

中原银行股份有限公司

ZHONGYUAN BANK CO., LTD.

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

Stock Code: 1216

INTERIM
REPORT
中期報告

20
25



Contents

Corporate Information	2
Summary of Accounting Information and Financial Indicators	5
Management Discussion and Analysis	8
Changes in Share Capital and Information on Shareholders	64
Directors, Supervisors, Senior Management and Employees	69
Corporate Governance	74
Important Events	76
Organizational Structure	81
Review Report to the Board of Directors	82
Consolidated Statement of Profit or Loss and Other Comprehensive Income	83
Consolidated Statement of Financial Position	85
Consolidated Statement of Changes in Equity	87
Consolidated Cash Flow Statement	89
Notes to the Unaudited Interim Financial Statements	91
Unaudited Supplementary Financial Information	176
Definitions	179



I. Corporate Information

Legal Name of the Company

中原银行股份有限公司¹ (abbreviated as 中原銀行)

English Name of the Company

ZHONGYUAN BANK CO., LTD.¹ (abbreviated as ZYBANK)

Registered Office

Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District CBD, Zhengzhou, Henan Province, PRC

Headquarters in China

Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District CBD, Zhengzhou, Henan Province, PRC

Principal Business Place in Hong Kong

40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong

Board of Directors

Executive Director:

Mr. GUO Hao (Chairman)

Non-executive Directors²:

Mr. FENG Ruofan
Ms. ZHANG Shu

Independent non-executive Directors:

Mr. XU Yiguo
Ms. ZHAO Zijian
Mr. WANG Maobin
Mr. PAN Xinmin
Mr. GAO Pingyang

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

² On April 17, 2025, Ms. ZHANG Qiuyun resigned as the non-executive Director and the member of the Strategy and Development Committee, with effect from April 17, 2025. For more details, please refer to the Bank's announcement dated April 17, 2025.

I. Corporate Information

Legal Representative

Mr. GUO Hao

Authorized Representatives

Mr. GUO Hao
Ms. CHAN Yin Wah

Company Secretary

Ms. CHAN Yin Wah

Unified Social Credit Code

9141000031741675X6

Financial License Institution Number

B0615H241010001

Auditors

PRC Auditor

Baker Tilly China Certified Public Accountants
Building 12, Sci-tech Cultural Park for Global Communication, 19 Chegongzhuang West Road,
Haidian District, Beijing, China

International Auditor

Baker Tilly Hong Kong Limited
8/F, 728 King's Road, Quarry Bay, Hong Kong

I. Corporate Information

Legal Advisor as to PRC mainland Laws

King & Wood Mallesons
17-18/F, East Tower, World Financial Center, 1 Dongsanhuan Zhonglu, Chaoyang District, Beijing, PRC

Legal Advisor as to Hong Kong Laws

Clifford Chance
27th Floor, Jardine House, One Connaught Place, Central, Hong Kong

H Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Domestic Shares Trustee Agency

China Securities Depository and Clearing Corporation Limited
Western Hall, 2/F, Shenzhen Stock Exchange Building, 2012 Shennan Avenue, Futian District, Shenzhen

H Share Stock Code

1216

Investor's Enquiry

Website Address: www.zybank.com.cn
Contact Telephone No.: (86) 0371-85517898
Fax: (86) 0371-85519888
Email: dongshihui@zybank.com.cn

II. Summary of Accounting Information and Financial Indicators

For the six months ended June 30,

	2025	2024	Change over the corresponding period of last year
(Expressed in millions of Renminbi, unless otherwise stated, except percentages)			
Operating Results			Rate of Change (%)
Net interest income	11,050.6	10,704.2	3.2
Net fee and commission income	1,236.5	1,277.5	(3.2)
Operating income	13,562.5	13,992.1	(3.1)
Operating expenses	(4,069.2)	(4,396.3)	(7.4)
Impairment losses on assets	(8,070.9)	(8,096.3)	(0.3)
Profit before tax	1,505.8	1,574.3	(4.4)
Net profit	2,129.0	2,118.4	0.5
Net profit attributable to equity shareholders of the Bank	2,033.6	2,049.5	(0.8)
Calculated on a per share basis (RMB)			Rate of Change (%)
Net assets per share attributable to equity shareholders of the Bank ⁽¹⁾	2.27	2.21	2.7
Earnings per share ⁽²⁾	0.05	0.05	0.0
Profitability Indicators (%)			Change
Return on average total assets ⁽³⁾	0.31	0.31	0.00
Return on average equity ⁽⁴⁾	4.73	4.96	(0.23)
Net interest spread ⁽⁵⁾	1.58	1.55	0.03
Net interest margin ⁽⁶⁾	1.66	1.66	0.00
Net fee and commission income to operating income	9.12	9.13	(0.01)
Cost-to-income ratio ⁽⁷⁾	29.13	30.20	(1.07)

II. Summary of Accounting Information and Financial Indicators

	June 30, 2025	December 31, 2024	Change over the end of last year
(Expressed in millions of Renminbi, unless otherwise stated, except percentages)			
Capital adequacy ratio indicators⁽⁸⁾ (%)			Change
Calculated based on the Administrative Measures for the Capital of Commercial Banks			
Core Tier-one capital adequacy ratio	8.67	8.46	0.21
Tier-one capital adequacy ratio	11.18	10.93	0.25
Capital adequacy ratio	13.29	13.02	0.27
Total equity to total assets	7.16	7.35	(0.19)
Asset quality indicators (%)			Change
Non-performing loans to total loans ⁽⁹⁾	2.01	2.02	(0.01)
Allowance for loan impairment losses to non-performing loans ⁽¹⁰⁾	161.05	155.03	6.02
Allowance for loan impairment losses to total loans ⁽¹¹⁾	3.23	3.14	0.09
Other indicators (%)			
Loan-to-deposit ratio	75.77	80.33	(4.56)
Scale indicators			Rate of Change (%)
Total assets	1,407,926.5	1,365,197.0	3.1
Of which: Net loans and advances to customers	698,685.6	697,845.2	0.1
Total liabilities	1,307,147.9	1,264,813.7	3.3
Of which: deposits from customers	964,868.0	911,799.8	5.8
Share capital	36,549.8	36,549.8	–
Equity attributable to equity shareholders of the Bank	96,878.9	96,557.7	0.3
Non-controlling interests	3,899.7	3,825.6	1.9
Total equity	100,778.6	100,383.3	0.4

II. Summary of Accounting Information and Financial Indicators

Notes:

- (1) Calculated by dividing equity attributable to equity holders of the parent company after deduction of other equity instruments at the end of the Reporting Period by the total number of ordinary shares at the end of the Reporting Period.
- (2) The ratio of net profit (net of dividends of preference shares distributed during the year) attributable to shareholders of the Bank to weighted average number of ordinary shares.
- (3) Represents net profit for the period as a percentage of average balance of total assets at the beginning and the end of the period.
- (4) Calculated based on the “Rules on the Preparation and Submission of Information Disclosed by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share” (Revision 2010) issued by China Securities Regulatory Commission. Represents net profit attributable to shareholders of the Bank for the period as a percentage of weighted average balance attributable to shareholders of the Bank for the period.
- (5) Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities, calculated based on daily average of the interest-earning assets and the interest-bearing liabilities.
- (6) Calculated by dividing net interest income by the daily average balance of total interest-earning assets.
- (7) Calculated by dividing operating expenses after deduction of taxes and surcharges by operating income.
- (8) The Administrative Measures for the Capital of Commercial Banks came into effect on January 1, 2024.
- (9) Calculated by dividing total non-performing loans and advances to customers by gross loans and advances to customers. Gross loans and advances to customers are exclusive of accrued interest.
- (10) Calculated by dividing allowance for impairment losses on loans and advances to customers by total non-performing loans. Total allowance for impairment losses on loans and advances to customers included allowance for impairment losses on loans at amortized cost and allowance for impairment losses on loans at fair value through other comprehensive income.
- (11) Calculated by dividing allowance for impairment losses on loans and advances to customers by gross loans and advances to customers.

III. Management Discussion and Analysis

1 Past Economic and Financial Environment and Future Prospects

During the Reporting Period, global economic growth momentum weakened, with divergent recoveries among major economies. Geopolitical conditions remained highly uncertain, with intensified unilateralism and protectionism, ongoing geopolitical conflicts, and U.S. tariff policies heightening the risk of a global recession. While inflation in developed economies has moderated, upward price pressures persist. Many countries continue to face fiscal and debt risks, global trade and investment growth remain constrained, and financial market volatility has increased.

During the Reporting Period, China's economy demonstrated overall stability with positive trends, marked by steady growth in production and demand, continued increases in household income, robust expansion of new growth drivers, further progress in high-quality development, and maintained social stability. Gross domestic product ("GDP") reached RMB66,053.6 billion, representing a year-on-year increase of 5.3% at constant prices. Market sales growth rebounded, with total retail sales of consumer goods amounting to RMB24,545.8 billion, up 5.0% year-on-year. Investment expanded further, with fixed asset investment (excluding rural households) reaching RMB24,865.4 billion, up 2.8% year-on-year. Imports and exports of goods continued to grow, totaling RMB21,787.6 billion, a year-on-year increase of 2.9%. Prices remained broadly stable, with the consumer price index ("CPI") down 0.1% year-on-year. Resident income grew steadily, with per capita disposable income reaching RMB21,840, a real year-on-year increase of 5.4%. Overall, proactive and effective macroeconomic policies delivered tangible results, the economy sustained its steady upward trajectory, and the domestic economy demonstrated strong resilience and vitality.

During the Reporting Period, Henan Province firmly prioritized high-quality development and the implementation of a new development strategy. Supply-side support was solid and effective, demand continued to expand, industrial transformation and upgrading accelerated, and new quality productive forces were developed according to local conditions, leading to a significant improvement in development quality and efficiency. The province's key economic indicators grew faster than the national average, and its economy maintained a steady upward trajectory. The GDP of Henan Province reached RMB3,168.38 billion, representing a year-on-year increase of 5.7%. The industrial economy maintained rapid growth, with value added of industries above designated size in the province rising by 8.4% year-on-year, 2.0 percentage points higher than the national average. Fixed asset investment expanded steadily, up 5.1% year-on-year, 2.3 percentage points above the national level. Consumer demand continued to recover, with total retail sales of consumer goods amounting to RMB1,420.155 billion, up 7.2% year-on-year, 2.2 percentage points above the national average. Resident income grew steadily, with per capita disposable income of provincial residents reaching RMB15,781, up 5.5% year-on-year.

III. Management Discussion and Analysis

During the Reporting Period, the Central Bank implemented a moderately accommodative monetary policy, employing a mix of monetary policy tools to maintain ample liquidity and reduce overall social financing costs. Efforts were made to effectively deliver on the “Five Target Areas” of finance (namely technology finance, green finance, inclusive finance, pension finance and digital finance), strengthen financial services for major national strategies, key areas, and weak links, and support the economy in sustaining its recovery momentum. The monetary aggregate grew at a reasonable pace, with the broad money supply (M2) reaching RMB330.29 trillion, up 8.3% year-on-year. Aggregate social financing expanded steadily, with outstanding social financing at RMB430.22 trillion, up 8.9% year-on-year. The total volume of credit continued to rise, with the balance of domestic and foreign currency loans of financial institutions reaching RMB272.57 trillion, up 6.8% year-on-year. Looking forward, the Central Bank will further improve the monetary policy framework, properly balance short-term and long-term objectives, growth stabilization and risk prevention, internal and external equilibrium, and support for the real economy and the soundness of the banking system. It will enhance the foresight, precision, and effectiveness of macroeconomic regulation, strengthen macro policy coordination, expand domestic demand, stabilize expectations, boost vitality, and make every effort to consolidate the foundations for economic development and social stability.

2 Overall Operation Overview

During the Reporting Period, the Bank remained firmly committed to the goal of “building a first-class city commercial bank and becoming the vanguard in the Henan financial army,” while adhering to the strategic direction of “enhancing government banking, strengthening industrial banking, consolidating retail banking, and expanding rural revitalization banking.” The Bank further deepened cooperation among government, banks, and enterprises, continuously optimized its business structure, and reinforced the foundation for high-quality development. Overall, its operations sustained a sound trend of steady progress. With its high-quality financial services, Zhongyuan Bank has won widespread praise from all walks of life, and was awarded “World’s Best Banks by Forbes (福布斯世界最佳銀行)”, “Ten Best City Commercial Banks of the Year (年度十佳城市商業銀行)”, “Top Ten Iron-horse Banks (鐵馬十佳銀行)”, “Best Listed Company (最佳上市公司)”, “Outstanding City Commercial Bank of the Year (年度卓越城商行)” “Top 500 Listed Chinese Companies published by The Fortune in 2024 (2024 年《財富》中國上市公司 500 強)”, and other honors. Zhongyuan Bank ranked 152nd amongst the top 1,000 banks in the world by The Banker (UK) in 2025, and its social reputation and brand influence continued to enhance.

The Bank adhered to the principle of pursuing progress while maintaining stability, devoted its efforts to the “Five Target Areas” of finance, and relied on the “Four Banks” to comprehensively deepen reforms. By focusing on operational priorities, aligning closely with the market, extending its reach to the grassroots, accelerating digital and intelligent transformation, and strengthening industrial empowerment, the Bank fostered differentiated competitiveness while providing high-quality services to Henan’s overall economic and social development. As of the end of the Reporting Period, the Bank’s total assets amounted to RMB1,407.927 billion, representing an increase of RMB42.73 billion, or 3.1%, compared with the end of the previous year. Total loans (excluding accrued interest) reached RMB715.016 billion, up RMB561 million, or 0.1%, compared with the end of the previous year. Deposits (excluding accrued interest) amounted to RMB943.675 billion, representing an increase of RMB54.241 billion, or 6.1%, compared with the end of the previous year. Operating income reached RMB13.563 billion, while net profit amounted to RMB2.129 billion, an increase of 0.5%. The non-performing loan ratio was 2.01%, down 0.01 percentage point from the end of the previous year; the allowance coverage ratio was 161.05%, up 6.02 percentage points from the end of the previous year. The core tier-1 capital adequacy ratio, tier-1 capital adequacy ratio, and capital adequacy ratio was 8.67%, 11.18%, and 13.29%, respectively, representing increases of 0.21, 0.25, and 0.27 percentage point compared with the end of the previous year, reflecting a sustained improvement in capital strength.

