niche industries, and branded distributors, completing 49 registrations across the province, covering sectors such as apparel, fruits and vegetables, and home furnishings. Specialized rural loan teams was established in Zhongmu, Xinmi, and Xinzheng branches, accompanied by tailored personnel assessment plans to ensure professional implementation of rural loan marketing.

As of the end of the Reporting Period, the balance of the Bank’s retail loans (including credit cards) reached RMB94.556 billion, an increase of RMB3.599 billion from the beginning of the year. The balance of inclusive small and micro loans stood at RMB52.578 billion. The number of small and micro receiving inclusive loans with loan balance stood at 70,839.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

6.2.3 Wealth Steward

During the Reporting Period, the Bank continued to deepen its core value of “putting external customer experience first and improving internal efficiency first” in the wealth management sector, steadfastly pursued the transformation and development path of “optimizing products and deepening operations”, and committed to building a wealth product system with more comprehensive categories and a more diverse audience. It comprehensively enhanced the professional service capabilities and warmth of wealth management, continuously strengthened the market reputation of the “Zhenghao Wealth (鄭好財富)” brand, and effectively fulfilled its role as a trusted “wealth steward” for the general public.

Deepening the construction of a diversified wealth product ecosystem. During the Reporting Period, the Bank continued to optimize its specialized wealth management product system, precisely meeting customers’ increasingly diverse investment and financial needs. It expanded its network of partner institutions, accelerated the approval of high-quality products, and built and continuously enriched a full-category wealth management product shelf. The Bank steadily advanced the development of investment advisory services, providing customers with more specialized and personalized wealth planning and asset allocation solutions to meet the needs of clients at different life stages and with varying risk preferences. As of the end of the Reporting Period, the “Zhenghao Wealth (鄭好財富)” product line had formed a multi-tiered system covering cash management, stable fixed income, fixed-income enhancement, and equity investments. The wealth management product matrix was rich in categories and reasonably structured, capable of meeting customers’ comprehensive needs from liquidity management to long-term wealth appreciation.

Comprehensively enhancing the core competitiveness of wealth management professional services. During the Reporting Period, the Bank continued to strengthen research on global macroeconomic trends and market developments, deepened its capabilities in major asset allocation analysis, and integrated cutting-edge investment research findings into customer service processes and product allocation strategies. This enhanced the professionalism and foresight of asset allocation services, helping customers improve their investment experience and sense of achievement. The Bank actively conducted multi-level, regular investor engagement activities, emphasized investor suitability management, reduced customers’ “irrational investment” rates, and strengthened their risk awareness. The product lifecycle management system operated efficiently, providing customers with professional, timely, and warm after-sales services through full-process tracking, risk monitoring, periodic analysis, and proactive service. Customer satisfaction and loyalty continued to rise.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

6.2.4 Rural Steward

During the Reporting Period, the Bank vigorously implemented China's rural revitalization strategy. It comprehensively improved the professional service capabilities on rural revitalization by optimizing financial service channels and improving financial service experience in rural areas to better develop the "rural steward" and facilitate the full rural revitalization, gradually establishing core competitiveness in county-level finance.

Optimizing financial service channels in rural areas. During the Reporting Period, the Bank continued to improve financial service facilities and enhance the service capabilities of rural payment service sites for inclusive finance in rural areas. Focusing on the basic necessities, medical treatment and entertainment of rural residents and other non-financial scenarios, the Bank carried out the construction of "rural service sites+" scenarios. It promoted the rural revitalization version of mobile banking in an all-round way, launched personalized intelligent voice services, and utilized online intelligent search tools to provide rural residents with personalized, convenient, and efficient financial services.

Improving financial service experience in rural areas. During the Reporting Period, the Bank boosted the issuance of debit cards with the theme of rural revitalization and adopted the "five reductions or waivers" policy as well as offered benefits for holders of UnionPay themed cards. It irregularly organized various exclusive agriculture-related activities to benefit rural residents, such as free medical consultations, "cashback promotions" on card purchases, and subsidies for social security payments. The Bank boosted the publicity of "financial literacy in rural areas" and publicized knowledge on anti-counterfeit money, saying no to illegal fundraising and the prevention of phone fraud among left-behind groups in rural areas. It initiatively focused on groups lacking knowledge in rural areas and circulated knowledge and policies on credit publicity, the prevention of phone fraud and the protection of personal financial knowledge. These efforts aimed to help rural residents accurately identify false and fraudulent information and stay away from illegal financial activities, thereby maintaining stability in the rural financial order.

6.3 Financial Market Business

During the Reporting Period, under the effective guidance of a moderately accommodative monetary policy, China's financial market performed well, with reasonable and ample market liquidity, stable bond market interest rates, and the RMB exchange rate remaining fundamentally stable at a reasonable and balanced level, further consolidating the financial foundation for high-quality economic development. Against this backdrop, the Bank closely monitored financial market developments, accurately grasped market trends and opportunities, and continuously enhanced the core competitiveness of its financial market operations.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

6.3.1 Money Market Transactions

During the Reporting Period, the Bank continuously strengthened in-depth analysis and precise assessment of the money market. On the basis of ensuring the safety and stability of liquidity management, it actively expanded diversified financing channels, optimized the financing structure, and effectively reduced financing costs, providing strong support for the efficient and stable operation of the Bank's fund. As at the end of the Reporting Period, the balance of the Bank's deposits and placements with banks and other financial institutions and financial assets held under resale agreements was RMB24,101 million, accounting for 3.36% of the Bank's total assets; and the balance of deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements was RMB49,784 million, accounting for 7.51% of the Bank's total liabilities.

6.3.2 Investment in Securities and Other Financial Assets

During the Reporting Period, the Bank adhered to the principle of balancing stability and innovation, closely monitored financial market developments, conducted in-depth analysis of macroeconomic conditions and financial market trends, flexibly adjusted the structure of its investment portfolio, effectively balanced market risks and investment returns, and achieved optimized asset allocation and steady growth in earnings. In terms of business expansion, the Bank actively leveraged the "Southbound Bond Connect" channel to increase investments in offshore RMB assets, further diversifying sources of business income, optimizing the income structure, and enhancing overall profitability. At the same time, the Bank continued to deepen cooperation with institutional clients by optimizing collaboration strategies and strengthening synergies, enabling resource sharing and complementary advantages. This further enhanced the resilience and vitality of business development, comprehensively improved the ability to create integrated value, and continuously optimized overall profitability. As at the end of the Reporting Period, the Bank's total investment in bonds, investment products under trust schemes, investment products managed by securities companies and other securities financial assets amounted to RMB223,091 million, representing an increase of RMB20,838 million or 10.30% from the end of the previous year. Among them, the Bank's total investment in bonds was RMB166,804 million, representing a year-on-year increase of 16.63%; and the investment products under trust schemes, investment products managed by securities companies and other securities-based financial assets was RMB56,287 million, representing a year-on-year decrease of 4.97%.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

6.4 Distribution Channels

6.4.1 Physical Outlets

As at the end of the Reporting Period, the Bank established its head office in Zhengzhou, Henan, 14 branches in Nanyang, Xinxiang, Luoyang, Anyang, Xuchang, Shangqiu, Luohe, Xinyang, Puyang, Pingdingshan, Zhumadian, Kaifeng, Zhoukou and Hebi of Henan Province, 167 sub-branches and one special entity. Meanwhile, the Bank established a network of 192 internal and external self-service equipment outlets, providing convenient 7*24-hour services.

6.4.2 Electronic Banking

Personal channel

The Bank's mobile banking continued to uphold the service concept of "customer centric", and made sustainable efforts in four major areas: the construction of a wealth product matrix, the digitization of business, the optimization of basic service experiences, and the improvement of transaction securities. Through meticulous development and refinement in these areas, the Bank aimed to provide customers with one-stop financial and lifestyle services. As at the end of the Reporting Period, the Bank had signed up 4,029,000 personal mobile banking customers, and the number of transactions completed increased by 8.33% year-on-year. The Bank continued to provide high-quality customer service. 471,400 times of service were provided via the customer service hotline of 95097. At the same time, by means of text message, video and voice, the Bank provided 499,200 times of intelligent customer service, efficiently addressing customer demands.

Corporate channel

The Bank adhered to the service principle of "prioritizing customer experience externally", steadily advancing the development of corporate electronic channels. By continuously innovating business application scenarios, it precisely focused on enterprises' digital transformation and operational development needs, providing full-cycle treasury management solutions tailored to the differentiated characteristics of enterprises at various stages—growth, expansion, and maturity—thereby injecting new momentum into their financial and operational integration as well as digital transformation. As of the end of the Reporting Period, the cumulative number of corporate electronic channel customers had exceeded 110,000.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

7 RISK MANAGEMENT

During the Reporting Period, the Bank proactively responded to changes in the regulatory and market environment based on internal and external circumstances and actively established the “prudent and sound” risk management philosophy. Led by high-quality development, the Bank continuously improved its comprehensive risk management system, constantly enriched and enhanced its risk management tools, and steadily boosted its risk management capabilities, with risk management becoming more refined and effective. The primary risks faced by the Bank in its operation and its risk management measures are as follows:

7.1 Credit Risk

Credit risk refers to the risk of incurring loss by banks due to debtors' or counterparties' failure to perform contractual obligations or responsibilities. The Bank's credit risk exposure mainly comes from loan portfolios, investment portfolios, guarantees and other types of on- and off-balance sheet credit risk exposure. The Bank has built a credit risk management framework covering all credit business processes and developed policies and procedures to accurately identify, assess, measure, monitor, mitigate and control credit risks. The Bank's main measures for credit risk management during the Reporting Period are as follows:

Firstly, we improved the policy and regulatory system. Based on full-process risk control, we enhanced the credit approval framework, dynamically optimized the policy system, and clarified review norms for key business areas, providing solid institutional support for credit risk prevention and control. Secondly, we strengthened the development of the review team. We improved personnel management mechanisms and comprehensively elevated the professional competence and risk assessment capabilities of reviewers through systematic training, on-the-job rotation, and other methods, laying a solid talent foundation for credit risk prevention and control. Thirdly, we continuously improved the risk warning system. With early warning as the core of post-loan operations, we expanded the scope of risk monitoring and established a risk database. We developed a borrower repayment capacity and risk warning monitoring system from multiple dimensions, including customers' financial conditions, operational management, guarantees, and external information. Fourthly, we comprehensively strengthened post-loan management. By establishing a standardized post-loan management process implementing customer segmentation management, and adopting scientific post-loan management measures, we continuously monitored and reduced customers' credit risk, enhanced credit risk management levels, and improved the efficiency of credit fund recovery, so as to promote the sustainable development of credit business.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at the end of the Reporting Period, the Bank's single customer loan concentration was 4.82%, in compliance with the 10% cap regulatory requirement; single group customer credit concentration was 11.54%, in compliance with the 15% cap regulatory requirement; the loan concentration of the top ten customers was 38.07%; the credit concentration of a single related party customer was 5.22%, in compliance with the 10% cap regulatory requirement; and the credit concentration of all related party customers was 33.98%, in compliance with the 50% cap regulatory requirement.

7.2 Market Risk

Market risk refers to the risk of losses in the on- and off-balance sheet businesses arising from adverse movements in market prices (including interest rate, exchange rate, stock price and commodity price). The major market risks that the Bank is exposed to include interest rate risk and exchange rate risk. Our market risk management objective is to keep market risk within acceptable and reasonable limits, achieving an appropriate balance between risk and return. Market risk management covers the entire process of identifying, measuring, monitoring, controlling, and reporting market risks. During the Reporting Period, our key measures for market risk management were as follows:

Firstly, we improved the risk management system by establishing a clearly layered market risk management mechanism. The framework covers limit management, book segmentation, risk reporting, stress testing, and specialized business risk management, clearly defining the roles of the Board of Directors, senior management, and the three lines of defense. Secondly, we further strengthened limit controls, adjusting the annual limit plan with the goal of balancing business development and risk management. Thirdly, we enhanced capital measurement capabilities by launching a market risk capital measurement module to ensure the accuracy of capital measurement and information disclosure. Fourthly, we optimized the stress testing system by expanding stress objects and refining historical scenarios, further improving the comprehensiveness of stress testing. Fifthly, we carried out upgrades to the market risk management system, focusing on optimizing applications such as limit monitoring, stress testing, and end-of-day risk monitoring to align with the needs of normalized market risk management.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

7.3 Operational Risk

Operational risk refers to the risk of loss caused by problematic internal procedures, personnel or information technology systems, and external events, including legal risk but excluding strategic risk and reputational risk. The Bank is dedicated to strengthening its operational risk management framework and institutional system by reinforcing the governance responsibilities of all parties involved, refining management procedures and tools, and consistently elevating the standards of operational risk management. During the Reporting Period, the main measures for managing operational risks of the Bank are as follows:

Firstly, we improved the operational risk management system, clarified management responsibilities at all levels, refined management processes and requirements, and strengthened the institutional foundation of operational risk management. Secondly, we implemented the measurement requirements of the new capital regulations, established an operational risk measurement system, and used a unified method to conduct group-wide consolidated operational risk capital measurement to ensure the accuracy of measurement results. Thirdly, we conducted operational risk stress testing at the group level, assessed risk-bearing capacity under extreme scenarios, promoted the improvement of internal control mechanisms, and enhanced operational resilience. Fourthly, we continuously carried out operational risk self-assessments, identified inherent operational risk exposures, analyzed the effectiveness of control measures, and mitigated risks in advance. Fifthly, we enhanced legal support capabilities, strengthened standardized contract management, legal document review, legal issue consultation, and legal risk training as fundamental services, continuously improved the legal awareness and risk consciousness of all employees, and supported the Bank's compliance and sound operations.

7.4 Liquidity Risk

Liquidity risk refers to the risk of failure to obtain sufficient funds in time or failure to obtain sufficient funds at a reasonable cost to pay off debts falling due, perform other payment obligations and meet other capital requirements for normal business operations. The objective of the Bank's liquidity risk management is to ensure sufficient fund positions to satisfy repayment obligations and capital requirements for business settlement in a timely manner. The Bank observes changes in liquidity closely, monitors the surplus or deficiency of funds on a real-time basis, sets the term structure of funds in a rational manner, gradually optimizes the maturity structures of assets and liabilities, and steps up liquidity risk monitoring to ensure liquidity is safe and under control. During the Reporting Period, we mainly adopted the following measures for liquidity risk management:

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Firstly, we stepped up daily liquidity management. We closely monitored the changes in macro and monetary policies as well as the source and use of funds, and arranged the financing term structure in a rational manner to meet the daily requirement of position settlement. Secondly, we optimized the allocation of assets and liabilities and strengthened the balanced management of assets and liabilities plans and liquidity risks. We focused on the structure of assets and liabilities and duration management to maintain a safe and reasonable level of maturity mismatch. Thirdly, we strengthened liquidity risk limits management. We improved the liquidity limits management systems, strengthened the alert on risk limit monitoring, and timely adjusted the risk indicators according to the assets and liabilities plans in order to ensure the liquidity limit indicators operate within a safe level. Fourthly, we conducted liquidity stress tests. Liquidity stress tests are carried out on a regular basis to assess potential liquidity risk levels and the results from the stress tests are applied to the assets and liabilities plans.

As at the end of the Reporting Period, the Bank's liquidity ratio was 82.95%, in compliance with the 25% minimum regulatory requirement; its liquidity coverage rate was 170.48%, in compliance with the 100% minimum regulatory requirement; its net stable funding ratio was 123.26%, in compliance with the 100% minimum regulatory requirement. Overall, the Bank's key liquidity regulatory indicators met the regulatory requirements and its liquidity risk was generally under control.

7.5 Information Technology Risk

Information technology risk refers to the operational, legal, reputational and other risks caused by natural factors, human factors, technical loopholes and management flaws in the course of applying information technology. During the Reporting Period, the Bank continuously optimized its information technology (IT) risk management system, carried out ongoing IT risk monitoring and assessment, and steadily improved business continuity management. Overall IT operations remained stable, with risks generally under control. The main measures taken by the Bank for IT risk management during the Reporting Period were as follows:

Firstly, we optimized IT risk monitoring indicators to enhance monitoring capabilities in relevant IT sub-fields. Secondly, we effectively fulfilled the management responsibilities of the "Three Lines of Defense" for IT risks, established a joint prevention and control mechanism, and conducted key milestone reviews for major IT projects as well as specialized risk assessments in the field of information security. Thirdly, we developed an annual business continuity drill plan, scientifically organized various drills, and effectively enhanced the Bank's business continuity management capabilities.

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

7.6 Reputational Risk

Reputational risk refers to the risk of negative comments of stakeholders, the public and the media about the Bank due to its operation and management, employees' behaviour or external events which damage the Bank's brand value and adversely affect its normal operation and even market and social stability. The Bank manages reputational risk on a forward-looking, compatible, full-covered and effective basis. It established whole-process management mechanisms comprising pre-evaluation, monitoring, identification, tiered response, reporting, assessment, and summary evaluation to continuously promote the normalization and long-term effectiveness of joint prevention and control.

During the Reporting Period, the Bank strictly implemented the requirements of the "Measures for the Management of Reputation Risks of Banks and Insurance Institutions (Trial Implementation) (銀行保險機構聲譽風險管理辦法(試行))" and the "Detailed Rules for the Implementation of Reputation Risk Management of Banking and Insurance Institutions in Henan Province (Trial Implementation) (《河南銀行保險機構聲譽風險管理實施細則(試行)》)", established and improved a reputation risk management system, optimized reputation risk assessment, contingency plans, and public opinion monitoring and disposal mechanisms, regularly conducted reputation risk scenario simulations and emergency drills, and strengthened the full process management of reputation risks. It also strengthened public opinion monitoring and hazard investigation, actively promoted brand publicity, and created a positive public opinion environment.

7.7 Anti-Money Laundering Management

The Bank strictly complied with laws and regulations such as the Anti-Money Laundering Law of the People's Republic of China, thoroughly implemented the "risk-based" work requirements, established and improved the money laundering risk management system, continuously identified, assessed, controlled, and managed money laundering risks, and earnestly fulfilled all statutory obligations and social responsibilities related to anti-money laundering. The Bank's main measures for anti-money laundering during the Reporting Period are as follows:

CHAPTER II MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Firstly, we focused on core obligations, diligently carried out key tasks such as customer due diligence, large and suspicious transaction reporting, and strengthened the defense line against money laundering risks. Secondly, we enhanced the money laundering risk review of relevant business systems, implemented anti-money laundering laws, regulations, and regulatory requirements, and promoted the organic integration of business processes and risk control management. Thirdly, we continuously conducted money laundering risk assessments for new businesses (including products and services) and customer money laundering risk assessments, effectively identifying and mitigating potential risks. Fourthly, we advanced technical prevention measures, optimized anti-money laundering system functions such as large and suspicious transaction reporting, list monitoring, and risk rating, and effectively improved technical capabilities for combating money laundering risks. Fifth, we strengthened inspection and supervision, organized subsidiaries to conduct self-inspections and improve weak areas in anti-money laundering work, enhancing the compliance and effectiveness of the Group's anti-money laundering efforts. Sixthly, we deepened anti-money laundering awareness campaigns and training, promoted the new Anti-Money Laundering Law, conducted specialized anti-money laundering training, and compiled and issued the Anti-Money Laundering Work Bulletin, continuously improving employees' anti-money laundering capabilities, raising public awareness, and fostering a culture of money laundering risk management.

8 IMPLEMENTATION OF THE VALUATION IMPROVEMENT PLAN

For details of the valuation improvement plan, please refer to the Valuation Improvement Plan of Bank of Zhengzhou Co., Ltd. dated 28 March 2025 published by the Bank on the website of CNINFO (www.cninfo.com.cn).

9 IMPLEMENTATION OF THE ACTION PLAN OF “DOUBLE IMPROVEMENT IN QUALITY AND RETURN”

During the Reporting Period, the Bank did not disclose the announcement in relation to the action plan of “double improvement in quality and return”.

10 RECEIVING RESEARCH DELEGATIONS, COMMUNICATION AND INTERVIEW ACTIVITIES

During the Reporting Period, the Bank did not receive any research delegations, and had no communication and interview activities.

11 ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

11.1 Environmental Information Disclosure

Neither the Bank nor its major subsidiaries are included in the list of enterprises required to disclose environmental information in accordance with the law.

11.2 Social Responsibility

The Bank enhanced its financial services for rural revitalization. Specifically, the Bank precisely focused on the areas of “agriculture, rural areas, and farmers”, advancing the implementation of the rural revitalization strategy. The Bank also offered internal pricing discounts on agriculture-related loans and implemented due diligence and exemption policies. In addition, it strengthened financial services for new agricultural business entities to resolve the issue of difficulty and high cost in obtaining financing for all kinds of new agricultural business entities within the province, and to provide financing services for all kinds of new agricultural business entities, such as professional farmer households, farmers’ cooperatives, agricultural enterprises, and agricultural social service organizations. As at the end of the Reporting Period, the balance of agriculture-related loans of the Bank was RMB48.094 billion.

The Bank improved the basic financial service experience for rural residents. The Bank continued to advance the development of rural financial service scenarios. Centered around rural inclusive financial payment service sites and leveraging Zhengzhou Bank’s rural revitalization mobile banking platform, the Bank carried out tailored scenario-based activities such as subsidized social insurance payments and merchant discounts for agricultural benefits, targeting high-frequency production and daily life scenarios of rural residents. This initiative aims to build an “online + offline” rural financial service ecosystem, continuously enrich the usage environment of rural revitalization cards, enhance the accessibility of financial services, bridge the “last mile” of rural financial services, and effectively consolidate and expand the achievements of poverty alleviation while seamlessly connecting them with rural revitalization. As at the end of the Reporting Period, we had expanded to 4,258 merchants in rural areas.

The Bank strengthened financial literacy outreach to households. To enhance the financial literacy and risk awareness of residents in rural areas, guide them in more accurately identifying false and fraudulent information, and steer them away from illegal financial activities, the Bank organized its branches to go deep into rural villages and carry out various thematic awareness campaigns, including financial knowledge popularization, counterfeit currency prevention, rejection of illegal fundraising, and prevention of telecom fraud, to improve rural residents’ financial knowledge and risk prevention awareness.

The Bank continued to deepen its village assistance efforts. During the Reporting Period, leveraging the Bank’s strengths, inclusive financial payment sites were established in assisted villages to extend financial services to residents’ doorsteps; external resources were coordinated to install electric vehicle charging stations in assisted villages; joint activities with village committees were conducted, such as “July 1st” visits and condolences, “March 15th” financial consumer rights protection campaigns, and the establishment of cultural and recreational facilities such as senior activity centers and opera enthusiast clubs, contributing to the revitalization of rural culture.

12 OUTLOOK

Facing the complex and ever-changing financial environment and the new requirements for high-quality regional economic development, in the second half of 2025, the Bank will adhere to a steady yet progressive working approach, solidly driving the high-quality development of the entire Bank. Firstly, the Bank will formulate the medium- to long-term strategic development plan for 2026–2030. The year 2025 is the final of the “14th Five-Year Plan” and serves as a critical juncture in the new economic cycle and financial restructuring. The Bank will align with the policy requirements and decisions of the central, provincial, and municipal governments, assess the implementation of the overall strategic plan for 2021–2025, and consider internal and external development conditions. Benchmarking against top-tier commercial banks, the Bank will meticulously plan and develop a feasible and clearly outlined new medium- to long-term strategic development plan. Secondly, the Bank will advance the transformation and development of key business areas. In retail financial services, the Bank will focus on building a “Four Major Stewards” service system—“Citizen Steward”, “Financing Steward”, “Wealth Steward” and “Rural Steward”—integrating the restructuring of product systems, channel systems, digital operation systems, and workforce systems to continuously enhance the capabilities and efficiency of personal financial services. In corporate financial services, the Bank will concentrate on major national strategic initiatives and provincial/municipal regional economic development plans, continuously improving its specialized, differentiated, and comprehensive service capabilities in government finance, technology finance, industrial finance, and inclusive finance, striving to achieve a virtuous cycle between the Bank’s high-quality development and the high-quality development of the regional economy and society. In financial market operations, the Bank will accelerate the restructuring of the business risk control system, continuously enhance investment research and trading capabilities, and drive incremental growth and quality improvement in the Bank’s financial market business. Thirdly, the Bank will expedite risk transformation. The Bank will take credit risk transformation as the breakthrough point, adopting a modular approach while simultaneously advancing comprehensive coverage of operational risk, liquidity risk, market risk and others, building a full-risk framework that extends horizontally and vertically. Looking ahead, the Bank will continue to uphold its mission of “serving the local economy, serving small and medium-sized enterprises, and serving urban and rural residents”. Through financial services that combine “technology + professionalism + warmth”, the Bank will play a greater role in supporting the real economy, preventing and controlling financial risks, and deepening financial reforms, contributing the strength of Bank of Zhengzhou to the new chapter of Chinese modernization in the central region!

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

1 CHANGES IN ORDINARY SHARES

1.1 Table of Changes in Ordinary Shares

Unit: Shares

	As at 31 December 2024		Increase/decrease during the Reporting Period (+/-)					As at 30 June 2025	
	Number	Proportion (%)	Issuance of new shares	Bonus shares	Capitalization issue	Others	Sub-total	Number	Proportion (%)
I. Shares subject to trading moratorium	370,917,616	4.08	-	-	-	+82,725	+82,725	371,000,341	4.08
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. Shares held by state-owned legal persons	207,515,000	2.28	-	-	-	-	-	207,515,000	2.28
3. Shares held by other domestic investors	163,402,616	1.80	-	-	-	+82,725	+82,725	163,485,341	1.80
Including: Shares held by domestic legal persons	143,467,899	1.58	-	-	-	-	-	143,467,899	1.58
Shares held by domestic natural persons	19,934,717	0.22	-	-	-	+82,725	+82,725	20,017,442	0.22
4. Shares held by foreign investors	-	-	-	-	-	-	-	-	-
Including: Shares held by overseas legal persons	-	-	-	-	-	-	-	-	-
Shares held by overseas natural persons	-	-	-	-	-	-	-	-	-
II. Shares not subject to trading moratorium	8,721,173,742	95.92	-	-	-	-82,725	-82,725	8,721,091,017	95.92
1. Ordinary Shares denominated in RMB	6,700,715,742	73.70	-	-	-	-82,725	-82,725	6,700,633,017	73.70
2. Domestically-listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas-listed foreign shares	2,020,458,000	22.22	-	-	-	-	-	2,020,458,000	22.22
4. Others	-	-	-	-	-	-	-	-	-
III. Total	9,092,091,358	100.00	-	-	-	-	-	9,092,091,358	100.00

Notes:

1. The minor differences in the last digits are caused by rounding.
2. During the Reporting Period, the Bank did not conduct any Share repurchase.

As at the end of the Reporting Period, the Bank had 9,092,091,358 issued Ordinary Shares, including 7,071,633,358 A Shares and 2,020,458,000 H Shares.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

1.2 Description of Changes in Ordinary Shares

During the Reporting Period, changes in Ordinary Shares were mainly due to the changes in the Shares subject to trading moratorium held by departing Directors and senior management personnel since the second half of 2024.

1.3 The Impact of Changes in Ordinary Shares on Financial Indicators Such as Earnings per Share and Net Assets per Share in the Previous Year and the Latest Period

During the Reporting Period, there were no changes in the total number of Ordinary Shares of the Bank. The share changes shown in “1.1 Table of Changes in Ordinary Shares” of this chapter had no impact on financial indicators such as earnings per share and net assets per share in the previous year and the latest period.

1.4 Changes in Shares Subject to Trading Moratorium during the Reporting Period

Unit: Shares

Name of Shareholder	Number of Shares subject to trading moratorium at the beginning of the Reporting Period	Increase in the number of Shares subject to trading moratorium during the Reporting Period	Number of Shares lifted from trading moratorium during the Reporting Period	Number of Shares subject to trading moratorium at the end of the Reporting Period	Reasons for trading moratorium	Date of lifting from trading moratorium
Directors, Supervisors and senior management personnel of the Bank (including Directors, Supervisors and senior management personnel before the initial public offering of A Shares)	636,595	82,725	–	719,320	Locked shares held by senior management	–
Total	636,595	82,725	–	719,320		

Note: The Shares of Directors, Supervisors and senior management were locked and lifted from trading moratorium in accordance with the Company Law, the Securities Law and the relevant regulations promulgated by the CSRC, the SZSE and other regulatory authorities. Changes in Shares subject to trading moratorium during the Reporting Period were due to the changes in the Shares subject to trading moratorium held by departing Directors and senior management personnel since the second half of 2024.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

2 ISSUANCE AND LISTING OF SECURITIES

During the Reporting Period, the Bank did not issue any new Ordinary Shares and preference shares and did not have any corporate bonds which were publicly issued and listed on any stock exchanges.

For details of other bond issuance of the Bank and its subsidiaries, please refer to “Issuance and Repurchase of Bonds” in the chapter headed “Significant Events” of this Report.

3 INFORMATION ON ORDINARY SHAREHOLDERS

Number of Ordinary Shareholders and Their Shareholdings

As at the end of the Reporting Period, the Bank had a total of 108,322 Ordinary Shareholders, of whom 108,273 were holders of A Shares and 49 were holders of H Shares.

The following table sets out the direct shareholdings of the top 10 Ordinary Shareholders of the Bank as at the end of the Reporting Period:

Unit: Shares

Name of Shareholder	Nature of Shareholder	Class of Shares	Shareholdings percentage (%)	Ordinary Shares held at the end of the Reporting Period	Changes over the Reporting Period (+/-)	Ordinary Shares held subject to trading moratorium	Ordinary Shares held not subject to trading moratorium	Pledged, labelled or frozen Status of Shares	Number
HKSCC Nominees Limited	Overseas legal person	H Shares	22.22	2,020,295,224	+39,930	–	2,020,295,224	Unknown	–
Zhengzhou Finance Bureau (鄭州市財政局)	State-owned	A Shares	7.23	657,246,311	–	–	657,246,311	Pledged	93,278,900
Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	State-owned legal person	A Shares	6.69	608,105,180	–	207,515,000	400,590,180	–	–
Bridge Trust Co., Ltd. (百瑞信託有限公司)	State-owned legal person	A Shares	4.24	385,930,906	–	–	385,930,906	–	–
Zhongyuan Trust Co., Ltd. (中原信託有限公司)	State-owned legal person	A Shares	3.50	318,676,633	–	–	318,676,633	–	–

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

Name of Shareholder	Nature of Shareholder	Class of Shares	Shareholdings percentage (%)	Ordinary Shares held at the end of the Reporting Period	Changes over the Reporting Period (+/-)	Ordinary Shares held subject to trading moratorium	Ordinary Shares held not subject to trading moratorium	Pledged, labelled or frozen Status of Shares	Number
Henan Guoyuan Trade Co., Ltd. (河南國原貿易有限公司)	Domestic non-state-owned legal person	A Shares	2.55	231,789,701	-88,801,156	121,000,000	110,789,701	Pledged Frozen	110,789,600 231,727,845
Yutai International (Henan) Real Estate Development Co., Ltd. (豫泰國際(河南)房地產開發有限公司)	Domestic non-state-owned legal person	A Shares	1.86	168,722,000	-90,000,000	-	168,722,000	Pledged Frozen	168,722,000 168,722,000
Henan Shengrun Holding Group Co., Ltd. (河南盛潤控股集團有限公司)	Domestic non-state-owned legal person	A Shares	1.46	133,100,000	-	-	133,100,000	Pledged Frozen	133,100,000 133,100,000
Henan Investment Group Co., Ltd. (河南投資集團有限公司)	State-owned legal person	A Shares	1.31	119,482,821	-	-	119,482,821	-	-
Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司)	State-owned legal person	A Shares	0.96	86,859,705	-	-	86,859,705	Pledged	66,550,000

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

Strategic investors or ordinary legal persons becoming top 10 Shareholders by way of placing new Shares (if any)	None
Description of related party relationships or concerted actions of the above Shareholders	<p>Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司) is held as to 100% by Zhengzhou Finance Bureau (鄭州市財政局), Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司) is held as to 54.49% by Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司), and Zhengzhou Finance Bureau (鄭州市財政局) indirectly controls Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司). Zhongyuan Trust Co., Ltd. (中原信託有限公司) is held as to 64.93% by Henan Investment Group Co., Ltd. (河南投資集團有限公司).</p> <p>The Bank is not aware of any related party relationship among the above other Shareholders or whether they are parties acting in concert under the Administrative Measures on the Acquisition of Listed Companies 《上市公司收購管理辦法》).</p>
Description of entrusting/being entrusted voting rights or waiving voting rights of the above Shareholders	Henan Investment Group Co., Ltd. (河南投資集團有限公司) and Zhongyuan Trust Co., Ltd. signed the Voting Rights Entrustment Agreement, entrusting the corresponding voting rights of 98,746,133 A Shares (the number of shares before the Bank implemented the capitalization issuance plan in December 2021 and June 2023) held by Henan Investment Group Co., Ltd. (河南投資集團有限公司) to Zhongyuan Trust Co., Ltd. (中原信託有限公司).
Special description of the special accounts for repurchase held by the top 10 Shareholders	None
Description of the top 10 Ordinary Shareholders participating in margin financing and securities lending business (if any)	Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司) holds 429,905,180 A Shares through ordinary securities account and 178,200,000 A Shares through the customer credit transaction guaranteed securities account of CITIC Construction Investment Securities Co., Ltd. (中信建投證券股份有限公司), holding a total of 608,105,180 A Shares.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

The following table sets out the direct shareholdings of the top 10 Ordinary Shareholders not subject to trading moratorium of the Bank as at the end of the Reporting Period:

Unit: Shares

Name of Shareholder	Number of Ordinary Shares held not subject to trading moratorium at the end of the Reporting Period	Type of Shares	
		Type of Shares	Number
HKSCC Nominees Limited	2,020,295,224	H Shares	2,020,295,224
Zhengzhou Finance Bureau (鄭州市財政局)	657,246,311	A Shares	657,246,311
Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	400,590,180	A Shares	400,590,180
Bridge Trust Co., Ltd. (百瑞信託有限責任公司)	385,930,906	A Shares	385,930,906
Zhongyuan Trust Co., Ltd. (中原信託有限公司)	318,676,633	A Shares	318,676,633
Yutai International (Henan) Real Estate Development Co., Ltd. (豫泰國際(河南)房地產開發有限公司)	168,722,000	A Shares	168,722,000
Henan Shengrun Holding Group Co., Ltd. (河南盛潤控股集團有限公司)	133,100,000	A Shares	133,100,000
Henan Investment Group Co., Ltd. (河南投資集團有限公司)	119,482,821	A Shares	119,482,821
Henan Guoyuan Trade Co., Ltd. (河南國原貿易有限公司)	110,789,701	A Shares	110,789,701
Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司)	86,859,705	A Shares	86,859,705
Description of related party relationships or concerted actions among the top 10 Ordinary Shareholders not subject to trading moratorium, and between the top 10 Ordinary Shareholders not subject to trading moratorium and the top 10 Ordinary Shareholders	Please refer to the line headed "Description of related party relationships or concerted actions of the above Shareholders" in the table of the direct shareholdings of the top 10 Ordinary Shareholders.		