III. Management Discussion and Analysis

3 Analysis on Income Statement

For the six months ended June 30, 2025, the Bank recorded operating income of RMB13.563 billion and net profit of RMB2.129 billion, representing a year-on-year increase of RMB11 million, or 0.5%.

For the six months ended June 30,				
	2025	2024	Change	Rate of change
	(in millions of RMB, except percentages)			
Interest income	22,871.1	24,363.8	(1,492.7)	(6.1%)
Interest expense	(11,820.5)	(13,659.6)	1,839.1	(13.5%)
Net interest income	11,050.6	10,704.2	346.4	3.2%
Fee and commission income	1,410.5	1,635.7	(225.2)	(13.8%)
Fee and commission expense	(174.0)	(358.2)	184.2	(51.4%)
Net fee and commission income	1,236.5	1,277.5	(41.0)	(3.2%)
Net trading gains	342.3	492.7	(150.4)	(30.5%)
Net gains arising from investment securities	875.6	1,388.8	(513.2)	(37.0%)
Other operating income ⁽¹⁾	57.5	128.9	(71.4)	(55.4%)
Operating income	13,562.5	13,992.1	(429.6)	(3.1%)
Operating expenses	(4,069.2)	(4,396.3)	327.1	(7.4%)
Impairment losses on assets	(8,070.9)	(8,096.3)	25.4	(0.3%)
Share of profits of joint venture	83.4	74.8	8.6	11.5%
Operating profit	1,505.8	1,574.3	(68.5)	(4.4%)
Profit before tax	1,505.8	1,574.3	(68.5)	(4.4%)
Income tax	623.2	544.1	79.1	14.5%
Net profit	2,129.0	2,118.4	10.6	0.5%
Net profit attributable to equity shareholders of the Bank	2,033.6	2,049.5	(15.9)	(0.8%)
Non-controlling interests	95.4	68.9	26.5	38.5%

Note:

- (1) Other operating income includes government subsidies, rental income, net gains arising from disposal of property and equipment, etc.

3.1 Net interest income, net interest spread and net interest margin

For the six months ended June 30, 2025, the Bank recorded net interest income of RMB11.051 billion, representing a year-on-year increase of RMB346 million or 3.2%. Among this, a year-on-year increase of net interest income of RMB53 million was attributable to the changes in the Bank's business scale and a year-on-year increase of net interest income of RMB293 million was attributable to the changes in yield or cost rate.

The following table sets forth the average balance of the Bank's interest-earning assets and interest-bearing liabilities, interest income and expense from these assets and liabilities, and the average yield of these interest-earning assets and the average cost rate of these interest-bearing liabilities for the six months ended June 30, 2025 and 2024.

III. Management Discussion and Analysis

For the six months ended June 30,						
	Average balance	2025 Interest income/ expense	Average yield/cost ⁽¹⁾	Average balance	2024 Interest income/ expense	Average yield/cost ⁽¹⁾
(in millions of RMB, except percentages)						
Interest-earning assets						
Loans and advances to customers	707,346.3	14,800.7	4.18%	710,008.6	16,164.6	4.55%
Investment securities and other financial assets ⁽²⁾	358,410.2	4,390.2	2.45%	319,883.1	4,419.5	2.76%
Lease receivables	77,675.8	2,061.4	5.31%	77,675.4	2,016.1	5.19%
Deposits with the Central Bank	53,958.4	388.0	1.44%	52,409.7	369.2	1.41%
Deposits with banks and other financial institutions	38,718.5	275.9	1.43%	37,848.6	348.4	1.84%
Financial assets held under resale agreements	30,056.0	287.8	1.92%	52,179.2	517.9	1.99%
Placements with banks and other financial institutions	61,876.7	667.1	2.16%	38,512.3	528.1	2.74%
Total interest-earning assets	1,328,041.9	22,871.1	3.44%	1,288,516.9	24,363.8	3.78%
Interest-bearing liabilities						
Deposits from customers	923,604.0	8,446.5	1.83%	877,240.0	9,459.7	2.16%
Financial assets sold under repurchase agreements	34,195.1	327.0	1.91%	60,826.7	581.1	1.91%
Placements from banks and other financial institutions	65,927.6	738.3	2.24%	64,526.9	966.0	2.99%
Borrowings from the Central Bank	36,365.6	339.9	1.87%	66,744.6	767.7	2.30%
Deposits from banks and other financial institutions	54,176.8	463.2	1.71%	35,252.7	358.0	2.03%
Debt securities issued ⁽³⁾	155,736.6	1,505.6	1.93%	121,577.2	1,527.1	2.51%
Total interest-bearing liabilities	1,270,005.7	11,820.5	1.86%	1,226,168.1	13,659.6	2.23%
Net interest income		11,050.6			10,704.2	
Net interest spread⁽⁴⁾			1.58%			1.55%
Net interest margin⁽⁵⁾			1.66%			1.66%

Notes:

- (1) Calculated by dividing interest income/expense by average balance.
- (2) Such interest-earning assets consist of financial assets at amortized cost and financial assets at fair value through other comprehensive income.
- (3) Mainly consists of interbank deposits issued, financial bonds and tier-2 capital bonds.
- (4) Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities, and based on daily average interest-earning assets and interest-bearing liabilities.
- (5) Calculated by dividing net interest income by the average balance of total interest-earning assets, and based on daily average interest-earning assets.

III. Management Discussion and Analysis

The following table sets forth the changes in the Bank's interest income and interest expense due to changes in volume and rate for the periods indicated. Changes in volume are measured by changes in the average balances of the Bank's interest-earning assets and interest-bearing liabilities and changes in rate are measured by changes in the average rates of the Bank's interest-earning assets and interest-bearing liabilities. Effects of changes caused by both volume and rate have been allocated to changes in interest.

For the six months ended June 30, 2025 vs 2024			
Reasons for increase/(decrease)			
	Volume ⁽¹⁾	Rate ⁽²⁾	Net increase/ (decrease) ⁽³⁾
(in millions of RMB)			
Interest-earning assets			
Loans and advances to customers	(60.6)	(1,303.3)	(1,363.9)
Investment securities and other financial assets	532.3	(561.6)	(29.3)
Lease receivables	–	45.3	45.3
Deposits with the Central Bank	10.9	7.9	18.8
Deposits with banks and other financial institutions	8.0	(80.5)	(72.5)
Financial assets held under resale agreements	(219.6)	(10.5)	(230.1)
Placements with banks and other financial institutions	320.4	(181.4)	139.0
Changes in interest income	591.4	(2,084.1)	(1,492.7)
Interest-bearing liabilities			
Deposits from customers	500.0	(1,513.2)	(1,013.2)
Financial assets sold under repurchase agreements	(254.4)	0.3	(254.1)
Placements from banks and other financial institutions	21.0	(248.7)	(227.7)
Borrowings from the Central Bank	(349.4)	(78.4)	(427.8)
Deposits from banks and other financial institutions	192.2	(87.0)	105.2
Debt securities issued	429.1	(450.6)	(21.5)
Changes in interest expense	538.5	(2,377.6)	(1,839.1)

Notes:

- (1) Represents the average balance for the current Reporting Period minus the average balance for the same period of the last year, multiplied by the average yield/cost for the previous period.
- (2) Represents the average yield/cost for the current Reporting Period minus the average yield/cost for the same period of the last year, multiplied by the average balance for the current period.
- (3) Represents the interest income/expense for the current Reporting Period minus the interest income/expense for the same period of the last year.

III. Management Discussion and Analysis

3.2 Interest Income

For the six months ended June 30, 2025, the Bank recorded an interest income of RMB22,871 million, representing a decrease of RMB1,493 million or 6.1% as compared with the same period of last year, primarily attributable to the decrease in the interest income from loans and advances to customers and financial assets held under resale agreements.

3.2.1 Interest income from loans and advances to customers

For the six months ended June 30, 2025, the Bank's interest income from loans and advances to customers was RMB14,801 million, representing a decrease of RMB1,364 million or 8.4% as compared to the same period of last year, primarily attributable to the impact of the downward trend in LPR, which led to a decrease in the average yield of loans and advances to customers.

The following table sets out, for the periods indicated, the average balance, interest income and average yield for each component of the Bank's loans and advances to customers.

For the six months ended June 30,						
	Average balance	2025 Interest income	Average yield	Average balance	2024 Interest income	Average yield
(in millions of RMB, except percentages)						
Corporate loans	416,884.2	9,598.5	4.60%	409,014.8	9,967.5	4.87%
Discounted bills	23,834.6	92.6	0.78%	43,190.2	318.2	1.47%
Personal loans	266,627.5	5,109.6	3.83%	257,803.6	5,878.9	4.56%
Total	707,346.3	14,800.7	4.18%	710,008.6	16,164.6	4.55%

3.2.2 Interest income from investment securities and other financial assets

For the six months ended June 30, 2025, the Bank's interest income from investment securities and other financial assets was RMB4,390 million, representing a decrease of RMB29 million or 0.7% as compared to the same period of last year, primarily attributable to the decrease in the average yield of investment securities and other financial assets.

3.2.3 Interest income from lease receivables

For the six months ended June 30, 2025, the Bank's interest income from lease receivables was RMB2,061 million, representing a year-on-year increase of RMB45 million or 2.2%, primarily attributable to the increase in the average yield of lease receivables.

3.2.4 Interest income from deposits with the Central Bank

For the six months ended June 30, 2025, the Bank's interest income from deposits with the Central Bank was RMB388 million, representing an increase of RMB19 million or 5.1% as compared to the same period of last year, primarily attributable to the increase in the average balance and average yield from deposits with the Central Bank.

III. Management Discussion and Analysis

3.2.5 Interest income from deposits with banks and other financial institutions

For the six months ended June 30, 2025, the Bank's interest income from deposits with banks and other financial institutions was RMB276 million, representing a decrease of RMB73 million or 20.8% as compared to the same period of last year, primarily attributable to the decrease in the average yield of deposits with banks and other financial institutions.

3.2.6 Interest income from financial assets held under resale agreements

For the six months ended June 30, 2025, the Bank's interest income from financial assets held under resale agreements was RMB288 million, representing a decrease of RMB230 million or 44.4% as compared to the same period of last year, primarily attributable to the decrease in the average balance of financial assets held under resale agreements.

3.2.7 Interest income from placements with banks and other financial institutions

For the six months ended June 30, 2025, the Bank's interest income from placements with banks and other financial institutions was RMB667 million, representing an increase of RMB139 million or 26.3% as compared to the same period of last year, primarily attributable to the increase in the average balance of placements with banks and other financial institutions.

3.3 Interest expense

For the six months ended June 30, 2025, the Bank's interest expense was RMB11,821 million, representing a decrease of RMB1,839 million or 13.5% as compared to the same period of last year, primarily attributable to the decrease in deposits from customers and interest expenses on deposits from the Central Bank.

3.3.1 Interest expense on deposits from customers

For the six months ended June 30, 2025, the Bank's interest expense on deposits from customers was RMB8,447 million, representing a decrease of RMB1,013 million or 10.7% as compared to the same period of last year, primarily attributable to the Bank's enhanced pricing management, which led to a decrease in the average cost of deposits from customers.

For the six months ended June 30,						
	Average balance	2025 Interest expense	Average cost	Average balance	2024 Interest expense	Average cost
(in millions of RMB, except percentages)						
Corporate deposits						
Demand	131,279.3	427.8	0.65%	142,667.9	489.8	0.69%
Time	208,972.6	2,031.9	1.94%	186,710.8	2,210.2	2.37%
Sub-total	340,251.9	2,459.7	1.45%	329,378.7	2,700.0	1.64%
Personal deposits						
Demand	108,047.4	40.9	0.08%	100,949.9	107.2	0.21%
Time	475,304.7	5,945.9	2.50%	446,911.4	6,652.5	2.98%
Sub-total	583,352.1	5,986.8	2.05%	547,861.3	6,759.7	2.47%
Total deposits from customers	923,604.0	8,446.5	1.83%	877,240.0	9,459.7	2.16%

III. Management Discussion and Analysis

3.3.2 Interest expense on debt securities issued

For the six months ended June 30, 2025, the Bank's interest expense on debt securities issued was RMB1,506 million, representing a decrease of RMB22 million or 1.4% as compared to the same period of last year, primarily attributable to the decrease in the average cost of debt securities issued.

3.3.3 Interest expense on placements from banks and other financial institutions

For the six months ended June 30, 2025, the Bank's interest expense on placements from banks and other financial institutions was RMB738 million, representing a decrease of RMB228 million or 23.6% as compared to the same period of last year, primarily attributable to the decrease in the average cost of placements from banks and other financial institutions.

3.3.4 Net interest spread and net interest margin

The Bank's net interest spread was 1.58%, up 0.03 percentage point as compared to the same period of last year. The Bank's net interest margin was 1.66%, remaining flat as compared to the same period of last year.

3.4 Non-interest income

3.4.1 Net fee and commission income

For the six months ended June 30, 2025, the Bank's net fee and commission income was RMB1,237 million, representing a decrease of RMB41 million or 3.2% as compared to the same period of last year, primarily attributable to the decrease in income from acceptance and guarantee services fees and advisory and consulting fees.

For the six months ended June 30,				
	2025	2024	Change	Rate of change
	(in millions of RMB, except percentages)			
Fee and commission income				
Bank card services fees	226.2	214.5	11.7	5.5%
Settlement and clearing services fees	441.1	474.3	(33.2)	(7.0%)
Agency services fees	116.8	128.3	(11.5)	(9.0%)
Underwriting fees	178.3	151.4	26.9	17.8%
Acceptance and guarantee services fees	99.8	190.9	(91.1)	(47.7%)
Advisory and consulting fees	137.1	206.2	(69.1)	(33.5%)
Custodial services fees	2.8	4.3	(1.5)	(34.9%)
Wealth management business fees	208.4	265.8	(57.4)	(21.6%)
Sub-total	1,410.5	1,635.7	(225.2)	(13.8%)
Fee and commission expenses	(174.0)	(358.2)	184.2	(51.4%)
Net fee and commission income	1,236.5	1,277.5	(41.0)	(3.2%)

III. Management Discussion and Analysis

3.4.2 Net trading gains

For the six months ended June 30, 2025, the Bank's net trading gains were RMB342 million, representing a decrease of RMB150 million or 30.5% as compared to the same period of last year, primarily attributable to a decrease in exchange gains and losses.

3.4.3 Net gains arising from investment securities

For the six months ended June 30, 2025, the Bank's net gains arising from investment securities amounted to RMB876 million, representing a decrease of RMB513 million or 37.0% as compared to the same period of last year, primarily attributable to the decrease in the gains of interbank investments at fair value through profit or loss.

3.5 Operating expenses

For the six months ended June 30, 2025, the Bank's operating expenses decreased by RMB327 million or 7.4% to RMB4,069 million as compared to the same period of last year, primarily attributable to the decrease in salaries, bonuses and allowances, as well as depreciation and amortisation expenses due to that the Bank continued to conduct cost reduction and efficiency improvement and suppress inefficient assets.

For the six months ended June 30,				
	2025	2024	Change	Rate of change
(in millions of RMB, except percentages)				
Staff costs				
Salaries, bonuses and allowances	1,521.7	1,753.5	(231.8)	(13.2%)
Staff welfare	81.2	74.0	7.2	9.7%
Social insurance and annuity	601.5	519.6	81.9	15.8%
Housing fund	206.3	202.5	3.8	1.9%
Employee education expenses and labor union expenses	58.5	58.8	(0.3)	(0.5%)
Others ⁽¹⁾	37.7	9.3	28.4	305.4%
Sub-total of staff costs	2,506.9	2,617.7	(110.8)	(4.2%)
Tax and surcharges	118.5	171.2	(52.7)	(30.8%)
Depreciation and amortisation	630.7	792.7	(162.0)	(20.4%)
Other general and administrative expenses	813.1	814.7	(1.6)	(0.2%)
Total	4,069.2	4,396.3	(327.1)	(7.4%)

Note:

(1) Primarily included dispatched labor fees and supplementary retirement benefits.

III. Management Discussion and Analysis

3.6 Impairment losses

For the six months ended June 30, 2025, the Bank's impairment losses decreased by RMB25 million or 0.3% to RMB8,071 million as compared to the same period of last year.

For the six months ended June 30,				
	2025	2024	Change	Rate of change
(in millions of RMB, except percentages)				
Loans and advances to customers	2,397.4	2,950.2	(552.8)	(18.7%)
Investment securities and other financial assets ⁽¹⁾	4,751.6	4,638.3	113.3	2.4%
Lease receivables	543.3	377.1	166.2	44.1%
Other assets ⁽²⁾	378.6	130.7	247.9	189.7%
Total impairment losses	8,070.9	8,096.3	(25.4)	(0.3%)

Notes:

- (1) The impairment losses on such assets include impairment losses on financial investments at amortized cost and financial investments at fair value through other comprehensive income.
- (2) The impairment losses on such assets mainly include impairment losses on deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, off-balance sheet credit assets, repossessed assets, fixed assets, interest receivables and other receivables.

3.7 Income tax

For the six months ended June 30, 2025, the Bank's income tax decreased by RMB79 million to RMB-623 million as compared to the same period of last year, primarily attributable to the combined effect of the increase in non-taxable income and temporary differences in tax accounting.

For the six months ended June 30,				
	2025	2024	Change	Rate of change
(in millions of RMB, except percentages)				
Current income tax	514.5	1,060.1	(545.6)	(51.5%)
Deferred income tax	(1,287.7)	(1,670.9)	383.2	(22.9%)
Prior year income tax adjustments	150.0	66.7	83.3	124.9%
Total income tax	(623.2)	(544.1)	(79.1)	14.5%

III. Management Discussion and Analysis

4 Analysis on Major Items of Assets and Liabilities

4.1 Assets

As of June 30, 2025, the Bank's total assets increased by RMB42,730 million or 3.1% to RMB1,407,927 million as compared to the end of last year. The principal components of the Bank's assets consist of (i) loans and advances to customers (net); and (ii) investment securities and other financial assets (net), representing 49.6% and 29.5% of the Bank's total assets as of June 30, 2025, respectively.

The following table sets forth the components of the Bank's total assets as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Gross loans and advances to customers	721,850.2	51.3%	719,653.2	52.7%
Allowance for impairment losses	(23,164.6)	(1.7%)	(21,808.0)	(1.6%)
Net loans and advances to customers	698,685.6	49.6%	697,845.2	51.1%
Lease receivables	73,268.4	5.2%	68,208.9	5.0%
Investment securities and other financial assets	415,641.5	29.5%	413,852.8	30.3%
Financial assets held under resale agreements	34,232.4	2.4%	23,797.5	1.7%
Cash and deposits with Central Bank	60,318.3	4.3%	65,828.4	4.8%
Deposits with banks and other financial institutions	43,134.1	3.1%	22,114.8	1.6%
Placements with banks and other financial institutions	50,646.3	3.6%	43,520.1	3.2%
Derivative financial assets	51.1	0.0%	21.6	0.0%
Interest in associate	179.8	0.0%	257.2	0.0%
Interest in joint venture	1,950.6	0.1%	1,790.3	0.1%
Other assets ⁽¹⁾	29,818.4	2.2%	27,960.2	2.2%
Total assets	1,407,926.5	100.0%	1,365,197.0	100.0%

Note:

- (1) Primarily consist of properties and equipment, deferred income tax assets, goodwill and other assets.

III. Management Discussion and Analysis

4.1.1 Loans and advances to customers

As of June 30, 2025, the Bank's gross loans and advances to customers increased by RMB2,197 million or 0.3% to RMB721,850 million as compared to the end of last year. The Bank's loans and advances to customers consist of corporate loans, personal loans and discounted bills, representing 58.1%, 37.9% and 3.1% of the Bank's gross loans and advances to customers as of June 30, 2025, respectively.

The following table sets forth the distribution of the Bank's loans by business line as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Corporate loans	419,747.6	58.1%	409,824.4	56.9%
Personal loans	273,491.5	37.9%	265,378.6	36.9%
Discounted bills	21,777.2	3.1%	39,252.2	5.5%
Sub-total	715,016.3	99.1%	714,455.2	99.3%
Accrued interest	6,833.9	0.9%	5,198.0	0.7%
Total loans and advances to customers	721,850.2	100.0%	719,653.2	100.0%

(1) Corporate loans

As of June 30, 2025, the Bank's corporate loans increased by RMB9,923 million or 2.4% to RMB419,748 million as compared to the end of last year, primarily attributable to the Bank's continuously increasing support to the real economy.

The following table sets forth a breakdown of the Bank's corporate loans by collateral as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Unsecured loans	90,651.6	21.6%	60,130.3	14.7%
Guaranteed loans	172,263.4	41.0%	172,889.7	42.2%
Collateralised loans	92,739.8	22.1%	87,774.3	21.4%
Pledged loans	64,092.8	15.3%	89,030.1	21.7%
Total corporate loans	419,747.6	100.0%	409,824.4	100.0%

III. Management Discussion and Analysis

(2) Personal loans

As of June 30, 2025, the Bank's personal loans increased by RMB8,113 million or 3.1% to RMB273,492 million as compared to the end of last year, primarily attributable to the Bank's further increased support for the growth of social consumption.

The following table sets forth a breakdown of the Bank's personal loans by product type as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Personal residential mortgage loans	127,349.4	46.6%	123,407.0	46.5%
Personal business loans	72,843.0	26.6%	69,936.5	26.4%
Personal consumption loans	54,474.6	19.9%	51,410.9	19.4%
Credit card loans	18,824.5	6.9%	20,624.2	7.7%
Total personal loans	273,491.5	100.0%	265,378.6	100.0%

(3) Discounted bills

As of June 30, 2025, the Bank's discounted bills decreased by RMB17,475 million or 44.5% to RMB21,777 million as compared to the end of last year, which was primarily due to the Bank's adjustment of the size of discounted bills according to customers' financing demand.

4.1.2 Investment securities and other financial assets

As of June 30, 2025, the Bank's net investment securities and other financial assets increased by RMB1,789 million or 0.4% to RMB415,642 million as compared to the end of last year, primarily attributable to an increase in the Bank's holding of government bonds and financial bonds.

The following table sets forth the composition of the Bank's investment securities and other financial assets as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Financial assets at fair value through profit or loss	73,591.3	17.0%	84,936.8	19.8%
Financial assets at fair value through other comprehensive income	99,228.2	22.9%	88,501.3	20.7%
Financial assets at amortized cost	260,959.5	60.1%	254,668.0	59.5%
Total investment securities and other financial assets	433,779.0	100.0%	428,106.1	100.0%
Accrued interest	3,638.4		3,641.0	
Impairment provisions	(21,775.9)		(17,894.3)	
Net investment securities and other financial assets	415,641.5		413,852.8	

III. Management Discussion and Analysis

The following table sets forth the distribution of the Bank's investment securities and other financial assets as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Debt securities				
Debt securities issued by the PRC government	209,071.9	50.3%	196,112.2	47.4%
Debt securities issued by PRC policy banks and other financial institutions	145,353.7	35.0%	132,002.9	31.9%
Debt securities issued by corporate issuers	10,887.0	2.6%	9,259.3	2.2%
Sub-total	365,312.6	87.9%	337,374.4	81.5%
Other financial assets				
Asset management plans	3,959.8	1.0%	3,373.4	0.8%
Trust plans	10,596.3	2.5%	15,067.9	3.6%
Others	32,134.4	7.7%	54,396.1	13.1%
Sub-total	46,690.5	11.2%	72,837.4	17.5%
Accrued interest	3,638.4	0.9%	3,641.0	1.0%
Net investment securities and other financial assets	415,641.5	100.0%	413,852.8	100.0%

4.1.3 Other components of the Bank's assets

Other components of the Bank's assets consist primarily of (i) financial assets held under resale agreements; (ii) cash and deposits with the Central Bank; (iii) deposits with banks and other financial institutions; (iv) placements with banks and other financial institutions; (v) lease receivables; and (vi) other assets.

As of June 30, 2025, the balance of financial assets held under resale agreements increased by RMB10,435 million or 43.8% to RMB34,232 million as compared to the end of last year, primarily attributable to the Bank's adjustment of the size of the financial assets held under short-term resale agreements after taking comprehensive consideration of short-term capital position and the allocation demand for assets and liabilities.

As of June 30, 2025, the balance of cash and deposits with the Central Bank decreased by RMB5,510 million or 8.4% to RMB60,318 million as compared to the end of last year, primarily attributable to the Bank's improvement of the efficiency of capital utilization on the basis of ensuring its own reasonable and sufficient liquidity and reduction of deposits with the Central Bank.

As of June 30, 2025, the balance of deposits with banks and other financial institutions increased by RMB21,019 million or 95.0% to RMB43,134 million as compared to the end of last year, primarily attributable to the Bank's adjustment of the size of the deposits with banks and other financial institutions after consideration of market price and the allocation demand for assets and liabilities.

III. Management Discussion and Analysis

As of June 30, 2025, the balance of placements with banks and other financial institutions increased by RMB7,126 million or 16.4% to RMB50,646 million as compared to the end of last year, primarily attributable to the Bank's adjustment of the size of the placements with banks and other financial institutions after consideration of market price and the allocation demand for assets and liabilities.

As of June 30, 2025, the balance of lease receivables increased by RMB5,060 million or 7.4% to RMB73,268 million as compared to the end of last year. The increase was mainly due to the increased support of the Bank's financial leasing subsidiaries for the real economy.

4.2 Liabilities

As of June 30, 2025, the Bank's total liabilities increased by RMB42,334 million or 3.3% to RMB1,307,148 million as compared to the end of last year.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Deposits from customers	964,868.0	73.8%	911,799.8	72.1%
Deposits from banks and other financial institutions	47,325.1	3.6%	52,658.6	4.2%
Debt securities issued	152,270.5	11.6%	146,878.4	11.6%
Financial assets sold under repurchase agreements	22,812.2	1.7%	34,874.8	2.8%
Placements from banks and other financial institutions	68,325.9	5.2%	60,771.6	4.8%
Borrowings from the Central Bank	39,678.4	3.0%	44,035.5	3.5%
Tax payable	471.2	0.0%	156.1	0.0%
Derivative financial liabilities	11.6	0.0%	174.2	0.0%
Other liabilities ⁽¹⁾	11,385.0	1.1%	13,464.7	1.0%
Total liabilities	1,307,147.9	100.0%	1,264,813.7	100.0%

Note:

- (1) Consist of payment and collection clearance accounts, staff salaries payable, finance lease deposits payable, lease liabilities, other tax payable, dividends payable, provisions and other payables.

III. Management Discussion and Analysis

4.2.1 Deposits from customers

As of June 30, 2025, the Bank's total deposits from customers increased by RMB53,068 million or 5.8% to RMB964,868 million as compared to the end of last year, primarily attributable to the Bank's continued efforts to improve financial service capabilities, which effectively drove an increase in deposits.

The following table sets forth the Bank's deposits from customers by product type and maturity profile of deposits as of the dates indicated.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Corporate deposits				
Demand	130,679.1	13.5%	129,003.9	14.1%
Time	217,854.7	22.6%	201,490.2	22.1%
Sub-total	348,533.8	36.1%	330,494.1	36.2%
Personal deposits				
Demand	110,809.8	11.5%	102,655.5	11.3%
Time	484,331.5	50.2%	456,284.6	50.0%
Sub-total	595,141.3	61.7%	558,940.1	61.3%
Accrued interest	21,192.9	2.2%	22,365.6	2.5%
Total deposits from customers	964,868.0	100.0%	911,799.8	100.0%

4.2.2 Deposits from banks and other financial institutions

As of June 30, 2025, the Bank's balance of deposits from banks and other financial institutions decreased by RMB5,334 million or 10.1% to RMB47,325 million as compared to the end of last year, primarily because of the Bank's active adjustments of its liability size and structure and appropriate reduction of deposits from banks and other financial institutions in response to the growth in general deposits and liquidity needs.