Notes:

- The above data are sourced from the register of members of the Bank as at 30 June 2025.
- The Shares held by HKSCC Nominees Limited are held by it in the capacity of an agent and represent the aggregate number of H Shares held by all institutional and individual investors registered in HKSCC Nominees Limited as at the end of the Reporting Period.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

During the Reporting Period, no Shares were lent out by Shareholders holding more than 5% of the Shares, the top 10 Shareholders and the top 10 Shareholders of tradable shares not subject to trading moratorium of the Bank to be involved in the margin refinancing business. There were no changes in the top 10 Shareholders and the top 10 Shareholders of tradable shares not subject to trading moratorium due to the lending/returning of the margin refinancing compared to the previous period.

During the Reporting Period, none of the top 10 Ordinary Shareholders and the top 10 Shareholders of Ordinary Shares not subject to trading moratorium carried out any agreed buy-back transactions.

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

Based on the knowledge of the Directors, Supervisors and chief executive of the Bank, as at the end of the Reporting Period, the following persons, other than Directors, Supervisors and chief executive of the Bank, had, or were deemed or taken to have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Bank and the Hong Kong Stock Exchange under provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Bank under Section 336 of the SFO:

Name of substantial Shareholder	Class of Shares	Long/ Short positions	Capacity	Number of Shares held directly or indirectly (Shares)	Percentage of issued Shares of the relevant class (%)	Percentage of total issued Ordinary Shares (%)
Zhengzhou Finance Bureau (鄭州市財政局)	A Shares	Long	Beneficial owner and interest of controlled corporation ⁽¹⁾	1,418,761,196	20.06	15.60
Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司)	A Shares	Long	Beneficial owner and interest of controlled corporation ⁽¹⁾	694,964,885	9.83	7.64
Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	A Shares	Long	Beneficial owner	608,105,180	8.60	6.69
Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. (鄭州市中融創產業投資有限公司)	A Shares	Long	Interest of controlled corporation ⁽¹⁾	608,105,180	8.60	6.69
Zhengzhou Talent Development Group Co., Ltd. (鄭州人才發展集團有限公司)	A Shares	Long	Interest of controlled corporation ⁽¹⁾	608,105,180	8.60	6.69
Zhengzhou Investment Group Limited (鄭州市投資集團有限公司)	A Shares	Long	Interest of controlled corporation ⁽¹⁾	608,105,180	8.60	6.69

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

Name of substantial Shareholder	Class of Shares	Long/ Short positions	Capacity	Number of Shares held directly or indirectly (Shares)	Percentage of issued Shares of the relevant class (%)	Percentage of total issued Ordinary Shares (%)
Henan Investment Group Co., Ltd. (河南投資集團有限公司)	A Shares	Long	Beneficial owner and interest of controlled corporation ⁽²⁾	438,159,454	6.20	4.82
Bridge Trust Co., Ltd. (百瑞信託有限責任公司)	A Shares	Long	Beneficial owner	385,930,906	5.46	4.24
SPIC Capital Holding Co., Ltd. (國家電投集團資本控股有限公司)	A Shares	Long	Interest of controlled corporation ⁽³⁾	385,930,906	5.46	4.24
SPIC Industry-Finance Holding Co., Ltd. (國家電投集團產融控股股份有限公司)	A Shares	Long	Interest of controlled corporation ⁽³⁾	385,930,906	5.46	4.24
State Power Investment Corporation Limited (國家電力投資集團有限公司)	A Shares	Long	Interest of controlled corporation ⁽³⁾	385,930,906	5.46	4.24
China Goldjoy Securities Limited (中國金洋證券有限公司)	H Shares	Long	Custodian	502,018,594	24.85	5.52
CITIC Securities Company Limited	H Shares	Short	Interest of controlled corporation ⁽⁴⁾	326,292,751	16.15	3.59
Yuanta Finance (Hong Kong) Limited	H Shares	Long	Person having a security interest in shares ⁽⁵⁾	242,242,650	11.99	2.66
Yuanta Securities (Hong Kong) Company Limited	H Shares	Long	Person having a security interest in shares and interest of controlled corporation ⁽⁵⁾	242,242,650	11.99	2.66
Yuanta Securities Asia Financial Services Ptd. Ltd.	H Shares	Long	Person having a security interest in shares and interest of controlled corporation ⁽⁵⁾	242,242,650	11.99	2.66
Yuanta Securities Co., Ltd.	H Shares	Long	Person having a security interest in shares and interest of controlled corporation ⁽⁵⁾	242,242,650	11.99	2.66
Yuanta Financial Holding Co., Ltd.	H Shares	Long	Person having a security interest in shares and interest of controlled corporation ⁽⁵⁾	242,242,650	11.99	2.66
Yunnan International Holding Group Limited	H Shares	Long	Beneficial owner	242,242,650	11.99	2.66
Yunnan Energy Investment (HK) Co., Limited	H Shares	Long	Interest of controlled corporation ⁽⁶⁾	242,242,650	11.99	2.66
Yunnan Provincial Energy Investment Group Co., Ltd.	H Shares	Long	Interest of controlled corporation ⁽⁶⁾	242,242,650	11.99	2.66
Beijing Shang Finance Corporation (北京尚融資本管理有限公司)	H Shares	Long	Interest of controlled corporation ⁽⁷⁾	171,699,000	8.50	1.89

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

Name of substantial Shareholder	Class of Shares	Long/Short positions	Capacity	Number of Shares held directly or indirectly (Shares)	Percentage of issued Shares of the relevant class (%)	Percentage of total issued Ordinary Shares (%)
WEI Lidong (尉立東)	H Shares	Long	Interest of controlled corporation ⁽⁷⁾	171,699,000	8.50	1.89
Hongkang Life Insurance Company Limited (弘康人壽保險股份有限公司)	H Shares	Long	Beneficial owner	135,061,000	6.68	1.49
Hong Kong Xingrui International Investment Co., Ltd. (香港興瑞國際投資有限公司)	H Shares	Long	Beneficial owner	133,167,881	6.59	1.46
Henan Zhenyiyuan Industrial Co., Ltd. (河南臻益遠實業有限公司)	H Shares	Long	Interest of controlled corporation ⁽⁸⁾	133,167,881	6.59	1.46
Zhengzhou Xingqian Trading Co., Ltd. (鄭州興謙商貿有限公司)	H Shares	Long	Interest of controlled corporation ⁽⁸⁾	133,167,881	6.59	1.46
CHEN Xingming (陳星明)	H Shares	Long	Interest of controlled corporation ⁽⁸⁾	133,167,881	6.59	1.46
Zhengzhou Zhengdong New District Construction Development Investment Co., Ltd. (鄭州市鄭東新區建設開發投資總公司)	H Shares	Long	Beneficial owner ⁽⁹⁾	133,100,000	6.59	1.46
Goncious I Limited	H Shares	Long	Beneficial owner ⁽¹⁰⁾	115,501,859	5.72	1.27
	H Shares	Short	Beneficial owner ⁽¹⁰⁾	115,501,859	5.72	1.27

As far as the Bank is aware, the above number of Shares represents the respective Shareholders' interests and short positions as at the end of the Reporting Period, but the relevant number of Shares and information may be different from the summary of DI Forms submitted to the Hong Kong Stock Exchange by relevant Shareholders. This is mainly because the Bank made the calculation based on public information disclosed such as the summary of DI Forms and the register of members of the Bank as well as each of the capital reserve capitalization plans.

Notes:

- These 1,418,761,196 Shares are directly or indirectly held by Zhengzhou Finance Bureau, including 657,246,311 Shares directly held by Zhengzhou Finance Bureau, 608,105,180 Shares held by Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司), 86,859,705 Shares held by Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司) and 66,550,000 Shares held by Zhengzhou City Sanitation & Cleaning Co., Ltd. (鄭州市環衛清潔有限公司). Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司) is owned as to 54.49% by Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司). Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司) is deemed to be interested in the Shares held by Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司) under the SFO. Meanwhile, Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司) is owned as to 45.51% by Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. (鄭州市中融創產業投資有限公司). Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. is wholly-owned by Zhengzhou Talent Development Group Co., Ltd. (鄭州人才發展集團有限公司), which is wholly-owned by Zhengzhou Investment Group Limited (鄭州市投資集團有限公司). Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. (鄭州市中融創產業投資有限公司), Zhengzhou Talent Development Group Co., Ltd.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

(鄭州人才發展集團有限公司) and Zhengzhou Investment Group Limited (鄭州市投資集團有限公司) are deemed to be interested in the Shares held by Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司) under the SFO. Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司) and Zhengzhou Investment Group Limited (鄭州市投資集團有限公司) are directly and wholly owned by Zhengzhou Finance Bureau (鄭州市財政局). Zhengzhou City Sanitation & Cleaning Co., Ltd. (鄭州市環衛清潔有限公司) is directly and wholly owned by Zhengzhou Finance Bureau (鄭州市財政局). By virtue of the SFO, Zhengzhou Finance Bureau is deemed to be interested in the Shares held by Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司), Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司) and Zhengzhou City Sanitation & Cleaning Co., Ltd. (鄭州市環衛清潔有限公司). Ms. ZHANG Jihong (張繼紅), a non-executive Director, serves as the director, chief accountant of Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. and Mr. LIU Bingheng (劉炳恒), a non-executive Director, works for Financial Operation Centre of Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司).

2. These 438,159,454 Shares are directly or indirectly held by Henan Investment Group Co., Ltd. (河南投資集團有限公司), including 119,482,821 Shares directly held by Henan Investment Group Co., Ltd. (河南投資集團有限公司) and 318,676,633 Shares held through Zhongyuan Trust Co., Ltd. (中原信託有限公司). Zhongyuan Trust Co., Ltd. (中原信託有限公司) is owned as to approximately 64.93% by Henan Investment Group Co., Ltd. (河南投資集團有限公司). By virtue of the SFO, Henan Investment Group Co., Ltd. (河南投資集團有限公司) is deemed to be interested in the Shares held by Zhongyuan Trust Co., Ltd. (中原信託有限公司). Mr. WEI Zhigang (衛志剛), a non-executive Director, has been appointed as the deputy secretary of the Party Committee of Zhongyuan Trust Co., Ltd. (中原信託有限公司).
3. Bridge Trust Co., Ltd. (百瑞信託有限責任公司) is owned as to 50.24% by SPIC Capital Holdings Co., Ltd. (國家電投集團資本控股有限公司), which is in turn wholly owned by SPIC Industry-Finance Holding Co., Ltd. (國家電投集團產融控股股份有限公司), while SPIC Industry-Finance Holding Co., Ltd. (國家電投集團產融控股股份有限公司) is owned as to 49.76% by State Power Investment Corporation Limited (國家電力投資集團有限公司). By virtue of the SFO, SPIC Capital Holdings Co., Ltd. (國家電投集團資本控股有限公司), SPIC Industry-Finance Holding Co., Ltd. (國家電投集團產融控股股份有限公司) and State Power Investment Corporation Limited (國家電力投資集團有限公司) are deemed to be interested in the Shares held by Bridge Trust Co., Ltd. (百瑞信託有限責任公司).
4. CITIC Securities Company Limited held 326,292,751 H Shares (short position) of the Bank in aggregate through certain of its wholly-owned subsidiaries. These 326,292,751 H Shares (short position) involve derivatives in the classes below:

326,292,751 H Shares (short position)

– Settled in cash (curb trading)

As the relevant interests involve derivatives, the information disclosed has not taken into account the capital reserve capitalization plan implemented in June 2023 by the Bank.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

5. Yuanta Finance (Hong Kong) Limited has a security interest in these 242,242,650 Shares, Yuanta Finance (Hong Kong) Limited is owned-wholly by Yuanta Securities (Hong Kong) Company Limited, Yuanta Securities (Hong Kong) Company Limited is owned-wholly by Yuanta Securities Asia Financial Services Ptd. Ltd., Yuanta Securities Asia Financial Services Ptd. Ltd. is owned-wholly by Yuanta Securities Co., Ltd., Yuanta Securities Co., Ltd. is owned-wholly by Yuanta Financial Holding Co., Ltd.. By virtue of the SFO, Yuanta Securities (Hong Kong) Company Limited, Yuanta Securities Asia Financial Services Ptd. Ltd., Yuanta Securities Co., Ltd. and Yuanta Financial Holding Co., Ltd. are deemed to be interested in the Shares held by Yuanta Finance (Hong Kong) Limited.
6. These 242,242,650 Shares are directly held by Yunnan International Holding Group Limited, which is owned as to 40% by Yunnan Energy Investment (HK) Co., Limited, while Yunnan Energy Investment (HK) Co., Limited is wholly-owned by Yunnan Provincial Energy Investment Group Co., Ltd. By virtue of the SFO, Yunnan Energy Investment (HK) Co., Limited and Yunnan Provincial Energy Investment Group Co., Ltd are deemed to be interested in the Shares held by Yunnan International Holding Group Limited.
7. Beijing Shang Finance Corporation (北京尚融資本管理有限公司) is owned as to 99.90% by Mr. WEI Lidong (尉立東) and Beijing Shang Finance Corporation (北京尚融資本管理有限公司) holds a total of 171,699,000 Shares through certain subsidiaries. By virtue of the SFO, Mr. WEI Lidong (尉立東) is deemed to be interested in the Shares held by Beijing Shang Finance Corporation (北京尚融資本管理有限公司).
8. Hong Kong Xingrui International Investment Co., Ltd. (香港興瑞國際投資有限公司) is wholly-owned by Henan Zhenyiyuan Industrial Co., Ltd. (河南臻益遠實業有限公司), which is owned as to 99% and 1% by Zhengzhou Xingqian Trading Co., Ltd. (鄭州興謙商貿有限公司) and Mr. CHEN Xingming (陳星明) respectively. Zhengzhou Xingqian Trading Co., Ltd. (鄭州興謙商貿有限公司) is held as to 98% by Mr. CHEN Xingming (陳星明) and 2% by Mr. LI Jie (李傑). By virtue of the SFO, Henan Zhenyiyuan Industrial Co., Ltd. (河南臻益遠實業有限公司), Zhengzhou Xingqian Trading Co., Ltd. (鄭州興謙商貿有限公司) and Mr. CHEN Xingming (陳星明) are all deemed to be interested in the Shares held by Hong Kong Xingrui International Investment Co., Ltd. (香港興瑞國際投資有限公司).
9. Zhengzhou Zhengdong New District Construction Development Investment Co., Ltd. (鄭州市鄭東新區建設開發投資總公司) was established by the Zhengzhou Zhengdong New District Management Committee (鄭州鄭東新區管理委員會).
10. These 115,501,859 H Shares (long position) and 115,501,859 H Shares (short position) held by Goncius I Limited involve derivatives in the classes below:

115,501,859 H Shares (long position)	– Convertible instruments (on-exchange transaction)
115,501,859 H Shares (short position)	– Settled in cash (curb trading)

As the relevant interests involve derivatives, the information disclosed has not taken into account each of the capital reserve capitalization plans of the Bank.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

Save as disclosed above, as at the end of the Reporting Period, the Bank is not aware of any other person (other than the Directors, Supervisors and the chief executive of the Bank) having any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Bank pursuant to Section 336 of the SFO.

5 CHANGE IN CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

As at the end of the Reporting Period, the Bank did not have any controlling Shareholders or de facto controllers.

6 SUBSTANTIAL SHAREHOLDERS

6.1 Holders with 5% or More Shareholding in the Bank

Zhengzhou Finance Bureau: Unified Social Credit Code is 11410100005252522X; the person in charge is Mr. GENG Yongjun (耿勇軍). As at the end of the Reporting Period, Zhengzhou Finance Bureau directly held 657,246,311 A Shares, accounting for 7.23% of the total issued Ordinary Shares of the Bank. In addition, Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司), Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司) and Zhengzhou City Sanitation & Cleaning Co., Ltd. (鄭州市環衛清潔有限公司) which are directly or indirectly wholly-owned by Zhengzhou Finance Bureau hold a total of 761,514,885 A Shares. These Shares in total accounted for 1,418,761,196 A Shares, representing 15.60% of the total issued Ordinary Shares of the Bank. Ms. ZHANG Jihong, a non-executive Director, serve as the director, chief accountant of Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd., which is indirectly wholly-owned by Zhengzhou Finance Bureau. The related parties of Zhengzhou Finance Bureau include Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司), Zhengzhou City Sanitation & Cleaning Co., Ltd. (鄭州市環衛清潔有限公司), and Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. (鄭州市中融創產業投資有限公司). The ultimate beneficiary of Zhengzhou Finance Bureau is itself.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

Zhengzhou Development & Investment Group Co., Ltd.: incorporated on 30 December 2010; the registered capital is RMB1,000 million; the Unified Social Credit Code is 91410100775145889U; the legal representative is Mr. XU Hanfu (徐漢甫). Its major business scope includes urban infrastructure construction, urban comprehensive development, land development, management and consolidation, engineering construction, design and technical consultation; general contracting of municipal projects and maintenance of municipal roads and bridges. As at the end of the Reporting Period, Zhengzhou Development & Investment Group Co., Ltd. directly held 86,859,705 A Shares, accounting for 0.96% of the total issued Ordinary Shares of the Bank. Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司) controlled by Zhengzhou Development & Investment Group Co., Ltd. held 608,105,180 A Shares. These Shares in total accounted for 694,964,885 A Shares, representing 7.64% of the total issued Ordinary Shares of the Bank. The controlling shareholder and de facto controller of Zhengzhou Development Investment Group Co., Ltd. (鄭州發展投資集團有限公司) is Zhengzhou Finance Bureau (鄭州市財政局). The related parties of Zhengzhou Development & Investment Group Co., Ltd. include Zhengzhou Investment Holdings Co., Ltd., Zhengzhou Transportation Development Investment Group Co., Ltd. (鄭州交通發展投資集團有限公司), and Henan Zhongyuan Financial Holding Co., Ltd.. The ultimate beneficiary of Zhengzhou Development & Investment Group Co., Ltd. is itself.

Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司): incorporated on 25 October 2005; the registered capital is RMB7,776.54 million; the Unified Social Credit Code is 91410100780545414U; the legal representative is Mr. YU Jianwei; the main business scope covers investment and management of state-owned assets, real estate development and sales as well as house leasing. As at the end of the Reporting Period, Zhengzhou Investment Holdings Co., Ltd. held 608,105,180 A Shares, accounting for 6.69% of the total issued Ordinary Shares of the Bank. Mr. LIU Bingheng (劉炳恒), a non-executive Director, works for Zhengzhou Investment Holding Co., Ltd. (鄭州投資控股有限公司). The controlling shareholder of Zhengzhou Investment Holdings Co., Ltd. is Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司), and the de facto controller is Zhengzhou Finance Bureau. Related parties include Zhengzhou State-owned Holding Xicheng Construction Co., Ltd. (鄭州國控西城建設有限公司), Zhengzhou National Investment Real Estate Co., Ltd. (鄭州國投置業有限公司) and Zhengzhou Investment Holdings Intelligent Logistics Industrial Park Co. Ltd. (鄭州投控智慧物流產業園有限公司), etc. The ultimate beneficial owner of Zhengzhou Investment Holdings Co., Ltd. is itself.

CHAPTER III CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS (CONTINUED)

6.2 Other Substantial Shareholders

According to the requirement of the Provisional Measures on the Management of the Equity of Commercial Banks (《商業銀行股權管理暫行辦法》), information on other substantial Shareholders of the Bank as at the end of the Reporting Period is as below:

Zhongyuan Trust Co., Ltd. (中原信託有限公司): incorporated on 27 November 2002; the registered capital is RMB4,680.8968 million; the Unified Social Credit Code is 91410000169953018F; the legal representative is Mr. CAO Weidong (曹衛東); the main business scope covers capital trust, chattel trust, real estate trust, securities trust, other property or property rights trusts, investment fund business undertaken as the promoter of an investment fund or fund management company, etc. As at the end of the Reporting Period, Zhongyuan Trust Co., Ltd. (中原信託有限公司) held 318,676,633 A Shares, accounting for 3.50% of the total issued Ordinary Shares of the Bank. Mr. WEI Zhigang (衛志剛), a non-executive Director, has been appointed as the deputy secretary of the party committee of Zhongyuan Trust Co., Ltd. (中原信託有限公司) and the controlling shareholder is Henan Investment Group Co., Ltd. (河南投資集團有限公司) and the de facto controller is Caizhengting of Henan Province (河南省財政廳). Related parties include Henan Investment Group Co., Ltd. (河南投資集團有限公司), Great Wall Fund Management Co., Ltd. (長城基金管理有限公司) and Henan Asset Management Company Limited (河南資產管理有限公司). The ultimate beneficiary of Zhongyuan Trust Co., Ltd. (中原信託有限公司) is itself.

7 RESTRICTIONS ON THE REDUCTION OF SHAREHOLDINGS OF CONTROLLING SHAREHOLDERS, DE FACTO CONTROLLERS, PARTIES TO RESTRUCTURING OR OTHER ENTITIES WITH UNDERTAKINGS

During the Reporting Period, the Bank had no cases involving restrictions on the reduction of shareholdings of controlling Shareholders, de facto controllers, parties to restructuring or other entities with undertakings.

8 PLEDGE AND FREEZING OF SHARES OF THE BANK

As at the end of the Reporting Period, to the knowledge of the Bank, 1,255,648,284 Ordinary Shares of the Bank (accounting for 13.81% of the total issued Ordinary Shares) were subject to pledges and 564,809,959 Ordinary Shares were subject to freezing. The Bank has no controlling Shareholders and therefore, there is no pledging of Shares of the Bank by controlling Shareholders.

9 PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OR REDEEMABLE SECURITIES OF THE BANK

During the Reporting Period, none of the Bank and its subsidiaries had purchased, sold or redeemed any listed securities or redeemable securities (including treasury shares, if any) of the Bank. As of the end of the Reporting Period, the Bank did not hold any treasury shares. For details of bond issuance and redemption, please refer to “Issuance and Repurchase of Bonds” in the chapter headed “Significant Events” of this Report.

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS

1 DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND THEIR DIRECT SHAREHOLDINGS

Directors

Name	Gender	Date of birth	Position	Status	Term of office	Class of Shares	Number of Shares held as at the beginning of the Reporting Period (Shares)	Increase in the number of Shares held during the Reporting Period (Shares)	Decrease in the number of Shares held during the Reporting Period (Shares)	Number of Shares held as at the end of the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium as at the beginning of the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium during the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium as at the end of the Reporting Period (Shares)
ZHAO Fei (趙飛)	Male	February 1975	Chairman	In office	2023.7.14-2027.12.17	-	-	-	-	-	-	-	-
			Executive Director	In office	2023.5.25-2027.12.17	-	-	-	-	-	-	-	-
LI Hong (李紅)	Female	October 1970	Executive Director	In office	2025.1.24-2027.12.17	-	-	-	-	-	-	-	-
ZHANG Jihong (張繼紅)	Female	October 1971	Non-executive Director	In office	2025.3.3-2027.12.17	-	-	-	-	-	-	-	-
LIU Bingheng (劉炳恒)	Male	September 1969	Non-executive Director	In office	2021.11.9-2027.12.17	-	-	-	-	-	-	-	-
WEI Zhigang (衛志剛)	Male	October 1976	Non-executive Director	In office	2025.3.3-2027.12.17	-	-	-	-	-	-	-	-
LI Xiaojian (李小建)	Male	August 1954	Independent non-executive Director	In office	2021.12.20-2027.12.17	-	-	-	-	-	-	-	-
WANG Ning (王寧)	Male	March 1983	Independent non-executive Director	In office	2025.3.3-2027.12.17	-	-	-	-	-	-	-	-
LIU Yatian (劉亞天)	Male	April 1963	Independent non-executive Director	In office	2025.3.20-2027.12.17	-	-	-	-	-	-	-	-
SIU Chi Hung (蕭志雄)	Male	March 1971	Independent non-executive Director	In office	2025.3.3-2027.12.17	-	-	-	-	-	-	-	-

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

Name	Gender	Date of birth	Position	Status	Term of office	Class of Shares	Number of Shares held at the beginning of the Reporting Period (Shares)	Increase in the number of Shares held during the Reporting Period (Shares)	Decrease in the number of Shares held during the Reporting Period (Shares)	Number of Shares held as at the end of the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium as at the beginning of the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium during the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium as at the end of the Reporting Period (Shares)
WANG Dan (王丹)	Female	January 1978	Non-executive Director	Resigned	2021.11.8-2025.3.3	-	-	-	-	-	-	-	-
WANG Shihao (王世豪)	Male	April 1950	Non-executive Director	Resigned	2018.7.5-2025.3.3	A Shares	24,200	-	-	24,200	-	-	-
LI Yanyan (李燕燕)	Female	January 1968	Independent non-executive Director	Resigned	2018.7.5-2025.3.3	-	-	-	-	-	-	-	-
LI Shuk Yin Edwina (李淑賢)	Female	December 1962	Independent non-executive Director	Resigned	2021.12.20-2025.3.3	-	-	-	-	-	-	-	-
SONG Ke (宋科)	Male	April 1982	Independent non-executive Director	Resigned	2022.1.19-2025.3.20	-	-	-	-	-	-	-	-

Note:

- The starting dates of the term of office represent the dates on which the relevant qualifications are approved by the banking regulatory authority.

CHAPTER IV DIRECTORS, SUPERVISORS,
SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

Supervisors

Name	Gender	Date of birth	Position	Status	Term of office	Class of Shares	Number of Shares held as at the beginning of the Reporting Period	Increase in the number of Shares held during the Reporting Period	Decrease in the number of Shares held during the Reporting Period	Number of Shares held as at the end of the Reporting Period	Number of granted Shares subject to trading moratorium as at the beginning of the Reporting Period	Number of granted Shares subject to trading moratorium during the Reporting Period	Number of granted Shares subject to trading moratorium as at the end of the Reporting Period
							(Shares)	(Shares)	(Shares)		(Shares)	(Shares)	(Shares)
XU Changsheng (徐長生)	Male	October 1963	External Supervisor	In office	2021.6.17-2026.1.11	-	-	-	-	-	-	-	-
GENG Mingzhai (耿明齋)	Male	February 1952	External Supervisor	In office	2023.6.15-2027.12.17	-	-	-	-	-	-	-	-
HUANG Jinju (黃金菊)	Female	February 1974	Employee Supervisor	In office	2024.7.18-2027.12.17	-	-	-	-	-	-	-	-
HU Yue (胡躍)	Male	January 1980	Employee Supervisor	In office	2024.7.18-2027.12.17	-	-	-	-	-	-	-	-

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

Senior Management

Name	Gender	Date of birth	Position	Status	Term of office	Class of Shares	Number of Shares held as at the beginning of the Reporting Period (Shares)	Increase in the number of Shares held during the Reporting Period (Shares)	Decrease in the number of Shares held during the Reporting Period (Shares)	Number of Shares held as at the end of the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium as at the beginning of the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium during the Reporting Period (Shares)	Number of granted Shares subject to trading moratorium as at the end of the Reporting Period (Shares)
LI Hong (李紅)	Female	October 1970	President	In office	2025.1.24 to present	-	-	-	-	-	-	-	-
HAN Huiji (韓慧麗)	Female	October 1973	Secretary to the Board	In office	2024.6.7 to present	-	-	-	-	-	-	-	-
SUN Runhua (孫潤華)	Male	May 1972	Vice President	In office	2022.5.20 to present	-	-	-	-	-	-	-	-
ZHANG Houlin (張厚林)	Male	June 1976	Assistant to President	In office	2017.11.21 to present	A Shares	46,222	-	-	46,222	-	-	-
FU Chungqiao (傅春喬)	Male	October 1973	Vice President	Resigned	2019.3.29-2025.1.24	A Shares	53,020	-	-	53,020	-	-	-
LI Hong (李紅)	Female	February 1973	Assistant to President	Resigned	2019.3.29-2025.1.24	A Shares	86,419	-	-	86,419	-	-	-
LIU Jiugong (劉久慶)	Male	March 1978	Assistant to President	Resigned	2019.3.29-2025.2.12	A Shares	54,450	-	-	54,450	-	-	-
GUO Zhibin (郭志彬)	Male	October 1968	Vice President	Resigned	2015.12.30-2025.3.25	A Shares	102,914	-	-	102,914	-	-	-
SUN Haigang (孫海剛)	Male	August 1977	Vice President	Resigned	2018.2.28-2025.3.27	A Shares	52,470	-	-	52,470	-	-	-
LI Lei (李磊)	Male	August 1973	Assistant to President	Resigned	2017.11.21-2025.3.27	A Shares	149,408	-	-	149,408	-	-	-

Note:

- The starting dates of the term of office represent the dates on which the relevant qualifications are approved by the banking regulatory authority.

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

2 CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Type	Date	Reason
LI Hong (李紅)	Executive Director	Elected	2025.1.24	
	President	Appointed	2025.1.24	
ZHANG Jihong (張繼紅)	Non-executive Director	Elected	2025.3.3	
WEI Zhigang (衛志剛)	Non-executive Director	Elected	2025.3.3	
WANG Ning (王寧)	Independent non-executive Director	Elected	2025.3.3	
SIU Chi Hung (蕭志雄)	Independent non-executive Director	Elected	2025.3.3	
LIU Yatian (劉亞天)	Independent non-executive Director	Elected	2025.3.20	
WANG Dan (王丹)	Non-executive Director	Resigned upon expiration of term of office	2025.3.3	
WANG Shihao (王世豪)	Non-executive Director	Resigned upon expiration of term of office	2025.3.3	
LI Yanyan (李燕燕)	Independent non-executive Director	Resigned upon expiration of term of office	2025.3.3	
LI Shuk Yin Edwina (李淑賢)	Independent non-executive Director	Resigned upon expiration of term of office	2025.3.3	
SONG Ke (宋科)	Independent non-executive Director	Resigned upon expiration of term of office	2025.3.20	
FU Chunqiao (傅春喬)	Vice President	Resigned	2025.1.24	Resignation due to work adjustment
LI Hong (李紅)	Assistant to President	Resigned	2025.1.24	Resignation due to work adjustment
LIU Jiuqing (劉久慶)	Assistant to President	Resigned	2025.2.12	Resignation due to personal reasons
GUO Zhibin (郭志彬)	Vice President	Resigned	2025.3.25	Resignation due to health reasons
SUN Haigang (孫海剛)	Vice President	Resigned	2025.3.27	Resignation due to work adjustment
LI Lei (李磊)	Assistant to President	Resigned	2025.3.27	Resignation due to work adjustment

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

On 18 December 2024, the resolution in relation to the election of Directors of the eighth session of the Board of Directors was considered and approved at the 2024 second extraordinary general meeting of the Bank. On 24 January 2025, the qualification of Ms. LI Hong as a Director was approved. On 3 March 2025, the qualifications of Ms. ZHANG Jihong and Mr. WEI Zhigang as Directors and the qualifications of Mr. WANG Ning and Mr. SIU Chi Hung as independent Directors were approved. On 20 March 2025, the qualification of Mr. LIU Yatian as an independent Director was approved. The Directors who have not been re-elected for the seventh session of the Board of Directors of the Bank ceased to hold office. For details, please refer to the announcements of the Bank dated 19 December 2024, 25 January 2025, 7 March 2025, 25 March 2025 published on the website of CNINFO and the announcements dated 18 December 2024, 24 January 2025, 7 March 2025 and 25 March 2025 published on the website of the Hong Kong Stock Exchange.

On 24 January 2025, the qualification of Ms. LI Hong as the president was approved. For details, please refer to the announcement of the Bank dated 25 January 2025 published on the website of CNINFO and the announcement dated 24 January 2025 published on the website of the Hong Kong Stock Exchange.

On 24 January 2025, Mr. FU Chunqiao resigned as the vice president of the Bank and Ms. LI Hong resigned as assistant to the president of the Bank due to work adjustment. For details, please refer to the announcement of the Bank dated 25 January 2025 published on the website of CNINFO and the announcement dated 27 January 2025 published on the website of the Hong Kong Stock Exchange.

On 12 February 2025, Mr. LIU Jiuqing resigned as assistant to the president of the Bank due to personal reasons. For details, please refer to the announcement of the Bank dated 13 February 2025 published on the website of CNINFO and the website of the Hong Kong Stock Exchange.

On 25 March 2025, Mr. GUO Zhibin resigned as the vice president of the Bank due to health reasons. For details, please refer to the announcement of the Bank dated 27 March 2025 published on the website of CNINFO and the website of the Hong Kong Stock Exchange.

On 27 March 2025, Mr. SUN Haigang resigned as the vice president of the Bank due to work adjustment and Mr. LI Lei resigned as assistant to the president of the Bank due to work adjustment. For details, please refer to the announcement of the Bank dated 28 March 2025 published on the website of CNINFO and the website of the Hong Kong Stock Exchange.

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

3 CHANGES IN THE INFORMATION OF DIRECTORS AND SUPERVISORS DURING AND AFTER THE REPORTING PERIOD

Mr. SIU Chi Hung, an independent non-executive Director, ceased to serve as an independent non-executive director of Dongjiang Environmental Company Limited (listed on the SZSE, stock code: 002672; listed on the Hong Kong Stock Exchange, stock code: 00895) from June 2025, and has been serving as an independent non-executive director of INTSIG Information Co., Ltd (listed on the Shanghai Stock Exchange, stock code: 688615) since June 2025.

Mr. Geng Mingzhai, an external supervisor, ceased to serve as an independent director of Yutong Heavy Industries Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600817) since March 2025.

4 SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Bank has adopted a code of conduct on terms no less exacting than the required standards in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Stock Exchange Listing Rules as its code of conduct governing securities transactions conducted by the Directors, Supervisors and relevant employees of the Bank. After making specific inquiries to all Directors and Supervisors, the Bank confirmed that all Directors and Supervisors had complied with the above code during the Reporting Period.

The Bank is not aware of any breach of the restrictive share trading requirements promulgated by the Company Law, the Securities Law, the CSRC, the SZSE and other regulatory authorities by any Director, Supervisor or senior management personnel during the Reporting Period.

5 INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As at the end of the Reporting Period, none of the Directors, Supervisors and chief executive of the Bank held any 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 of Hong Kong or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Stock Exchange Listing Rules.

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

6 STAFF

6.1 Composition

As at the end of the Reporting Period, the Bank had 5,593 employees, and its subsidiaries had 530 employees. The Group had a total of 6,123 employees.

By department/function

Job category	Number of employees	Percentage (%)
Corporate banking	859	14.03
Retail banking	2,048	33.45
Risk management, internal audit and legal compliance	571	9.32
Finance and accounting	1,263	20.63
Information technology	339	5.54
Business management and support	1,043	17.03
Total	6,123	100.00

By age

Age group	Number of employees	Percentage (%)
30 and below	1,272	20.77
31 – 40	3,749	61.23
41 – 50	747	12.20
Above 50	355	5.80
Total	6,123	100.00

By level of education

Highest level of education	Number of employees	Percentage (%)
Master's degree or above	1,339	21.87
Bachelor's degree	4,421	72.20
Associate degree	333	5.44
Others	30	0.49
Total	6,123	100.00

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

By gender

Gender	Number of employees	Percentage (%)
Male	2,939	48.00
Female	3,184	52.00
Total	6,123	100.00

6.2 Staff Training Plan

By closely aligning with its overall development strategy, the Bank continuously optimized and upgraded the talent cultivation system and took advantage of measures including innovative training mechanisms, enhanced resource integration and improved platform construction, which provided robust talent support for the Bank's business development. In terms of training system development, the Bank innovatively introduced a re-employment training mechanism and utilized systematic course design and rigorous assessment and evaluation, effectively strengthening the professional competency of employees transitioning to new roles. Furthermore, in line with the implementation of its branding strategy, the Bank launched the brand awareness training and specialized competency training for frontline service personnel, which materially improved the quality of customer service and brand reputation. In terms of integrating training resources, the Bank actively boosted the standardized construction of the training supplier pool, and strived to improve training services through optimizing the supplier management mechanism. Accompanying with new breakthroughs made in the construction of the internal training team, the Bank established a comprehensive hierarchical management system and introduced an advanced methodology relating to experience extraction, effectively promoting the precipitation and dissemination of business experience. The construction of the digital learning platform achieved prominent results, providing employees with convenient and efficient learning channels by means of continuously enriching course resources and optimizing the learning experience. In terms of the needs of business development, the Bank promptly update the professional training system and examination question bank to ensure that employees can quickly adapt to job requirements. The Bank systematically carried out professional competence training for corporate, retail, risk, technology and other teams to improve their professional ability, and laid a sound talent foundation for the business development of the whole bank.

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

6.3 Remuneration Policy for Staff

The Bank adheres to the principles of “fairness, competition and incentivization” in formulating its remuneration policy. In other words, the remuneration policy shall be able to reflect external fairness, internal fairness and individual fairness of salary; it shall be conducive to enhancing our market competitiveness and attractiveness to talented people. When adjusting its remuneration structure, the Bank makes corresponding adjustments for positions whose remunerations are far below the market level based on the results of a market salary survey. The remuneration policy shall also be able to make our salary more incentivized, namely to motivate our employees by incorporating floating wages and performance-linked bonus and other incentive components into our salary packages, and to provide employees at different positions with equal promotion opportunities by designing different promotion channels. In accordance with regulatory requirements and business management needs, the Bank has established mechanisms related to deferred payment of salary and recourse and deduction of bonus and salary, so as to improve the salary-based incentive and restraint mechanism and mitigate various business and management risks. The Bank makes social insurance contributions and housing provident fund contributions and provides other employee benefit packages for employees in accordance with applicable laws, rules and regulations of the PRC, and establishes a corporate annuity system and a supplementary medical fund to improve the pension payment and medical security of employees. For details, please refer to Note 29 to the financial statements in the chapter headed “Independent Auditor’s Review Report” of this Report.

7 BASIC INFORMATION OF INSTITUTIONS UNDER THE BANK

The following table sets out the branches and sub-branches of the Bank as at the end of the Reporting Period:

Region	Name of branch	Business address (China)	Number of its affiliated institutions	Number of employees	Asset size (RMB'000)
Zhengzhou, Henan	Headquarters	22 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou City, Henan Province	116 branch institutions in Zhengzhou for conducting external business and 66 institutions in other prefectural-level cities in Henan for conducting external business	5,593	684,294,233
Zhengzhou, Henan	Branch institutions in Zhengzhou for conducting external businesses directly managed by the headquarters	–	115 institutions for conducting external business	4,131	523,916,038

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

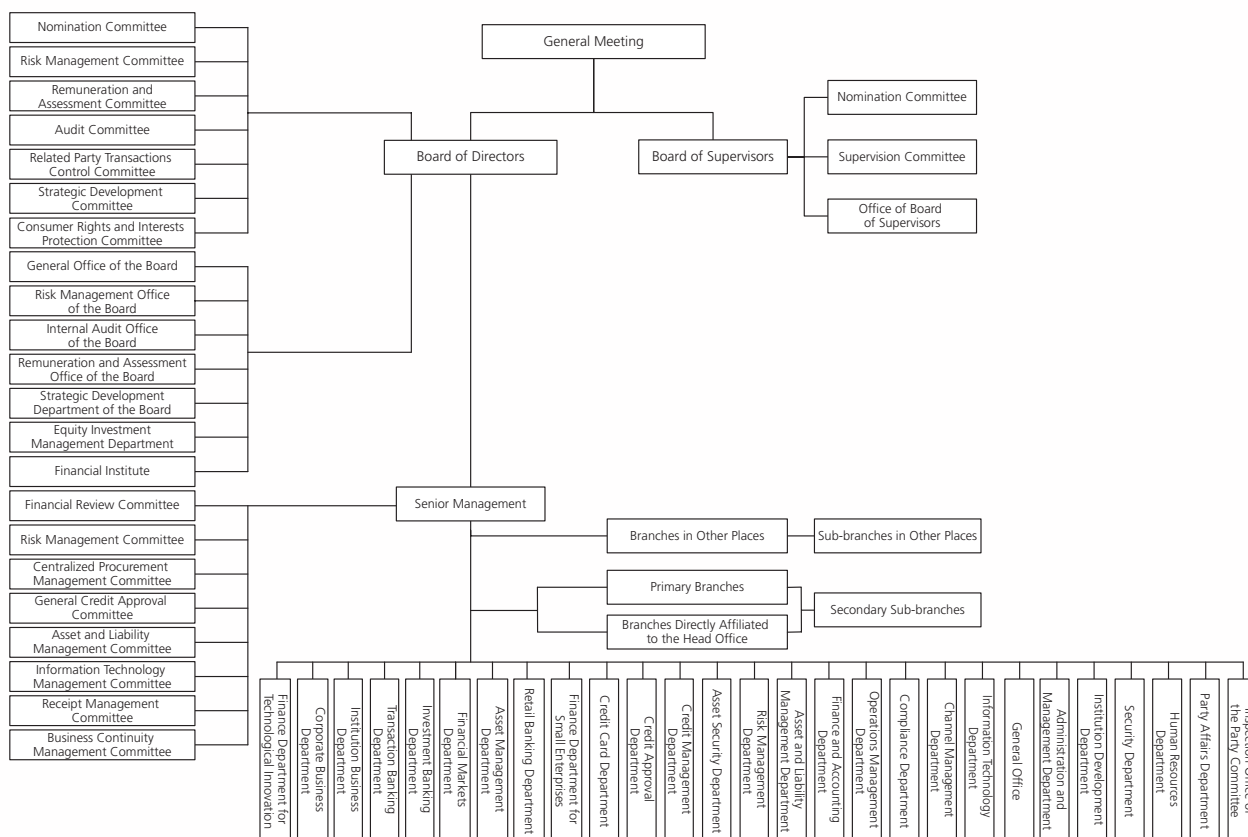
Region	Name of branch	Business address (China)	Number of its affiliated institutions	Number of employees	Asset size (RMB'000)
Zhengzhou, Henan	Small Business Financial Service Centre	Room 102, 1-2/F and Room 301 – 309, 3/F, 4A, North of Longhu Zhonghuan South Road and East of Jiuru Road, Zhengdong New District, Zhengzhou City, Henan Province	1 institution for conducting external business	65	3,046,926
Nanyang, Henan	Nanyang branch	The junction of Zhongjing Road and Fanli Road, Wancheng District, Nanyang City, Henan Province	10 institutions for conducting external business	181	14,781,070
Xinxiang, Henan	Xinxiang branch	No. 278, Xiangyang Road, Xinxiang City, Henan Province	7 institutions for conducting external business	132	13,399,440
Luoyang, Henan	Luoyang branch	Room 101, 201 and 301, Building 1, No. 210 Kaiyuan Avenue, Luolong District, Luoyang City, Henan Province	8 institutions for conducting external business	147	20,635,455
Anyang, Henan	Anyang branch	Yiwu International Business & Trade Mansion, the junction of Zhonghua Road and Dehong Street, Andong New District, Anyang City, Henan Province	7 institutions for conducting external business	113	11,855,775
Shangqiu, Henan	Shangqiu branch	Xinfa Building (新發大 廈), the northeast of the junction of Fushang Avenue and Songcheng Road, Demonstration District, Shangqiu City, Henan Province	7 institutions for conducting external business	128	13,197,297
Xuchang, Henan	Xuchang branch	Hengtong Juncheng International Building (亨通君 成國際大廈), the southwest of the junction of Liancheng Avenue and Weiwen Road, Weidu District, Xuchang City, Henan Province	4 institutions for conducting external business	94	12,900,774

CHAPTER IV DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, STAFF AND INSTITUTIONS (CONTINUED)

Region	Name of branch	Business address (China)	Number of its affiliated institutions	Number of employees	Asset size (RMB'000)
Luohe, Henan	Luohe branch	Floor 1-5, Changjian International (昌建國際), the junction of Songshan West Branch Road and Mudanjiang Road, Yancheng District, Luohe City, Henan Province	3 institutions for conducting external business	85	6,863,148
Xinyang, Henan	Xinyang branch	Floor 1-2, Zhongle Baihua Mansion (中樂百花公館), the junction of Xinqi Avenue and Xinba Street, Yangshan New District, Xinyang City, Henan Province	5 institutions for conducting external business	101	10,964,847
Puyang, Henan	Puyang branch	The northwest of junction of Renmin Road and Kaizhou Road, Hualong District, Puyang City, Henan Province	3 institutions for conducting external business	89	9,268,022
Pingdingshan, Henan	Pingdingshan branch	The southeast of junction of Kaiyuan Road and Qinggong Road, Zhanhe District, Pingdingshan City, Henan Province	3 institutions for conducting external business	78	11,930,638
Zhumadian, Henan	Zhumadian branch	The southwest of junction of Huaihe Avenue and Tianzhongshan Avenue, Zhumadian City, Henan Province	2 institutions for conducting external business	60	7,550,867
Kaifeng, Henan	Kaifeng branch	The southeast of junction of Jinming Avenue and Hanxing Road, Kaifeng City, Henan Province	4 institutions for conducting external business	80	10,752,408
Zhoukou, Henan	Zhoukou branch	The southeast of junction of Traffic Avenue and Bayi Avenue, Zhoukou City, Henan Province	2 institutions for conducting external business	60	7,616,076
Hebi, Henan	Hebi branch	The northeast of junction of Qishui Avenue and Zihuai Lane, Qibin District, Hebi City, Henan Province	1 institution for conducting external business	49	5,615,452

CHAPTER V CORPORATE GOVERNANCE

1 COMPANY STRUCTURE DIAGRAM



CHAPTER V CORPORATE GOVERNANCE (CONTINUED)

2 OVERVIEW OF CORPORATE GOVERNANCE

The Bank has actively promoted the organic integration of the Party's leadership and corporate governance, and validly incorporated the Party's leadership into the decision-making process of corporate governance, thereby ensuring the effective operation of corporate governance regulations. The Bank has established a sound corporate governance structure, including the governance team, and senior management, to regulate operations, specify duties, and maintain effective balance, so as to fully protect and safeguard the legitimate rights and interests of domestic and international Shareholders and other stakeholders. During the Reporting Period, the Bank continued to optimize its corporate governance structure, improved various systems of corporate governance, and enhanced corporate governance level, in strict compliance with the requirements of the Company Law, the Securities Law, the Corporate Governance Guidelines for Listed Companies issued by the CSRC, the SZSE Listing Rules, the No. 1 Self-discipline and Regulation Guideline for Listed Companies on Shenzhen Stock Exchange – Standard Operation of Listed Companies on the Main Board, the Stock Exchange Listing Rules, and the Corporate Governance Code together with the Bank's corporate governance practice. As at the end of the Reporting Period, there was no significant inconsistency between the Bank's actual corporate governance practice and the requirements of the Company Law and relevant provisions of the CSRC, nor did the Bank receive relevant documents on administrative or regulatory measures from the regulatory authorities requiring rectification within a time limit. Meanwhile, the Bank strictly abided by the code provisions of Part II of the Corporate Governance Code and the provisions relating to inside information disclosure. Other than those disclosed in this Report and other announcements of the Bank, the Directors are not aware of any information indicating that the Bank had not complied with the code provisions set out in Part II of the Corporate Governance Code during the Reporting Period.

3 CONVENING OF GENERAL MEETING

During the Reporting Period, the Bank held 1 general meeting, the particulars of which are as follows:

On 27 June 2025, the Bank held the 2024 AGM in Zhengzhou, Henan Province. At the meeting, 10 resolutions regarding, among other things, 2024 Board of Directors work report, 2024 Board of Supervisors work report, 2024 annual financial statements, 2024 annual report and its summary, and 2024 profit distribution plan were considered and approved.

The convening, notice, holding and voting procedures of the above general meeting were in line with the relevant provisions of the relevant laws and regulations and the Articles of Association.

During the Reporting Period, the Bank did not have any situation in which the shareholders of preference shares whose voting rights were resumed requested to convene extraordinary general meetings, convene and chair general meetings, or submit provisional proposals for general meetings.

CHAPTER V CORPORATE GOVERNANCE (CONTINUED)

4 MEETINGS HELD BY THE BOARD OF DIRECTORS AND ITS SPECIAL COMMITTEES

During the Reporting Period, the Board held seven meetings, at which 44 resolutions were considered and approved. The special committees of the Board held 27 meetings in total, at which 44 resolutions were considered and approved. In particular, the strategic development committee held 2 meetings, at which 2 resolutions were considered and approved; the risk management committee held 7 meetings, at which 16 resolutions were considered and approved; the related party transactions control committee held 5 meetings, at which 8 resolutions were considered and approved; the audit committee held 3 meetings, at which 9 resolutions were considered and approved; the nomination committee held 5 meetings, at which 5 resolutions were considered and approved; the remuneration and assessment committee held 2 meetings, at which 2 resolutions were considered and approved; and the consumer rights and interests protection committee held 3 meetings, at which 2 resolutions were considered and approved.

5 MEETINGS HELD BY THE BOARD OF SUPERVISORS AND ITS SPECIAL COMMITTEES

During the Reporting Period, the Board of Supervisors held 2 meetings, at which 14 resolutions were considered and approved. The nomination committee of the Board of Supervisors held 3 meetings, at which 6 resolutions were considered and approved; the supervision committee of the Board of Supervisors held 2 meetings, at which 2 resolutions were considered and approved.

6 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the Company Law, the Guidelines for the Articles of Association of Listed Companies, the Corporate Governance Standards for Banking and Insurance Institutions, and taking into account the actual situation of the Bank, the Bank amended certain provisions of the Articles of Association, which were considered and approved at the 2024 first extraordinary general meeting of the Bank. The Articles of Association have been approved by the banking regulatory authorities. For the full text, please refer to the announcement dated 2 January 2025 published by the Bank on the website of CNINFO and the website of the Hong Kong Stock Exchange.

In accordance with the Company Law, the Guidelines for the Articles of Association of Listed Companies, the Transitional Period Arrangements for the Implementation of the Rules of the Supporting Systems of the New Company Law (《關於新〈公司法〉配套制度規則實施相關過渡期安排》), the Notice of National Financial Regulatory Administration on Matters Concerning the Alignment of Corporate Governance Supervision Regulations with the Company Law (《國家金融監督管理總局關於公司治理監管規定與公司法銜接有關事項的通知》) and other laws and regulations and regulatory provisions, and taking into account the actual corporate governance practices of the Bank, the Board proposed to amend the relevant provisions of the Articles of Association. The proposed amendments have been approved by the Board and are subject to approval by the general meeting and the banking regulatory authorities. For details of the proposed amendments, please refer to the announcement dated 28 August 2025 published by the Bank on the website of CNINFO and the website of the Hong Kong Stock Exchange.

7 INTERNAL CONTROL AND INTERNAL AUDIT

Internal Control

During the Reporting Period, the Bank continuously improved its internal control mechanisms, strengthened internal control management, implemented supervision and inspection, and deepened compliance culture. Firstly, we prepared and released the annual work plan and coordinated the revision of systems, risk identification and assessment, compliance inspections, compliance training, and compliance culture construction for the whole year; secondly, we optimized the compliance review work and expanded the coverage of compliance reviews; thirdly, we organized a review of system, carried out post-evaluation of systems, and continuously improved and optimized the internal control system; fourthly, we carried out risk identification and assessment, identified the operational risks of business products and management processes and assesses the effectiveness of related control measures; fifthly, we continued to carry out supervision and inspection, tracking and verification, urge rectifications, explore the root causes of the problems, as well as strengthened the execution and improvement of internal control systems; sixthly, we constantly deepened compliance culture, commenced compliance initiatives for senior management, signed a document of responsibility for case prevention targets, compiled and published anti-money laundering learning materials, organized promotional activities on prevention of illegal finance, anti-money laundering, and consumer protection, implemented various types of training, and continuously updated supervisory dynamics and risk warning cases.

Internal Audit

Pursuant to the requirements of the Guidelines for Internal Audit of Commercial Banks 《(商業銀行內部審計指引)》 and the Guidelines for Internal Control of Commercial Banks 《(商業銀行內部控制指引)》, the Bank has established an independent and vertical internal audit management system where an internal audit office of the Board is established to be responsible for the organization and management of the internal audit of the Bank. The internal audit office of the Board is subordinate to the Board of the Bank and works under the leadership of the Party Committee of the Bank and the guidance of the audit committee of the Board, and is independent from the business operation, risk management and internal control compliance of the Bank.

Adhering to the principles of independence, objectivity and significance, and being risk-oriented, the internal audit department of the Bank strictly fulfils audit and supervision duties and responsibilities, and carries out inspections for business operation, risk management, internal control and compliance, and other aspects across the Bank. Moreover, it continuously expands the coverage of audit works, strengthens audit supervision, follows up the correction of identified audit problems, and constantly improves the quality and efficiency of internal audit.

CHAPTER VI SIGNIFICANT EVENTS

1 PROFIT DISTRIBUTION AND CAPITALIZATION ISSUE DURING THE REPORTING PERIOD

Upon consideration and approval at the 2024 AGM of the Bank, the Bank distributed a cash dividend of RMB0.20 (tax inclusive) to every 10 shares of A shareholders and H shareholders whose names appeared on the register of Shareholders as of 9 July 2025, with a total cash dividend of RMB181,842 thousand.

The Bank had no plan to distribute cash dividends and bonus shares or implement capitalization issue for the first half of 2025.

2 ISSUANCE AND REPURCHASE OF BONDS

The Bank issued the 2021 indefinite-term capital bonds (Bonds code: 2120100), whose book-building was recorded in the national interbank bond market between 11 November 2021 and 12 November 2021, in an amount of RMB10 billion. The coupon rate is 4.80% for the first 5 years subject to adjustment on a 5-year basis. The Bank shall have a conditional redemption option of the issuer on each value date of the 5th year and beyond.

The Bank has completed the issuance of its 2022 first tranche of green financial bonds (Bonds code: 2220064) in the national interbank bond market on 19 September 2022, in an amount of RMB3 billion, for a term of 3 years. The coupon rate is 2.65%. The raised proceeds were used for the green projects specified in the Green Bond Endorsed Project Catalogue 2021 in accordance with the applicable laws as approved by relevant regulatory authorities.

The Bank has completed the issuance of its 2022 first tranche of financial bonds (Bonds code: 2220082) in the national interbank bond market on 1 December 2022, in an amount of RMB5 billion, with a fixed rate for a term of 3 years and a coupon rate of 2.95%.

The Bank has completed the issuance of its 2023 first tranche of financial bonds (Bonds code: 2320008) in the national interbank bond market on 13 March 2023, in an amount of RMB5 billion, with a fixed rate for a term of 3 years and a coupon rate of 3.02%.

The Bank has completed the issuance of its 2024 green financial bonds (Bonds code: 2420020) in the national interbank bond market on 28 May 2024, in an amount of RMB2 billion, for a term of 3 years. The coupon rate is 2.25%. The proceeds will be specifically used for the green projects specified in the Green Bond Endorsed Project Catalogue 2021 in accordance with the applicable laws as approved by relevant regulatory authorities.

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

3 UNDERTAKINGS FULLY PERFORMED BY THE BANK'S DE FACTO CONTROLLER, SHAREHOLDERS, RELATED PARTIES, PURCHASERS AND THE BANK DURING THE REPORTING PERIOD AND UNDERTAKINGS NOT FULLY PERFORMED AS AT THE END OF THE REPORTING PERIOD

Undertaking	Undertaking party	Undertaking type	Details of the undertaking	Date of undertakings	Term of undertakings	Performance
Undertakings made in the initial public offering of A Shares	Zhengzhou Finance Bureau (鄭州市財政局)	Undertaking on shares with selling restrictions	<p>Within 36 months since the listing date of the initial public offering of the Bank's A Shares on the SZSE, Zhengzhou Finance Bureau shall not transfer or entrust others to manage the issued Shares of the Bank held by it before this round of issue, and shall not allow the Bank to repurchase such Shares; if the closing price of the Shares issued in this round by the Bank is lower than the issue price for 20 consecutive trading days within six months upon the listing, or the closing price is lower than the issue price as at the end of the six-month period upon the listing, the lockup period for the Bank's Shares held by Zhengzhou Finance Bureau shall be automatically extended by six months.</p> <p>If it intends to reduce its shareholdings within two years after the expiry of the share lockup period, the annual reduced shareholdings shall be no more than 5% of the number of shares held by it; if it intends to reduce its shareholdings two years after the expiry of the share lockup period, the number of reduced shareholdings will be announced three trading days before it reduces its shareholdings, the selling price shall be no less than the issue price of the initial public offering of the Bank's A Shares (if there is any dividend distribution, bonus issue of shares, capitalization of capital reserve, share placing, share subdivision and other ex-rights and ex-dividend events of the Bank's shares, the selling price will be adjusted accordingly by ex-rights and ex-dividend).</p>	2018-09-19	Refer to the details of the undertakings	During the course of performance

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

Undertaking	Undertaking party	Undertaking type	Details of the undertaking	Date of undertakings	Term of undertakings	Performance
Undertakings made in the initial public offering of A Shares	Directors, Supervisors and senior management personnel of the Bank	Undertaking on shares with selling restrictions	<p>Within 36 months since the listing date of the initial public offering of the Bank's A Shares on the SZSE, they shall not transfer or entrust others to manage the issued Shares of the Bank held by them before this round of issue, and shall not allow the Bank to repurchase such Shares.</p> <p>After the expiry of the lockup period, they shall transfer no more than 15% of the total number of the Shares held by them annually during the term of office, and no more than 50% of the total number of the Shares held by them within five years, they shall not repurchase in six months after selling their shares or resell in six months after purchasing Shares; they shall not transfer the Shares of the Bank held by them within six months after they leave office.</p>	2018-09-19	Refer to the details of the undertakings	During the course of performance
Undertakings made in the initial public offering of A Shares	Individuals of the Bank holding more than 50,000 internal staff Shares	Undertaking on shares with selling restrictions	<p>Within three years since the listing date of the Bank on the SZSE, they shall not transfer the Shares of the Bank of Zhengzhou held by them.</p> <p>After the expiry of the above three-year Shares transfer lockup period, they shall transfer no more than 15% of the total number of the Shares held by them annually, and no more than 50% of the total number of the Shares held by them within five years.</p>	2018-09-19	Refer to the details of the undertakings	During the course of performance

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

Undertaking	Undertaking party	Undertaking type	Details of the undertaking	Date of undertakings	Term of undertakings	Performance
Undertakings made in the initial public offering of A Shares	Zhengzhou Finance Bureau (鄭州市財政局)	Undertakings on avoiding horizontal competition	<p>During the period for being a major Shareholder of the Bank, its subsidiary enterprises (including wholly-owned, controlled subsidiaries and effectively-controlled enterprises) will not engage in, directly or indirectly, any forms of business activities that will compete or likely to compete with the Bank's principal business. Zhengzhou Finance Bureau will supervise its subsidiary enterprises in accordance with this undertaking and exercise necessary rights to ensure them to comply with this undertaking.</p> <p>Zhengzhou Finance Bureau will strictly comply with the relevant laws and regulations of the CSRC and the stock exchanges where the Bank's Shares are listed and the requirements of company management policies such as the Article of Association and management policies on related party transactions of the Bank, exercise the Shareholder's rights and perform the Shareholder's obligations as equally as other Shareholders, and neither seek unfair interest by use of the position of major Shareholder, nor impair the legal interests of the Bank and other Shareholders.</p>	2018-09-19	Refer to the details of the undertakings	During the course of performance

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

Undertaking	Undertaking party	Undertaking type	Details of the undertaking	Date of undertakings	Term of undertakings	Performance
Undertakings made in the non-public offering of A Shares	Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	Undertaking on shares with selling restrictions	It shall not transfer Shares under non-public issuance of the Bank within 60 months since the date of the listing thereof.	2020-11-27	Refer to the details of the undertakings	During the course of performance
Undertakings made in the non-public offering of A Shares	Henan Guoyuan Trade Co., Ltd. (河南國原貿易有限公司)	Undertaking on shares with selling restrictions	It shall not transfer Shares under non-public issuance of the Bank within 60 months since the date of the listing thereof.	2020-11-27	Refer to the details of the undertakings	During the course of performance
Whether the undertakings are performed on time			Yes			
If the undertakings are not performed when overdue, explanations of reasons and working plans for the next step shall be stated in detail			Not applicable			

4 SIGNIFICANT RELATED PARTY TRANSACTIONS

In accordance with relevant provisions under the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions (《銀行保險機構關聯交易管理辦法》) of National Financial Regulatory Administration, the SZSE Listing Rules, China Accounting Standards for Business Enterprises, and other laws, administrative rules, departmental regulations, and regulatory documents, the Bank continuously improves the management mechanism of related party transactions, strengthens the management of the list of the related parties, imposes strict approval procedures on related party transactions, prudently carries out related party transactions, continuously enhances the level of intelligent management of related party transactions of the Bank, effectively prevents the risks of related party transactions. During the Reporting Period, related party transactions between the Bank and its related parties were ordinary business activities of the Bank conducted in the ordinary course of its business with terms and prices agreed in accordance with the fair and market-oriented principles and as well as on conditions no better than non-related party transactions of the same type. Such related party transactions had no significant impact on the operation results and financial conditions of the Bank and the indicators on the control of related party transactions were in compliance with the related regulations of regulatory authorities.

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

4.1 Related Shareholders Directly or Indirectly Holding 5% or more of the Shares of the Bank

Name of the related party	Relationship with the related party	Place of registration	Organization type	Registered capital	Principal business	Change(s) in shareholdings of the Bank during the Reporting Period
Zhengzhou Finance Bureau (鄭州市財政局)	Shareholder	N/A	Government department	N/A	N/A	Nil
Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司)	Shareholder	Zhengzhou, Henan	Limited liability company (solely state-owned)	RMB1,000 million	Urban infrastructure construction, urban comprehensive development, land development, management and consolidation, engineering construction, design and technical consultation; general contracting of municipal projects and maintenance of municipal roads and bridges (operation with valid qualification).	Nil
Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	Shareholder	Zhengzhou, Henan	Other company with limited liability	RMB7,776.54 million	Investment and management of state-owned assets, real estate development and sale; house leasing (operation with valid qualification).	Nil

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

4.2 Significant Related Party Transactions

According to the relevant provisions of the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions (《銀行保險機構關聯交易管理辦法》) of National Financial Regulatory Administration and the Administrative Measures for Related Party Transactions (《關聯交易管理辦法》) of the Bank, related party transactions are defined as follows: “Significant related party transactions” shall refer to transactions between the Bank and a single related party that severally amount to 1% or more of the net capital of the Bank at the end of the previous quarter or collectively 5% or more of the net capital of the Bank at the end of the previous quarter. After the aggregate amount of transactions between the Bank and a single related party reaches the aforementioned standard, the subsequent related party transactions shall be redesignated as significant related party transactions for each aggregate amount of more than 1% of the net capital at the end of the previous quarter. “General related party transactions” shall refer to other related party transactions other than significant related party transactions. For the specific calculation method, please refer to the Administrative Measures for Related Party Transactions of Bank of Zhengzhou Co., Ltd. (《鄭州銀行股份有限公司關聯交易管理辦法》) published by the Bank on CNINFO and the website of the Hong Kong Stock Exchange.

4.3 Related Party Transactions

During the Reporting Period, the Bank strictly complied with regulatory requirements of the National Financial Regulatory Administration, CSRC and SZSE, and executed recurring operation related party transactions with related parties, within the estimated quota on recurring related party transactions approved by the general meeting. Details of the transactions are shown in the table below. Other than the following transactions, the Bank did not have other significant related party transactions that meet the above requirements.