4.2.3 Placements from banks and other financial institutions

As of June 30, 2025, the Bank's balance of placements from banks and other financial institutions increased by RMB7,554 million or 12.4% to RMB68,326 million as compared to the end of last year, primarily because of the Bank's adjustment of the size of the placements from banks and other financial institutions after taking into account market liquidity and capital cost.

4.2.4 Debt securities issued

As of June 30, 2025, the Bank's balance of debt securities issued increased by RMB5,392 million or 3.7% to RMB152,271 million as compared to the end of last year, primarily due to new certificates of interbank deposits issued by the Bank.

III. Management Discussion and Analysis

4.2.5 Financial assets sold under repurchase agreements

As of June 30, 2025, the Bank's balance of financial assets sold under repurchase agreements decreased by RMB12,063 million or 34.6% to RMB22,812 million as compared to the end of last year, primarily because of the Bank's active adjustments of its liability size and structure and appropriate reduction of assets sold under repurchase agreements in response to the growth in general deposits and liquidity needs.

4.3 Shareholders' Equity

As of June 30, 2025, the Bank's total shareholders' equity increased by RMB395 million or 0.4% to RMB100,779 million as compared to the end of last year; the total equity attributable to shareholders of the Bank increased by RMB321 million or 0.3% to RMB96,879 million as compared to the end of last year.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Share capital	36,549.8	36.3%	36,549.8	36.4%
Other equity instrument	13,998.9	13.9%	13,998.9	13.9%
Capital reserve	19,004.4	18.9%	19,004.4	18.9%
Surplus reserve	3,419.3	3.4%	3,419.3	3.4%
General reserve	17,489.5	17.4%	16,679.1	16.6%
Re-evaluation and impairment reserve	993.8	1.0%	2,123.6	2.1%
Retained earnings	5,423.2	5.2%	4,782.6	4.8%
Equity attributable to shareholders of the Bank	96,878.9	96.1%	96,557.7	96.1%
Non-controlling interests	3,899.7	3.9%	3,825.6	3.9%
Total shareholders' equity	100,778.6	100.0%	100,383.3	100.0%

5 Off-Balance Sheet Commitments

The following table sets forth the amounts of the Bank's off-balance sheet credit commitments as of the dates indicated.

	As of June 30, 2025	As of December 31, 2024
	(in millions of RMB)	
Credit commitments		
Loan commitments	16,189.5	16,178.4
Bank acceptance	97,350.1	77,847.8
Letters of credit	38,770.6	34,866.5
Letters of guarantees	2,912.7	2,783.7
Total	155,222.9	131,676.4

III. Management Discussion and Analysis

6 Analysis on Loan Quality

During the Reporting Period, in the face of the complicated economic and financial situation, the Bank further deepened the adjustment of credit structure, continued to strengthen credit risk management, optimized credit procedures and strengthened post-loan management measures to step up its efforts on the collection and disposal of non-performing loans, so as to keep the loan quality at a generally manageable level. As of June 30, 2025, the total amount of non-performing loans of the Bank amounted to RMB14,350 million, representing a decrease of RMB108 million as compared to the end of last year. The non-performing loan ratio was 2.01%, representing a decrease of 0.01 percentage point as compared to the end of last year. Special mention loans accounted for 3.50%, representing an increase of 0.28 percentage point as compared to the end of last year.

6.1 Distribution of Loans by Five-Category Loan Classification

The following table sets forth, as of the dates indicated, the Bank's loans by its five-category loan classification. According to the five-category loan classification system, the Bank classified its non-performing loans into substandard, doubtful and loss categories.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Normal	675,634.3	94.49%	676,994.4	94.76%
Special mention	25,031.8	3.50%	23,002.8	3.22%
Substandard	3,217.0	0.45%	3,347.9	0.47%
Doubtful	1,065.9	0.15%	1,155.8	0.16%
Loss	10,067.2	1.41%	9,954.4	1.39%
Total loans and advances to customers	715,016.2	100.00%	714,455.3	100.00%
Non-performing loans and non-performing loan ratio	14,350.1	2.01%	14,458.0	2.02%

Note: Non-performing loan ratio is calculated by dividing non-performing loans by total loans to customers.

III. Management Discussion and Analysis

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

The following table sets forth, as of the dates indicated, the Bank's loans and non-performing loans by product type.

	As of June 30, 2025				As of December 31, 2024			
	Loan amount	% of total	NPL amount	NPL ratio ⁽⁴⁾	Loan amount	% of total	NPL amount	NPL ratio
(in millions of RMB, except percentages)								
Corporate loans								
Short-term loans ⁽¹⁾	165,587.4	23.2%	2,320.3	1.40%	166,390.2	23.3%	4,084.7	2.45%
Medium-to-long-term loans ⁽²⁾	254,160.2	35.5%	4,489.1	1.77%	243,434.2	34.1%	2,499.2	1.03%
Sub-total	419,747.6	58.7%	6,809.4	1.62%	409,824.4	57.4%	6,583.9	1.61%
Personal loans								
Personal residential mortgage loans	127,349.3	17.8%	1,797.7	1.41%	123,407.0	17.2%	1,728.9	1.40%
Personal consumption loans	54,474.6	7.6%	1,606.1	2.95%	51,410.9	7.2%	1,666.5	3.24%
Personal business loans	72,843.0	10.2%	2,926.4	4.02%	69,936.5	9.8%	3,403.9	4.87%
Others ⁽³⁾	18,824.5	2.6%	1,210.5	6.43%	20,624.2	2.9%	1,074.8	5.21%
Sub-total	273,491.4	38.2%	7,540.7	2.76%	265,378.7	37.1%	7,874.1	2.97%
Discounted bills	21,777.2	3.1%	–	0.0%	39,252.2	5.5%	–	0.0%
Total	715,016.2	100.0%	14,350.1	2.01%	714,455.3	100.0%	14,458.0	2.02%

Notes:

- (1) Short-term loans include loans with a maturity of one year or less and advances.
- (2) Medium-to-long-term loans include loans with a maturity of more than one year.
- (3) Others mainly include credit cards.
- (4) Non-performing loan ratio is calculated by dividing non-performing loans in each product type by gross loans in that product type.

As at June 30, 2025, the balance of corporate non-performing loans of the Bank amounted to approximately RMB6,809 million, representing an increase of approximately RMB225 million as compared with the end of last year. The non-performing loan ratio was 1.62%, representing an increase of approximately 0.01 percentage point as compared with the end of last year. The increase in corporate non-performing loans of the Bank was primarily due to the impact of economic environment on enterprises, leading to fluctuations in operational and solvency capabilities, which has resulted in a normal and reasonable range of variation in non-performing loans. The balance of personal non-performing loans amounted to approximately RMB7,541 million, representing a decrease of approximately RMB333 million as compared with the end of last year. The non-performing loan ratio was 2.76%, representing a decrease of approximately 0.21 percentage point as compared with the end of last year. The decrease in bill scale was mainly due to the impact of the new regulations on bills, coupled with relatively low bill yields. The Bank has optimized asset structure allocation and reduced the bill scale.

III. Management Discussion and Analysis

6.3 Distribution of Loans and Non-Performing Loans by Industry

The following table sets forth, as of the dates indicated, the Bank's loans and non-performing loans by industry.

	As of June 30, 2025				As of December 31, 2024			
	Loan amount	% of total	NPL amount	NPL ratio	Loan amount	% of total	NPL amount	NPL ratio
(in millions of RMB, except percentages)								
Manufacturing	56,771.5	7.9%	1,528.0	2.69%	50,607.9	7.1%	1,610.8	3.18%
Leasing and business services	145,350.1	20.3%	303.6	0.21%	148,291.3	20.8%	299.8	0.20%
Wholesale and retail	45,491.4	6.4%	1,535.1	3.37%	43,096.4	6.0%	1,521.2	3.53%
Real estate	27,686.8	3.9%	1,393.8	5.03%	28,180.2	3.9%	1,244.6	4.42%
Construction	43,534.9	6.1%	762.7	1.75%	42,267.8	5.9%	756.5	1.79%
Water, environment and public facility management	29,463.8	4.1%	46.5	0.16%	28,080.9	3.9%	61.6	0.22%
Electricity, gas and water production and supply	16,666.8	2.3%	303.8	1.82%	15,825.6	2.2%	70.9	0.45%
Agriculture, forestry, animal husbandry and fishery	5,047.2	0.7%	235.5	4.67%	5,344.3	0.7%	304.9	5.71%
Accommodation and catering	2,564.7	0.4%	141.9	5.53%	2,479.8	0.3%	150.9	6.09%
Education	7,671.1	1.1%	32.3	0.42%	7,635.9	1.1%	23.7	0.31%
Health, social security and social welfare	9,644.5	1.3%	75.1	0.78%	8,565.0	1.2%	90.9	1.06%
Mining	8,995.4	1.3%	39.8	0.44%	7,901.8	1.1%	36.5	0.46%
Transportation, storage and postal services	7,119.4	1.0%	16.2	0.23%	6,848.5	1.0%	21.5	0.31%
Others	13,740.0	1.9%	395.1	2.88%	14,699.0	2.2%	390.1	2.65%
Total corporate loans	419,747.6	58.7%	6,809.4	1.62%	409,824.4	57.4%	6,583.9	1.61%
Total personal loans	273,491.4	38.2%	7,540.7	2.76%	265,378.6	37.1%	7,874.1	2.97%
Discounted bills	21,777.2	3.1%	–	0.00%	39,252.2	5.5%	–	0.00%
Total	715,016.2	100.0%	14,350.1	2.01%	714,455.3	100.0%	14,458.0	2.02%

Note: Non-performing loan ratio of an industry is calculated by dividing the balance of non-performing loans of the industry by the balance of loans granted to the industry.

As of June 30, 2025, the industries where the non-performing loan ratios of the corporate loans of the Bank were relatively high, mainly concentrated in the accommodation and catering, real estate and agriculture, forestry, animal husbandry and fishery, with non-performing loan ratios of approximately 5.53%, 5.03% and 4.67%, respectively, of which:

- (i) the balance of non-performing loans in the accommodation and catering decreased by approximately RMB9 million as compared with the end of last year, with a decrease of approximately 0.56 percentage point in the non-performing loan ratio, mainly due to the rebound in the residents' consumption level and the normal and reasonable range of variation in non-performing loans.

III. Management Discussion and Analysis

- (ii) the balance of non-performing loans in the real estate industry increased by approximately RMB149 million as compared with the end of last year, with an increase of approximately 0.61 percentage point in the non-performing loan ratio, mainly due to the decline in market demand and the heavy pressure of corporate debt maturity.
- (iii) the balance of non-performing loans in the agriculture, forestry, animal husbandry and fishery sectors decreased by approximately RMB69 million as compared with the end of last year, with a decrease of approximately 1.04 percentage points in the non-performing loan ratio, mainly due to increased policy support, which enhanced operational stability within the industry and the recovery of agricultural product prices, both of these factors improved corporate profitability and repayment capabilities.

6.4 Distribution of Loans and Non-Performing Loans by Collateral

The following table sets forth, as of the dates indicated, the Bank's loans and non-performing loans by collateral.

	As of June 30, 2025				As of December 31, 2024			
	Loan amount	% of total	NPL amount	NPL ratio	Loan amount	% of total	NPL amount	NPL ratio
(in millions of RMB, except percentages)								
Unsecured loans	158,286.4	22.1%	1,464.1	0.92%	160,326.0	22.50%	3,257.7	2.03%
Guaranteed loans	182,436.1	25.5%	5,901.7	3.23%	182,496.1	25.50%	4,060.3	2.22%
Collateralised loans	291,423.5	40.8%	6,727.4	2.31%	282,307.3	39.50%	6,880.8	2.44%
Pledged loans	82,870.2	11.6%	256.9	0.31%	89,325.9	12.50%	259.2	0.29%
Total	715,016.2	100.0%	14,350.1	2.01%	714,455.3	100.00%	14,458.0	2.02%

Note: Non-performing loan ratio is calculated by dividing non-performing loans in each product type secured by each type of collateral by gross loans in that type of collateral.

As of June 30, 2025, the balance of our unsecured non-performing loans decreased by approximately RMB1,794 million as compared with the end of last year, representing a decrease of approximately 1.1 percentage points in the non-performing loan ratio; the balance of collateralised non-performing loans decreased by approximately RMB153 million as compared with the end of last year, representing a decrease of approximately 0.13 percentage point in the non-performing loan ratio; the balance of pledged non-performing loans decreased by approximately RMB2 million as compared with the end of last year, representing an increase of approximately 0.02 percentage point in the non-performing loan ratio, mainly attributable to the Bank's active efforts to resolve non-performing loans through write-offs, cash collection, loan restructuring and other means.

III. Management Discussion and Analysis

6.5 Borrowers Concentration

As of June 30, 2025, the balance of loans to any single borrower of the Bank did not exceed 10% of the Bank's net capital.

The following table sets forth, as of the date indicated, the loan balance of the top ten single borrowers (excluding group borrowers) of the Bank.