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

4.3.1 Credit grant related party transactions with general associated corporations

Unit: RMB'000

Number	Related client	Estimated quota on recurring related party transactions for 2025	Total credit granted as at the end of June 2025	Related legal persons	Credit granted as at the end of June 2025	Business line
1	Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司) and its associated corporations	7,000,000	4,271,570	Henan Zhongyuan Financial Holding Co., Ltd. (河南中原金融控股有限公司) Zhengzhou Development & Investment Group Co., Ltd. (鄭州發展投資集團有限公司) Zhengzhou Transportation Development Investment Group Co., Ltd. (鄭州交通發展投資集團有限公司)	985,930 100,000 3,185,640	Loan business Investment business Loan business and investment business
2	Zhengzhou Construction Investment Group Co., Ltd. (鄭州市建設投資集團有限公司) and its associated corporations	5,400,000	3,555,455	Zhengzhou Road and Bridge Construction Investment Group Co., Ltd. (鄭州路橋建設投資集團有限公司) Zhengzhou City Highway Engineering Company (鄭州市公路工程公司) Zhengzhou Construction Investment Group Co., Ltd. (鄭州市建設投資集團有限公司) Zhengzhou Songyue Highway Development Co., Ltd. (鄭州嵩岳公路開發有限公司) Zhengzhou Zhengshao Expressway Development Co., Ltd. (鄭州鄭少高速公路發展股份有限公司)	1,538,880 127,500 1,027,275 561,800 300,000	Loan business Loan business Loan business Loan business and investment business Loan business

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

Number	Related client	Estimated quota on recurring related party transactions for 2025	Total credit granted as at the end of June 2025	Related legal persons	Credit granted as at the end of June 2025	Business line
3	Zhengzhou Transportation Construction Investment Co., Ltd. (鄭州交通建設投資有限公司) and its associated corporations	1,900,000	874,000	Zhengzhou Transportation Construction Investment Co., Ltd. (鄭州交通建設投資有限公司)	874,000	Loan business
4	Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. (鄭州市中融創產業投資有限公司) and its associated corporations	6,000,000	1,960,041	Henan Guochuang Cultural Development Co., Ltd. (河南國創文化發展有限公司)	139,857	Loan business
				Henan Digital Town Development and Construction Co., Ltd. (河南數字小鎮開發建設有限公司)	144,000	Loan business
				Zhengzhou Zhongrongchuang Industrial Investment Co., Ltd. (鄭州市中融創產業投資有限公司)	766,000	Loan business and investment business
				Zhengzhou Investment Holdings Intelligent Logistics Industrial Park Co. Ltd. (鄭州投控智慧物流產業園有限公司)	95,063	Loan business
				Zhengzhou Investment Holdings Co., Ltd. (鄭州投資控股有限公司)	815,000	Loan business
				White Dove (Group) Company Limited (白鴿磨料磨具有限公司)	121	Bill business
5	Henan Investment Group Co., Ltd. (河南投資集團有限公司) and its associated corporations	8,000,000	811,774	City Development Environment Co., Ltd. (城發環境股份有限公司)	30,000	Investment business
				Henan Urban Development Investment Co., Ltd. (河南城市發展投資有限公司)	285,000	Loan business
				Henan Health Care Group Co., Ltd. (河南康養集團有限公司)	9,588	Loan business
				Henan Tou Wisdom Energy Co., Ltd. (河南省投智慧能源有限公司)	16,803	Loan business
				Henan Investment Group Co., Ltd. (河南投資集團有限公司)	200,000	Investment business
				Henan Yicheng Holdings Co., Ltd. (河南頤城控股有限公司)	170,000	Loan business
				Henan Yuneng Holdings Co., Ltd. (河南豫能控股股份有限公司)	100,383	Investment business

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

Number	Related client	Estimated quota on recurring related party transactions for 2025	Total credit granted as at the end of June 2025	Related legal persons	Credit granted as at the end of June 2025	Business line
6	Henan Asset Management Co., Ltd. (河南資產管理有限公司) and its associated corporations	3,000,000	1,448,900	Henan Asset Management Co., Ltd. (河南資產管理有限公司)	1,448,900	Loan business and investment business
7	Henan Guoyuan Trade Co., Ltd. (河南國原貿易有限公司) and its associated corporations	3,300,000	1,777,017	Henan Huida Construction Investment Co., Ltd. (河南輝達建設投資有限公司)	943,613	Loan business
				Henan Jianyuan Decoration Engineering Co., Ltd. (河南建苑裝飾工程有限公司)	145,200	Loan business
				Xinxiang City Zhongkai Real Estate Co., Ltd. (新鄉市中開置業有限公司)	43,334	Loan business
				Zhengzhou Huida Industrial Development Co., Ltd. (鄭州輝達實業發展有限公司)	497,370	Loan business
				Zhengzhou Yingshou Trading Co., Ltd. (鄭州盈首商貿有限公司)	147,500	Loan business

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

4.3.2 Credit grant related party transactions with financial institutions

Unit: RMB'000

Number	Related client	Estimated quota on recurring related party transactions for 2025	Total credit granted as at the end of June 2025	Related legal persons	Credit granted as at the end of June 2025	Business line
1	Central China Securities Co., Ltd. (中原證券股份有限公司) and its associated corporations	500,000	500,000	Central China Securities Co., Ltd. (中原證券股份有限公司)	500,000	Interbank general credit, revolving throughout the validity period of the credit
2	Zhongyuan Trust Co., Ltd. (中原信託有限公司) and its associated corporations	500,000	500,000	Zhongyuan Trust Co., Ltd. (中原信託有限公司)	500,000	Interbank general credit, revolving throughout the validity period of the credit
3	Bank of Lanzhou Co., Ltd. (蘭州銀行股份有限公司)	3,200,000	1,000,000	Bank of Lanzhou Co., Ltd. (蘭州銀行股份有限公司)	1,000,000	Interbank general credit, revolving throughout the validity period of the credit
4	Zhongmu Zhengyin County Bank (中牟鄭銀村鎮銀行)	400,000	400,000	Zhongmu Zhengyin County Bank (中牟鄭銀村鎮銀行)	400,000	Interbank general credit, revolving throughout the validity period of the credit
5	Yanling Zhengyin County Bank (鄆陵鄭銀村鎮銀行)	200,000	200,000	Yanling Zhengyin County Bank (鄆陵鄭銀村鎮銀行)	200,000	Interbank general credit, revolving throughout the validity period of the credit

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

4.3.3 Credit grant related party transactions with natural persons

As at the end of the Reporting Period, the credit balance of natural person related parties in the Bank was RMB109.03 million, which did not exceed the limit of RMB300 million for the aggregate quota of natural person related parties under estimated quota on recurring related party transactions for 2025.

4.3.4 Other related party transactions

During the Reporting Period, the Bank's largest single transaction of financial market transactions with open market price such as spot bond trading and pledge-style repo with each of the Bank of Lanzhou Co., Ltd. (蘭州銀行股份有限公司) and Central China Securities Co., Ltd. (中原證券股份有限公司) amounted to RMB500 million and RMB53.24 million respectively. The amount of service-related transactions including trust custody and supervision fees with Zhongyuan Trust Co., Ltd. (中原信託有限公司) amounted to RMB27.31 million. The transaction amount of asset trading business with Henan Asset Management Co., Ltd. (河南資產管理有限公司) amounted to RMB320.27 million. The amount of deposit business transactions with all related parties amounted to RMB21,403.41 million. There were no financial market transactions with open market price such as spot bond trading and pledge-style repo with Zhongyuan Trust Co., Ltd. (中原信託有限公司).

5 SIGNIFICANT CONTRACTS AND INFORMATION ON THEIR PERFORMANCE

5.1 Entrustment, Contracting and Leasing Matters

During the Reporting Period, the Bank had no significant contracts on significant entrustment, contracting and leasing matters.

5.2 Significant Guarantees

During the Reporting Period, the Bank had no other significant guarantee matters that needed to be disclosed save for the guarantee business within the normal banking business scope.

5.3 Entrusted Wealth Management

During the Reporting Period, there was no event in respect of entrusted wealth management beyond the Bank's normal business.

5.4 Other Significant Contracts

During the Reporting Period, the Bank had no other significant contractual matters required to be disclosed, other than those disclosed in this Report, other announcements and circulars of the Bank.

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

6 LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE BANK

During the Reporting Period, the Bank did not provide any of its affiliated companies with any financial assistance or guarantees required to be disclosed under Rule 13.16 of the Stock Exchange Listing Rules. The Bank does not have controlling Shareholders or de facto controllers, nor has it entered into any loan agreements with covenants relating to specific performance of the controlling Shareholders of the Bank or breached the terms of any loan agreements.

7 SIGNIFICANT ACQUISITION, DISPOSAL OR ABSORPTION OF ASSETS AND EQUITY

During the Reporting Period, the Bank had no significant acquisition, disposal or absorption of assets and equity.

8 SIGNIFICANT LITIGATION AND ARBITRATION

Case progress of financial loan contract dispute between the Bank's Changchun Road Sub-branch and Zhengzhou Kangqiao Real Estate Development Co., Ltd. and other parties, and the case progress of financial loan contract dispute between the Bank's Zhongyuan Road sub-branch and Zhengzhou Jinwei Industry Co., Ltd.* (鄭州金威實業有限公司) and other parties, please refer to the relevant announcements of the Bank published on CNINFO and the website of the Hong Kong Stock Exchange for details. Other significant litigation and arbitration previously involved by the Bank are detailed in the relevant litigation and arbitration announcements published by the Bank.

The Bank was involved in certain litigation and arbitration matters arising from its ordinary course of business due to the recovery of borrowings and other reasons. As at the end of the Reporting Period, the total amount of the pending litigation and arbitration of the Bank acting as the defendant or therespondent was RMB500 million. These litigation and arbitration matters are not expected to have material adverse impacts on the financial position or operating results of the Bank.

9 OTHER SIGNIFICANT SOCIAL SECURITY ISSUES

During the Reporting Period, the Bank and its subsidiaries had no other significant social security issues.

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

10 PUNISHMENT AND REMEDIAL ACTIONS OF THE BANK AND THE DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT OF THE BANK AND SHAREHOLDERS HOLDING MORE THAN 5% OF THE BANK'S SHARES

During the Reporting Period, to the best knowledge of the Bank, none of the Bank and its Directors, Supervisors, senior management and Shareholders holding more than 5% of its Shares was investigated by competent authorities, subject to compulsory measures, transferred to judicial authorities or investigated for criminal responsibility by judicial or discipline inspection departments, filed for investigation or subject to administrative punishment or administrative supervision measures by the CSRC, or subject to disciplinary measures by any stock exchange. The Bank was not subject to any punishment by other regulatory authorities which had a material impact on the Bank's operation.

11 INTEGRITY OF THE BANK AND ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

As at the end of the Reporting Period, the Bank had no controlling Shareholders or de facto controllers. During the Reporting Period, the Bank and its largest Shareholder had no failure to execute an effective court judgment, or any large amount of due outstanding debts.

12 ILLEGAL PROVISION OF EXTERNAL GUARANTEE

During the Reporting Period, the Bank did not provide any external guarantee in violation of laws.

13 APPROPRIATION OF FUNDS BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES OF THE BANK FOR NON-OPERATING PURPOSES

There was no appropriation of funds of the Bank by the controlling Shareholder and other related parties for non-operating purposes.

14 CAPITAL FLOWS WITH CONTROLLING SHAREHOLDERS AND THEIR RELATED PARTIES

During the Reporting Period, the Bank did not have any controlling Shareholders, and there were no capital flows with controlling Shareholders and their related parties.

CHAPTER VI SIGNIFICANT EVENTS (CONTINUED)

15 IMPLEMENTATION OF SHARE INCENTIVE SCHEME, EMPLOYEE SHARE OWNERSHIP SCHEME OR OTHER EMPLOYEE INCENTIVE MEASURES

During the Reporting Period, the Bank did not implement any form of share incentive scheme, employee share ownership scheme, share scheme under Chapter 17 of the Stock Exchange Listing Rules or other employee incentive measures.

16 MATTERS RELATED TO BANKRUPTCY AND RESTRUCTURING

There was no matter related to bankruptcy and restructuring of the Bank during the Reporting Period.

17 APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

As considered and approved at the 2024 AGM, the Bank re-appointed ShineWing Certified Public Accountants LLP and SHINEWING (HK) CPA Limited as its domestic and overseas auditors for year 2025, respectively, and their respective terms shall last until the conclusion of the 2025 annual general meeting of the Bank.

18 AUDIT REVIEW

The financial statements for the six months ended 30 June 2025 were prepared by the Bank according to the China Accounting Standards for Business Enterprises and International Financial Reporting Standards, and were unaudited. ShineWing Certified Public Accountants LLP and SHINEWING (HK) CPA Limited had reviewed such financial statements, respectively. This Report has been reviewed by the audit committee of the Board and the Board.

19 EXPLANATION OF OTHER SIGNIFICANT EVENTS

During the Reporting Period, the Bank had no other significant events, other than those disclosed in this Report, other announcements and circulars of the Bank.

20 SIGNIFICANT EVENTS OF THE BANK'S SUBSIDIARIES

During the Reporting Period, the Bank's subsidiaries had no significant events.

21 EVENTS AFTER THE REPORTING PERIOD

As at the Latest Practicable Date, other than those disclosed in this Report, other announcements and circulars of the Bank, there were no other significant subsequent events of the Bank requiring disclosure.

CHAPTER VII INDEPENDENT AUDITOR'S REVIEW REPORT

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BANK OF ZHENGZHOU CO., LTD.

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

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements of Bank of Zhengzhou Co., Ltd. (the "Bank") and its subsidiaries (together, the "Group") set out on pages 124-258, which comprises the interim condensed consolidated statement of financial position as of 30 June 2025 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statements of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board.

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

SCOPE OF REVIEW

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

CONCLUSION

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

CHAPTER VII INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

OTHER MATTER

The comparative interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2024 and the relevant explanatory notes included in these interim condensed consolidated financial statements were extracted from the interim financial information of the Group for the six-month period ended 30 June 2024 reviewed by another auditor who expressed an unmodified conclusion on that interim financial information on 29 August 2024.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Wong Chuen Fai

Practising Certificate Number: P05589

Hong Kong

28 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest income		11,733,750	11,777,458
Interest expense		(6,382,975)	(6,481,911)
Net interest income	3	5,350,775	5,295,547
Fee and commission income		298,457	339,711
Fee and commission expense		(64,212)	(73,712)
Net fee and commission income	4	234,245	265,999
Net trading gains	5	197,299	450,279
Net gains arising from investments	6	895,220	333,609
Other operating income	7	19,614	59,708
Operating income		6,697,153	6,405,142
Operating expenses	8	(1,559,528)	(1,663,805)
Credit impairment losses	9	(3,171,613)	(2,860,823)
Other operating costs		(7,514)	(7,239)
Operating profit		1,958,498	1,873,275
Share of losses of associates	19	(6,020)	(3,700)
Profit before taxation		1,952,478	1,869,575
Income tax expense	10	(286,122)	(220,463)
Profit for the period		1,666,356	1,649,112
Net profit attributable to:			
Equity shareholders of the Bank		1,627,359	1,593,861
Non-controlling interests		38,997	55,251
		1,666,356	1,649,112

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit for the period		1,666,356	1,649,112
Other comprehensive income	31		
Other comprehensive income net of tax attributable to equity shareholders of the Bank			
<i>Items that may be reclassified subsequently to profit or loss</i>			
– Changes in fair value/credit losses of debt investments measured at fair value through other comprehensive income		(411,675)	368,981
– Share of other comprehensive income of associates	19	(864)	–
<i>Items that will not be reclassified subsequently to profit or loss</i>			
– Changes in fair value from investments in equity instruments designated as fair value through other comprehensive income		5,171	1,056
– Remesurement of net defined benefits liability		2,754	(9,664)
Non-controlling interests		–	–
Other comprehensive income net of tax		(404,614)	360,373
Total comprehensive income		1,261,742	2,009,485
Total comprehensive income attributable to:			
Equity shareholders of the Bank		1,222,745	1,954,234
Non-controlling interests		38,997	55,251
		1,261,742	2,009,485
Basic and diluted earnings per share (in RMB)	11	0.18	0.18

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Assets			
Cash and deposits with Central Bank	12	30,657,089	29,008,339
Deposits with banks and other financial institutions	13	2,342,258	1,797,835
Placements with banks and other financial institutions	14	17,116,529	14,099,825
Financial assets held under resale agreements	15	4,642,417	5,885,781
Loans and advances to customers	16	394,317,365	376,048,659
Financial investments:			
Financial investments at fair value through profit or loss	17	40,880,460	32,484,947
Financial investments at fair value through other comprehensive income	17	31,095,501	21,447,481
Financial investments measured at amortised cost	17	150,218,902	147,416,874
Lease receivables	18	30,309,262	30,657,280
Interests in associates	19	600,883	607,767
Property and equipment	20	3,353,096	3,404,238
Deferred tax assets	21	6,700,594	6,066,105
Other assets	22	7,503,834	7,440,109
Total assets		719,738,190	676,365,240
Liabilities			
Due to Central Bank	23	39,150,828	35,037,760
Deposits from banks and other financial institutions	24	12,748,984	12,380,094
Placements from banks and other financial institutions	25	27,833,398	28,727,216
Financial assets sold under repurchase agreements	26	9,201,326	16,699,143
Deposits from customers	27	456,521,930	413,096,026
Tax payable		429,998	418,069
Debt securities issued	28	111,531,354	110,242,221
Other liabilities	29	4,945,701	3,469,940
Total liabilities		662,363,519	620,070,469

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Equity			
Share capital	30	9,092,091	9,092,091
Other equity instruments	33	9,998,855	9,998,855
Capital reserve	31	5,985,102	5,985,102
Surplus reserve	31	3,875,978	3,875,978
General reserve	31	9,143,233	9,143,233
Fair value reserve	31	402,474	809,842
Remeasurement of net defined benefits liability	31	(95,300)	(98,054)
Retained earnings	32	17,083,501	15,637,984
Total equity attributable to equity shareholders of the Bank		55,485,934	54,445,031
Non-controlling interests		1,888,737	1,849,740
Total equity		57,374,671	56,294,771
Total liabilities and equity		719,738,190	676,365,240

Approved and authorised for issue by the board of directors on 28 August 2025.

Zhao Fei

Chairman of the Board of Directors
Executive Director

Li Hong

President
Executive Director

Zhang Houlin

Person in Charge of Accounting Affairs

Fu Qiang

Head of Accounting Department

Bank of Zhengzhou Co., Ltd

(Company chop)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Notes	Attributable to equity shareholders of the Bank										Non-controlling interests	Total equity
		Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Remeasurement		Retained earnings	Sub-total		
								of net defined benefits liability					
		RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Balance at 1 January 2025 (audited)		9,092,091	9,998,855	5,985,102	3,875,978	9,143,233	809,842	(98,054)	15,637,984	54,445,031	1,849,740	56,294,771	
Profit for the period	31(d) (e)	-	-	-	-	-	-	-	1,627,359	1,627,359	38,997	1,666,356	
Other comprehensive income		-	-	-	-	-	(407,368)	2,754	-	(404,614)	-	(404,614)	
Total comprehensive income		-	-	-	-	-	(407,368)	2,754	1,627,359	1,222,745	38,997	1,261,742	
Cash dividend on ordinary shares	32(b)	-	-	-	-	-	-	-	(181,842)	(181,842)	-	(181,842)	
Sub-total		-	-	-	-	-	(407,368)	2,754	1,445,517	1,040,903	38,997	1,079,900	
Balance at 30 June 2025 (unaudited)		9,092,091	9,998,855	5,985,102	3,875,978	9,143,233	402,474	(95,300)	17,083,501	55,485,934	1,888,737	57,374,671	

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2025

	Attributable to equity shareholders of the Bank								Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Remeasurement of net defined benefits liability	Retained earnings	Sub-total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024 (audited)	9,092,091	9,998,855	5,985,102	3,689,605	8,266,509	189,386	(74,043)	15,305,319	52,452,824	54,314,856
Profit for the period	-	-	-	-	-	-	-	1,593,861	1,593,861	1,649,112
Other comprehensive income	-	-	-	-	-	370,037	(9,664)	-	360,373	360,373
Total comprehensive income	-	-	-	-	-	370,037	(9,664)	1,593,861	1,954,234	2,009,485
Balance at 30 June 2024 (unaudited)	9,092,091	9,998,855	5,985,102	3,689,605	8,266,509	559,423	(83,707)	16,899,180	54,407,058	56,324,341

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2025

Attributable to equity shareholders of the Bank												
	Notes	Share capital RMB'000	Other equity instruments RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	General reserve RMB'000	Fair value reserve RMB'000	Remeasurement of net defined benefits liability RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2024 (audited)												
		9,092,091	9,998,855	5,985,102	3,689,605	8,266,509	189,386	(74,043)	15,305,319	52,452,824	1,862,032	54,314,856
Profit for the year												
		-	-	-	-	-	-	-	1,875,762	1,875,762	(12,292)	1,863,470
Other comprehensive income												
	31(d)(e)	-	-	-	-	-	620,456	(24,011)	-	596,445	-	596,445
Total comprehensive												
		-	-	-	-	-	620,456	(24,011)	1,875,762	2,472,207	(12,292)	2,459,915
Appropriate of profit												
	31(b)	-	-	-	186,373	-	-	-	(186,373)	-	-	-
	31(c)	-	-	-	-	876,724	-	-	(876,724)	-	-	-
	32(a)	-	-	-	-	-	-	-	(480,000)	(480,000)	-	(480,000)
Sub-total												
		-	-	-	186,373	876,724	620,456	(24,011)	332,665	1,992,207	(12,292)	1,979,915
Balance at 31 December 2024 (audited)												
		9,092,091	9,998,855	5,985,102	3,875,978	9,143,233	809,842	(98,054)	15,637,984	54,445,031	1,849,740	56,294,771

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
	Note		
Cash flows from operating activities			
Profit before tax		1,952,478	1,869,575
<i>Adjustments for:</i>			
Credit impairment losses		3,171,613	2,860,823
Depreciation and amortisation		207,082	225,403
Unrealised foreign exchange losses/(gains)		2,389	(10,881)
Net losses from disposal of long-term assets		71	2,279
Net trading losses/(gains) of financial investments at fair value through profit or loss		147,013	(58,151)
Net gains arising from investments		(895,220)	(333,609)
Share of losses of associates		6,020	3,700
Interest expense on financing activities		1,128,138	1,315,070
Interest income on financial investments		(2,518,155)	(2,621,268)
		3,201,429	3,252,941
<i>Changes in operating assets</i>			
Net increase in deposits with Central Bank		(1,998,942)	(1,300,306)
Net increase in deposits and placements with banks and other financial institutions		(4,800,000)	(2,600,000)
Net increase in financial investments at fair value through profit or loss		(9,179,873)	(539,122)
Net decrease in financial assets held under resale agreements		1,243,829	2,685,820
Net increase in loans and advances to customers		(21,205,187)	(12,503,116)
Net increase in lease receivables		(30,446)	(1,181,059)
Net decrease/(increase) in other operating assets		217,187	(722,203)
		(35,753,432)	(16,159,986)
<i>Changes in operating liability:</i>			
Net increase/(decrease) in amounts due to Central Bank		4,126,510	(2,302,265)
Net decrease in deposits and placements from banks and other financial institutions		(495,071)	(3,928,335)
Net decrease in financial assets sold under repurchase agreements		(7,496,214)	(10,763,068)
Net increase in deposits from customers		42,124,327	25,398,942
Net increase in other operating liabilities		2,482,356	876,960
Income tax paid		(432,449)	(779,911)
		40,309,459	8,502,323

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

For the six months ended 30 June 2025

		For the six months ended 30 June	
	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash flows generated from/(used in) operating activities		7,757,456	(4,404,722)
Cash flows from investing activities			
Proceeds from disposal and redemption of investments		39,951,213	36,532,614
Proceeds from disposal of property and equipment and other assets		246	—
Payments on acquisition of investments		(53,003,491)	(40,115,870)
Return on investments		3,625,339	2,753,771
Payments on acquisition of property and equipment and other assets		(48,254)	(167,857)
Net cash flows used in investing activities		(9,474,947)	(997,342)
Cash flows from financing activities			
Proceeds received from debt securities issued		82,848,442	77,028,309
Repayment of debt securities issued		(81,574,306)	(73,015,713)
Interest paid on debt securities issued		(1,111,694)	(1,515,294)
Cash flows used in other financing activities		(52,934)	(62,810)
Net cash flows generated from financing activities		109,508	2,434,492
Net decrease in cash and cash equivalents		(1,607,983)	(2,967,572)
Cash and cash equivalents as at 1 January		13,922,277	12,019,973
Effect of foreign exchange rate changes on cash and cash equivalents		(2,773)	9,262
Cash and cash equivalents as at 30 June	34(a)	12,311,521	9,061,663
Net cash flows generated from/(used in) operating activities include:			
Interest received		9,690,791	9,759,165
Interest paid		(3,999,612)	(4,405,577)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Bank of Zhengzhou Co., Ltd., formerly known as City Commercial Bank of Zhengzhou Co., Ltd., is a joint-stock commercial bank established with the approval of the People's Bank of China (the "PBOC") in accordance with the notice of JiYinFu [2000] No. 64. The Bank changed its name to Bank of Zhengzhou Co., Ltd. in October 2009. The registered address is No.22 Business Waihuan Road, Zhengdong New District, Zhengzhou City, Henan Province. The Bank operates in Henan Province of the PRC.

The Bank obtained its financial institution license No. B1036H241010001 from the former China Banking Regulatory Commission ("the former CBRC") and obtained its business licence from Henan Province Administration for Market Regulation, the unified social credit code is 914100001699995779. The Bank is regulated by the National Financial Regulatory Administration.

In December 2015, the Bank's H-shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock code: 06196). In September 2018, the Bank's A-share was listed on the SME Board of the Shenzhen Stock Exchange (Stock code: 002936).

The principal activities of the Bank and its subsidiaries (collectively the "Group") include receiving deposits from the public; short, medium and long-term lending; domestic and international settlement; bill acceptance and discounting; issuing financial bonds; purchase and sale of government bonds and financial bonds; interbank lending and borrowing; financial leasing and other business activities.

For the information of the Bank's principal subsidiaries included in the scope of consolidation, refer to note 19 for more details.

These financial statements have been approved by the board of directors on 28 August 2025.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

2. BASIS OF PRESENTATION, MATERIAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The principal accounting policies adopted in the preparation of the unaudited interim financial information are consistent with those used in the Groups annual financial statements for the year ended 31 December 2024 unless otherwise stated.

(a) Basis of presentation

The interim consolidated financial statements of the Group have been prepared in accordance with the International Accounting Standard 34 “Interim Financial Reporting”. The consolidated interim financial information should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

The Group adopted the going concern basis in preparing its interim condensed consolidated financial statements.

(b) Material accounting policies

The International Accounting Standards Board has issued several amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(c) Major accounting estimates and judgements adopted in the implementation of accounting policies

The preparation of the interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies.

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

3. NET INTEREST INCOME

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest income arising from		
Deposits with Central Bank	176,901	157,344
Deposits and placements with banks and other financial institutions	170,117	110,639
Loans and advances to customers		
– Corporate loans and advances	6,129,124	6,034,853
– Personal loans and advances	1,546,557	1,536,750
– Discounted bills	237,141	156,995
Financial assets held under resale agreements	58,703	49,380
Financial investments	2,518,155	2,621,268
Lease receivables	897,052	1,110,229
Sub-total	11,733,750	11,777,458
Interest expense arising from		
Amounts due to Central Bank	(362,740)	(344,134)
Deposits and placements from banks and other financial institutions	(433,057)	(706,541)
Deposits from customers	(4,308,039)	(3,943,416)
Financial assets sold under repurchase agreements	(152,448)	(177,067)
Debt securities issued	(1,126,691)	(1,310,753)
Sub-total	(6,382,975)	(6,481,911)
Net interest income	5,350,775	5,295,547

All of the interest income and interest expense for the periods ended 30 June 2025 and 2024 are calculated using the effective interest method for financial assets and financial liabilities which are not designated at fair value through profit or loss.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

4. NET FEE AND COMMISSION INCOME

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Fee and commission income		
Agency and custody services fees	175,412	189,037
Underwriting and advisory fees	28,255	34,391
Acceptance and guarantee services fees	19,040	29,620
Bank card services fees	40,251	52,025
Others	35,499	34,638
Sub-total	298,457	339,711
Fee and commission expense		
Payment, settlement and agency fees	(12,821)	(16,872)
Bank card services fees	(29,058)	(36,777)
Others	(22,333)	(20,063)
Sub-total	(64,212)	(73,712)
Net fee and commission income	234,245	265,999

5. NET TRADING GAINS

	Notes	For the six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Net gains from debt securities and investment funds	(a)	206,918	454,073
Net foreign exchange losses	(b)	(9,619)	(3,794)
Total		197,299	450,279

- (a) Net gains from debt securities and funds include gains arising from buying, selling and holding of, net gains arising from and changes in the fair value of financial assets held for trading.
- (b) Net foreign exchange losses mainly include gains or losses from purchase and sale of foreign currency spot, and translation of foreign currency monetary assets and liabilities into Renminbi.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

6. NET GAINS ARISING FROM INVESTMENTS

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Net gains from debt securities	808,346	41,207
Net gains from other debt instruments	86,874	292,402
Total	895,220	333,609

7. OTHER OPERATING INCOME

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Rental income	14,329	1,086
Government grants	1,789	33,216
Net gains on disposal of property and equipment	—	4
Others	3,496	25,402
Total	19,614	59,708

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

8. OPERATING EXPENSES

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Staff costs		
– Salaries, bonuses and allows	553,365	574,750
– Social insurance and annuity	162,338	150,822
– Supplementary retirement benefits	2,176	2,454
– Staff welfare	24,584	32,844
– Housing allowances	68,573	63,645
– Others	39,663	41,603
Sub-total	850,699	866,118
Depreciation and amortisation	200,011	218,388
Rental and property management expenses	27,529	34,631
Office expenses	1,887	8,821
Tax and surcharges	88,542	79,942
Interest expense of lease liabilities	1,447	4,317
Other general and administrative expense	389,413	451,588
Total	1,559,528	1,663,805

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

9. CREDIT IMPAIRMENT LOSSES

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Loans and advances to customers measured at amortised cost	2,107,962	1,511,996
Loans and advances to customers measured at fair value through other comprehensive income	3,828	1,976
Financial investments measured at amortised cost	764,599	860,988
Financial investments at fair value through other comprehensive income	1,680	317
Lease receivables	347,981	377,064
Financial assets held under resale agreements	—	(1,705)
Placements with banks and other financial institutions	1,667	1,296
Deposits with banks and other financial institutions	148	841
Off-balance sheet credit commitments	3,998	10,531
Other impairment losses	(60,250)	97,519
Total	3,171,613	2,860,823

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

10. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Current tax	785,110	677,866
Deferred tax	(498,988)	(457,403)
Total	286,122	220,463

Reconciliations between income tax and accounting profit are as follows:

		For the six months ended 30 June	
	Notes	2025 RMB'000	2024 RMB'000
Profit before tax		1,952,478	1,869,575
Statutory tax rate		25%	25%
Income tax calculated at statutory tax rate		488,120	467,394
Non-deductible expenses	(1)	31,388	27,000
Non-taxable income	(2)	(248,492)	(269,563)
Deductible temporary difference for unrecognised deferred tax assets		16,169	13,590
Adjustment for prior years		(1,063)	(17,958)
Income tax expense		286,122	220,463

- (1) Non-deductible expenses are mainly include non-deductible employee benefits and entertainment expenses.
- (2) Tax effect of non-taxable income mainly includes interest income from central and local government bonds which is exempted from corporate income tax in accordance with the tax law.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

11. BASIC AND DILUTED EARNINGS PER SHARE

		For the six months ended 30 June	
	Note	2025 RMB'000	2024 RMB'000
Earnings:			
Net profit for the period attributable to ordinary shareholders of the Bank		1,627,359	1,593,861
Shares:			
Weighted average number of ordinary shares (in thousand shares)	(a)	9,092,091	9,092,091
Basic and diluted earnings per share attributable to ordinary shareholders of the Bank (in RMB)		0.18	0.18

(a) Weighted average number of ordinary shares (in thousand shares)

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Weighted average number of ordinary shares	9,092,091	9,092,091

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

12. CASH AND DEPOSITS WITH CENTRAL BANK

	Notes	30 June 2025 RMB'000	31 December 2024 RMB'000
Cash on hand		781,013	757,394
Deposits with Central Bank			
– Statutory deposits reserves	(a)	22,043,013	19,819,559
– Surplus deposits reserves	(b)	7,786,884	8,160,698
– Fiscal deposits		35,644	260,156
Sub-total		30,646,554	28,997,807
Interest accrued		10,535	10,532
Total		30,657,089	29,008,339

- (a) The Bank and its subsidiaries place statutory deposit reserves with the PBOC in accordance with relevant regulations. The statutory deposit reserves are not available for the Group's daily business. As at the end of the reporting period, the statutory deposit reserve ratios applicable to the Bank were as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Reserve ratio for RMB deposits	5.00%	5.00%
Reserve ratio for foreign currency deposits	4.00%	4.00%

The subsidiaries of the Bank are required to place statutory RMB deposits reserve at rates determined by the PBOC.