Industry		As of June 30, 2025		
		Balance	% of total loans	% of net capital
(in millions of RMB, except percentages)				
Borrower A	L-Leasing and commercial services	7,388.0	1.0%	6.3%
Borrower B	L-Leasing and commercial services	5,340.0	0.7%	4.5%
Borrower C	L-Leasing and commercial services	4,749.5	0.7%	4.0%
Borrower D	L-Leasing and commercial services	3,719.0	0.5%	3.2%
Borrower E	L-Leasing and commercial services	3,559.5	0.5%	3.0%
Borrower F	L-Leasing and commercial services	2,886.0	0.4%	2.4%
Borrower G	F-Wholesale and retail	2,544.4	0.4%	2.2%
Borrower H	L-Leasing and commercial services	2,211.0	0.3%	1.9%
Borrower I	L-Leasing and commercial services	2,164.5	0.3%	1.8%
Borrower J	D-Electricity, heat, gas and water production and supply	2,155.4	0.3%	1.8%
Total		36,717.3	5.1%	31.1%

As of June 30, 2025, the loan balance of the largest single borrower of the Bank was approximately RMB7,388 million, accounting for approximately 1.0% of the total amount of loans of the Bank, and the total amount of loans to the top ten single borrowers was approximately RMB36,717 million, accounting for approximately 5.1% of the total amount of loans of the Bank and accounting for approximately 31.1% of the net capital.

III. Management Discussion and Analysis

6.6 Overdue Loans

The following table sets forth, as of the dates indicated, the distribution of the Bank's loans to customers by maturity.

	As of June 30, 2025		As of December 31, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Current loans	686,253.1	95.98%	685,204.8	95.91%
Overdue loans				
Up to 3 months	15,823.0	2.21%	15,640.2	2.19%
Over 3 months up to 1 year	3,097.9	0.43%	5,617.2	0.79%
Over 1 year up to 3 years	6,808.5	0.95%	5,461.8	0.76%
Over 3 years	3,033.7	0.43%	2,531.3	0.35%
Sub-total	28,763.1	4.02%	29,250.5	4.09%
Total loans	715,016.2	100.00%	714,455.3	100.00%

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

As of June 30, 2025, the amount of overdue loans of the Bank totaled approximately RMB28,763 million, representing a decrease of approximately RMB487 million as compared with the end of the last year. Overdue loans accounted for approximately 4.02% of the total loans, representing a decrease of approximately 0.07 percentage point as compared with the end of the last year.

7 Business Operation Segment Report

The table below sets forth the Bank's total operating income by business segments for the periods as indicated.

	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	Amount	% of total	Amount	% of total
(in millions of RMB, except percentages)				
Corporate banking business	6,454.2	47.6%	7,991.7	57.1%
Retail banking business	4,494.9	33.2%	3,383.6	24.2%
Treasury business	2,580.6	19.0%	2,575.3	18.4%
Other businesses	32.8	0.2%	41.5	0.3%
Total operating income	13,562.5	100.0%	13,992.1	100.0%

III. Management Discussion and Analysis

8 Analysis on Capital Adequacy Ratio

As of June 30, 2025, the core tier-1 capital adequacy ratio, tier-1 capital adequacy ratio and capital adequacy ratio of the Bank was 8.67%, 11.18% and 13.29%, respectively, representing an increase of 0.21 percentage point, 0.25 percentage point and 0.27 percentage point, respectively, as compared to the end of the last year. The measurement of capital and risk-weighted assets fulfilled the regulatory requirements of the National Financial Regulatory Administration on the Administrative Measures for the Capital of Commercial Banks.

In accordance with the Administrative Measures for the Capital of Commercial Banks of the National Financial Regulatory Administration, the capital adequacy ratio of the Bank was calculated as follows:

	As of June 30, 2025	As of December 31, 2024
(in millions of RMB, except percentages)		
Share capital	36,549.8	36,549.8
Valid portion of capital reserve	19,004.4	19,004.4
Valid portion of other reserve	993.8	2,123.6
Surplus reserve	3,419.3	3,419.3
General reserve	17,489.5	16,679.1
Retained earnings	5,423.2	4,782.6
Valid portion of minority interests	2,230.3	2,062.2
Total core tier-1 capital	85,110.3	84,621.0
Core tier-1 capital regulatory deductions	(8,228.9)	(8,317.6)
Net core tier-1 capital	76,881.4	76,303.4
Other tier-1 capital	22,296.3	22,273.9
Net tier-1 capital	99,177.7	98,577.3
Net tier-2 capital	18,750.2	18,838.6
Total net capital	117,927.9	117,415.9
Total risk-weighted assets	887,065.2	901,608.8
Core tier-1 capital adequacy ratio	8.67%	8.46%
Tier-1 capital adequacy ratio	11.18%	10.93%
Capital adequacy ratio	13.29%	13.02%

III. Management Discussion and Analysis

9 Business Review

9.1 Corporate Banking Business

9.1.1 Corporate deposits

During the Reporting Period, in strict compliance with the regulatory requirements, the Bank continued to optimize the business structure of corporate debts and product service system, and vigorously consolidated its deposit base. By focusing on key policy opportunities and securing large funds from key customers, the Bank increased its coverage of strategic customers. The Bank focused on following up the marketing opportunities for the bidding of the local government funds, special bond services and other institutional businesses, carried out chain marketing of financial funds, deepened the comprehensive operation of credit customers, and enhanced the contribution of settlement deposits of basic customer groups, etc., thus effectively promoting the scale management of deposits.

As of June 30, 2025, the balance of corporate deposits of the Bank was RMB348.534 billion, and the market share ranked first in Henan Province.

9.1.2 Corporate loans

During the Reporting Period, adhering to the fundamental purpose of finance serving the real economy, the Bank continued to deepen the cooperation among governments, banks and enterprises, and constantly optimized financial services, based on its role as a provincial corporate bank. The Bank has resolutely shouldered the responsibility and done a good job in the “Five Priorities” in finance, with a focus on the “Two High-level Priorities and Four Areas of Emphasis (兩高四着力)” through proactive engagement and innovation. The Bank has proactively served the major strategies, fully supported ecological protection and high-quality development in the Yellow River valley, ecological restoration of the Huai River, and ecological protection and management along the main canal of the South-to-North Water Diversion Project, and actively supported the construction of provincial key projects such as “Renewal and Trade-in (兩新)” and “Major Strategies and Key Fields (兩重)” and “Three Batches (三個一批)”. The Bank has increased credit allocation for key areas and actively supported high-quality development of the private economy, manufacturing, and emerging industries. The Bank has actively responded to policies and promoted the real estate financing coordination mechanism on a

III. Management Discussion and Analysis

regular basis. To support industrial transformation and upgrading, the Bank has focused on key industries, condensed experience and methods, and ensured the replication and broader application.

As of June 30, 2025, the Bank's corporate loan balance was RMB419.748 billion, ranking third in the province in terms of market shares.

9.1.3 Corporate customers

During the Reporting Period, the Bank followed the national and regional strategies closely, and facilitated the high-quality economic and social development of Henan Province. The Bank adhered to being customer-oriented, reinforced the construction of the customer base, and carried out category-based operations and classified policies targeting strategic customers, basic customer groups, institutional customers, and industrial customers. Customized service models and business strategies were adopted to continuously transform into in-depth operations and creation of value through professional competence, enhance the comprehensive service capability, and achieve comprehensive and coordinated development of the business benefits, quality and scale of the Company.

As of June 30, 2025, the Bank had 489,200 corporate customers. During the Reporting Period, the Bank had 27,100 new accounts, with 12,800 new accounts meeting specified standards, representing 47.23% of the new accounts; and the Bank had 48,300 valid basic accounts, representing an increase of 380 as compared to the end of last year.

9.1.3.1 Strategic customers

During the Reporting Period, the Bank adhered to a customer-centered approach, consistently explored differentiated operation and service mechanisms, and enhanced the comprehensive service capabilities for strategic customers. For key clients, the Bank enhanced the integration of front, middle and back-office departments and the coordination among the head office, branches and sub-branches, and formulated the comprehensive service plan of "one policy for one household (一户一策)". Focusing on in-depth operation, the Bank expanded the strategic customer ecosystem along the equity chain and industrial chain, and intensified the cooperation with core enterprises, subsidiaries and upstream and downstream enterprises of strategic customers by leveraging a full suite of products, including trade financing, supply chain financing and investment banking financing, further broadening and deepening the scope of cooperation. Responding to shifts in the external business environment, the Bank implemented a dynamic, list-based management system and optimized its stratified and classified operations. As of June 30, 2025, the balance of loans of strategic customers at the head office level of the Bank amounted to RMB161.256 billion.

III. Management Discussion and Analysis

9.1.3.2 *Institutional customers*

During the Reporting Period, with a focus on the major decisions and arrangements of the Provincial Party Committee and the Provincial People's Government of Henan Province, the Bank actively gave play to the role and advantages of provincial corporate banks, actively aligned with the financial needs of economy development in local areas, continuously deepened the cooperation between banks and governments, and deeply integrated into key economic works of governments at all levels. The Bank positively affected the improvement of the efficiency of government fund management and financing, the centralized treasury payment, the issuance of specialized debt and the promotion of the smart construction of the government. The Bank aligned with local major strategic arrangements and major project promotion through financial support and built a good reputation of being based on local economic development and serving local economic development, and established a good relationship of win-win cooperation and sustainable development with governments at all levels.

As of June 30, 2025, the Bank provided issuance services of local government special debt to 18 cities and 176 counties in Henan Province, with its market share ranking at the top among the banks.

9.1.3.3 *Sci-tech customer groups*

During the Reporting Period, the Bank thoroughly implemented the spirit of the Central Financial Work Conference and the Provincial Party Committee's Financial Work Conference, aligning closely with the "Two High-level Priorities and Four Areas of Emphasis (兩高四着力)" requirements. Focusing on the province's three key areas of upgrading traditional industries, cultivating emerging industries, and laying out future industries, the Bank deepened its services for sci-tech customer groups. The Bank strengthened early-stage investment, small-scale investment, long-term investment, and investment in key and core technologies, continuously increased its support for start-ups, critical technology research and enterprises developing key and core technologies, accelerating the transformation of sci-tech achievements into tangible productivity. At the same time, the Bank continued to improve its sci-tech finance systems and mechanisms, deepened research and application in key industries, and enhanced the synergy between industrial banking and sci-tech finance. These efforts continuously enhanced the Bank's professional service capabilities, solidifying its top-tier position in sci-tech finance within the province, with its sci-tech finance brand influence steadily increasing.

As of June 30, 2025, the balance of sci-tech financial loans of the Bank amounted to RMB67.580 billion, of which the loan balance for sci-tech enterprises amounted to RMB45.298 billion.

III. Management Discussion and Analysis

9.1.4 Key areas

During the Reporting Period, the Bank innovated product strategies, optimized product functions, continuously enhanced comprehensive product system, strengthened all-around service capabilities, and improved customers' experience and satisfaction.

9.1.4.1 *Sci-tech finance*

During the Reporting Period, the Bank focused on the entire life cycle of technology enterprises, upgraded and iterated valuable products, and made every effort to develop blockbusters that are well-received by the market and recognized by customers. The Bank established the "Technology R&D Loan" to support technology enterprises in conducting basic research, transformation of scientific and technological achievements, and applied R&D; optimized the "Loan to Enterprises that Apply Special, Sophisticated Techniques to Produce Unique and Novel Products" and "Science and Technology Loan" products, promoted the integration and launch of the "Loan to Enterprises that Apply Special, Sophisticated Techniques to Produce Unique and Novel Products" and "Science and Technology Loan" with the transaction banking asset pool and accounts receivable pool, enabling online withdrawal and on-demand borrowing and repayment for the "Loan to Enterprises that Apply Special, Sophisticated Techniques to Produce Unique and Novel Products" and "Science and Technology Loan"; the Bank was selected as a partner bank for the "Zhengzhou Tech Loan", formulated the operational procedures for "Zhengzhou Tech Loan" business, and implemented the Bank's first "Zhengzhou Tech Loan" transaction.

As of June 30, 2025, the Bank's key products continued to lead the industry in the province. In particular, the "Loan to Enterprises that Apply Special, Sophisticated Techniques to Produce Unique and Novel Products" reached RMB10.715 billion in total lending, with a balance of RMB4.656 billion, representing an increase of RMB1.052 billion or 29.20% as compared with the end of the previous year; the "Science and Technology Loan" came to RMB4.576 billion in total lending, with a balance of RMB1.246 billion; and the balance of "Intellectual Property Pledge Loan" was RMB1.340 billion.

III. Management Discussion and Analysis

9.1.4.2 Green Finance

During the Reporting Period, the Bank firmly established the concept of “lucid waters and lush mountains are invaluable assets”, actively implemented the national goal of “Carbon Peak and Carbon Neutrality”, and closely focused on the strategy of “green and low-carbon transition” put forward by the Provincial Party Committee and the Provincial People’s Government of Henan Province. The Bank kept a closer interconnection with the government, integrated resources, gathered joint efforts for development, and provided targeted green finance services and support according to the industrial layout and policy orientation of the province. Focusing on nine major green areas, such as energy saving and carbon reduction, environmental protection, resource recycling, green and low-carbon energy transformation, and the green upgrading of infrastructure, the Bank built a “Zhongyuan Green Finance” product system covering industry, trading and consumption, while continuously enhancing its credit support and financial services. It actively created innovative products with asset characteristics, created resource recycling project loans, supported the construction of the largest alumina waste reusing project in the province, landed the first project in the province to support the construction of a green port by adopting the business model of “special bond + project loan”, and supported the construction of Xinyang’s first manually-excavated underground space compressed air energy storage project as a green syndicate to provide strong support for project construction in key areas such as resource recycling, green transportation, and new energy storage, etc.

As of June 30, 2025, the green credit balance of the Bank was RMB50.118 billion, serving 20,800 customers, representing an increase of 11,700 customers as compared with the end of the last year.

III. Management Discussion and Analysis

9.1.4.3 *Transaction Banking*

During the Reporting Period, the Bank concentrated on enhancing the quality and efficiency of its transaction banking business. It continued to increase investment in product innovation, research and development, as well as the construction of online systems, solidifying its service foundation by deepening industry scenario research. The Bank focused on core areas such as treasury management, supply chain finance, international business and electronic channels. While continuously improving its product system, the Bank made every effort to promote the effective implementation of key businesses to strengthen the development advantages of transaction banking.

Treasury management The Bank continuously enhanced the “deposit + wealth management” and “financial + non-financial” product and service systems to meet customers’ diversified fund management demands, including daily settlement, liquidity management, and investment appreciation. Firstly, the Bank further enriched the shelf of wealth management products to provide customers with safe, stable, and diversified investment options; secondly, the Bank has launched corporate wealth management sales channels on its corporate mobile banking to enhance user experience; thirdly, the Bank has completed the digital upgrade of its time-demand deposit products, establishing online processing channels to enhance service convenience. As of June 30, 2025, the Bank had 37,992 customers for treasury management products and services, representing an increase of 9,228 customers or 32.08% as compared with the end of the previous year, with continuously enhanced customer service capabilities.

III. Management Discussion and Analysis

Supply chain finance The Bank integrated with industrial transaction scenarios, adhered to technology empowerment and data-driven strategies, strengthened the application of “data credit” and “physical asset credit”, and built a comprehensive transaction banking service system with comparative advantages. The Bank also provided differentiated comprehensive service solutions focusing on the liquidity financial needs of industry chain participants in procurement, production, inventory, sales and other links. During the Reporting Period, the Bank provided enterprises with convenient and efficient supply chain financing of RMB110.576 billion.

International business The Bank formulated an implementation plan to support and promote stable growth in foreign trade, and established a dedicated task force mechanism at the head office to support stable foreign trade growth. It also strengthened overall leadership and coordinated advancement of efforts to support stable foreign trade, and provided stronger financial support for the high-quality development of foreign trade. The Bank established a new agency banking relationship with Standard Chartered Bank, thereby forming a widely covered and fully functional agency clearing channel. The Bank actively and steadily promoted the upgrade of SWIFT ISO Messages, continuously optimized business system functions, and enhanced system support capabilities. The Bank leveraged the role of the cross-border financial service platform, improved trade facilitation levels, and contributed to the high-quality development of the foreign-related economy.

Corporate digital channels The Bank continued to advance the digital and intelligent construction of corporate online services. The Bank enhanced the one-stop service capability of the corporate online banking channel, completed the optimization and upgrade of functional modules such as investment and wealth management and financing services, and achieved deep integration between corporate online banking and supply chain platform, further improving customer experience. The Bank undertook domestic adaptation for its corporate mobile banking, launching the HarmonyOS version to meet customers’ diversified device usage needs. As of June 30, 2025, the cumulative number of customers for corporate digital channels was 318,300, representing an increase of 13,200 customers as compared with the end of the previous year.

III. Management Discussion and Analysis

9.1.4.4 *Investment banking*

During the Reporting Period, the Bank vigorously promoted the steady transformation and development of investment banking business, actively expanding innovative business products, including non-financial corporate debt financing instruments underwriting, syndicate loans, merger and acquisition loans, and fund matching. It continued to enrich investment banking business products, focusing on regional strategic project construction, emerging industry layouts, state-owned assets revitalization and other areas to meet customers' diversified demands. By providing comprehensive and multi-channel integrated financial services to customers across the province, the Bank consistently enhanced market competitiveness and customer recognition. During the Reporting Period, the Bank helped enterprises secure financing of RMB42.206 billion, including the successful underwriting of 11 non-financial corporate debt financing instruments, with a total scale of RMB7.380 billion.

The Bank continued to expand its bond investment institution network and deepen the "headquarters-to-headquarters" collaboration mechanism to build an efficient interbank ecosystem. Leveraging the integrated online-offline platform, the Bank efficiently connected provincial high-quality enterprises with national institutional investors, significantly enhancing the quality and efficiency of "bring in investment for Henan". Through close tracking and analysis of bond market trends and interest rate movements, the Bank strengthened professional insights and faithfully fulfilled its core functions of serving Henan's bond market and injecting financial vitality into high-quality economic and social development.

III. Management Discussion and Analysis

9.2 Retail Banking Business

9.2.1 Retail deposits

During the Reporting Period, the Bank remained focused on its brand and characteristic customer groups, strengthened online and offline promotional channels to enhance its brand influence, and continuously optimized business functions and processes across all its sales channels to improve customer experience. The Bank also enhanced its comprehensive customer service capabilities, deepened its operation in characteristic customer groups such as payment agency business and elderly customers, strengthened customer stickiness, and promoted the sustained growth in the scale of savings deposits.

As of June 30, 2025, the balance of savings deposits of the Bank was RMB595.141 billion, representing an increase of RMB36.201 billion or 6.48% as compared with the end of the previous year; the AUM balance was RMB690.045 billion, representing an increase of RMB44.633 billion or 6.92% as compared with the end of the previous year.

9.2.2 Retail loans

During the Reporting Period, the Bank focused on the operational vision of “providing the most efficient and best-served personal loan products for the people of central China”, and adopted multiple measures to promote the high-quality development of its retail credit business. In terms of product innovation, the Bank launched the innovative credit consumption loan product “One-code Service”, achieving targeted marketing under the “one customer group, one strategy” approach. In terms of marketing operation, the Bank established an agile operational team for cross-departmental collaboration to explore a “digital marketing + campaign operation” model, leveraging data empowerment to support online marketing. In terms of risk management, the Bank focused on the management of existing loans and control over new loans, optimized asset management and control, established a business re-review mechanism, explored the development of non-litigation disposal solutions for collateral and penalty interest reduction and waiver policies, and built a diversified non-litigation disposal mechanism.

As of June 30, 2025, the Bank’s personal loan balance was RMB273.492 billion, representing an increase of RMB8.113 billion or 3.06% as compared with the end of the previous year.

III. Management Discussion and Analysis

9.2.3 Retail customers

During the Reporting Period, the Bank continuously optimized and innovated the customer service model to meet customer needs through both online and offline channels. As of June 30, 2025, the Bank had 36,150,800 retail customers, representing an increase of 714,700 or 2.02% as compared with the end of the previous year.

For the customer group in the payment agency business, the Bank iterated the “e Fa Xin (e 發薪)” service platform to meet the financial and non-financial needs of the B terminal + C terminal of the agency units; for the elderly customer group, the Bank continuously enriched the “Happy Life” comprehensive service system, created model outlets for pension finance, and clarified the standards for aging-friendly services; for the new citizen customer base, the Bank continuously focused on the needs of new citizens in key fields such as housing, entrepreneurship and consumption, and enhanced the financial accessibility and convenience of the new citizen group; for the acquiring customer base, the Bank continued its operational activities related to payments and withdrawals, refined the management of targeted credit benefits, and primarily served small and micro merchants and potential high-value customers. As of June 30, 2025, the Bank has served a total of 897,900 acquiring customers, representing an increase of 237,400 customers or 35.94% as compared with the end of the previous year.

9.2.4 Wealth and private banking business

During the Reporting Period, the Bank adhered to the customer-centric approach, selected excellent managers across the market, continued to enrich its product shelf, launched holiday-exclusive and region-specific customized products, strengthened professional training for sales staff, deeply implemented the asset allocation concept, and continuously provided customers with professional, personalized and diversified services. As of June 30, 2025, the Bank's scale of high-net-worth products such as trust on a commission basis and asset management plans steadily grew, and the cumulative sales of high-net-worth products amounted to RMB10.732 billion in the first half of the year, and maintained its position as a tier-1 bank among 28 banks in Henan Province. The Bank's business scale of wealth inheritance trust business continued to grow, with 123 transactions and a scale of RMB209 million during the Reporting Period.

III. Management Discussion and Analysis

9.2.5 Credit card business

During the Reporting Period, the Bank actively responded to the national policies to stimulate residents' consumption, deeply explored customer needs, enriched product supply, created and launched credit card products such as the new ETC card and the Bright Future themed supplementary card, and continued to enrich a full range of value-added benefits including clothing, food, housing, and transportation upon considering the high-frequency daily consumption scenarios and the personalized card needs of the residents, the breadth and depth of service to the customers continued to be enhanced. The Bank constantly improved and optimized the customer value model, implemented a "marketing model + precise targeting" strategy, and expanded credit card consumption scenarios. By optimizing and iterating the risk strategy model and improving the fraud case prevention system, the level of risk prevention and control was further enhanced. As of June 30, 2025, the Bank issued a total of 4,544,900 credit cards, representing an increase of 86,400 cards compared with the end of the previous year.

9.3 Financial market business

9.3.1 Treasury business

During the Reporting Period, the Bank aimed at its high-quality development goals, followed the principle of steady development and carried out monetary market business in a compliant and prudent manner. Based on ensuring its liquidity safety, the Bank actively assumed the responsibility as a "dealer in the monetary market", fully played the role of a market stabilizer, did a good job as a transmission channel for liquidity hierarchies, and ranked among the top 30 in the list of "Innovative and Active Dealer in Repurchasing" for multiple times.

During the Reporting Period, the bond market yield showed an inverted V-shaped trend, and after entering April, multiple factors helped the market quickly retreat to a temporary low, and the yield curve flattened. The Bank gave full play to its investment and research capabilities, grasped the law of the bond market, continuously optimized the position structure while maintaining a relatively stable scale and adopted a "dumbbell-shaped" allocation strategy to increase spread income. Under the premise of preventing interest rate risk, the Bank adopted a swing trade strategy to steadily obtain investment returns and leave room for strategic adjustment for future market changes. Meanwhile, the Bank closely tracked the changes in exchange rate trends, accurately researched and judged the market trends, and timely conducted NDF operations, which effectively reduced the exchange rate risk of overseas assets, saved financial costs, increased actual returns, ensured the safety of the Bank's foreign exchange assets, and realized asset appreciation. At the same time, the Bank actively fulfilled its role as a "market maker" and was honored with the "X-lending Active Institution", "iBean" Bond Rising Star and "X-lending Star" awards, continuously enhancing the Bank's market trading activity and influence.

III. Management Discussion and Analysis

9.3.2 Interbank business

During the Reporting Period, the Bank followed the operating principles of “light asset, light capital and light cost” to carry out its interbank business, and timely adjusted the business strategies to optimize and strengthen the interbank business, achieving increased profitability and growth in both scale and quality. The Bank firmly advanced the transformation from “product-centric” to “customer-centric”, improved the customer service system through collaboration, resource integration, information sharing, and mutual benefits, and built an interbank customer ecosystem, focusing on creating an interbank business market brand and core competitiveness with the characteristics of Zhongyuan Bank. As of June 30, 2025, the Bank had more than one thousand cooperative customers, covering customers in banking, funds, securities, trust, insurance, and wealth management.

As the major participating institution of CFETS interbank deposit business, the Bank responded to the call of the China Foreign Exchange Trading System, actively promoted CFETS interbank deposit services, expanded the customer base, improved business efficiency, and broadened the counterparty list. The Bank has been granted awards in the interbank domestic currency market by the China Foreign Exchange Trading System for five consecutive years.

9.3.3 Bill business

During the Reporting Period, the Bank played the fundamental role of bill services in supporting the real economy. By accurately exploring customer needs and combining the advantages of technology empowerment and direct transfer and linkage, the Bank effectively reduced customers’ discounting costs, strengthened cooperation between banks and enterprises, and improved service quality and customer experience. During the Reporting Period, the number of discounting business customers increased by more than 260, effectively meeting enterprises’ financing needs and enhancing the quality and efficiency of financial services for the real economy.

During the Reporting Period, the Bank utilized policy funds to deeply integrate into the overall situation of serving the real economy. The Bank actively supported the People’s Bank of China in implementing monetary policy instruments including rediscount and relending, accurately transmitted monetary policy guidance, focused on supporting the development of small and micro enterprises and the upgrading of green industries, helped reduce corporate financing costs, and implemented the concept of inclusive finance. As of June 30, 2025, the Bank’s relending balance ranked first among financial institutions in Henan Province.

III. Management Discussion and Analysis

9.3.4 Asset management

During the Reporting Period, the Bank strictly implemented regulatory requirements, closely followed the Bank's overall strategic deployment and development goals, adhered to our original aspiration of "being entrusted by customers and making wealth management on behalf of customers", took customers as the center, deepened its presence in the central China, and continued to promote the sustained and stable development of wealth management business. As of June 30, 2025, the scale of the Bank's wealth management products was RMB60.319 billion, all of which were net-worth products that met the requirements of the new asset management regulations.

During the Reporting Period, the Bank's wealth management business strictly adhered to the risk bottom line, improved asset quality, and maintained controllable risks in underlying assets; the Bank continued to optimize its product system, with a product structure covering cash, fixed income and mixed types, rich maturity types and all-weather supply, effectively meeting customers' diversified allocation needs; the Bank strengthened investment research capacity building, strengthened investment research integrated application, continuously optimized investment strategies and asset allocation, and created wealth management product robustness; the Bank conducted in-depth front-line research, strengthened the promotion of wealth management products and carried out investment education activities, strengthened investor companionship, and helped improve wealth management service capabilities. During the Reporting Period, the Bank received several prestigious awards, including the "Star Award" for Comprehensive Capability of Commercial Banks jointly issued by the Shanghai Finance and Development Laboratory and Xinhua Finance, the "Outstanding Asset Management City Commercial Bank Award" and the "Excellent Innovative Bank Wealth Management Product Award" from PY Standard, as well as the "Golden Toad Award for Bank Wealth Management" from Lianhe Zhiping. The Bank's brand recognition and influence continued to grow steadily.

III. Management Discussion and Analysis

9.4 Inclusive Finance Business

9.4.1 Small and micro finance

During the Reporting Period, the Bank thoroughly implemented the decisions and plans of the Party Central Committee, the State Council, and the Provincial Party Committee and the Provincial People's Government on financial support for the development of private enterprises, adhered to the positioning of serving real economies and supporting small and micro enterprises, focused on key customer groups of small and micro enterprises, deepened the research on the local economy and industry, clarified the distinctive development direction, increased the credit supply to small and micro enterprises, improved the coverage of small and micro market services, actively met the reasonable financial needs of inclusive small and micro enterprises, and focused on improving the willingness, ability and sustainability of serving small and micro market entities.