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

13. DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Deposits with banks in Mainland China	1,044,905	1,595,201
Deposits with other financial institutions in Mainland China	448,890	143,639
Deposits with banks outside Mainland China	849,829	60,244
Sub-total	2,343,624	1,799,084
Interest accrued	227	196
Less: Provision for impairment losses	(1,593)	(1,445)
Total	2,342,258	1,797,835

At 30 June 2025, the Group's deposits with banks and other financial institutions on Stage 2 were RMB10,139 thousand (31 December 2024: RMB10,174 thousand), with an expected credit impairment provision of RMB25 thousand (31 December 2024: RMB29 thousand). The remaining deposits with banks and other financial institution were on Stage 1 at 30 June 2025 (At 31 December 2024: on Stage 1).

14. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Placement with banks in mainland China	—	805,101
Placements with other financial institutions in mainland China	17,000,000	13,200,000
Sub-total	17,000,000	14,005,101
Interest accrued	125,954	102,482
Less: Provision for impairment losses	(9,425)	(7,758)
Total	17,116,529	14,099,825

At 30 June 2025, the Group's placements with banks and other financial institutions were on Stage 1 (At 31 December 2024: on Stage 1).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

15. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(a) Analysed by type and location of counterparty

	30 June 2025 RMB'000	31 December 2024 RMB'000
In Mainland China		
– Banks	129,500	1,293,155
– Other financial institutions	4,511,743	4,591,921
Sub-total	4,641,243	5,885,076
Interest accrued	1,174	705
Less: Provision for impairment losses	–	–
Total	4,642,417	5,885,781

(b) Analysed by type of collateral

	30 June 2025 RMB'000	31 December 2024 RMB'000
Debt securities	4,641,243	5,885,076
Interest accrued	1,174	705
Less: Provision for impairment losses	–	–
Total	4,642,417	5,885,781

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS

(a) Analysed by nature

	30 June 2025 RMB'000	31 December 2024 RMB'000
Loans and advances to customers measured at amortised cost		
Corporate loans and advances	248,063,297	247,253,421
Personal loans and advances		
– Personal business loans	38,272,306	38,343,283
– Residential mortgage	32,208,624	31,914,959
– Personal consumption loans	20,694,679	17,142,102
– Credit card	3,380,160	3,556,403
Sub-total	94,555,769	90,956,747
Total amount of loans and advances to customers measured at amortised cost	342,619,066	338,210,168
Loans and advances to customers measured at fair value through other comprehensive income		
– Forfeiting	26,559,276	21,690,203
– Discounted bills	36,916,121	27,790,081
Sub-total	63,475,397	49,480,284
Gross loans and advances to customers	406,094,463	387,690,452
Interest accrued	1,046,510	1,014,709
Less: Provision for impairment losses on loans and advances to customers measured at amortised cost	(12,823,608)	(12,656,502)
Net loans and advances to customers	394,317,365	376,048,659

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by economic sector

	30 June 2025		Loans and advances secured by collateral RMB'000
	Amount RMB'000	Percentage	
Leasing and commercial services	68,017,021	16.76%	6,388,676
Wholesale and retail	52,967,891	13.04%	12,383,568
Water, environment and public facility management	45,372,618	11.17%	3,270,102
Construction	28,055,657	6.91%	3,752,696
Financing	22,006,385	5.42%	9,789
Real estate	21,112,468	5.20%	7,193,175
Manufacturing	14,345,137	3.53%	1,629,329
Transportation, storage and postal services	5,822,647	1.44%	634,269
Production and supply of electric and heating power, gas and water	3,462,826	0.85%	160,816
Mining	3,100,199	0.76%	527,564
Agriculture, forestry, animal husbandry and fishery	2,025,260	0.50%	180,025
Culture, sports and entertainment	1,778,453	0.44%	39,160
Accommodation and catering	898,475	0.22%	398,032
Others	5,657,536	1.39%	709,668
Sub-total of corporate loans and advances	274,622,573	67.63%	37,276,869
Personal loans and advances	94,555,769	23.28%	73,273,955
Discounted bills	36,916,121	9.09%	36,916,121
Gross loans and advances to customers	406,094,463	100.00%	147,466,945

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(b) Analysed by economic sector (Continued)

	31 December 2024		
	Amount RMB'000	Percentage	Loans and advances secured by collateral RMB'000
Leasing and commercial services	67,081,072	17.30%	6,827,902
Wholesale and retail	52,474,645	13.54%	12,461,373
Water, environment and public facility management	45,663,106	11.78%	3,527,202
Construction	29,765,864	7.68%	4,991,398
Real estate	22,215,825	5.73%	8,090,676
Financing	15,097,011	3.89%	34,550
Manufacturing	13,911,729	3.59%	2,033,967
Transportation, storage and postal services	6,210,898	1.60%	1,062,490
Mining	3,866,257	1.00%	374,375
Production and supply of electric and heating power, gas and water	3,602,227	0.93%	248,787
Agriculture, forestry, animal husbandry and fishery	2,149,359	0.55%	246,395
Culture, sports and entertainment	1,183,893	0.31%	29,555
Accommodation and catering	750,697	0.19%	383,742
Others	4,971,041	1.28%	950,868
Sub-total of corporate loans and advances	268,943,624	69.37%	41,263,280
Personal loans and advances	90,956,747	23.46%	72,682,361
Discounted bills	27,790,081	7.17%	27,790,081
Gross loans and advances to customers	387,690,452	100.00%	141,735,722

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(c) Analysed by type of collateral

	30 June 2025 RMB'000	31 December 2024 RMB'000
Unsecured loans	86,097,493	79,043,252
Guaranteed loans	172,530,025	166,911,477
Loans secured by mortgages	87,790,974	87,460,703
Pledged loans	59,675,971	54,275,020
Gross loans and advances to customers	406,094,463	387,690,452
Interest accrued	1,046,510	1,014,709
Less: Provision for impairment losses on loans and advances to customers measured at amortised cost	(12,823,608)	(12,656,502)
Net loans and advances to customers	394,317,365	376,048,659

(d) Overdue loans analysed by overdue period

	30 June 2025				
	Overdue within three months (inclusive) RMB'000	Overdue more than three months to one year (inclusive) RMB'000	Overdue more than one year to three years (inclusive) RMB'000	Overdue more than three years RMB'000	Total RMB'000
Unsecured loans	542,398	272,581	1,093,824	174,272	2,083,075
Guaranteed loans	7,793,786	621,191	2,452,878	636,712	11,504,567
Loans secured by mortgage	1,566,885	2,016,430	1,912,545	787,778	6,283,638
Pledged loans	500,152	8,818	16,651	691,197	1,216,818
Total	10,403,221	2,919,020	5,475,898	2,289,959	21,088,098
As a percentage of gross loans and advances to customers	2.56%	0.72%	1.35%	0.56%	5.19%

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(d) Overdue loans analysed by overdue period (Continued)

	31 December 2024				
	Overdue within three months (inclusive) <i>RMB'000</i>	Overdue more than three months to one year (inclusive) <i>RMB'000</i>	Overdue more than one year to three years (inclusive) <i>RMB'000</i>	Overdue more than three years <i>RMB'000</i>	Total <i>RMB'000</i>
Unsecured loans	147,777	299,228	1,030,465	141,272	1,618,742
Guaranteed loans	4,024,698	2,814,033	2,160,832	381,885	9,381,448
Loans secured by mortgages	1,849,536	3,623,290	1,045,406	839,357	7,357,589
Pledged loans	371,368	112,640	210,752	485,098	1,179,858
Total	6,393,379	6,849,191	4,447,455	1,847,612	19,537,637
As a percentage of gross loans and advances to customers	1.65%	1.77%	1.15%	0.47%	5.04%

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(e) Loans and advances and provision for impairment losses

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impairment RMB'000	Stage 3 Lifetime ECL credit- impairment RMB'000	Total RMB'000
Total loans and advances to customers measured at amortised cost	308,753,405	12,918,199	20,947,462	342,619,066
Interest accrued	702,950	231,346	112,214	1,046,510
Less: Provision for impairment losses on loans and advances to customers measured at amortised cost	(2,838,620)	(2,018,924)	(7,966,064)	(12,823,608)
Carrying amount of loans and advances to customers measured at amortised cost	306,617,735	11,130,621	13,093,612	330,841,968
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	63,475,397	–	–	63,475,397
Total carrying amount of loans and advances to customers	370,093,132	11,130,621	13,093,612	394,317,365

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

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

	31 December 2024			Total RMB'000
	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime	
	ECL	not credit-	ECL credit-	
	RMB'000	impaired	impaired	
		RMB'000	RMB'000	
Total loans and advances to customers measured at amortised cost	303,822,215	14,761,474	19,626,479	338,210,168
Interest accrued	861,393	82,029	71,287	1,014,709
Less: Provision for impairment losses on loans and advances to customers measured at amortised cost	(2,839,735)	(2,523,851)	(7,292,916)	(12,656,502)
Carrying amount of loans and advances to customers measured at amortised cost	301,843,873	12,319,652	12,404,850	326,568,375
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	49,434,675	45,609	–	49,480,284
Total carrying amount of loans and advances to customers	351,278,548	12,365,261	12,404,850	376,048,659

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(f) Movements of provision for impairment losses

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

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2025	2,839,735	2,523,851	7,292,916	12,656,502
Transferred:				
– to Stage 1	567,482	(509,795)	(57,687)	–
– to Stage 2	(40,169)	191,169	(151,000)	–
– to Stage 3	(42,469)	(515,915)	558,384	–
(Decrease)/increase for the period	(485,959)	329,614	2,264,307	2,107,962
Write-offs and disposals	–	–	(1,665,065)	(1,665,065)
Recoveries of loans previously written off	–	–	56,178	56,178
Others	–	–	(331,969)	(331,969)
As at 30 June 2025	2,838,620	2,018,924	7,966,064	12,823,608

	31 December 2024			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	3,219,275	3,295,512	5,294,847	11,809,634
Transferred:				
– to Stage 1	71,092	(59,360)	(11,732)	–
– to Stage 2	(122,163)	307,893	(185,730)	–
– to Stage 3	(131,389)	(2,032,783)	2,164,172	–
(Decrease)/increase for the year	(197,080)	1,012,589	4,315,813	5,131,322
Write-offs and disposals	–	–	(4,054,449)	(4,054,449)
Recoveries of loans previously written off	–	–	133,900	133,900
Others	–	–	(363,905)	(363,905)
As at 31 December 2024	2,839,735	2,523,851	7,292,916	12,656,502

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(f) Movements of provision for impairment losses (Continued)

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

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2025	11,918	133	–	12,051
Increase/(decrease) for the period	3,961	(133)	–	3,828
As at 30 June 2025	15,879	–	–	15,879

	31 December 2024			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	5,440	6	–	5,446
Increase for the year	6,478	127	–	6,605
As at 31 December 2024	11,918	133	–	12,051

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(g) Movements of gross amount of loans and advances to customers (excluding accrued interest)

(1) *Movements of gross amount of loans and advances to customers (excluding accrued interest) measured at amortised cost:*

	30 June 2025			Total RMB'000
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	
As at 1 January 2025	303,822,215	14,761,474	19,626,479	338,210,168
Transferred:				
– to Stage 1	3,385,717	(3,232,440)	(153,277)	–
– to Stage 2	(3,813,295)	4,976,471	(1,163,176)	–
– to Stage 3	(2,789,841)	(2,360,941)	5,150,782	–
Increase/(decrease) for the period	8,148,609	(1,226,365)	(232,467)	6,689,777
Write-offs and disposals	–	–	(2,280,879)	(2,280,879)
As at 30 June 2025	308,753,405	12,918,199	20,947,462	342,619,066

	31 December 2024			Total RMB'000
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	
As at 1 January 2024	289,260,776	20,378,370	11,726,521	321,365,667
Transferred:				
– to Stage 1	279,943	(249,658)	(30,285)	–
– to Stage 2	(7,850,146)	8,303,448	(453,302)	–
– to Stage 3	(8,802,890)	(13,061,792)	21,864,682	–
Increase/(decrease) for the year	30,934,532	(608,894)	(775,889)	29,549,749
Write-offs and disposals	–	–	(12,705,248)	(12,705,248)
As at 31 December 2024	303,822,215	14,761,474	19,626,479	338,210,168

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

16. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(g) Movements of gross amount of loans and advances to customers (excluding accrued interest) (Continued)

(2) *Movements of gross amount of loans and advances to customers (excluding accrued interest) measured at fair value through other comprehensive income:*

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impairment RMB'000	Stage 3 Lifetime ECL credit- impairment RMB'000	Total RMB'000
As at 1 January 2025	49,434,675	45,609	–	49,480,284
Increase/(decrease) for the period	14,040,722	(45,609)	–	13,995,113
As at 30 June 2025	63,475,397	–	–	63,475,397

	31 December 2024			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	39,240,219	2,320	–	39,242,539
Increase for the year	10,194,456	43,289	–	10,237,745
As at 31 December 2024	49,434,675	45,609	–	49,480,284

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS

	Notes	30 June 2025 RMB'000	31 December 2024 RMB'000
Financial investments at fair value through profit or loss	(a)	40,880,460	32,484,947
Financial investments at fair value through other comprehensive income	(b)	31,095,501	21,447,481
Financial investments measured at amortised cost	(c)	150,218,902	147,416,874
Total		222,194,863	201,349,302

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

	Notes	30 June 2025 RMB'000	31 December 2024 RMB'000
Debt securities			
– Debt securities held for trading purpose	(1)	17,513,459	10,825,665
Investment funds and other investments			
– Investment funds held for trading purpose		15,215,153	15,032,167
– Other financial investments at fair value through profit or loss	(2)	8,151,848	6,627,115
Total		40,880,460	32,484,947

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS (CONTINUED)

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

(1) Debt securities held for trading purpose

	30 June 2025 RMB'000	31 December 2024 RMB'000
Mainland China		
– Government	7,127,745	517,346
– Policy banks	3,502,115	2,094,915
– Banks and other financial institutions	3,892,062	4,174,349
– Corporate	2,991,537	4,039,055
Total	17,513,459	10,825,665
Debt securities analysed into		
– listed outside Hong Kong	14,494,596	6,369,267
– unlisted	3,018,863	4,456,398
Total	17,513,459	10,825,665

(2) Other financial investments at fair value through profit or loss

	30 June 2025 RMB'000	31 December 2024 RMB'000
Other financial investments at fair value through profit or loss		
– Investment management products managed by securities companies	2,586,030	342,332
– Investment management products under trust schemes	4,596,426	5,345,449
– Others	969,392	939,334
Total	8,151,848	6,627,115

At 30 June 2025 and 31 December 2024, the underlying assets of the investment management products managed by securities companies and under trust schemes mainly consisted of debt securities held for trading purpose.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS (CONTINUED)

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Debt instruments		
– Government	15,607,489	12,901,896
– Policy banks	8,942,991	5,064,389
– Banks and other financial institutions	5,944,574	2,971,841
– Corporate	48,603	57,775
Sub-total	30,543,657	20,995,901
Interest accrued	298,757	205,388
Total of debt instruments	30,842,414	21,201,289
Equity instruments	253,087	246,192
Total	31,095,501	21,447,481
Debt securities by category		
– Listed outside Hong Kong	20,587,895	11,733,032
– Unlisted	9,955,762	9,262,869
Sub-total	30,543,657	20,995,901
Interest accrued	298,757	205,388
Total of debt instruments	30,842,414	21,201,289
Equity instruments investment by category		
– Unlisted	253,087	246,192
Total	31,095,501	21,447,481

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS (CONTINUED)

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

(1) Fair value analysis of financial investments at fair value through other comprehensive income:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Amortised cost	30,607,661	20,425,705
Fair value	31,095,501	21,447,481
Accumulated changes in fair value through other comprehensive income	487,840	1,021,776
Amount of provision for impairment	(3,244)	(1,564)

(2) Movements of provision for impairment of financial investments measured at fair value through other comprehensive income during the period:

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2025	1,564	–	–	1,564
Increase for the period	1,680	–	–	1,680
As at 30 June 2025	3,244	–	–	3,244

	31 December 2024			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	1,224	–	–	1,224
Increase for the year	340	–	–	340
As at 31 December 2024	1,564	–	–	1,564

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS (CONTINUED)

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

(3) *Movements of gross amount (excluding accrued interest) of financial investments measured at fair value through other comprehensive income during the period:*

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impairment RMB'000	Stage 3 Lifetime ECL credit- impairment RMB'000	Total RMB'000
As at 1 January 2025	20,995,901	–	–	20,995,901
Increase for the period	9,547,756	–	–	9,547,756
As at 30 June 2025	30,543,657	–	–	30,543,657

	31 December 2024			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	22,530,775	–	–	22,530,775
Decrease for the year	(1,534,874)	–	–	(1,534,874)
As at 31 December 2024	20,995,901	–	–	20,995,901

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS (CONTINUED)

(c) Financial investments measured at amortised cost

	Notes	30 June 2025 RMB'000	31 December 2024 RMB'000
Debt securities	(1)	118,747,337	111,202,780
Investment management products under the trust schemes	(2)	25,487,519	29,836,747
Investment management products managed by securities companies		8,023,964	8,087,964
Others		16,708	267,785
Sub-total		33,528,191	38,192,496
Interest accrued		1,396,590	1,463,000
Less: Provision for impairment losses	(3)	(3,453,216)	(3,441,402)
Total		150,218,902	147,416,874

(1) Debt securities

	30 June 2025 RMB'000	31 December 2024 RMB'000
Debt securities		
– Government	48,062,099	47,663,975
– Policy banks	30,788,167	30,909,361
– Bank and other financial institutions	17,766,919	13,679,261
– Corporate	22,130,152	18,950,183
Sub-total	118,747,337	111,202,780
Interest accrued	1,253,305	1,412,295
Total	120,000,642	112,615,075

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS (CONTINUED)

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

(1) Debt securities (Continued)

	30 June 2025 RMB'000	31 December 2024 RMB'000
Analysed into		
– debt securities listed outside Hong Kong	53,884,457	54,373,015
– debt securities unlisted	64,862,880	56,829,765
Sub-total	118,747,337	111,202,780
Interest accrued	1,253,305	1,412,295
Total	120,000,642	112,615,075

(2) At 30 June 2025 and 31 December 2024, the underlying assets at the investment management products managed by securities companies and under trust schemes mainly consisted of debt securities for collecting fixed or determinable returns

(3) **Movements of provision for impairment of financial investments measured at amortised cost is as follows:**

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2025	271,128	92,025	3,078,249	3,441,402
Transferred:				
– to Stage 1	–	–	–	–
– to Stage 2	(15,555)	15,555	–	–
– to Stage 3	(27,345)	(92,025)	119,370	–
(Decrease)/increase for the period	(2,053)	77,091	689,561	764,599
Write-offs and disposals	–	–	(853,048)	(853,048)
Recovery of written-off financial investments	–	–	100,263	100,263
As at 30 June 2025	226,175	92,646	3,134,395	3,453,216

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS (CONTINUED)

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

(3) *Movements of provision for impairment of financial investments measured at amortised cost is as follows: (Continued)*

	31 December 2024			Total RMB'000
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	
As at 1 January 2024	355,161	346,746	3,356,995	4,058,902
Transferred:				
– to Stage 1	4,488	(4,488)	–	–
– to Stage 2	(9,459)	9,459	–	–
– to Stage 3	(54,263)	(279,870)	334,133	–
(Decrease)/increase for the year	(24,799)	20,178	1,181,062	1,176,441
Write-offs and disposals	–	–	(1,950,487)	(1,950,487)
Recovery of written-off financial investments	–	–	156,546	156,546
As at 31 December 2024	271,128	92,025	3,078,249	3,441,402

(4) *Movements of gross amount (excluding accrued interest) of financial investments measured at amortised cost:*

	30 June 2025			Total RMB'000
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	
As at 1 January 2025	134,269,322	900,000	14,225,954	149,395,276
Transferred:				
– to Stage 1	–	–	–	–
– to Stage 2	(885,000)	885,000	–	–
– to Stage 3	(2,067,980)	(900,000)	2,967,980	–
Increase/(decrease) for the period	4,622,364	(6,000)	(736,112)	3,880,252
Write-offs and disposals	–	–	(1,000,000)	(1,000,000)
As at 30 June 2025	135,938,706	879,000	15,457,822	152,275,528

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

17. FINANCIAL INVESTMENTS (CONTINUED)

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

(4) *Movements of gross amount (excluding accrued interest) of financial investments measured at amortised cost: (Continued)*

	31 December 2024			Total RMB'000
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	
As at 1 January 2024	107,867,443	3,710,451	13,617,936	125,195,830
Transferred:				
– to Stage 1	25,500	(25,500)	–	–
– to Stage 2	(361,800)	361,800	–	–
– to Stage 3	(2,456,101)	(2,759,805)	5,215,906	–
Increase/(decrease) for the year	29,194,280	(386,946)	(227,615)	28,579,719
Write-offs and disposals	–	–	(4,380,273)	(4,380,273)
As at 31 December 2024	134,269,322	900,000	14,225,954	149,395,276

18. LEASE RECEIVABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Minimum lease receivables	36,353,202	36,354,789
Less: Unearned finance lease income	(4,681,967)	(4,610,384)
Present value of lease receivables	31,671,235	31,744,405
Interest accrued	289,878	320,362
Less: Provision for impairment losses	(1,651,851)	(1,407,487)
Total	30,309,262	30,657,280

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

18. LEASE RECEIVABLES (CONTINUED)

- (a) Lease receivables, unearned finance lease income and minimum lease receivables analysed by remaining period are listed as follows:

	30 June 2025		
	Minimum lease receivables <i>RMB'000</i>	Unearned finance lease income <i>RMB'000</i>	Present value of lease receivables <i>RMB'000</i>
Less than 1 year	15,632,136	(2,242,277)	13,389,859
1 year to 2 years	10,469,460	(1,418,959)	9,050,501
2 years to 3 years	5,735,012	(629,336)	5,105,676
3 years to 5 years	4,040,522	(349,475)	3,691,047
More than 5 years	476,072	(41,920)	434,152
Total	36,353,202	(4,681,967)	31,671,235

	31 December 2024		
	Minimum lease receivables <i>RMB'000</i>	Unearned finance lease income <i>RMB'000</i>	Present value of lease receivables <i>RMB'000</i>
Less than 1 year	15,957,597	(2,256,624)	13,700,973
1 year to 2 years	10,549,138	(1,300,025)	9,249,113
2 years to 3 years	5,525,058	(666,402)	4,858,656
3 years to 5 years	4,147,252	(352,704)	3,794,548
More than 5 years	175,744	(34,629)	141,115
Total	36,354,789	(4,610,384)	31,744,405

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

18. LEASE RECEIVABLES (CONTINUED)

(b) Movements of provision for impairment

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impairment RMB'000	Stage 3 Lifetime ECL credit- impairment RMB'000	Total RMB'000
As at 1 January 2025	378,415	315,686	713,386	1,407,487
Transferred:				
– to Stage 1	–	–	–	–
– to Stage 2	(24,660)	24,660	–	–
– to Stage 3	(3,098)	(15,030)	18,128	–
Increase for the period	2,521	205,297	22,679	230,497
Recovery of written-off	–	–	13,867	13,867
As at 30 June 2025	353,178	530,613	768,060	1,651,851

	31 December 2024			
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	516,205	101,059	307,689	924,953
Transferred:				
– to Stage 1	7	(7)	–	–
– to Stage 2	(19,477)	19,477	–	–
– to Stage 3	(8,476)	(19,763)	28,239	–
(Decrease)/increase for the year	(109,844)	214,920	376,922	481,998
Recovery of written-offs	–	–	536	536
As at 31 December 2024	378,415	315,686	713,386	1,407,487

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

18. LEASE RECEIVABLES (CONTINUED)

(c) Movements of present value of lease receivables

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2025	29,187,186	1,512,198	1,045,021	31,744,405
Transferred:				
– to Stage 1	–	–	–	–
– to Stage 2	(2,013,091)	2,013,091	–	–
– to Stage 3	(230,546)	(140,646)	371,192	–
Increase/(decrease) for the period	198,633	(88,552)	(183,251)	(73,170)
As at 30 June 2025	27,142,182	3,296,091	1,232,962	31,671,235

	31 December 2024			
	12-month ECL RMB'000	Lifetime ECL not credit- impaired RMB'000	Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	32,121,367	705,937	607,419	33,434,723
Transferred:				
– to Stage 1	42	(42)	–	–
– to Stage 2	(1,239,521)	1,239,521	–	–
– to Stage 3	(560,389)	(141,587)	701,976	–
Decrease for the year	(1,134,313)	(291,631)	(264,374)	(1,690,318)
As at 31 December 2024	29,187,186	1,512,198	1,045,021	31,744,405

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

19. INVESTMENT IN SUBSIDIARIES AND INTERESTS IN ASSOCIATES

(a) Investment in subsidiaries

The Group's subsidiaries as at the end of the reporting period are as follows:

Name	Percentage of equity interest		Proportion of voting rights 30 June 2025 %	Paid-in capital 30 June 2025 RMB'000	Amount invested by the Bank RMB'000	Place of incorporation registration	Principal activity
	30 June 2025 %	31 December 2024 %					
Fugou Zhengyin County Bank Co., Ltd.	50.20	50.20	50.20	60,000	30,120	China	Banking
Henan Jiuding Financial Leasing Co., Ltd.	51.00	51.00	51.00	2,000,000	1,020,000	China	Leasing
Xinmi Zhengyin County Bank Co., Ltd.	51.20	51.20	51.20	125,000	74,033	China	Banking
Xunxian Zhengyin County Bank Co., Ltd.	51.00	51.00	51.00	100,000	51,000	China	Banking
Queshan Zhengyin County Bank Co., Ltd.	51.00	51.00	51.00	50,000	25,500	China	Banking
Xinzheng Zhengyin County Bank Co., Ltd.	51.00	51.00	51.00	105,800	59,801	China	Banking

Fugou Zhengyin County Bank Co., Ltd. was incorporated on 3 December 2015. Henan Jiuding Financial Leasing Co., Ltd. was incorporated on 23 March 2016. Xinmi Zhengyin County Bank Co., Ltd. has become a subsidiary of the Bank since 1 January 2017. Xunxian Zhengyin County Bank Co., Ltd. was incorporated on 6 November 2017. Queshan Zhengyin County Bank Co., Ltd. was incorporated on 14 November 2017. Xinzheng Zhengyin County Bank Co., Ltd. has become a subsidiary of the Bank since 31 July 2022. The six subsidiaries have no material non-controlling interest to the Group.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

19. INVESTMENT IN SUBSIDIARIES AND INTERESTS IN ASSOCIATES (CONTINUED)

(b) Interests in associates

	30 June 2025 RMB'000	31 December 2024 RMB'000
Interests in associates	600,883	607,767
Total	600,883	607,767

The following list contains the Group's associates, all of which are individually immaterial to the Group and are unlisted corporate entities whose quoted market prices are not available:

Name	Percentage of equity/voting rights %		Place of incorporation registration	Business section
	30 June 2025	31 December 2024		
Zhongmu Zhengyin County Bank Co., Ltd.	49.51	49.51	China	Banking
Yanling Zhengyin County Bank Co., Ltd.	49.58	49.58	China	Banking

(1) *The following table illustrates the aggregate information of the Group's associates that are not individually material:*

	30 June 2025 RMB'000	31 December 2024 RMB'000
Aggregate carrying amount of the individually immaterial associates in the consolidated statements of financial position of the Group	600,883	607,767

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Aggregate amounts of the Group's share of results of the associates		
– Losses from continuing operations	(6,020)	(3,700)
– Other comprehensive income	(864)	–
– Total comprehensive income	(6,884)	(3,700)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

20. PROPERTY AND EQUIPMENT

	Premises RMB'000	Electronic equipment RMB'000	Vehicles RMB'000	Office equipment and others RMB'000	Assets under operating leases RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
As at 1 January 2024	2,549,553	840,838	8,656	251,386	143,983	1,215,234	5,009,650
Additions	1,844	18,372	216	5,336	4,043	98,972	128,783
Disposals	–	(7,606)	–	(10,101)	–	–	(17,707)
As at 31 December 2024	2,551,397	851,604	8,872	246,621	148,026	1,314,206	5,120,726
Addition	–	7,909	–	1,137	–	7,589	16,635
Disposals	–	(2,036)	–	(1,079)	–	–	(3,115)
As at 30 June 2025	2,551,397	857,477	8,872	246,679	148,026	1,321,795	5,134,246
Accumulated depreciation							
As at 1 January 2024	(627,708)	(704,538)	(7,320)	(233,196)	(8,739)	–	(1,581,501)
Additions	(77,766)	(40,057)	(459)	(15,318)	(14,167)	–	(147,767)
Disposals	–	7,226	–	9,558	–	–	16,784
As at 31 December 2024	(705,474)	(737,369)	(7,779)	(238,956)	(22,906)	–	(1,712,484)
Additions	(38,916)	(21,067)	(149)	(399)	(7,071)	–	(67,602)
Disposals	–	1,933	–	1,007	–	–	2,940
As at 30 June 2025	(744,390)	(756,503)	(7,928)	(238,348)	(29,977)	–	(1,777,146)
Impairment							
As at 31 December 2024 and 30 June 2025	(1,355)	(1,893)	–	(756)	–	–	(4,004)
Net book value							
As at 31 December 2024	1,844,568	112,342	1,093	6,909	125,120	1,314,206	3,404,238
As at 30 June 2025	1,805,652	99,081	944	7,575	118,049	1,321,795	3,353,096

The carrying amount of premises without title deeds as at 30 June 2025 was RMB158 million (31 December 2024: RMB162 million). The Group is still in the progress of applying for the outstanding title deeds for the above premises. The Group expected that there would be no significant cost in obtaining the title deeds.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

20. PROPERTY AND EQUIPMENT (CONTINUED)

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
Held in Mainland China		
– Medium-term leases (10 to 50 years)	1,715,092	1,835,206
– Short-term leases (less than 10 years)	90,560	9,362
Total	1,805,652	1,844,568

21. DEFERRED TAX ASSETS

(a) Analysed by nature

	30 June 2025		31 December 2024	
	Deductible/ (taxable) temporary differences RMB'000	Deferred income tax assets/ (liabilities) RMB'000	Deductible/ (taxable) temporary differences RMB'000	Deferred income tax assets/ (liabilities) RMB'000
Deferred tax assets				
Allowance for impairment losses	27,203,331	6,800,833	25,204,720	6,301,180
Accrued staff costs	430,229	107,558	456,480	114,120
Fair value changes in financial instruments	(996,130)	(249,033)	(1,596,796)	(399,199)
Provisions	94,395	23,599	90,397	22,599
Others	70,547	17,637	109,620	27,405
Total	26,802,372	6,700,594	24,264,421	6,066,105

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

21. DEFERRED TAX ASSETS (CONTINUED)

(b) Anaylsed by movements

	At 1 January 2025 <i>RMB'000</i>	Recongised in profit or loss <i>RMB'000</i>	Recongised in other comprehensive income <i>RMB'000</i>	At 30 June 2025 <i>RMB'000</i>
Allowance for impairment losses	6,301,180	501,030	(1,377)	6,800,833
Accrued staff costs	114,120	(6,562)	–	107,558
Fair value changes in financial instruments	(399,199)	13,288	136,878	(249,033)
Provisions	22,599	1,000	–	23,599
Others	27,405	(9,768)	–	17,637
Net deferred income tax assets	6,066,105	498,988	135,501	6,700,594

	At 1 January 2024 <i>RMB'000</i>	Recongised in profit or loss <i>RMB'000</i>	Recongised in other comprehensive income <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Allowance for impairment losses	6,296,082	6,834	(1,736)	6,301,180
Accrued staff costs	86,090	28,030	–	114,120
Fair value changes in financial instruments	(115,868)	(79,741)	(203,590)	(399,199)
Provisions	22,227	372	–	22,599
Others	(10,253)	37,658	–	27,405
Net deferred income tax assets	6,278,278	(6,847)	(205,326)	6,066,105

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

22. OTHER ASSETS

	Notes	30 June 2025 RMB'000	31 December 2024 RMB'000
Interest receivable	(a)	1,496,625	1,621,557
Other receivables		726,502	1,033,986
Intangible assets	(b)	701,329	746,996
Continuously involved assets		704,077	695,077
Right-of-use assets	(c)	458,565	498,042
Leasehold improvements		62,317	70,628
Prepayments		190,885	190,363
Reposessed assets	(d)	3,703,944	2,857,199
Others		554	327,475
Sub-total		8,044,798	8,041,323
Less: Allowance for impairment losses		(540,964)	(601,214)
Total		7,503,834	7,440,109

(a) Interest receivables

	30 June 2025 RMB'000	31 December 2024 RMB'000
Interest receivables arising from:		
– Investments	1,250,712	1,440,346
– Loans and advances to customers	205,925	139,850
– Others	39,988	41,361
Sub-total	1,496,625	1,621,557
Less: Allowance for impairment losses	(408,016)	(473,624)
Total	1,088,609	1,147,933

Interest receivables only includes interest that has been due for the relevant financial instruments but not yet received at the end of the reporting period. Interest on financial instruments based on the effective interest method has been reflected in the balance of corresponding financial instruments.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

22. OTHER ASSETS (CONTINUED)

(b) Intangible assets

	30 June 2025 RMB'000	31 December 2024 RMB'000
Cost		
As at 1 January	1,452,326	1,317,578
Additions	27,551	136,709
Decrease	–	(1,961)
As at 30 June/31 December	1,479,877	1,452,326
Accumulated amortisation		
As at 1 January	(705,330)	(568,204)
Additions	(73,218)	(138,053)
Decrease	–	927
At as 30 June/31 December	(778,548)	(705,330)
Net book value		
As at 1 January	746,996	749,374
As at 30 June/31 December	701,329	746,996

Intangible assets of the Group mainly represent computer software.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

22. OTHER ASSETS (CONTINUED)

(c) Right-of-use assets

	Premises <i>RMB'000</i>	Land use rights <i>RMB'000</i>	Vehicles <i>RMB'000</i>	Other equipments <i>RMB'000</i>	Total <i>RMB'000</i>
Cost					
As at 1 January 2024	539,114	369,299	8,953	2,024	919,390
Additions	50,003	–	1,731	3,600	55,334
Disposals	(69,231)	–	(5,093)	(2,025)	(76,349)
As at 31 December 2024	519,886	369,299	5,591	3,599	898,375
Additions	14,100	–	169	40	14,309
Disposals	(56,578)	–	(1,611)	(3,179)	(61,368)
As at 30 June 2025	477,408	369,299	4,149	460	851,316
Accumulated depreciation					
As at 1 January 2024	(288,696)	(54,166)	(5,472)	(1,446)	(349,780)
Additions	(113,164)	(7,120)	(2,912)	(3,405)	(126,601)
Disposals	69,075	–	5,093	2,025	76,193
As at 31 December 2024	(332,785)	(61,286)	(3,291)	(2,826)	(400,188)
Additions	(47,675)	(3,560)	(863)	(641)	(52,739)
Disposals	55,386	–	1,611	3,179	60,176
As at 30 June 2025	(325,074)	(64,846)	(2,543)	(288)	(392,751)
Allowance for impairment losses					
As at 31 December 2024	–	(145)	–	–	(145)
As at 30 June 2025	–	(145)	–	–	(145)
Net book value					
As at 31 December 2024	187,101	307,868	2,300	773	498,042
As at 30 June 2025	152,334	304,308	1,606	172	458,420

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

22. OTHER ASSETS (CONTINUED)

(d) Repossessed assets

	30 June 2025 RMB'000	31 December 2024 RMB'000
Premises	3,467,512	2,620,767
Land use rights	116,298	116,298
Others	120,134	120,134
Book value	3,703,944	2,857,199

The Group plans to dispose of the repossessed assets through auction, bidding, and transfer in the future.

23. DUE TO CENTRAL BANK

	30 June 2025 RMB'000	31 December 2024 RMB'000
Medium-term lending facility	22,180,000	22,180,000
Small enterprises and agriculture supporting re-lending	16,723,263	12,596,752
Sub-total	38,903,263	34,776,752
Interest accrued	247,565	261,008
Total	39,150,828	35,037,760

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

24. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025 RMB'000	31 December 2024 RMB'000
In Mainland China		
– Banks	9,979,610	8,237,695
– Other financial institutions	2,725,520	4,114,223
Sub-total	12,705,130	12,351,918
Interest accrued	43,854	28,176
Total	12,748,984	12,380,094

25. PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025 RMB'000	31 December 2024 RMB'000
In Mainland China		
– Banks	25,535,516	24,226,000
– Other financial institutions	2,055,000	3,712,800
Sub-total	27,590,516	27,938,800
Outside Mainland China		
– Banks	–	500,000
Interest accrued	242,882	288,416
Total	27,833,398	28,727,216

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

26. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

(a) Analysed by type and location of counterparty

	30 June 2025 RMB'000	31 December 2024 RMB'000
In Mainland China		
– PBOC	–	9,000,000
– Banks	9,200,268	7,696,761
Sub-total	9,200,268	16,696,761
Interest accrued	1,058	2,382
Total	9,201,326	16,699,143

(b) Analysed by type of collateral

	30 June 2025 RMB'000	31 December 2024 RMB'000
Debt securities	8,600,590	14,626,715
Bills	599,678	2,070,046
Sub-total	9,200,268	16,696,761
Interest accrued	1,058	2,382
Total	9,201,326	16,699,143

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

27. DEPOSITS FROM CUSTOMERS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Demand deposits		
– Corporate deposits	66,931,181	74,067,481
– Personal deposits	30,194,738	29,393,888
Sub-total	97,125,919	103,461,369
Time deposits		
– Corporate deposits	101,803,450	85,731,919
– Personal deposits	227,903,034	188,785,501
Sub-total	329,706,484	274,517,420
Pledged deposits		
– Acceptances	14,902,985	22,354,770
– Letters of guarantees	244,794	266,749
– Letters of credit	3,316,472	3,126,365
– Others	412,347	437,047
Sub-total	18,876,598	26,184,931
Others	953,224	374,178
Interest accrued	9,859,705	8,558,128
Total	456,521,930	413,096,026

Deposits from customers are measured at amortised cost.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

28. DEBT SECURITIES

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Financial bonds	(a)	14,999,200	14,998,784
Interbank deposits		96,331,924	95,057,091
Sub-total		111,331,124	110,055,875
Interest accrued		200,230	186,346
Total		111,531,354	110,242,221

(a) Financial bonds

Fixed rate green financial bonds of RMB3.0 billion with a term of three years was issued in September 2022. The coupon rate is 2.65% per annum.

Fixed rate financial bonds of RMB5.0 billion with a term of three years was issued in November 2022. The coupon rate is 2.95% per annum.

Fixed rate financial bonds of RMB5.0 billion with a term of three years was issued in March 2023. The coupon rate is 3.02% per annum.

Fixed rate green financial bonds of RMB2.0 billion with a term of three years was issued in May 2024. The coupon rate is 2.25% per annum.

29. OTHER LIABILITIES

	Notes	30 June 2025 RMB'000	31 December 2024 RMB'000
Accrued staff costs	(a)	1,031,075	1,255,367
Finance lease payable		101,548	145,841
Dormant accounts		44,194	41,414
Payment and collection clearance accounts		535,569	115,571
Dividend payable		208,415	26,573
Expected credit losses of credit commitments	(b)	94,395	90,397
Lease liabilities	(c)	139,079	177,379
Continuously involved liabilities		704,077	695,077
Others		2,087,349	922,321
Total		4,945,701	3,469,940

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

29. OTHER LIABILITIES (CONTINUED)

(a) Accrued staff costs

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Salaries, bonuses and allowances payable		758,455	1,020,491
Social insurance and annuity payable		5,601	264
Housing allowances payable		299	122
Labour union fee, staff and workers' education fee		16,915	6,587
Supplementary retirement benefits payable	(1)	220,667	226,404
Others		29,138	1,499
Total		1,031,075	1,255,367

(1) Supplementary retirement benefits ("SRB")

The supplementary retirement benefits of the Group include early retirement plan and supplementary retirement plan. The early retirement benefits payments are provided to employees who voluntarily agree to retire before the retirement age during the period from the date of early retirement to the statutory retirement date. The supplementary retirement plan is provided to the Group's eligible employees.

The Group has not forfeited any retirement benefit scheme contributions (i.e., contributions which are processed by the employer on behalf of the employee after the employee has withdrawn from the scheme before the relevant contributions become his/her own). At 30 June 2025, there are no forfeited contributions under the Group's retirement benefit plans which can be used to deduct contributions payable for future years.

The amount represents the present value of the total estimated amount of future benefits that the Group is committed to pay for eligible employees at the end of the reporting period. The Group's obligations in respect of the SRB were assessed using projected unit credit method by qualified staff (a member of society of Actuaries in China) of an external independent actuary, Towers Watson Management Consulting (Shenzhen) Co., Ltd. The signed actuaries are North American Actuary (FSA) and Chinese Actuary (FCAA).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

29. OTHER LIABILITIES (CONTINUED)

(a) Accrued staff costs (Continued)

(1) Supplementary retirement benefits ("SRB") (Continued)

(i) The balances of supplementary retirement benefits of the Group are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Present value of early retirement plan	10,183	11,534
Present value of supplementary retirement plan	210,484	214,870
Total	220,667	226,404

(ii) The movements of supplementary retirement benefits of the group are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
As at 1 January	226,404	201,435
Benefits paid during the period/year	(5,159)	(13,346)
Defined benefit cost recognised in profit or loss	2,176	14,304
Defined benefits cost recognised in other comprehensive income	(2,754)	24,011
As at 30 June/31 December	220,667	226,404

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

29. OTHER LIABILITIES (CONTINUED)

(a) Accrued staff costs (Continued)

(1) Supplementary retirement benefits ("SRB") (Continued)

(iii) Key actuarial assumptions of the Group are as follows:

	30 June 2025	31 December 2024
Early retirement plan		
Discount rate	1.50%	1.25%
Retirement age		
– Male	63	63
– Female	58	58
Annual increase rate of internal salary	6.00%	6.00%
Supplementary retirement plan		
Discount rate	1.75%	1.75%
Retirement age		
– Male	63	63
– Female	58	58
Death rate for people aged 20 – 105		
– Male	0.0248% – 100%	0.0248% – 100%
– Female	0.012% – 100%	0.012% – 100%

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

29. OTHER LIABILITIES (CONTINUED)

(b) Expected credit losses of credit commitments

As at 30 June 2025 and 31 December 2024, movements of expected credit losses of credit commitments during the period/year are as follows:

	30 June 2025			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2025	84,754	2,068	3,575	90,397
Transferred:				
– to Stage 1	689	(179)	(510)	–
– to Stage 2	(63)	181	(118)	–
– to Stage 3	(48)	(226)	274	–
Increase/(decrease) for the period	4,292	(824)	530	3,998
As at 30 June 2025	89,624	1,020	3,751	94,395

	31 December 2024			
	Stage 1 12-month ECL RMB'000	Stage 2 Lifetime ECL not credit- impaired RMB'000	Stage 3 Lifetime ECL credit- impaired RMB'000	Total RMB'000
As at 1 January 2024	86,200	478	2,228	88,906
Transferred:				
– to Stage 1	698	(217)	(481)	–
– to Stage 2	(42)	166	(124)	–
– to Stage 3	(78)	(168)	246	–
(Decrease)/increase for the year	(2,024)	1,809	1,706	1,491
As at 31 December 2024	84,754	2,068	3,575	90,397

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

29. OTHER LIABILITIES (CONTINUED)

(c) Lease liabilities

The maturity analysis of lease liabilities – undiscounted analysis:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within one year (inclusive)	78,958	89,713
Between one year and two years (inclusive)	38,881	58,707
Between two years and three years (inclusive)	15,883	21,536
Between three years and five years (inclusive)	8,009	9,241
More than five years	4,366	7,710
Total undiscounted lease liabilities	146,097	186,907
Carrying amount of lease liabilities	139,079	177,379

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

30. SHARE CAPITAL

Authorised and issued share capital

For the six months ended 30 June 2025

	1 January 2025		Increase		Decrease		30 June 2025	
	Quantity (‘000)	Amount (RMB‘000)	Quantity (‘000)	Amount (RMB‘000)	Quantity (‘000)	Amount (RMB‘000)	Quantity (‘000)	Amount (RMB‘000)
Ordinary shares listed in Mainland China (A-share)	7,071,633	7,071,633	–	–	–	–	7,071,633	7,071,633
Ordinary shares listed in Hong Kong (H-share)	2,020,458	2,020,458	–	–	–	–	2,020,458	2,020,458
Total	9,092,091	9,092,091	–	–	–	–	9,092,091	9,092,091

For the year ended 31 December 2024

	1 January 2024		Increase		Decrease		31 December 2024	
	Quantity (‘000)	Amount (RMB‘000)	Quantity (‘000)	Amount (RMB‘000)	Quantity (‘000)	Amount (RMB‘000)	Quantity (‘000)	Amount (RMB‘000)
Ordinary shares listed in Mainland China (A-share)	7,071,633	7,071,633	–	–	–	–	7,071,633	7,071,633
Ordinary shares listed in Hong Kong (H-share)	2,020,458	2,020,458	–	–	–	–	2,020,458	2,020,458
Total	9,092,091	9,092,091	–	–	–	–	9,092,091	9,092,091

All the above H-shares have been listed on the Stock Exchange of Hong Kong Limited since 20 January 2016. The H-shares rank pari passu in all respects with the existing A-share listed in Mainland China including the right to receive all dividends and distributions declared or made.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

31. RESERVES

(a) Capital reserve

For the six months ended 30 June 2025

	1 January 2025 RMB'000	Increase RMB'000	Decrease RMB'000	30 June 2025 RMB'000
Share premium	5,920,487	–	–	5,920,487
Others	64,615	–	–	64,615
Total	5,985,102	–	–	5,985,102

For the year ended 31 December 2024

	1 January 2024 RMB'000	Increase RMB'000	Decrease RMB'000	31 December 2024 RMB'000
Share premium	5,920,487	–	–	5,920,487
Others	64,615	–	–	64,615
Total	5,985,102	–	–	5,985,102

(b) Surplus reserve

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

Pursuant to the Company Law of the PRC and the Article of Association of the Bank, the Bank is required to appropriate 10% of its net profit on an annual basis as determined under the PRC GAAP, after making good prior year's accumulated loss, to statutory surplus reserve fund until the reserve fund balance reaches 50% of its registered capital.

The Bank may also appropriate discretionary surplus reserve fund in accordance with the resolution of the shareholders.

(c) General reserve

With effect from 1 July 2012, pursuant to the Measures on Impairment Allowances for Financial Enterprises (Cai Jin [2012] No. 20) issued by the Ministry of Finance, the Bank is required to set aside a general reserve through profit appropriation which should not be lower than 1.5% of the ending balance of its gross risk-bearing assets on an annual basis.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

31. RESERVES (CONTINUED)

(d) Fair value reserve

	30 June 2025 RMB'000	31 December 2024 RMB'000
As at 1 January	809,842	189,386
Change in fair value/credit losses recognised in other comprehensive income	(186,263)	728,346
Transfer to profit or loss upon disposal	(362,637)	(86,923)
Less: Deferred income tax	137,225	(160,356)
Share of other comprehensive income of associates	(864)	4,480
Sub-total	(412,539)	485,547
Change in fair value of equity instruments recognised in other comprehensive income	6,895	179,879
Less: Deferred income tax	(1,724)	(44,970)
Sub-total	5,171	134,909
As at 30 June/31 December	402,474	809,842

(e) Remeasurement of net defined benefit liability

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

	30 June 2025 RMB'000	31 December 2024 RMB'000
As at 1 January	(98,054)	(74,043)
Remeasurement of net defined benefit liability	2,754	(24,011)
Less: Deferred income tax	—	—
Sub-total	2,754	(24,011)
As at 30 June/31 December	(95,300)	(98,054)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

31. RESERVES (CONTINUED)

(f) Movements in components of equity

The reconciliation of the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Bank's individual components of equity between the beginning and the end of the period/year are set out below:

The Bank

Note	Share capital RMB'000	Other equity instruments RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	General reserve RMB'000	Fair value reserve RMB'000	Remeasurement of net defined benefit liability RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2025	9,092,091	9,998,855	5,985,160	3,875,978	8,826,752	809,842	(98,054)	15,238,302	53,728,926
Profit for the period	-	-	-	-	-	-	-	1,586,725	1,586,725
Other comprehensive income	-	-	-	-	-	(407,368)	2,754	-	(404,614)
Total comprehensive income	-	-	-	-	-	(407,368)	2,754	1,586,725	1,182,111
Cash dividend on ordinary shares 32(b)	-	-	-	-	-	-	-	(181,842)	(181,842)
Sub-total	-	-	-	-	-	(407,368)	2,754	1,404,883	1,000,269
Balance at 30 June 2025	9,092,091	9,998,855	5,985,160	3,875,978	8,826,752	402,474	(95,300)	16,643,185	54,729,195

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

31. RESERVES (CONTINUED)

(f) Movements in components of equity (Continued)

The reconciliation of the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Bank's individual components of equity between the beginning and the end of the period/year are set out below: (Continued)

The Bank

	Notes	Share capital RMB'000	Other equity instruments RMB'000	Capital reserve RMB'000	Surplus reserve RMB'000	General reserve RMB'000	Fair value reserve RMB'000	Remeasurement of net defined benefit liability RMB'000	Retained earnings RMB'000	Sub-total RMB'000
Balance at 1 January 2024		9,092,091	9,998,855	5,985,160	3,689,605	7,950,752	189,386	(74,043)	14,916,948	51,748,754
Profit for the year		-	-	-	-	-	-	-	1,863,727	1,863,727
Other comprehensive income		-	-	-	-	-	620,456	(24,011)	-	596,445
Total comprehensive income		-	-	-	-	-	620,456	(24,011)	1,863,727	2,460,172
Capital invested and reduced by shareholders:										
Appropriation of profit:										
- Appropriation to surplus reserve	31(b)	-	-	-	186,373	-	-	-	(186,373)	-
- Appropriation to general reserve	31(c)	-	-	-	-	876,000	-	-	(876,000)	-
- Dividend for perpetual bond	32(a)	-	-	-	-	-	-	-	(480,000)	(480,000)
Sub-total		-	-	-	186,373	876,000	620,456	(24,011)	321,354	1,980,172
Balance at 31 December 2024		9,092,091	9,998,855	5,985,160	3,875,978	8,826,752	809,842	(98,054)	15,238,302	53,728,926

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

32. PROFIT DISTRIBUTION

(a) Dividends for Perpetual Bond

The Bank distributed a dividend of RMB480 million to the perpetual bond holders in November 2024.

(b) Dividends for Ordinary Shares

In accordance with the resolution of the Bank's Annual General Meeting held on 27 June 2025, the shareholders approved the profit distribution plan for the year ended 31 December 2024 and declared cash dividends of RMB0.2 per ten shares before tax and in an aggregation amount of approximately RMB181,842 thousand to all existing shareholders.

(c) Retained earnings

As at 30 June 2025, retained earnings of the Group included the statutory surplus reserve of RMB116 million appropriated by the subsidiaries and attributable to the Bank (31 December 2024: RMB116 million).

33. OTHER EQUITY INSTRUMENTS

(a) Preference shares outstanding at the end of the period:

Financial instrument	Time issued	Classification	Dividend yield ratio/ interest rate	Issue price	Quantity	As at 30 June 2025 and 31 December 2024 RMB(million)	Maturity	Conversion conditions
Undated additional tier 1 capital bonds (i)	2021/11/11	Equity	4.8%	RMB100	100,000,000	10,000	perpetual	None
Less: Issuing cost						(2)		
Total						9,998		

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

33. OTHER EQUITY INSTRUMENTS (CONTINUED)

(b) Main clause

(i) *Undated additional tier 1 capital bonds*

(1) *Issuance*

With the approvals by relevant regulatory authorities, the Bank issued undated additional tier 1 capital bonds with the amount of RMB10,000 million in the national interbank bond market on 11 November 2021 (hereinafter referred to as “Perpetual Bond”). Each Perpetual Bond has a par value of RMB100, and the annual coupon rate of the bonds for the first five years is 4.80%, resetting every 5 years. The rate is determined by a benchmark rate plus a fixed spread. The fixed spread is the difference between the distribution rate and the benchmark rate as determined at the time of issuance. The fixed spread will not be adjusted once determined during the duration period.

(2) *Conditional redemption*

The duration of the Perpetual Bond is consistent with the going concern duration of the Bank. 5 years later since the issuance date of the Perpetual Bond, the Bank shall have the right to redeem the Perpetual Bond in whole or in part on each distribution payment date (including the fifth distribution payment date since the issuance). Upon the issuance of the Perpetual Bond, in the event that the Perpetual Bond is not classified as other tier-one capital bonds due to unpredictable changes in regulations, the Bank shall have the right to redeem the Perpetual Bond fully but not partly.

(3) *The claims of the holders of the Bonds*

The claims of the holders of the Bonds will be subordinated to the claims of depositors, general creditors and subordinated indebtedness that ranks senior to the Bonds; and shall be ranked in priority to all classes of shares held by shareholders and will rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

33. OTHER EQUITY INSTRUMENTS (CONTINUED)

(b) Main clause (Continued)

(i) *Undated additional tier 1 capital bonds (Continued)*

(4) *Write-down clauses*

Upon the occurrence of the non survival trigger event, without the need for the consent of the holders of the Bonds, the Bank has the right to write down all or part of the aggregate amount of the Bonds then issued and outstanding. The non survival trigger event means the earlier of the following events: (1) China Banking Insurance Regulatory Commission having concluded that without a write-off of the Bank's capital, the Bank would become non-viable, and (2) the relevant authorities having concluded that without an injection of capital from a public sector or equivalent support, the Bank would become non-viable. The write-down is unrecoverable.

(5) *Distributions*

The distributions on the Perpetual bonds are non-cumulative. The Bank shall have the right to cancel distributions on the Bonds in whole or in part and any such cancellation shall not constitute an event of default. The Bank may at its discretion use the proceeds from the cancelled distribution to meet other obligations as they fall due. But the Bank shall not make any distribution to ordinary shareholders before it decides to resume the distribution payments in whole to the holders of the Bonds.

The funds raised by the Bank from the above-mentioned Perpetual Bond will be approved by applicable laws and regulatory agencies to supplement other Tier 1 capital of the Bank.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

34. NOTES TO CONSOLIDATED STATEMENT OF CASH FLOW

(a) Cash and cash equivalents comprise:

	30 June 2025 RMB'000	30 June 2024 RMB'000
Cash on hand	781,013	860,392
Surplus deposits reserves with Central Bank	7,786,884	6,253,310
Deposits with banks and other financial institutions with original maturity of three months or less	2,343,624	955,987
Placements with banks and other financial institutions with original maturity of three months or less	1,400,000	991,974
Total	12,311,521	9,061,663

(b) Total cash outflows related to leases:

For the six months ended 30 June 2025, the total leasehold related cash outflow the Group paid as a lessee was RMB57,151 thousand (For the six months ended 30 June 2024: RMB RMB66,954 thousand), of which RMB52,934 thousand was included in financing activities to repay lease liabilities (For the six months ended 30 June 2024: RMB62,810 thousand). And the rest are rents of leaseholds that are exempt from recognition of use rights assets and lease liabilities because the lease term is shorter than 12 months or the value of the individual leasehold asset is lower when new, and are included in operating activities.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Relationship of related parties

(i) Major shareholders

Major shareholders include shareholders holding more than 5% shares of the Bank.

Shareholdings in the Bank:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Zhengzhou Finance Bureau	7.23%	7.23%
Zhengzhou Investment Holdings Co., Ltd.	6.69%	6.69%

(ii) Subsidiaries and associates of the Bank

The detailed information of the Bank's subsidiaries and associates is set out in Note 19.

(iii) Other related parties

Other related parties can be individuals or enterprises, which include members of the board of directors, the board of supervisors and senior management, and close family members of such individuals; entities (and their subsidiaries) controlled or jointly controlled by members of the board of directors, the board of supervisors and senior management, and close family members of such individuals; shareholders holding less than 5% shares of the Bank while having significant influence on the Bank's operation and management; and entities controlled or jointly controlled by the major shareholders of the Bank as set out in Note 35 (a) (i) or their controlling shareholders. Other related parties also include post-employment benefit plans of the Bank (Note 29(a)).

(b) Related party transactions and balances

Related party transactions of the Group mainly refer to financial investments, loans and advances to customers and deposits from customers, which are entered into in the normal course and terms of business, with consistent pricing policies as in transactions with independent third parties.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(b) Related party transactions and balances (Continued)

(i) Transactions with major shareholders

	30 June 2025 RMB'000	31 December 2024 RMB'000
Balances at the end of the period/year		
Loans and advances to customers	—	587,539
Financial investments measured at amortised cost	815,728	831,108
Deposits from customers	8,710,418	2,150,877
Other liabilities	64,285	64,285
	For the six months ended 30 June	2024
	2025	RMB'000
Transactions during the period:		
Interest income	21,531	33,642
Interest expense	23,126	5,393

(ii) Transactions with subsidiaries

	30 June 2025 RMB'000	31 December 2024 RMB'000
Balances at the end of the period/year		
Deposits/placements with banks and other financial institutions	2,720,877	2,888,982
Deposits from banks and other financial institutions	3,169,735	3,052,286
Guarantee for subsidiaries	126,450	163,110

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(b) Related party transactions and balances (Continued)

(ii) Transactions with subsidiaries (Continued)

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Transactions during the period:		
Interest income	36,588	48,034
Interest expense	28,752	30,605

The above balances and transactions with subsidiaries have been eliminated in full in the consolidated financial statements.

(iii) Transactions with associates

	30 June 2025 RMB'000	31 December 2024 RMB'000
Balances at the end of the period/year		
Deposits/placements with banks and other financial institutions	962	958
Deposits from banks and other financial institutions	824,996	563,539

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Transactions during the period:		
Interest income	4	4
Interest expense	7,255	2,162

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(b) Related party transactions and balances (Continued)

(iv) Transactions with other major related parties

	30 June 2025 RMB'000	31 December 2024 RMB'000
Balances at the end of the period/year		
Loans and advances to customers	15,061,106	15,826,175
Financial assets held under resale agreements	—	200,010
Deposits/placements with banks and other financial institutions	1,478	2,610
Financial investments measured at amortised cost	4,064,857	4,553,251
Financial investments at fair value through profit or loss	136,592	136,592
Financial investments at fair value through other comprehensive income	196,789	—
Other assets	42,349	39,816
Deposits from customers	2,644,440	3,373,706
Deposits/placements from banks and other financial institutions	39,354	202,535
Other liabilities	—	300,000
Guarantees	—	131,580
Bank acceptances	121	58,053
Unused credit card commitments	98,298	82,511
Loan commitments	900,412	910,000

	For the six months ended 30 June 2025 RMB'000	2024 RMB'000
Transactions during the period:		
Interest income	347,444	271,256
Interest expense	13,691	34,648
Fee and commission income	27,444	31,028
Transfer of assets	320,267	—

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

35. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

(c) Key management personnel

(i) Transactions with key management personnel

	30 June 2025 RMB'000	31 December 2024 RMB'000
Balances at the end of the period/year		
Deposits from customers	4,347	11,190
Unused credit card commitments	3,258	6,512
	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Transactions during the period:		
Interest expense	38	290

(ii) Key management personnel remuneration

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Salaries and other emoluments	3,247	3,859
Discretionary bonuses	2,366	6,529
Social insurance and welfare plans, housing allowances	344	390
Total	5,957	10,778

No post-employment benefits, termination benefits or other long-term benefits were provided to key management personnel for the period ended 30 June 2025 (the period ended 30 June 2024: the same).

(iii) Loans to key officers

The Group had no balance of loans to directors, supervisors and senior management as at the end of reporting period (31 December 2024: the same).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

36. SEGMENT REPORTING

(a) Business Segment

The Group manages its business by business lines. Consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group defines reporting segments based on the following operating segments:

Corporate banking

This segment represents the provision of a range of financial products and services to corporations, government agencies and financial institutions. These products and services include corporate loans and advances, trade finance and deposit-taking activities, financial leasing, agency services, and remittance and settlement services.

Retail banking

This segment represents the provision of a range of financial products and services to retail customers. These products and services include personal loans and deposit-taking activities, bank card business, personal wealth management services, remittance and settlement services, and collection and payment agency services.

Treasury business

This segment covers the Group's treasury business including interbank money market transactions, repurchase transactions and investments. The treasury segment also covers the management of the Group's overall liquidity position, including issuance of debts.

Others

These represent equity investments and related income and any other business which cannot form a single reportable segment.

Measurement of segment assets and liabilities and of segment income, expenses and results is based on the Group's accounting policies.

Internal charges and transfer prices are determined with reference to market rates and have been reflected in the performance of each segment. Interest income earned from and interest expense incurred by third parties are referred to as "external net interest income/expense". Net interest income and expense arising from internal charges and transfer pricing adjustments are referred to as "internal net interest income/expense".

Segment income, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis, with the exception of deferred income tax assets. Segment income, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total cost incurred during the reporting period to acquire property and equipment, intangible assets and other long-term assets.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

36. SEGMENT REPORTING (CONTINUED)

(a) Business Segment (Continued)

	Six months ended 30 June 2025				
	Corporate banking RMB' 000	Retail banking RMB' 000	Treasury business RMB' 000	Others RMB' 000	Total RMB' 000
Net interest income <i>(Note 1)</i>	3,397,820	1,196,089	756,866	–	5,350,775
Net fee and commission income	147,305	39,762	47,178	–	234,245
Net trading gains	1,077	–	196,222	–	197,299
Net gains arising from investments	–	–	895,220	–	895,220
Other operating income	–	–	–	19,614	19,614
Operating income	3,546,202	1,235,851	1,895,486	19,614	6,697,153
Operating expenses	(712,801)	(553,458)	(290,408)	(2,861)	(1,559,528)
Credit Impairment losses	(1,905,073)	(558,696)	(707,844)	–	(3,171,613)
Other operating expenses	–	–	–	(7,514)	(7,514)
Operating profit	928,328	123,697	897,234	9,239	1,958,498
Share of losses of associates	–	–	–	(6,020)	(6,020)
Profit before taxation	928,328	123,697	897,234	3,219	1,952,478
Other segment information					
– Depreciation and amortisation	81,864	89,429	35,789	–	207,082
– Capital expenditure	19,481	21,098	7,675	–	48,254

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

36. SEGMENT REPORTING (CONTINUED)

(a) Business Segment (Continued)

	30 June 2025				
	Corporate banking <i>RMB'000</i>	Retail banking <i>RMB'000</i>	Treasury business <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	350,829,673	111,274,792	249,171,608	1,761,523	713,037,596
Deferred tax assets					6,700,594
Total assets					719,738,190
Segment liabilities/total liabilities	192,369,117	266,795,843	200,928,411	2,270,148	662,363,519
Credit commitments	66,499,921	10,842,702	–	–	77,342,623

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

36. SEGMENT REPORTING (CONTINUED)

(a) Business Segment (Continued)

	Six months ended 30 June 2024				
	Corporate banking RMB'000	Retail banking RMB'000	Treasury business RMB'000	Others RMB'000	Total RMB'000
Net interest income ^(Note 1)	3,534,751	1,147,019	613,777	–	5,295,547
Net fee and commission income	154,506	46,315	65,178	–	265,999
Net trading gains	–	–	450,279	–	450,279
Net gains arising from investments	961	–	332,648	–	333,609
Other operating income	–	–	–	59,708	59,708
Operating income	3,690,218	1,193,334	1,461,882	59,708	6,405,142
Operating expenses	(908,527)	(414,532)	(322,365)	(18,381)	(1,663,805)
Credit Impairment losses	(1,794,421)	(107,146)	(959,256)	–	(2,860,823)
Other operating expenses	–	–	–	(7,239)	(7,239)
Operating profit	987,270	671,656	180,261	34,088	1,873,275
Share of losses of associates	–	–	–	(3,700)	(3,700)
Profit before taxation	987,270	671,656	180,261	30,388	1,869,575
Other segment information					
– Depreciation and amortisation	69,685	141,562	14,157	–	225,404
– Capital expenditure	90,314	42,496	33,978	1,070	167,858

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

36. SEGMENT REPORTING (CONTINUED)

(a) Business Segment (Continued)

	31 December 2024				
	Corporate banking RMB'000	Retail banking RMB'000	Treasury business RMB'000	Others RMB'000	Total RMB'000
Segment assets	336,548,805	106,461,065	223,181,628	4,107,637	670,299,135
Deferred tax assets					6,066,105
Total assets					676,365,240
Segment liabilities/total liabilities	188,994,976	225,882,569	203,399,300	1,793,624	620,070,469
Credit commitments	61,770,133	10,051,341	–	–	71,821,474

(1) The amounts included 'external net interest income/expense' and 'internal net interest income/expense'.