During the Reporting Period, the Bank provided inclusive small and micro loans of RMB47.251 billion for small and micro customers, with a weighted average rate of 3.64%. As of June 30, 2025, the balance of inclusive small and micro loans was RMB96.819 billion, representing an increase of RMB6.722 billion or 7.46% as compared with the end of the previous year, which was higher than the growth rate of all loans of the Bank. The Bank had 168,600 inclusive small and micro customers with loan balances, representing an increase of 2,100 as compared with the end of the previous year. The Bank encouraged all operating institutions and front-line business personnel to carry out small and micro businesses. As of June 30, 2025, all branches and sub-branches of the Bank have set up small and micro business management departments, with a total of 28 small and micro business teams.

III. Management Discussion and Analysis

To implement the major decisions and arrangements on the coordination mechanism for small and micro-enterprise financing and fulfill the responsibility of a provincial legal person bank, the Bank focused on key areas across the province and key sectors such as foreign trade, private enterprises, and technology, and launched the “Thousands of Enterprises and Households Outreach (千企萬戶大走訪)” campaign, accurately matching the needs of enterprises through a grid-based approach and the use of the “Red-Yellow-Green Light” classification mechanism. The Bank carried out a series of publicity on financial services for small and micro enterprises with the theme of “Effectiveness of the Coordination Mechanism for Small and Micro-Enterprise Financing (小微企業融資協調工作機制成效)”, actively displaying innovative measures and results, helping more enterprises to understand and use policies to stimulate market vitality. As of June 30, 2025, the Bank maintained 245,700 customers on the “application list” and 161,000 customers on the “recommended list”, having extended credit to a total of 127,800 customers with cumulative lending of RMB102.430 billion and a balance of RMB55.464 billion.

III. Management Discussion and Analysis

9.4.2 Rural Revitalization and Finance

During the Reporting Period, the Bank firmly adhered to the strategy of “expanding the rural revitalization bank” in line with the national strategy of rural revitalization and the requirements for building Henan into a strong agricultural province. Focusing on the strategic positioning of serving urban and rural residents, the Bank established a county finance promotion leading group at the head office level to promote the decentralization of human resources, risk management, financial, and technological capacities to the grassroots level, activate grassroots organizations, empower grassroots institutions, and continuously improve its service capabilities in the county market.

The Bank actively assisted in the revitalization of rural industries, and provided sufficient financial support for various industrial production and operation entities in the county, including farmers, large grain growers, family farms, grain brokers, new rural production and operation entities, and returning hometown entrepreneurs by taking the two inclusive agricultural loan products of “Industry Inclusive Loan (產業普惠貸)” and “Yunong Loan (豫農貸)” as the starting point, and through strengthening industrial research, online product construction, and “government-bank-insurance-guarantee-enterprise collaboration model”, etc. The Bank formed 92 industrial service plans covering the entire grain industry chain, Chinese medicinal materials, shiitake mushrooms, peppers, beef cattle, etc., basically achieving full coverage of the top ten advantageous and characteristic agricultural industries in Henan Province, and promoted rural revitalization with industrial revitalization. As of June 30, 2025, the Industry Inclusive Loan of the Bank invested a total of RMB4.858 billion, and the Yunong Loan invested a total of RMB1.089 billion, serving a total of 90,100 farmers.

The Bank insisted on promoting channel penetration, continuously optimizing and improving the four-in-one county channel service system of “county outlets + township outlets + rural inclusive financial payment service points + online platforms”, opening up the last mile of financial services, and improving the coverage and availability of financial services. As of June 30, 2025, the Bank had set up 168 county outlets, 87 township outlets, and nearly 5,000 service points; mobile banking (rural online version) served 4.1909 million users, representing an increase of 763,400 users as compared to the end of the previous year.

The Bank improved the quality and efficiency of basic financial services, innovated and optimized basic financial products such as deposits, loans and wealth management products, built a county-specific product service system, and provided comprehensive, customized and differentiated financial services to meet the diversified needs of county customers by continuously strengthening the comprehensive ability training of personnel. As of June 30, 2025, the Bank has served more than 10 million county customers. The Bank created a non-financial service ecosystem, carried out publicity activities such as “popularization of financial knowledge” and “anti-fraud lectures” around the production and living needs of county residents, and built various non-financial service scenarios such as “life payment”, “shared printers” and “points as money” to enhance the sense of fulfillment and accessibility for county residents.

III. Management Discussion and Analysis

9.5 Distribution Channels

9.5.1 Mobile Banking

During the Reporting Period, the Bank continued to promote the iteration of mobile banking products and service upgrades, achieving remarkable results in core work. In terms of system platform construction, the Bank steadily promoted the construction of the pure HarmonyOS platform, and completed the simultaneous deployment of 80% of core services, covering high-frequency scenarios such as account management, transfer and wealth management, and fully meeting the core needs of HarmonyOS device customers; in terms of device compatibility, it fully adapted to various brands of mobile phones under mainstream systems, such as Android and HarmonyOS, and optimized the interface layout and interaction logic to ensure that users of different models have a consistent and smooth operation experience. In terms of wealth service ecosystem construction, the Bank further enriched the product matrix and added differentiated products, such as “Wealth Inheritance (財富傳承)”, “Huinong Flexible Treasure (惠農靈活寶)” and “Consumer Finance Joint Loan (消金聯合貸)” to meet the needs of high-net-worth customers for asset planning, fund management of rural customer groups and mass micro-credit, respectively, thereby broadening the service coverage. In terms of security protection, the Bank improved the anti-fraud system by optimizing risk identification models, supplementing abnormal operation monitoring rules, and upgrading real-time interception mechanisms, effectively improving the risk prevention and control level of mobile banking.

As of June 30, 2025, the number of registered users of the Bank’s mobile banking reached 18.2966 million, representing a new increase of 734,200 as compared with the end of the previous year, and the number of customers of the Bank’s mobile banking reached 15.5871 million, representing a new increase of 587,100 as compared with the end of the previous year.

9.5.2 WeChat Banking

During the Reporting Period, the Bank continued to improve multi-channel collaboration planning and enhanced the attraction and transformation of customers through the channel. WeChat official account has sent 161 tweets in 24 issues in aggregate. As of June 30, 2025, the number of followers of the official account of the Bank’s WeChat banking reached 10.7812 million, representing a new increase of 647,600 as compared with the end of the previous year, of which there were 7.4193 million card binding customers, representing a new increase of 549,400 as compared with the end of the previous year.

III. Management Discussion and Analysis

9.5.3 Personal online banking

During the Reporting Period, the Bank continued to optimize online service experience by providing customers with easy and convenient services including personal account inquiries, reporting of loss, transfer, wealth management, deposits and bill payments. At the same time, the Bank ensured that the customers obtained timely financial information and professional wealth management services, so as to offer users more considerate financial services. As of June 30, 2025, the Bank's personal online banking users reached 1.6845 million, representing a net increase of 11,300 as compared to the end of last year. During the Reporting Period, the total number of transactions reached 6.0515 million, and the total transaction amount reached RMB333.908 billion.

9.5.4 Remote service center

During the Reporting Period, the Bank's customer service center of remote Banking received a total of 2,822,400 incoming customer calls, including 1,962,400 calls transferred to automated voice service, accounting for 69.53% and 860,000 calls transferred to manual service, accounting for 30.47%. 96.51% of calls were received, with a customer satisfaction of 99.78% during the Reporting Period; 3,142,700 customer calls, including 183,000 calls transferred to manual service, were received by online customer service, and 94.17% of the calls were transferred to intelligent text service, with a customer satisfaction of 95.25%.

9.5.5 Joint innovation

During the Reporting Period, the Bank kept on implementing the new concept of initiating open and win-win cooperation, devoted to promoting the jointly innovative business of perpetual loans and optimized the services to cooperative banks to support them in providing housing mortgage services for individuals and small and micro merchants in the areas where they conducted businesses. As of June 30, 2025, a total of over 40 cooperative banks have signed agreements with us on jointly innovative business of perpetual loans. The cooperative banks have granted RMB70.204 billion of loans in total, establishing a good brand image and word-of-mouth effect.

III. Management Discussion and Analysis

9.6 Information Technology

During the Reporting Period, the Bank focused on the business value creation, closely adhered to the strategic direction of the “Four Banks”, advanced in-depth digital and intelligent transformation, continuously strengthened technological support and digital empowerment, and comprehensively promoted the high-quality development of digital financial services.

9.6.1 Take solid steps to advance digital finance

Clarifying the direction and strengthening the planning for digital finance. The Bank researched and formulated its 2025 digital transformation plan, defining the implementation path for construction and development. In collaboration with the China Banking Association, the Bank led the Research Project on Standardizing the Evaluation System for Digital Transformation of City Commercial Banks and organized 8 city commercial banks to jointly participate in research and development, driving the improvement of the industry standard system.

Overall planning and organizing to promote the implementation of transformation projects. In terms of strengthening digital and intelligent-driven marketing, the Bank has established a tiered customer value contribution system and cumulatively distributed 969 million leads of big data user cases, with a total sales amount of RMB127.176 billion. The Bank has jointly conducted public data modeling with the Provincial Development and Reform Commission to build a marketing model for small and micro customers. A total of 15,000 high-quality customer lists were issued, leading to credit investment amounting to RMB913 million. The industrial customer segment reported 119 new business applications with an aggregate approved amount of RMB658 million. In the construction of the intelligent risk control system, the second phase project of the feature derivation platform was completed and launched, further expanding the breadth and depth of risk feature extraction, with six products connected to the personal credit limit system, effectively enhancing the accuracy and timeliness of risk prevention and control.

III. Management Discussion and Analysis

9.6.2 Focused on basic capacity building

The improvement of technical capabilities shows practical results. Key projects have achieved breakthroughs, and the construction of the new-generation core business system program has been steadily advanced, laying a solid foundation for improving the level of independent technological control. The data centralization project of Lushi Zhongyuan County Bank, a subsidiary of Zhongyuan Bank, was successfully completed in February 2025, marking the successful launch of the “first” data centralization project for county banks in Henan Province and becoming an important milestone in the province’s financial reform process. As the first among peer banks in the province to connect to the Henan Provincial Financial Service Chain, the Bank launched a financial asset inquiry function for social assistance families, which has been officially commended by both the Civil Affairs Department of Henan Province and the Henan Provincial Branch of the People’s Bank of China. The Bank continuously optimized the efficiency of its middle platform, promoted microservice governance and the upgrade of the cloud-native architecture, and improved the observability system to achieve end-to-end full chain transaction monitoring from the client to the service, increasing the efficiency of problem localization by over 50% and effectively supporting system stability. By improving the financial transaction center of the retail middle platform, the transfer response time was reduced by 43%, significantly enhancing the transaction performance of retail businesses. The quality and efficiency of the data lakehouse services were optimized, achieving an average compression of data storage space by over seven times and freeing up 310TB of storage space. Through governance and optimization of the storage space of feature clusters, over 25% of storage space was saved, effectively reducing storage costs. The migration of all full-volume statement businesses to the GaussDB cluster was completed, with 100% of statement enquiry traffic switched to the open-source StarRocks cluster, resulting in a more than twofold improvement in statement enquiry efficiency.

Digital and intelligent support capabilities have been steadily enhanced. Five data services, including industrial node, enterprise blockchain tag, and five-key-element bank card, were launched, and nine data services were procured, providing data support for the construction of the “Four Banks”. Progress was made in the construction of a user behavior data collection and analysis platform, and the integration of existing and new user behavior data from 14 channels, such as the mobile banking app, WeChat banking service, and County Online platform, was completed to boost digital operation capabilities. A new external data platform was built and launched, providing technical support for the unified and efficient management of external data.

III. Management Discussion and Analysis

Security assurance capabilities have been continuously strengthened. Efforts included consolidating infrastructure and deepening the development of cloud platforms, resulting in the Bank's application systems achieving a 94% cloudification rate. Capabilities in intelligent operation and maintenance as well as emergency management were enhanced. During the Reporting Period, the Bank's information systems operated stably, with no production liability incidents of Level-3 or above. Security protection was continuously strengthened, successfully blocking over 160,000 domestic and foreign attacks, intercepting 66 cluster-style attack incidents, providing 23 threat intelligence outputs, and achieving zero complaints about fraudulent transactions.

9.6.3 Accelerating the implementation of the technological innovation

The Bank actively explored the research and application of new technology such as artificial intelligence (AI). The Bank was granted 3 software copyrights and 1 invention patent during the Reporting Period. The Bank successfully completed the localized deployment of the DeepSeek series of open-source large language models. The launched DeepSeek Assistant provided open and intelligent experience services to all employees, having facilitated over 14,000 rounds of employee dialogues. Meanwhile, the DeepSeek large language models were applied in scenarios such as the intelligent credit assistant, intelligent analysis assistant, and knowledge Q&A assistant. The Bank actively expanded its intelligent applications, and the intelligent credit assistant offered functionalities such as template version management, restricted editing, and credit decision-making support, attracting over 700 new users and generating more than 2,400 reports. The Bank iteratively upgraded its AI product, incorporating functions such as voice conversations, document summarization, document Q&A, and document polishing. These enhancements led to a total of 101,000 conversation rounds and an average monthly active user base of over 7,000. In a move to strengthen its intelligent BI capabilities, the Bank integrated AI large language models with data analysis technologies to enable conversational data enquiry, root cause analysis, report generation, and visual analysis, providing business managers with intelligent and efficient data analysis services. The system has supported 1,500 rounds of indicator Q&A, achieving an accuracy rate of over 90%.