(b) Geographical information

Geographically, the Group mainly conducts its business in Henan Province of the PRC and majority of its customers and assets are located in Henan Province of the PRC.

37. RISK MANAGEMENT

The Group is primarily exposed to credit, interest rate, currency, liquidity and operational risks from its use of financial instruments in the normal course of the Group's operations. This note mainly presents information about the Group's exposure to each of the above risks and their sources, the Group's objectives, policies and processes for measuring and managing risks.

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and minimise potential adverse effects.

The Board of Directors (the "Board") is the highest decision-making authority within the Group in terms of risk management and oversees the Group's risk management functions through the Risk Management Committee. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Senior management is the highest execution level in the risk management structure and reports directly to the Risk Management Committee of the Board. Based on the risk management strategies determined by the Board, senior management is responsible for formulating and implementing risk management policies and systems, as well as supervising, identifying and controlling the risks that various businesses are exposed to.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk

Credit risk refers to the risk that the Group's counterparties or creditors default on their contractual obligations resulting in financial losses to the Group. As at 30 June 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Credit business

The Board is responsible for establishing the Group's risk management strategies and the overall risk tolerance level. The Board also monitors the Group's risk management process, regularly assesses the Group's risk position and risk management strategies, and ensures that credit risk in various businesses are properly identified, assessed, calculated and monitored. The Credit Management Department is responsible for credit risk management. Departments such as the Credit Approval Department, the Corporate Business Department, the Retail Banking Department and the Financial Markets Department, carry out credit businesses and investment portfolio business according to the Group's risk management policies and procedures. The Group adopts a loan risk classification approach to manage its loan portfolio risk.

Treasury Business

The Group's treasury business is exposed to the credit risk associated with the investment business and interbank business. The Group sets credit risk limits based on trading products, counterparties, and credit ratings. Credit risk exposure is closely monitored on a systematic, real-time basis. Credit risk limits are reviewed and updated regularly.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL

Based on whether there is a significant increase in credit risk and whether the asset has incurred credit impairment, the Group measures loss provision for loss of different assets with 12-month ECL or lifetime ECL respectively.

The Group measures loss provision of the financial instruments that meet the following conditions according to the amount of expected credit losses within the next 12 months, and measures loss provision for other financial instruments in accordance with the amount of lifetime expected credit losses.

- The financial instruments that are determined to have low credit risk at the reporting date; or
- The financial instruments for which credit risk has not increased significantly since initial recognition.

(i) Significant increase in credit risk

When assessing whether credit risk has significantly increased since initial recognition, the Group compares the risk of default on the financial instrument as of the reporting date with the risk of default at the initial recognition date. In making this assessment, the Group considers reasonable and supportable quantitative and qualitative data, including past experience and forward-looking data that can be obtained without incurring unnecessary costs or efforts.

The following information is considered when assessing whether credit risk has significantly increased:

- The credit spread increasing significantly
- Significant changes with an adverse effect that have taken place in the borrower's business, financial and economic status
- Significant changes with an adverse effect in the borrower's business conditions
- Lower value of the collateral (for the collateral loans and pledged loans only)
- Early indicators of problems of cash flow/liquidity, such as late payment of accounts payable/repayment of loans

Regardless of the results of the above assessment, the Group assumes that credit risk has significantly increased since initial recognition if contractual payments are more than 30 days past due, unless there is sufficient and reasonable information to demonstrate that credit risk has not significantly increased.

The Group regularly monitors and reviews the information used to assess whether credit risk has significantly increased and makes adjustments as necessary.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(ii) Definition of “default” and “credit-impaired assets”

The following information is considered when assessing whether credit impairment has occurred:

- the death of the borrower
- the borrower’s bankruptcy
- the borrower breaching (one or more) terms of the contract that the debtor shall be subject to
- the disappearance of an active market for the related financial asset because of financial difficulties faced by the borrower
- the creditor making concessions due to the economic or contracts about financial difficulties faced by the borrower, which the creditor will not make under any other circumstances
- a higher discount was obtained during the acquisition of assets, and the assets has incurred credit loss when they are acquired

Regardless of the results of the above assessment, the Group assumes that credit impairment has occurred if contractual payments are more than 90 days past due, unless there is sufficient and reasonable information to demonstrate that credit impairment has not occurred.

The Group regularly monitors and reviews the information used to assess whether credit impairment has occurred and makes adjustments as necessary.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) Notes to the parameters, assumptions and valuation techniques

The ECL is the result of the discounted product of probability of default (PD), exposure at default (EAD) and loss given default (LGD). The definitions of these terms are as follows:

- PD refers to the likelihood that a borrower will be unable to meet his repayment obligations over the next 12 months or the remaining lifetime of the loan;
- EAD is the amount that the Group should be reimbursed upon default of an obligor over the next 12 months or the remaining lifetime of the loan;
- LGD refers to the expected degree of loss arising from the exposure at default which is predicted by the Group. LGD varies according to different types of counterparties, methods and priority of recovering debts, and the availability of collateral or other credit support.

The Group determines the expected credit losses by estimating the PD, LGD and EAD of individual exposure or asset portfolios. The Group multiplies these three parameters and makes adjustments according to the probability of their continuance (i.e. there is no prepayment or default at an earlier period). By adopting this approach, the Group can calculate the expected credit losses for the future months. The results of the calculation for each month are then discounted to the end of the reporting period and added up. The discount rate used in the calculation of ECL is the initial effective interest rate or its approximate value.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) Notes to the parameters, assumptions and valuation techniques (Continued)

The lifetime PD is deduced from using the maturity model with 12-month probability of default. The maturity model describes the development rule of the defaults of the asset portfolio over its lifetime. The model is developed based on historical observational data and applicable to all assets in the same portfolio with the same credit rating. The above method is supported by empirical analysis.

The relevant parameters for the measurement of expected credit losses include PD, LGD, and EAD. According to the requirements of the new financial instrument standards, the Group has established PD, LGD, and EAD models by considering quantitative analysis and forward-looking information of historical statistical data (such as counterparty ratings, guarantee methods, collateral types, and repayment methods).

- In respect of the loans with instalment repayments and bullet repayments, the Group determines 12-month or lifetime EAD according to the repayment schedule agreed in the contract, and makes adjustment based on the prediction of over-limit repayment and prepayments/refinancing made by the borrower.
- In respect of the products of revolving credit agreements, the Group estimates the remaining withdrawal within the limits by using the balance of the loan after previous withdrawals and the “credit conversion factor”, so as to predict the exposure at default. Based on the Group’s analysis on recent default data, these assumptions vary based on the differences in product type and utilisation rate of the limits.
- The Group determines the 12-month LGD and lifetime LGD based on the factors that affect post-default recovery. LGD for different product types are different.
- Forward-looking economic information should be considered when determining the 12-month and lifetime PD, EAD and LGD. Forward-looking information that needs to be considered is different due to different product types.

The Group quarterly monitors and reviews assumptions related to the calculation of expected credit losses, including the changes in PD and collateral under the different time limits.

There have been no significant changes in the valuation techniques and key assumptions during the reporting period.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) Notes to the parameters, assumptions and valuation techniques (Continued)

(1) Maximum credit risk exposure

The maximum exposure to credit risk is represented by the carrying amount of each type of financial assets as at the end of each of the reporting period. The maximum exposure to credit risk in respect of those off-balance sheet items as at the end of each of the reporting period is disclosed in Note 39(a).

(2) Loans and advances to customers

(i) Loans and advances to customers were analysed as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Gross balance of loans and advances that are assessed for 12-month ECL		
– Overdue but not credit-impaired	5,496,109	2,322,849
– Neither overdue nor credit-impaired	366,732,693	350,934,041
Sub-total	372,228,802	353,256,890
Gross balance of loans and advances that are not credit-impaired and assessed for lifetime ECL		
– Overdue but not credit-impaired	3,850,172	3,114,229
– Neither overdue nor credit-impaired	9,068,027	11,692,854
Sub-total	12,918,199	14,807,083
Gross balance of credit-impaired loans and advances that are assessed for lifetime ECL		
– Overdue but not credit-impaired	11,741,817	14,100,559
– Neither overdue nor credit-impaired	9,205,645	5,525,920
Sub-total	20,947,462	19,626,479
Interest accrued	1,046,510	1,014,709
Less: Provision for impairment losses	(12,823,608)	(12,656,502)
Net loans and advances to customers	394,317,365	376,048,659

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (Continued)*

(2) Loans and advances to customers (Continued)

(ii) Neither overdue nor credit-impaired

Credit risk of loans and advances to customers neither overdue nor credit-impaired was analysed as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Corporate loans and advances	287,163,963	276,796,748
Personal loans and advances	88,636,757	85,830,147
Total gross balances	375,800,720	362,626,895

(iii) Overdue but not credit-impaired

The following tables present the overdue analysis of each type of loans and advances to customers of the Group which were overdue but not credit-impaired.

	30 June 2025		
	Less than 1 month (inclusive) RMB'000	1 to 3 months (inclusive) RMB'000	Total RMB'000
Corporate loans and advances	6,289,255	1,906,806	8,196,061
Personal loans and advances	472,461	677,759	1,150,220
Total gross balance	6,761,716	2,584,565	9,346,281

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) Notes to the parameters, assumptions and valuation techniques (Continued)

(2) Loans and advances to customers (Continued)

(iii) Overdue but not credit-impaired (Continued)

	31 December 2024		
	Less than 1 month (inclusive) RMB'000	1 to 3 months (inclusive) RMB'000	Total RMB'000
Corporate loans and advances	2,433,025	1,999,660	4,432,685
Personal loans and advances	469,176	535,217	1,004,393
Total gross balance	2,902,201	2,534,877	5,437,078

Fair value of collecteral held against loans and advances overdue but not credit-impaired was analysed as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Fair value of collateral held against loans and advances overdue but not credit-impaired	3,909,931	2,930,074

The above collateral mainly includes land, buildings, machinery and equipment, etc. The fair value of the collateral was estimated by the Group based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (Continued)*

(2) Loans and advances to customers (Continued)

(iv) Credit-impaired loans

Credit-impaired loans were analysed as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Gross balance		
– Corporate loans and advances	16,178,670	15,504,272
– Personal loans and advances	4,768,792	4,122,207
Sub-total	20,947,462	19,626,479
Interest accrued		
– Corporate loans and advances	111,814	71,120
– Personal loans and advances	400	167
Sub-total	112,214	71,287
Provision for impairment losses		
– Corporate loans and advances	(6,202,781)	(5,745,315)
– Personal loans and advances	(1,763,283)	(1,547,601)
Sub-total	(7,966,064)	(7,292,916)
Total	13,093,612	12,404,850

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) Notes to the parameters, assumptions and valuation techniques (Continued)

(2) Loans and advances to customers (Continued)

(iv) Credit-impaired loans (Continued)

	30 June 2025 RMB'000	31 December 2024 RMB'000
Net balance		
– Corporate loans and advances	10,087,703	9,830,077
– Personal loans and advances	3,005,909	2,574,773
Total	13,093,612	12,404,850
Fair value of collateral held against credit-impaired loans and advances	13,737,964	11,233,887

The above collateral mainly includes land, buildings, machinery and equipment, etc. The fair value of collateral was estimated by the Group based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

(3) Amounts due from banks and other financial institutions

The Group adopts an internal credit rating approach in managing the credit risk of amounts due from banks and other financial institutions. The distribution according to the credit rating of amounts due from banks and non-bank financial institutions (including deposits with banks and other financial institutions, placements with banks and other financial institutions, and financial assets held under resale agreements for which counterparties are banks and non-bank financial institutions) is as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Carrying amount		
– Grade A to AAA	24,079,874	21,730,130
– Unrated	21,330	53,311
Total	24,101,204	21,783,441

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) Notes to the parameters, assumptions and valuation techniques (Continued)

(3) Amounts due from banks and other financial institutions (Continued)

As at 30 June 2025, amounts due from banks and other financial institutions of the Group were neither overdue nor credit-impaired (31 December 2024: the same).

(4) Debt securities investments

The Group adopts a credit rating approach to manage the credit risk of the debt securities portfolio held. The ratings are obtained from major rating agencies such as Wind. The gross balance amounts of debt securities investments analysed by rating as at the end of the reporting period/year are as follows:

	30 June 2025						Total
	Unrated RMB'000	AAA RMB'000	AA+ RMB'000	AA RMB'000	AA- RMB'000	Below A+ RMB'000	
Debt Securities							
– Government	42,755,356	28,589,976	–	–	–	–	71,345,332
– Policy banks	43,828,216	–	–	–	–	–	43,828,216
– Banks and other financial institutions	14,899,921	11,485,578	1,368,537	–	–	–	27,754,036
– Corporate	1,005,236	11,069,890	12,147,470	1,100,755	–	105,580	25,428,931
Total	102,488,729	51,145,444	13,516,007	1,100,755	–	105,580	168,356,515

	31 December 2024						Total
	Unrated RMB'000	AAA RMB'000	AA+ RMB'000	AA RMB'000	AA- RMB'000	Below A+ RMB'000	
Debt securities							
– Government	61,708,874	–	–	–	–	–	61,708,874
– Policy banks	38,709,240	–	–	–	–	–	38,709,240
– Banks and other financial institutions	–	19,240,097	1,634,805	–	–	–	20,874,902
– Corporate	42,287	10,983,937	11,259,909	831,159	–	231,721	23,349,013
Total	100,460,401	30,224,034	12,894,714	831,159	–	231,721	144,642,029

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) Notes to the parameters, assumptions and valuation techniques (Continued)

(5) Financial investments measured at amortised cost

The Group

	30 June 2025 RMB'000	31 December 2024 RMB'000
Balance of financial investments measured at amortised cost that are assessed for 12-months ECL		
– Neither overdue nor credit-impaired	135,938,706	134,269,322
Less: Provision for impairment losses	(226,175)	(271,128)
Sub-total	135,712,531	133,998,194
Balance of not credit-impaired financial investments measured at amortised cost that are assessed for lifetime ECL		
– Overdue and not credit-impaired	811,000	–
– Neither overdue nor credit-impaired	68,000	900,000
Less: Provision for impairment losses	(92,646)	(92,025)
Sub-total	786,354	807,975

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (Continued)*

(5) *Financial investments measured at amortised cost (Continued)*

The Group (Continued)

	30 June 2025 RMB'000	31 December 2024 RMB'000
Balance of credit-impaired financial investments measured at amortised cost that are assessed for lifetime ECL		
– Overdue and credit-impaired	15,457,822	14,225,954
Less: Provision for impairment losses	(3,134,395)	(3,078,249)
Sub-total	12,323,427	11,147,705
Interest accrued	1,396,590	1,463,000
Total	150,218,902	147,416,874
Fair value of collateral held against credit-impaired financial investments that are measured at amortised cost	2,821,110	2,958,966

The above collateral mainly includes land, buildings, machinery and equipment, etc. The fair value of collateral was estimated by the Group based on the latest external valuations available, adjusted in light of disposal experience and current market conditions.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (Continued)*

(6) *Forward looking information*

Both the assessment of the significant increase in credit risk and the measurement of expected credit losses involve forward-looking information. Based on the analysis on historical data, the Group identified critical economic indicators that affect the credit risk and expected credit losses of all asset portfolios, including GDP, PPE investment, CPI, etc.

The Group conducts sensitivity analysis on the core economic indicators used in forward-looking measurement. As at 30 June 2025, when the predicted value of the core economic indicators in the main scenarios increase or decrease by 10%, the Group expected the respective decrease or increase in ECL will not exceed 5% (31 December 2024: the same).

The Group also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. Among them, the “central” scenario is defined as the most likely scenario in the future and serves as a basis for comparison with other scenarios. “Upside” scenarios and “downside” scenarios are better and worse than the “central” scenarios and are likely to happen. The number of scenarios and their attributes are reassessed at a semi-annual basis. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECLs should be recorded. Following this assessment, the Group measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted Lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weightings (as opposed to weighting the inputs). As at 30 June 2025, the weights assigned to various macro scenarios were: “central” 60%, “upside” 20%, and “downside” 20% (31 December 2024: “central” 60%, “upside” 20%, and “downside” 20%).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

Measurement of ECL (Continued)

(iii) *Notes to the parameters, assumptions and valuation techniques (Continued)*

(6) *Forward looking information (Continued)*

The multi-scenario weight is based on the principle of the benchmark scenario and supplemented by other scenarios. According to the sensitivity analysis, at 30 June 2025, when the weight of the “upside” scenario increases by 10% and the weight of the “central” scenario decreases by 10%, or the weight of the “downside” scenario increases by 10% and the weight of the “central” scenario decreases by 10%, the Group expected the respective decrease or increase in ECL will not exceed 5%. (31 December 2024: the same).

The impact of these economic indicators on the PD and the LGD is various for different business types. The Group mainly applies external data, supplemented by internal expert judgement to determine the relationship between these economic indicators and the PD, and LGD through regression analysis.

The Group regularly updates the forecast value of macroeconomic indicators, and measures a probability weighted 12-month ECL (Stage 1), or a probability weighted Lifetime ECL (Stages 2 and 3).

(b) Market risk

Market risk is the risk of loss, in respect of the Group's activities, arising from adverse movements in market rates including interest rates, exchange rates, commodity prices, stock prices and other prices. The market risk management aims to manage and monitor market risk, control the potential losses associated with market risk within the acceptable limit and maximise the risk-adjusted income.

The Board is responsible for approving the market risk management strategies and policies, determining the acceptable level of market risk and authorising the Risk Management Committee to supervise the market risk management conducted by senior management. The Risk Management Department, the Financial Markets Department and the Asset and Liability Management Department are responsible for identifying, measuring, monitoring and reporting the market risk.

The Group employed sensitivity analysis, interest repricing gap analysis, foreign currency gap analysis, stress testing and effective duration analysis to measure and monitor the market risk.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

Sensitivity analysis is a technique which assesses the sensitivity of the Group's overall risk profile and its risk profile with reference to the interest rate risks for different maturities.

Interest repricing gap analysis is a technique which estimates the impact of interest rate movements on the Group's current profit or loss. It is used to work out the gap between future cash inflows and outflows by categorising each of the Group's interest-bearing assets and interest-taking liabilities into different periods based on repricing dates.

Foreign currency gap analysis is a technique which estimates the impact of foreign exchange rate movements on the Group's current profit or loss. The foreign currency gap mainly arises from the currency mismatch in the Group's on/off-balance sheet items.

The results of stress testing are assessed against a set of forward-looking scenarios using stress moves in market variables. The results are used to estimate the impact on profit or loss.

Effective duration analysis is a technique which estimates the impact of interest rate movements by giving a weight to each period's exposure according to its sensitivity, calculating the weighted exposure, and summarising all periods' weighted exposures to estimate the non-linear impact of a change in interest rates on the Group's economic value.

(1) Interest rate risk

The Group is primarily exposed to interest rate risk arising from repricing risk in its commercial banking business and the risk of treasury position.

(i) Repricing risk

Repricing risk, which is also known as "maturity mismatch risk", is the most common form of interest rate risk. It is caused by the differences in timing between the maturities (related to fixed interest instruments) or repricing (related to floating interest instruments) of assets, liabilities and off-balance sheet items. The mismatch of repricing causes the Group's income or its inherent economic value to vary with the movement in interest rates.

The Asset and Liability Management Department is responsible for identifying, measuring, monitoring and managing interest rate risk. The Group regularly performs assessments on the interest rate repricing gap between the assets and liabilities that are sensitive to changes in interest rates and a sensitivity analysis on the net interest income as a result of changes in interest rates. The primary objective of interest rate risk management is to minimise potential adverse effects on its net interest income or its inherent economic value caused by interest rate volatility.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(1) Interest rate risk (Continued)

(i) Repricing risk (Continued)

The following tables indicate the assets and liabilities analysis as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on whichever is earlier:

	30 June 2025						
	Total	Non-interest bearing	Within one month (inclusive)	Between one month and three months (inclusive)	Between three months and one year (inclusive)	Between one year and five years (inclusive)	More than five years
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets							
Cash and deposits with Central Bank	30,657,089	827,356	29,829,733	-	-	-	-
Deposits/placements with banks and other financial institutions	19,458,787	126,181	3,041,649	2,147,743	14,143,214	-	-
Financial assets held under resale agreements	4,642,417	1,174	4,641,243	-	-	-	-
Loans and advances to customers ^{(note(1))}	394,317,365	1,046,510	48,322,450	51,952,794	212,678,974	62,576,675	17,739,962
Investments ^{(note(2))}	222,795,746	3,240,352	31,099,618	13,042,515	36,747,944	89,764,492	48,900,825
Lease receivables ^{(note(1))}	30,309,262	289,878	3,457,444	1,983,415	8,087,643	16,062,183	428,699
Others	1,677,395	1,602,166	-	-	-	18,807	56,422
Total assets	703,858,061	7,133,617	120,392,137	69,126,467	271,657,775	168,422,157	67,125,908

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(1) Interest rate risk (Continued)

(i) Repricing risk (Continued)

The following tables indicate the assets and liabilities analysis as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on whichever is earlier: (Continued)

	30 June 2025						
	Total	Non-interest bearing	Within one month (inclusive)	Between one month and three months (inclusive)	Between three months and one year (inclusive)	Between one year and five years (inclusive)	More than five years
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Liabilities							
Due to Central Bank	39,150,828	247,565	4,241,524	4,592,060	30,069,679	-	-
Deposits/placements from banks and other financial institutions	40,582,382	286,736	4,776,913	12,054,733	23,464,000	-	-
Financial assets sold under repurchase agreements	9,201,326	1,058	9,200,268	-	-	-	-
Deposits from customers	456,521,930	9,859,705	114,050,447	27,323,318	135,313,435	169,975,025	-
Debt securities issued	111,531,354	200,230	7,993,073	31,374,934	69,963,620	1,999,497	-
Others	2,970,746	2,970,746	-	-	-	-	-
Total liabilities	659,958,566	13,566,040	140,262,225	75,345,045	258,810,734	171,974,522	-
Asset-liability gap	43,899,495	(6,432,423)	(19,870,088)	(6,218,578)	12,847,041	(3,552,365)	67,125,908

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(1) Interest rate risk (Continued)

(i) Repricing risk (Continued)

The following tables indicate the assets and liabilities analysis as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on whichever is earlier: (Continued)

31 December 2024							
				Between one month and three months (inclusive)	Between three months and one year (inclusive)	Between one year and five years (inclusive)	More than five years
Total	Non- interest- bearing	Within one month (inclusive)					
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets							
Cash and deposits with Central Bank	29,008,339	1,028,253	27,980,086	-	-	-	-
Deposits/placements with banks and other financial institutions	15,897,660	129,061	4,201,627	2,798,875	8,768,097	-	-
Financial assets held under resale agreements	5,885,781	705	5,885,076	-	-	-	-
Loans and advances to customers ^{(note (1))}	376,048,659	1,014,709	43,961,856	58,173,638	191,942,174	65,852,837	15,103,445
Investments ^{(note (2))}	201,957,069	3,184,361	23,660,058	15,107,950	27,107,339	75,280,624	57,616,737
Lease receivables ^{(note (1))}	30,657,280	320,362	1,352,068	2,290,672	9,340,023	17,214,933	139,222
Others	2,049,729	1,974,500	-	-	-	18,807	56,422
Total assets	661,504,517	7,651,951	107,040,771	78,371,135	237,157,633	158,367,201	72,915,826

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(1) Interest rate risk (Continued)

(i) Repricing risk (Continued)

The following tables indicate the assets and liabilities analysis as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on whichever is earlier: (Continued)

31 December 2024							
		Non- interest- bearing	Within one month (inclusive)	Between one month and three months (inclusive)	Between three months and one year (inclusive)	Between one year and five years (inclusive)	More than five years
	Total RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Liabilities							
Due to Central Bank	35,037,760	261,008	3,000,000	3,501,558	28,275,194	-	-
Deposits/placements from banks and other financial institutions	41,107,310	342,974	5,268,218	6,570,500	28,425,618	500,000	-
Financial assets sold under repurchase agreements	16,699,143	2,382	16,696,761	-	-	-	-
Deposits from customers	413,096,026	8,558,128	122,102,727	37,605,793	103,389,242	141,440,136	-
Debt securities issued	110,242,221	186,345	5,954,863	28,496,755	68,604,917	6,999,341	-
Others	1,188,865	1,188,865	-	-	-	-	-
Total liabilities	617,371,325	10,539,702	153,022,569	76,174,606	228,694,971	148,939,477	-
Asset-liability gap	44,133,192	(2,887,751)	(45,981,798)	2,196,529	8,462,662	9,427,724	72,915,826

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(1) Interest rate risk (Continued)

(i) Repricing risk (Continued)

The following tables indicate the assets and liabilities analysis as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on whichever is earlier: (Continued)

- (1) For the Group's loans and advance to customers, the category "Within one month (inclusive)" as at 30 June 2025 includes overdue amounts (net of allowance for impairment losses) of RMB16,549 million (31 December 2024: RMB14,084 million). For the Group's lease receivables, the category "Within one month (inclusive)" as at 30 June 2025 includes overdue amounts (net of allowance for impairment losses) of RMB695 million (31 December 2024: RMB317 million).
- (2) As at 30 June 2025, investments include financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income, financial investments measured at amortised cost and interests in associates, the category "Within one month (inclusive)" as at 30 June 2025 includes overdue amounts (net of allowance for impairment losses) of RMB13,104 million (31 December 2024: RMB13,972 million).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(1) Interest rate risk (Continued)

(ii) Interest rate sensitivity analysis

	30 June 2025 (Decrease)/ increase RMB'000	31 December 2024 (Decrease)/ increase RMB'000
Changes in net profit		
Up 100 bps parallel shift in yield curves	(145,550)	(292,965)
Down 100 bps parallel shift in yield curves	145,550	292,965
Changes in equity		
Up 100 bps parallel shift in yield curves	(366,775)	(340,377)
Down 100 bps parallel shift in yield curves	366,775	340,377

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(1) Interest rate risk (Continued)

(ii) Interest rate sensitivity analysis (Continued)

The sensitivity analysis above is based on a static interest risk exposure profile of assets and liabilities. This analysis only evaluates the impact of changes in interest rates within one year, showing how annualised net interest income and equity would have been affected by repricing of the Group's assets and liabilities within the one-year period. The effect of equity is the effect of the assumed changes in interest rates on the Group's net interest income and other comprehensive income, calculated by revaluing financial investments at fair value through other comprehensive income and loans and advances to customers measured at fair value through other comprehensive income held at the end of the period. The sensitivity analysis is based on the following assumptions:

- All assets and liabilities that reprice or mature within three months and after three months but within one year reprice or mature in the beginning of the respective periods;
- There is a parallel shift in the yield curve with the changes in interest rates;
- There are no other changes to the assets and liabilities portfolio, all the position will be held and keep unchanged after matured;
- The analysis does not take into account the effect of risk management measures taken by management; and
- The impact of income tax is uniformly estimated at 25%.

Due to the adoption of the aforementioned assumptions, the actual changes in the Group's net interest income and equity caused by an increase or decrease in interest rates might vary from the estimated results of this sensitivity analysis.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(2) Currency risk

The Group's currency risk mainly arises from foreign currency investments and deposits from customers. The Group manages currency risk by matching its foreign currency denominated assets with corresponding liabilities in the same currencies.

The Group's currency exposures as at the end of the reporting period are as follows:

	30 June 2025			
	RMB' 000	USD (RMB' 000 equivalents)	Other ^{(note (iii))} (RMB' 000 equivalents)	Total (RMB' 000 equivalents)
Assets				
Cash and deposits with Central Bank	30,653,162	423	3,504	30,657,089
Deposits/placements with banks and other financial institutions	18,593,485	852,334	12,968	19,458,787
Financial assets held under resale agreements	4,642,417	—	—	4,642,417
Loans and advances to customers	394,317,365	—	—	394,317,365
Investments ^(Note i)	219,327,739	3,468,007	—	222,795,746
Lease receivables	30,309,262	—	—	30,309,262
Others	1,676,571	824	—	1,677,395
Total assets	699,520,001	4,321,588	16,472	703,858,061

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(2) Currency risk (Continued)

The Group's currency exposures as at the end of the reporting period are as follows:
(Continued)

	30 June 2025			
	RMB' 000	USD (RMB' 000 equivalents)	Other ^{(note (ii))} (RMB' 000 equivalents)	Total (RMB' 000 equivalents)
Liabilities				
Due to Central Bank	39,150,828	–	–	39,150,828
Deposits/placements from banks and other financial institutions	40,152,815	429,567	–	40,582,382
Financial assets sold under repurchase agreements	7,511,557	1,689,769	–	9,201,326
Deposits from customers	456,518,618	2,927	385	456,521,930
Debt securities issued	111,531,354	–	–	111,531,354
Others	2,970,601	145	–	2,970,746
Total liabilities	657,835,773	2,122,408	385	659,958,566
Net position	41,684,228	2,199,180	16,087	43,899,495
Off-balance sheet credit commitments	77,332,235	–	10,388	77,342,623

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(2) Currency risk (Continued)

The Group's currency exposures as at the end of the reporting period are as follows:
(Continued)

	31 December 2024			
	RMB'000	USD RMB'000 equivalents)	Other ^{(note (ii))} (RMB'000 equivalents)	Total (RMB'000 equivalents)
Assets				
Cash and deposits				
with Central Bank	29,004,024	956	3,359	29,008,339
Deposits/placements				
with banks and other				
financial institutions	15,019,886	868,643	9,131	15,897,660
Financial assets				
held under resale				
agreements	5,885,781	–	–	5,885,781
Loans and advances				
to customers	376,048,659	–	–	376,048,659
Investments ^(Note i)	201,070,221	886,848	–	201,957,069
Lease receivables	30,657,280	–	–	30,657,280
Others	2,048,920	809	–	2,049,729
Total assets	659,734,771	1,757,256	12,490	661,504,517

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(2) Currency risk (Continued)

The Group's currency exposures as at the end of the reporting period are as follows:
(Continued)

	31 December 2024			
	RMB'000	USD RMB'000 equivalents)	Other ^{(note (ii))} (RMB'000 equivalents)	Total (RMB'000 equivalents)
Liabilities				
Due to Central Bank	35,037,760	–	–	35,037,760
Deposits/placements from banks and other financial institutions	41,107,310	–	–	41,107,310
Financial assets sold under repurchase agreements	15,980,212	718,931	–	16,699,143
Deposits from customers	413,092,438	3,235	353	413,096,026
Debt securities issued	110,242,221	–	–	110,242,221
Others	1,188,769	96	–	1,188,865
Total liabilities	616,648,710	722,262	353	617,371,325
Net position	43,086,061	1,034,994	12,137	44,133,192
Off-balance sheet credit commitments	71,818,723	934	1,817	71,821,474

- (i) Investments include financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income, financial investments measured at amortised cost and interest in associates.
- (ii) Other mainly includes Hong Kong Dollars, Euros, British pounds, Japanese yen, etc.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(b) Market risk (Continued)

(2) Currency risk (Continued)

	30 June 2025 (Decrease)/ increase RMB'000	31 December 2024 (Decrease)/ increase RMB'000
Change in net profit and equity		
Up 100 bps change of foreign exchange rate	16,615	10,471
Down 100 bps change of foreign exchange rate	(16,615)	(10,471)

The sensitivity analysis mentioned above is based on a static foreign exchange exposure profile of assets and liabilities and certain simplified assumptions as set out below:

- The foreign exchange sensitivity is the gain and loss recognised as a result of one hundred basis points fluctuation in the foreign currency exchange rates against RMB based on the closing rate of reporting date;
- The exchange rates against RMB for the US dollars and other foreign currencies change in the same direction simultaneously;
- The foreign currency exposures calculated include spot and forward foreign exchange exposures, and all the position will be held and keep unchanged after matured; and
- The analysis does not take into account the effect of risk management measures taken by the Group.

Due to the assumptions adopted, actual changes in the Group's net profit and equity resulting from the increase or decrease in foreign exchange rates may vary from the estimated results of this sensitivity analysis.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that a commercial bank is unable to obtain funds on a timely basis or obtain funds at a reasonable cost to meet repayment obligations or sustain its asset business. This risk exists even if a bank's solvency remains strong.

The Group has implemented the centralised management of the Group-wide liquidity risk and established a liquidity risk management structure which mainly comprises decision-making organisation, execution organisation and supervision organisation. The responsibilities of them are as follows:

- The Board and its Risk Management Committee are the decision-making bodies for liquidity risk management that assume the ultimate responsibility for liquidity risk management and are responsible for formulating the guidelines and policies for liquidity risk management;
- Senior management and its Asset and Liability Management Committee, Asset and Liability Management Department and other relevant business departments are the executive bodies for liquidity risk management. Senior management is responsible for organisation and implementation of liquidity risk management; the Asset and Liability Management Department is responsible for implementing relevant liquidity risk management policies, monitoring various liquidity risk indicators, formulating, implementing and evaluating relevant systems, setting the Group-wide risk warning limits, guiding various business departments to manage liquidity risk on a daily basis, regularly carrying out risk analysis and reporting to senior management;
- The Board of Supervisors, the Internal Audit Office under the Board and the Legal Affairs and Compliance Department are the supervisory bodies for liquidity risk management and are responsible for supervising and evaluating the fulfilment of duties of the Board and senior management in liquidity risk management.

The Group manages liquidity risk by monitoring the maturities of the assets and liabilities, while actively monitoring multiple liquidity indicators, including liquidity ratio, reserve ratio, liquidity coverage ratio, net stable funding ratio and liquidity matching ratio, etc.

These deposits from customers are widely diversified in terms of types and durations and represent a major source of funds.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

(1) Maturity analysis

The following tables provide an analysis of assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the reporting period:

	30 June 2025							Total RMB'000
	Indefinite RMB'000	Repayable on demand RMB'000	Within one month (inclusive) RMB'000	Between one month and three months (inclusive) RMB'000	Between three months and one year (inclusive) RMB'000	Between one year and five years (inclusive) RMB'000	More than five years RMB'000	
Assets								
Cash and deposits with Central Bank ^{(note(i))}	22,859,670	7,786,884	-	10,535	-	-	-	30,657,089
Deposits/placements with banks and other financial institutions	-	2,342,258	712,982	3,994,407	12,409,140	-	-	19,458,787
Financial assets held under resale agreements	-	-	4,642,417	-	-	-	-	4,642,417
Loans and advances to customers ^{(note(ii))}	15,326,503	6,553,392	24,681,550	42,363,452	155,542,994	93,424,865	56,424,609	394,317,365
Investments ^{(note(iii))}	14,566,473	2,601,661	16,244,697	12,304,251	36,952,671	90,740,458	49,385,535	222,795,746
Lease receivables ^{(note(iv))}	2,623,758	-	843,846	2,248,858	8,101,918	16,062,183	428,699	30,309,262
Others	1,100,055	-	463,055	384	16,154	41,325	56,422	1,677,395
Total assets	56,476,459	19,284,195	47,588,547	60,921,887	213,022,877	200,268,831	106,295,265	703,858,061

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

(1) Maturity analysis (Continued)

The following tables provide an analysis of assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the reporting period: (Continued)

	30 June 2025							Total RMB' 000
	Indefinite RMB' 000	Repayable on demand RMB' 000	Within one month (inclusive) RMB' 000	Between one month and three months (inclusive) RMB' 000	Between three months and one year (inclusive) RMB' 000	Between one year and five years (inclusive) RMB' 000	More than five years RMB' 000	
Liabilities								
Due to Central Bank	-	-	4,285,070	4,643,361	30,222,397	-	-	39,150,828
Deposits/placements from banks and other financial institutions	-	524,624	4,316,920	12,142,284	23,598,554	-	-	40,582,382
Financial assets sold under repurchase agreements	-	-	9,201,326	-	-	-	-	9,201,326
Deposits from customers	-	102,312,227	12,239,370	27,976,684	138,105,141	175,888,508	-	456,521,930
Debt securities issued	-	-	7,993,073	31,437,227	70,101,557	1,999,497	-	111,531,354
Others	-	2,094,414	380,302	12,804	228,033	224,841	30,352	2,970,746
Total liabilities	-	104,931,265	38,416,061	76,212,360	262,255,682	178,112,846	30,352	659,958,566
Net position	56,476,459	(85,647,070)	9,172,486	(15,290,473)	(49,232,805)	22,155,985	106,264,913	43,899,495

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

(1) Maturity analysis (Continued)

The following tables provide an analysis of assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the reporting period: (Continued)

	31 December 2024							
	Indefinite	Repayable on demand	Within one month (inclusive)	Between one month and three months (inclusive)	Between three months and one year (inclusive)	Between one year and five years (inclusive)	More than five years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets								
Cash and deposits with Central Bank ^{(note(i))}	20,684,525	8,313,283	–	10,531	–	–	–	29,008,339
Deposits/placements with banks and other financial institutions	–	1,797,639	2,407,887	2,831,329	8,860,805	–	–	15,897,660
Financial assets held under resale agreements	–	–	5,885,781	–	–	–	–	5,885,781
Loans and advances to customers ^{(note(ii))}	14,041,943	2,827,281	24,666,898	50,257,703	137,552,942	94,263,802	52,438,090	376,048,659
Investments ^{(note(iii))}	14,150,549	1,702,564	10,109,160	14,395,916	27,236,990	76,233,602	58,128,288	201,957,069
Lease receivables ^{(note(iv))}	476,513	–	878,070	2,559,288	9,389,254	17,214,933	139,222	30,657,280
Others	1,177,858	–	768,000	1,010	6,481	39,958	56,422	2,049,729
Total assets	50,531,388	14,640,767	44,715,796	70,055,777	183,046,472	187,752,295	110,762,022	661,504,517

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

(1) Maturity analysis (Continued)

The following tables provide an analysis of assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the reporting period: (Continued)

31 December 2024								
	Indefinite	Repayable	Within one	Between	Between	Between		Total
		on demand	month	one month	three	one year	More than	
			(inclusive)	and three	months	and five	five years	
				months	and	years		
				(inclusive)	(inclusive)	(inclusive)		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Liabilities								
Due to Central Bank	-	-	3,073,333	3,575,240	28,389,187	-	-	35,037,760
Deposits/placements from banks and other financial institutions	-	1,095,387	4,316,520	6,637,105	28,541,676	516,622	-	41,107,310
Financial assets sold under repurchase agreements	-	-	16,699,143	-	-	-	-	16,699,143
Deposits from customers	-	108,530,164	14,120,295	38,420,422	105,394,360	146,630,785	-	413,096,026
Debt securities issued	-	-	5,954,863	28,619,210	68,668,808	6,999,340	-	110,242,221
Others	-	228,523	8,456	8,910	323,350	593,858	25,768	1,188,865
Total liabilities	-	109,854,074	44,172,610	77,260,887	231,317,381	154,740,605	25,768	617,371,325
Net position	50,531,388	(95,213,307)	543,186	(7,205,110)	(48,270,909)	33,011,690	110,736,254	44,133,192

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

(1) *Maturity analysis (Continued)*

The following tables provide an analysis of assets and liabilities of the Group into relevant maturity groupings based on the remaining periods to repayment at the end of the reporting period: (Continued)

- (i) For cash and deposits with Central Bank, the “indefinite” period amount represents statutory deposit reserves and fiscal deposits maintained with the PBOC.
- (ii) For loans and advances to customers, the “indefinite” period amount represents the balance being impaired or overdue for more than one month, and the balance overdue within one month (inclusive) but not impaired is included in “repayable on demand”.
- (iii) Investments include financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income, financial investments measured at amortised cost and interests in associates. The “indefinite” period amount represents the balance being credit-impaired or overdue for more than one month, and the balance overdue within one month (inclusive) but not credit-impaired is included in “repayable on demand”. Equity investments are reported under indefinite period.
- (iv) For lease receivables, the “indefinite” period amount represents the balance being impaired or overdue for more than one month, and the balance overdue within one month (inclusive) but not impaired is included in “repayable on demand”.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

(2) Analysis on contractual counted cash flows of financial liabilities

(i) The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities at the end of the reporting period:

	30 June 2025							
	Carrying amount RMB'000	Total RMB'000	Repayable on demand RMB'000	Within one month (inclusive) RMB'000	Between one month and three months (inclusive) RMB'000	Between three months and one year (inclusive) RMB'000	Between one year and five years (inclusive) RMB'000	More than five years RMB'000
Non-derivative cash flows:								
Due to Central Bank	39,150,828	39,507,796	-	4,291,463	4,704,870	30,511,463	-	-
Deposits/placements from banks and other financial institutions	40,582,382	40,942,600	525,236	4,318,909	12,241,015	23,857,440	-	-
Financial assets sold under repurchase agreements	9,201,326	9,201,395	-	9,201,395	-	-	-	-
Deposits from customers	456,521,930	468,565,354	102,312,227	12,335,884	28,349,478	140,204,803	185,362,962	-
Debt securities issued	111,531,354	112,450,785	-	8,000,000	31,549,718	70,856,005	2,045,062	-
Others	2,970,746	2,970,746	2,094,414	380,302	12,804	228,033	224,841	30,352
Total	659,958,566	673,638,676	104,931,877	38,527,953	76,857,885	265,657,744	187,632,865	30,352

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

(2) Analysis on contractual counted cash flows of financial liabilities

- (i) The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities at the end of the reporting period:
(Continued)

31 December 2024								
	Carrying amount at 31 December RMB'000	Total RMB'000	Repayable on demand RMB'000	Within one month (inclusive) RMB'000	Between one month and three months (inclusive) RMB'000	Between three months and one year (inclusive) RMB'000	Between one year and five years (inclusive) RMB'000	More than five years RMB'000
Non-derivative cash flows:								
Due to Central Bank	35,037,760	35,439,245	-	3,075,000	3,625,204	28,739,041	-	-
Deposits/placements from banks and other financial institutions	41,107,310	41,641,428	1,096,601	4,311,482	6,818,507	28,880,366	534,472	-
Financial assets sold under repurchase agreements	16,699,143	16,701,475	-	16,701,475	-	-	-	-
Deposits from customers	413,096,026	423,361,705	108,530,164	14,540,424	39,721,594	107,092,057	153,477,466	-
Debt securities issued	110,242,221	111,386,662	-	6,111,000	28,873,834	69,401,828	7,000,000	-
Others	1,188,865	1,188,865	228,523	8,456	8,910	323,350	593,858	25,768
Total	617,371,325	629,719,380	109,855,288	44,747,837	79,048,049	234,436,642	161,605,796	25,768

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(d) Operational risk

Operational risk refers to the risk of losses associated with internal process deficiencies, personnel mistakes and information system failures, or impacts from other external events.

The Group has formulated operational risk management policies and procedures, aiming to identify, assess, monitor, control and mitigate the operational risk, and reduce losses associated with the operational risk.

The Group's measures to manage the operational risk mainly include:

- making use of risk alert system and paying attention to risky products and early risk alert on each aspect of business; making business risk assessments in time; carrying out centralised risk management on major business controlling units so as to reduce business operational risk;
- establishing a supervision system combining “on-site and off-site”, “regular and special”, “self and external” examinations, identifying, monitoring, collecting risk factors and risk signals in the course of business operations, using centralised operational risk management tools, supervising, analysing and reporting the sufficiency and effectiveness of operational risk management;
- the Compliance Department, the Risk Management Department and the Internal Audit Office constitute “three lines of defense” for operational risk management base on the separating responsibilities of the front, middle and the back offices. The Business and functional departments act as the first line of defense, the Compliance Department and the Risk Management Department act as the second line of defense and the Internal Audit Office acts as the third line of defense;
- establishing compulsory leave and rotation policies for staff in key position or important process;
- establishing an expertise grading appraisal system for all employees, and selecting qualified employees through strict qualification examinations and professional evaluations in accordance with the expertises and skills required by the various positions; and
- establishing a mechanism for emergency management and business continuity.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(e) Capital management

The Group manages capital mainly through capital adequacy ratio and return on equity ratio. Capital adequacy ratio is at the core of the Group's capital management, reflecting the capacity of the Group for prudent operation and risk prevention. The return on equity ratio reflects the profitability of equity. The main objective of capital management is to maintain a balanced reasonable capital amount and structure in line with the business development and expected return on equity.

The Group follows the principles below with regard to capital management:

- based on the Group's business strategy, effectively identify, quantify, monitor, mitigate and control the major risks to which the Group is exposed, and maintain adequate capital to support the implementation of the Group's strategic development plan and meet the regulatory requirements.

The Group monitors the capital adequacy ratio periodically and adjusts the capital management plan when necessary to ensure the capital adequacy ratio meets both the regulatory requirements and business development needs.

The Group calculates the capital adequacy ratios as at 30 June 2025 and 31 December 2024 in accordance with the Regulation Governing Capital of Commercial Banks (商業銀行資本管理辦法) issued by the former CBRC and relevant requirements promulgated by the former CBRC. The calculations based on statutory financial statements of the Group prepared under Accounting Standards for Business Enterprises are as follows:

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Total core tier-one capital			
– Share capital		9,092,091	9,092,091
– Valid portion of capital reserve		5,985,102	5,985,102
– Fair value reserve		406,091	814,800
– Remeasurement of net defined benefit liability		(95,300)	(98,054)
– Surplus reserve		3,875,978	3,875,978
– General reserve		9,243,217	9,243,217
– Retained earnings		16,994,488	15,537,398
– Valid portion of minority interests		1,690,766	1,686,766
Core tier-one capital		47,192,433	46,137,298
Core tier-one capital deductions		(2,937,163)	(2,437,921)

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

37. RISK MANAGEMENT (CONTINUED)

(e) Capital management (Continued)

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Net core tier-one capital		44,255,270	43,699,377
Additional tier-one capital			
– Additional tier-one capital instruments and related premium		9,998,855	9,998,855
– Valid portion of minority interests		241,166	239,256
Net tier-one capital		54,495,291	53,937,488
Tier two capital			
– Surplus provision for loan impairment		5,993,815	5,757,707
– Valid portion of minority interests		482,332	478,512
Net tier-two capital		6,476,147	6,236,219
Net capital base		60,971,438	60,173,707
Total risk weighted assets	(1)	514,664,672	498,780,953
Core tier-one capital adequacy ratio		8.60%	8.76%
Tier-one capital adequacy ratio		10.59%	10.81%
Capital adequacy ratio		11.85%	12.06%

(1) Both the on-balance and off-balance sheet risk-weighted assets are measured using different risk weights, which are determined according to the credit, market and other risks associated with each asset and counterparty as well as any eligible collateral or guarantees.

(2) Pursuant to the Regulation Governing Capital of Commercial Banks (Provisional) (《商業銀行資本管理辦法》), the National Financial Regulatory Administration requires that the capital adequacy ratio, tier-one capital adequacy ratio and core tier-one capital adequacy ratio for commercial banks shall not fall below 10.5%, 8.5% and 7.5% at 30 June 2025 and 31 December 2024.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

38. FAIR VALUE

(a) Methods and assumptions for measurement of fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair value measured using only Level 1 inputs i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2: Fair value measured using Level 2 inputs i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3: Fair value measured using significant unobservable inputs.

The Group has established policies and internal controls with respect to the measurement of fair values, specifying the framework, methodologies and procedures of fair value measurement of financial instruments.

The Group adopts the following methods and assumptions when evaluating fair values:

(1) *Debt securities investments*

Regarding the fair values of debt securities investments, the Bank performs valuation by referring to prices from valuation service providers or on the basis of discounted cash flows models. Valuation parameters include market interest rates, expected future default rates, prepayment rates and market liquidity. The fair values of RMB bonds are mainly determined based on the valuation results provided by China Central Depository Trust & Clearing Co., Ltd.. The fair values of unlisted equity investments are estimated using comparable firm approach, after adjustment for the specific circumstances of the issuers.

(2) *Other debt investments*

Fair values are estimated as the present value of the future cash flows, discounted at the market interest rates at the end of each of the reporting period.

(3) *Debt securities issued and other non-derivative financial liabilities*

Fair values of debt securities issued are based on their quoted market prices at the end of each of the reporting period, or the present value of estimated future cash flows. The fair values of other non-derivative financial liabilities are valued at the present value of estimated future cash flows. The discount rates are based on the market interest rates at the end of each of the reporting period.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

38. FAIR VALUE (CONTINUED)

(b) Financial instruments recorded at fair value

The following tables show an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	30 June 2025			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value on a recurring basis				
Financial investments at fair value through profit or loss				
– Debt securities	–	17,513,459	–	17,513,459
– Investment funds	–	15,215,153	–	15,215,153
– Equity investments	257,605	–	350,731	608,336
– Other financial investments	–	–	7,543,512	7,543,512
Financial investments at fair value through other comprehensive income				
– Debt securities	–	30,842,414	–	30,842,414
– Equity investments	–	–	253,087	253,087
Loans and advances to customers measured at fair value through other comprehensive income				
– Corporate loans and advances	–	63,475,397	–	63,475,397
Total	257,605	127,046,423	8,147,330	135,451,358

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

38. FAIR VALUE (CONTINUED)

(b) Financial instruments recorded at fair value (Continued)

	31 December 2024			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets measured at fair value on a recurring basis				
Financial investments at fair value through profit or loss				
– Debt securities	–	10,825,665	–	10,825,665
– Investment funds	–	15,032,167	–	15,032,167
– Equity investments	271,860	–	350,731	622,591
– Other financial investments at fair value through profit or loss	–	–	6,004,524	6,004,524
Financial investments at fair value through other comprehensive income				
– Debt instruments	–	21,201,289	–	21,201,289
– Equity investments	–	–	246,192	246,192
Loans and advances to customers measured at fair value through other comprehensive income				
– Corporate loans and advances	–	49,480,284	–	49,480,284
Total	271,860	96,539,405	6,601,447	103,412,712

During the period, there were no transfers of financial instruments between Level 1 and Level 2 or between Level 2 and Level 3 (2024: Nil).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

38. FAIR VALUE (CONTINUED)

(c) Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening balance and closing balance of level 3 financial assets and liabilities which are recorded at fair value and the movement during the period/year:

	1 January 2025 RMB'000	Total effects of profit and loss during the period RMB'000	Total effects of other comprehensive income during the period RMB'000	Acquisition RMB'000	Sales/ settlement RMB'000	Transferred from Level 3 to Level 2 RMB'000	30 June 2025 RMB'000	Profit attributable to the change in unrealised gains/ (losses) recognized in profit for the period relating to assets held at the end of the period RMB'000
Financial assets:								
Financial investments at fair value through profit or loss								
– Other financial investments at fair value through profit or loss	6,004,524	141,147	–	5,067,484	(3,669,643)	–	7,543,512	13,635
– Equity investments	350,731	–	–	–	–	–	350,731	–
Financial investments at fair value through other comprehensive income								
– Equity investments	246,192	–	6,895	–	–	–	253,087	–
Total	6,601,447	141,147	6,895	5,067,484	(3,669,643)	–	8,147,330	13,635

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

38. FAIR VALUE (CONTINUED)

(c) Movement in level 3 financial instruments measured at fair value (Continued)

The following table shows a reconciliation of the opening balance and closing balance of level 3 financial assets and liabilities which are recorded at fair value and the movement during the period/year: (Continued)

	1 January 2024 RMB'000	Total effects of profit and loss during the year RMB'000	Total effects of other comprehensive income during the year RMB'000	Acquisition RMB'000	Sale/ Settlement RMB'000	Transferred from Level 3 to Level 2 RMB'000	31 December 2024 RMB'000	Profit attributable to the change in unrealised gains and losses relating to assets held at the end of the year RMB'000
Financial assets								
Financial investments at fair value through profit or loss								
– Other financial investments at fair value through profit or loss	14,690,048	508,905	–	5,313,806	(14,508,235)	–	6,004,524	209,413
– Equity investments	176,012	–	–	174,719	–	–	350,731	–
Financial investments at fair value through other comprehensive income								
– Equity investments	66,313	–	179,879	–	–	–	246,192	–
Total	14,932,373	508,905	179,879	5,488,525	(14,508,235)	–	6,601,447	209,413

During the reporting period, the effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions were immaterial.

During the reporting period, total gains or losses recorded in profit or loss are recognised in the line item “net gains arising from investments” on the face of the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

38. FAIR VALUE (CONTINUED)

(d) Fair value of financial assets and liabilities not carried at fair value

	30 June 2025				
	Carrying amount RMB'000	Fair value RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Financial assets					
Financial investments measured at amortised cost					
– Debt securities	119,920,055	137,711,741	–	137,711,741	–
Total	119,920,055	137,711,741	–	137,711,741	–
Financial liabilities					
Debt securities issued					
– Financial bonds	15,199,430	15,295,430	–	15,295,430	–
– Interbank deposits	96,331,924	96,389,268	–	96,389,268	–
Total	111,531,354	111,684,698	–	111,684,698	–

	31 December 2024				
	Carrying amount RMB'000	Fair value RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Financial assets					
Financial investments measured at amortised cost					
– Debt securities	112,518,324	117,817,218	–	117,817,218	–
Total	112,518,324	117,817,218	–	117,817,218	–
Financial liabilities					
Debt securities issued					
– Financial bonds	15,185,130	15,361,275	–	15,361,275	–
– Interbank deposits	95,057,091	95,150,475	–	95,150,475	–
Total	110,242,221	110,511,750	–	110,511,750	–

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

38. FAIR VALUE (CONTINUED)

(d) Fair value of financial assets and liabilities not carried at fair value (Continued)

Subject to the existence of an active market, such as an authorised securities exchange, the market value is the best reflection of the fair value of financial instruments. As there is no available market value for certain of the financial assets and liabilities held and issued by the Group, the discounted cash flow method or other valuation methods are adopted to determine the fair values of these assets and liabilities.

The fair values of debt securities in financial investments measured at amortised cost and debt securities issued are determined with reference to the available market values. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows.

Financial investments measured at amortised cost with the exception of debt securities are stated at amortised cost using the effective interest method. The fair value of financial investments measured at amortised cost are estimated based on future cash flows expected to be received which is discounted at current market rates. The majority of financial investments measured at amortised cost are repriced at least annually to the market rate. Accordingly, their carrying values approximate their fair values.

The above-mentioned assumptions and methods provide a consistent basis for the calculation of the fair values of the Group's assets and liabilities. However, other institutions may use different assumptions and methods. Therefore, the fair values disclosed by different financial institutions may not be entirely comparable.

Except the financial assets and liabilities mentioned above, those financial instruments of which the carrying amounts are the reasonable approximations of the fair values because, for example, they are short-term in nature or repriced at current market rates frequently, are as follows:

Assets	Liabilities
Cash and deposits with Central Bank	Due to Central Bank
Deposits with banks and other financial institutions	Deposits from banks and other financial institutions
Placements with banks and other financial institutions	Placements from banks and other financial institutions
Financial assets held under resale agreements	Financial assets sold under repurchase agreements
Loans and advances to customers (measured at amortised cost)	Deposits from customers
Lease receivables	Other financial liabilities
Other financial assets	

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

39. COMMITMENTS AND CONTINGENCIES

(a) Credit commitments

The Group's credit commitments take the form of bank acceptances, unused credit card limits, letters of credit and letters of guarantees.

Acceptances comprise of undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from its customers. The contractual amounts of unused credit card commitments represent the amounts should the contracts be fully drawn upon. The Group provides financial guarantees and letters of credit to guarantee the performance of customers to third parties.

	30 June 2025 RMB'000	31 December 2024 RMB'000
Bank acceptances	54,210,593	51,346,071
Letters of credit	8,262,545	7,416,763
Guarantees	288,577	369,023
Unused credit card commitments	10,842,702	10,051,341
Loan commitments	3,738,206	2,638,276
Total	77,342,623	71,821,474

The Group may be exposed to credit risk in all the above credit businesses. Management periodically assesses credit risk and makes provision for any probable losses. As the facilities may expire without being drawn upon, the total of the contractual amounts shown above is not representative of expected future cash outflows.

(b) Credit risk-weighted amount

	30 June 2025 RMB'000	31 December 2024 RMB'000
Credit risk-weighted amount of commitments and contingencies	9,475,670	8,289,281

The credit risk weighted amount represents the amount calculated with reference to the guidelines issued by the Regulation Governing Capital of Commercial Banks (商業銀行資本管理辦法). The risk weights are determined in accordance with the credit status of the counterparties, the maturity profile and other factors. The risk weights range from 0% to 150% for credit commitments.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

39. COMMITMENTS AND CONTINGENCIES (CONTINUED)

(c) Capital commitments

As at 30 June 2025 and 31 December 2024, the authorised capital commitments of the Group are as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Contracted but not paid for	150,556	178,873
Approved but not contracted for	44,212	41,839
Total	194,768	220,712

(d) Outstanding litigations and disputes

As at 30 June 2025 and 31 December 2024, there are no outstanding legal proceedings that have a significant impact on the financial statements against the Group.

(e) Pledged assets

	30 June 2025 RMB'000	31 December 2024 RMB'000
Debt securities	50,948,534	50,822,463
Bills	599,678	2,070,046
Total	51,548,212	52,892,509

Some of the Group's assets are pledged as collateral under repurchase agreements and due to Central Bank.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

40. STRUCTURED ENTITIES

(a) Consolidated structured entities

The consolidated structured entities are asset-backed securities. The Group considers whether it has control over the structured entities as the sponsor of the asset-backed securities, and judges whether these structured entities should be consolidated based on the decision-making scope, the power held, the remuneration for providing management services and the variable income risk exposure faced. During the period ended 30 June 2025, the Group did not provide financial support to the consolidated structured entities (2024: Nil).

(b) Unconsolidated structured entities

(1) *Structured entities sponsored by third party institutions in which the Group holds an interest*

The Group holds an interest in some structured entities sponsored by third party institutions through investments in the notes issued by these structured entities. Such structured entities include investment management products under funds, trust schemes, investment management products managed by securities companies and wealth management products issued by financial institutions. The Group does not consolidate these structured entities. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors and finance through the issue of notes to investors.

The following tables set out an analysis of the carrying amounts of interests held by the Group in the structured entities sponsored by third party institutions, as well as an analysis of the line items in the statement of financial position in which relevant assets are recognised:

	30 June 2025	
	Carrying amount RMB' 000	Maximum exposure RMB' 000
Financial investments		
– Financial investments at fair value through profit or loss	22,397,609	22,397,609
– Financial investments measured at amortised cost	30,155,562	30,155,562
Interest receivables	143,285	143,285
Total	52,696,456	52,696,456

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

40. STRUCTURED ENTITIES (CONTINUED)

(b) Unconsolidated structured entities (Continued)

(1) *Structured entities sponsored by third party institutions in which the Group holds an interest (Continued)*

	31 December 2024	
	Carrying amount RMB'000	Maximum exposure RMB'000
Financial investments		
– Financial investments at fair value through profit or loss	20,715,325	20,715,325
– Financial investments measured at amortised cost	34,596,768	34,596,768
Interest receivables	41,312	41,312
Total	55,353,405	55,353,405

The maximum exposures to loss in the above investment management products and wealth management products are the carrying amount of the assets held by the Group and the related interest receivable at the end of each of the reporting period.

The interest income, net trading gains and investment gains arising from the above unconsolidated structured entities for the period ended 30 June 2025 amounted to RMB1,021 million (the six months ended 30 June 2024: RMB1,492 million).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

40. STRUCTURED ENTITIES (CONTINUED)

(b) Unconsolidated structured entities (Continued)

(2) *Structured entities sponsored by Group in which the Group does not consolidate but holds an interest.*

The types of unconsolidated structured entities sponsored by the Group include non-principal-guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of the investments in the notes to investors. Interest held by the Group includes fees charged by providing management services.

As at 30 June 2025, the amount of assets held by the unconsolidated non-principal-guaranteed wealth management products which are sponsored by the Group is RMB38,440 million (31 December 2024: RMB40,428 million).

During the period ended 30 June 2025, the Group recognised net commission income from the non-principal-guaranteed wealth management products with the amount of RMB51 million through provision of asset management services (the six months ended 30 June 2024: RMB102 million). The Group expected that the variable return would be insignificant as to the structured entities.

During the period ended 30 June 2025, the Group did not provide financial support to the unconsolidated structured entities (2024: Nil).

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

41. TRANSFER OF FINANCIAL ASSETS

On 4 September 2024, the Group entered into an asset transfer agreement with Zhongyuan Asset Management Co., Ltd. to transfer a portfolio of non-performing financial assets. As of the transaction benchmark date, the total principal balance and interest of the portfolio was RMB15.01 billion. The transfer price was RMB10 billion, to be settled with RMB5 billion in cash and trust beneficial rights valued at RMB5 billion. The transaction is completed on 26 September 2024.

In addition to the above transaction during the year in 2024, the Group transferred non-performing loans with a principal balance of RMB1.25 billion to other third parties.

During the six months ended 30 June 2025, the Group transferred non-performing loans with a principal balance of RMB1.08 billion.

Regarding to aforementioned transfer of non-performing financial assets, based on the assessment of risk and reward transfer conditions, the Group assessed that the financial assets meet the derecognition criteria.

42. FIDUCIARY ACTIVITIES

The Group commonly acts as a trustee, or in other fiduciary capacities, that result in its holding or managing assets on behalf of individuals, trusts and other institutions. These assets and any gains or losses arising thereon are not included in these financial statements as they are not the Group's assets.

As at 30 June 2025, the balance of the entrusted loans of the Group is RMB20,934 million (31 December 2024: RMB23,468 million).

43. EVENT AFTER THE REPORTING PERIOD

The Group has no significant events after the reporting period to be disclosed.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

44. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION

	30 June 2025 RMB'000	31 December 2024 RMB'000
Assets		
Cash and deposits with Central Bank	30,218,037	28,541,892
Deposits with banks and other financial institutions	2,653,819	1,271,416
Placements with banks and other financial institutions	18,925,057	16,126,208
Financial assets held under resale agreements	4,632,913	5,805,626
Loans and advances to customers	390,809,730	372,344,575
Financial investments:		
Financial investments at fair value through profit or loss	41,151,795	32,965,933
Financial investments at fair value through other comprehensive income	31,095,501	21,447,481
Financial investments measured at amortised cost	147,102,119	143,504,866
Interests in associates and subsidiaries	1,801,536	1,808,420
Property and equipment	3,139,295	3,181,399
Deferred tax assets	5,964,214	5,531,920
Other assets	6,800,217	6,684,142
Total assets	684,294,233	639,213,878
Liabilities		
Due to Central Bank	39,026,605	34,876,496
Deposits from banks and other financial institutions	15,918,719	15,432,380
Placements from banks and other financial institutions	429,567	–
Financial assets sold under repurchase agreements	7,484,087	14,284,268
Deposits from customers	450,585,349	407,266,633
Tax payable	303,112	280,762
Debt securities issued	111,531,354	110,242,221
Other liabilities	4,286,245	3,102,192
Total liabilities	629,565,038	585,484,952

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 June 2025

44. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

	30 June 2025 RMB'000	31 December 2024 RMB'000
Equity		
Share capital	9,092,091	9,092,091
Other equity instruments	9,998,855	9,998,855
Capital reserve	5,985,160	5,985,160
Surplus reserve	3,875,978	3,875,978
General reserve	8,826,752	8,826,752
Fair value reserve	402,474	809,842
Remeasurement of net defined benefit liability	(95,300)	(98,054)
Retained earnings	16,643,185	15,238,302
Total equity	54,729,195	53,728,926
Total liabilities and equity	684,294,233	639,213,878

Approved and authorised for issue by the board of directors on 28 August 2025.

Zhao Fei

*Chairman of the Board of Directors
Executive Director*

Li Hong

*President
Executive Director*

Zhang Houlin

Person in Charge of Accounting Affairs

Fu Qiang

Head of Accounting Department

Bank of Zhengzhou Co., Ltd

(Company chop)

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CURRENCY CONCENTRATIONS

	30 June 2025			
	USD (RMB'000 equivalent)	HKD (RMB'000 equivalent)	Other (RMB'000 equivalent)	Total (RMB'000 equivalent)
Spot assets	4,321,588	5,583	10,889	4,338,060
Spot liabilities	(2,122,408)	(63)	(322)	(2,122,793)
Net position	2,199,180	5,520	10,567	2,215,267

	31 December 2024			
	USD (RMB'000 equivalent)	HKD (RMB'000 equivalent)	Other (RMB'000 equivalent)	Total (RMB'000 equivalent)
Spot assets	1,757,256	6,484	6,006	1,769,746
Spot liabilities	(722,262)	(64)	(289)	(722,615)
Net position	1,034,994	6,420	5,717	1,047,131

The Group has no structural position at the reporting periods.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(CONTINUED)

For the six months ended 30 June 2025

2. INTERNATIONAL CLAIMS

The Group is principally engaged in business operations in Mainland China, and regards all claims on third parties outside Mainland China as international claims.

International claims include loans and advances to customers, amounts due from banks and other financial institutions and debt investments.

A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose Head Office is located in another country.

	30 June 2025			
	Bank and other financial institutions <i>RMB'000</i>	Public sector entities <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Asia Pacific excluding Mainland China	2,693,300	—	—	2,693,300
Europe	6,914	—	—	6,914
North America	852,335	—	—	852,335
Total	3,552,549	—	—	3,552,549

	31 December 2024			
	Banks and other financial institutions <i>RMB'000</i>	Public sector entities <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Asia Pacific excluding Mainland China	5,813	—	—	5,813
Europe	3,316	—	—	3,316
North America	868,282	—	—	868,282
Total	877,411	—	—	877,411