III. Management Discussion and Analysis

9.7 Investment business of subsidiaries, interest in associate and joint venture

9.7.1 Village bank business

9.7.1.1 Shareholding percentages of village banks

Name	Percentage of shareholding of the Bank
Linzhou Zhongyuan County Bank Co., Ltd. (林州中原村鎮銀行股份有限公司)	51.00%
Qixian Zhongyuan County Bank Co., Ltd. (淇縣中原村鎮銀行股份有限公司)	51.00%
Xinxiang Zhongyuan County Bank Co., Ltd. (新鄉中原村鎮銀行股份有限公司)	78.46%
Puyang Zhongyuan County Bank Co., Ltd. (濮陽中原村鎮銀行股份有限公司)	51.00%
Xiangcheng Zhongyuan Rural Bank Co., Ltd. (襄城中原村鎮銀行股份有限公司)	51.00%
Xinyang Pingqiao Zhongyuan County Bank Co., Ltd. (信陽平橋中原村鎮銀行股份有限公司)	51.73%
Xiping Zhongyuan County Bank Co., Ltd. (西平中原村鎮銀行股份有限公司)	43.69%
Suiping Zhongyuan County Bank Co., Ltd. (遂平中原村鎮銀行股份有限公司)	51.02%
Shenzhen Nanshan Baosheng County Bank Co., Ltd. (深圳南山寶生村鎮銀行股份有限公司)	42.05%
Henan Luanchuan Minfeng County Bank Co., Ltd. (河南樂川民豐村鎮銀行股份有限公司)	30.33%
Mengjin Minfeng County Bank Co., Ltd. (孟津民豐村鎮銀行股份有限公司)	34.58%
Jiaxian Guangtian County Bank Co., Ltd. (郊縣廣天村鎮銀行股份有限公司)	51.28%
Luohe Yancheng Zhongyuan County Bank Co., Ltd. (漯河鄆城中原村鎮銀行有限責任公司)	51.00%

III. Management Discussion and Analysis

9.7.1.2 *Business development during the Reporting Period*

With the focus on promoting the reform to defuse risks of its subsidiaries, the Bank continued to strengthen the control of risk, finance and personnel, and provided support for strategic synergy, technology, liquidity and personnel empowerment. It strengthened the management of county banks, and supervised them to firmly adhere to their market positions and return to their financial origins for high-quality development. During the Reporting Period, the 13 county banks provided local small and micro enterprises and retail banking customers with a broad range of financial products and services, including business and consumer loans, deposits from customers and fee-based and commission-based products and services.

During the Reporting Period, the 13 county banks always adhered to their market positioning of “supporting the agriculture and small and micro enterprises (支農支小)” and upheld the principles of “micro and disperse (小額、分散)”. They focused on the actual financial needs of the rural customer groups of “agriculture, rural areas, farmers, and migrant workers (四農)” within their jurisdiction, continued to optimize their products and processes, further brought their staff and services down to the primary level, kept improving their ability to serve rural revitalization, deeply practised inclusive finance, and strived to promote business structure optimization and comprehensive transformation and development, along with intensified support to agriculture and small and micro enterprises. They adhered to seeking progress while maintaining stability in performance and followed the path of high-quality development featured with scientific governance, strict internal control, controllable risks and outstanding services.

9.7.2 **Consumer Finance Company**

During the Reporting Period, Zhongyuan Consumer Finance Company always adhered to the guidance of the Party building, always adhered to the people-centered value orientation, strictly implemented the requirements of high-quality development, actively responded to regulatory requirements and changes in the industry, vigorously practised inclusive finance, set up a firm bottom line for risks, strengthened the foundation of compliance, and continuously promoted high-quality development.

III. Management Discussion and Analysis

9.7.3 Financial Leasing Companies

During the Reporting Period, AB Leasing comprehensively enhanced the leadership of the Party, carried out thematic education in high standard and quality by taking in-depth study and implementation of the spirit of the 20th National Congress of the Party as the main line, strengthened strategic planning, carried forward transformation and development, intensified control over asset quality, and improved refined management, so as to effectively prevent and dissolve business risks, steadily improve its operating results, continuously make breakthroughs in business transformation, and create a new situation of steady progress in all work.

Guided by the work deployment of the Party Committee of the head office, and the working idea of “pursuing progress while maintaining stability, and deepening transformation”, BOL Financial Leasing prioritized Party building to foster overall operational stability; embraced innovation-driven development to facilitate a smooth transformation of its business structure; strengthened its foundational elements to steadily enhance asset quality; and adhered to a people-oriented philosophy to steadily advance team building; promoted its high-quality development in a deep and practicable manner through multi-dimensional collaborative efforts.

10 Risk Management

The Bank always maintained its prudent risk preference, adhered to the goal of “building a first-class city commercial bank, being a leader of financial institutions in Henan Province”, followed the policy direction, strengthened the implementation of strategies, improved the risk management system, strengthened the risk measurement ability, and enhanced the level of intelligent risk control to contribute to the characteristic operation and differentiated development. During the Reporting Period, the Bank maintained the strategic determination of risk management, strengthened the research and judgment on risks, carried out the identification, measurement, appraisal, monitoring, reporting, control or releasing of various risks in an orderly manner, continuously improved the professional level of risk management, effectively preventing various risks and ensuring the steady development.

III. Management Discussion and Analysis

10.1 Credit Risk Management

By unifying its risk preference, the Bank played a guiding role of policies. It formulated annual risk preference and established a multi-level and multi-dimensional risk preference indicator system. Furthermore, it implemented key national and provincial strategic support directions, such as new productive forces, Five Priorities, and the financing coordination mechanism for the real estate and small and micro enterprises, while also formulating credit policy guidelines that consider regional characteristic industries, to lead the steady business development.

The Bank continuously promoted the reform of the credit approval system by clarifying job responsibilities across all credit review and approval stages to leverage specialized expertise. It also promoted the optimization and improvement of credit approval processes, establishing pre-communication and green approval channel mechanisms for key credit projects, to enhance service capabilities for major projects. Furthermore, the Bank regularly conducted industry research and business reviews, which led to improved credit policies in key sectors and better control of substantive business risks.

The Bank strengthened early warning and inspection, and strictly controlled the quality of assets. It formulated annual targets and plans on the management and control of the quality of assets under all standards and in all processes, optimized the appraisal system on the quality of assets and maintained management and control efforts on the quality of assets. The Bank optimized the early warning and management system, strengthened the application of early warning and developed management chains on the early identification, continuous monitoring, accurate judgment and vigorous disposal of risks. It organized rolling risk inspections on asset businesses, continuously improved inspection mechanisms with internal and external linkage and carried out targeted inspections on key customers and key businesses. The Bank stepped up the efforts on recovery and disposal of non-performing assets, comprehensively used various means including litigation recovery, transfer of debts, writing-off bad debts and activation by restructuring to dispose of non-performing assets and fully promoted the mitigation for key projects to ensure the steady operation of the quality of assets.

The Bank improved its online, digital, intelligent risk management capabilities. The Bank advanced the construction of the risk-weighted asset management system, achieved full-process automated measurement of risk-weighted assets and unified, standardized storage of risk asset data across the Bank, implemented new capital regulation requirements and supported capital management decision-making; strengthened the construction of anti-fraud capabilities, implemented the Bank's proprietary large visual risk control model algorithm, to detect risks such as irregular facial recognition backgrounds, thereby improving the fraud risk identification capability; deeply explored data value, and constantly advanced the project construction of the second phase of the characteristic derivative platform; and optimized the system functionality of expected credit losses, regularly conducted stress testing to constantly enhance the refined management of credit risk.

During the Reporting Period, all indicators of the Bank's large exposure risks complied with regulatory requirements, and the credit risk was stable and controllable.

III. Management Discussion and Analysis

10.2 Market risk management

In adherence to regulatory requirements and in response to financial market trends, the Bank continued to improve its market risk management system, and enhanced the effectiveness of market risk identification, measurement and monitoring.

The Bank carried out daily management of market risk. It formulated an annual management plan of secondary limits of market risk and refined the granularity of limit management. The Bank continued to enhance its market risk measurement support system, and managed counterparty credit risk online by utilizing the risk-weighted asset management system, thereby improving the quality and efficiency of management. Efforts were also directed towards optimizing the effectiveness of its market risk management system, specifically by refining the system's batch processing structure, which improved the management efficiency of the system.

The Bank constantly conducted market risk monitoring and reporting and strengthened risk analysis and management and control. It enhanced high-frequency measurement, monitoring and analysis on risk exposure and level based on the risk characteristics of different types of financial market businesses and improved the timeliness and effectiveness of market risk monitoring and control.

The Bank monitors the implementation of market risk limit indicators on a daily basis. During the Reporting Period, the profitability of the trading book business grew steadily, the indicators operated smoothly, and the overall market risk was stable and controllable.

10.3 Operational and compliance risk management

During the Reporting Period, the Bank continued to promote the construction of the operational risk system, formulated the annual operational risk appetite, revised the risk monitoring indicators, and set reasonable tolerance and warning value. The Bank continuously deepened the application of operational risk management tools, reviewed and optimized the library of key risk indicators for operational risk, improved the sensitivity and effectiveness of indicator monitoring and carried out key risk indicator monitoring on operational risk. The Bank improved its mechanism for collection of loss events, carried out data governance for loss events, and enhanced the comprehensiveness and accuracy of loss data. It optimized the process review and control self-appraisal methods, constantly identifying control defects and hidden risks in key procedures. The Bank promoted data linkage between operational risk management tools and between operational risk and other risk management tools to achieve risk data sharing. Meanwhile, the Bank continued to strengthen business continuity management during critical periods, deeply carried out the inspection and renovation of risks on business continuity and vigorously guaranteed the continuous stability of financial services during critical periods. It continued to improve the outsourcing risk management, network security management, data security management, business continuity and emergency management mechanisms to ensure that the Bank could take effective measures to minimize the impact and loss in the event of an emergency.

III. Management Discussion and Analysis

By leveraging the internal control compliance and operational risk management system, the Bank continued to enhance its refined management capabilities for operational risks. On the basis of strengthening internal control and implementing compliance management, focusing on internal inspection and system construction, and with the backing of internal audit supervision, the Bank strengthened risk monitoring and prevention in key positions and key areas to ensure that the operational risk identification, measurement, assessment, monitoring, reporting, control and mitigation are carried out effectively, and built a long-term mechanism for internal control and compliance management.

During the Reporting Period, the Bank's overall operation was standardized and orderly, and there was no major operational risk event.

10.4 Liquidity risk management

During the Reporting Period, the Bank continuously improved its liquidity risk management framework, strengthened liquidity risk monitoring and active management. The overall liquidity position remained ample, with key liquidity indicators meeting regulatory requirements and showing steady improvement.

The Bank continued to optimize and improve the organizational structure of liquidity risk management, strengthened the three-level linkage among the head office, branches and sub-branches, improved the coordinated management and control mechanism of the liquidity risk from the group level, guided and assisted subsidiaries to strengthen liquidity management, and regularly monitored its operating conditions and liquidity risk levels to ensure the safety of liquidity at the group level; strengthened active asset-liability management, and rationally adjusted the business term structure, and maintained the Bank's asset-liability maturity mismatch at an appropriate level; continuously enriched the reserve of liquid assets to fully satisfy the Bank's needs of daily financing and risk mitigation under stress; rationally utilized active financing tools to optimize liability structure, smoothed maturity gaps, and carried out monetary policy transmission while ensuring the liquidity security across the Bank; continuously optimized its liquidity management information system, enhancing the digitalization and intelligence of intraday position management and liquidity monitoring to ensure sufficient intraday liquidity and compliance with risk limits.

During the Reporting Period, the liquidity risk of the Bank was safe and controllable.

III. Management Discussion and Analysis

10.5 Information technology risk management

During the Reporting Period, the Bank constantly improved its information technology risk management system and actively implemented the coordinated and common management mechanism of the “three lines of defense” for IT management. Centred on eight risk areas for information technology, the Bank conducted self-appraisal on risk control, with particular focus on regulatory priorities such as network security, data safety and information technology outsourcing. This involved in-depth identification of vulnerabilities and continuous improvement initiatives. The Bank coordinated key tasks such as regulatory inspections, risk monitoring and compliance governance, with IT management and control capabilities steadily enhanced and system construction continuously improved.

The Bank continuously improved the risk indicator system and reporting mechanism. It dynamically optimized information technology key risk indicators and formulated reasonable indicator thresholds, improved the accuracy and timeliness of risk monitoring and early warning, regularly monitored key risk indicators, established the information technology risk periodic reporting mechanism, and gradually formed a closed loop management process of “risk identification – assessment – monitoring/reporting – control/release”.

The Bank strengthened its response mechanism for security emergencies. In response to unexpected security incidents, the Bank quickly organized emergency response and disposal, standardized the disposal process and formed a standardized reporting mechanism, further enhancing the standardization and effectiveness of emergency response and disposal.

The Bank promoted the construction of a business continuity protection system. It has formulated an annual disaster recovery plan for “two places and three centers”, promoted the construction of a distributed operation and maintenance system and an online emergency command system, continued to strengthen the foundation of business continuity management, and enhanced its ability to guarantee uninterrupted business in the event of emergencies.

The Bank strengthened its security operations and risk prevention and control capabilities. It regularly carried out 24/7 network and data security operations, reinforced the monitoring of and response to security events from multiple dimensions of “cloud-network-terminal” based on the safe operation platform and strictly implemented the requirements on network security guarantee during critical and sensitive periods, continuously reinforcing stable operations of network and information systems.

During the Reporting Period, the information technology risk of the Bank was stable and controllable.

III. Management Discussion and Analysis

10.6 Reputational risk management

During the Reporting Period, the Bank continued to enhance the construction of its reputational risk management system and continuously increased the level of reputational risk management.

The Bank strengthened real-time public opinion monitoring and rapid response. It improved the 24/7 public opinion monitoring mechanism, strengthened the disposal of public opinions, clarified the timeframe for rectification, followed up on the rectification situation, and formed a closed loop of management. The Bank made solid efforts to investigate and track potential reputation risk issues, conducted potential reputation risk investigations on a quarterly basis, strengthened analysis and judgment as well as tracking of issues, promoted the resolution of underlying management issues behind potential reputation risks, and improved its sensitivity to reputation risks. It carried out special monitoring and emergency response plans for network information at key time nodes, to ensure business development with strong reputation risk management and control. The Bank conducted practical training on reputation risk management and online public opinion disposal and response, and adopted the “system simulation + real network confrontation” exercise mode to enhance the reputational risk contingency response capabilities. The Bank continued to strengthen publicity, focused on practicing “Two High-level Priorities and Four Areas of Emphasis (兩高四着力)” and centered on the construction of “four banks”, so as to demonstrate the Bank’s vivid practice and latest achievements in serving high-quality development, and create a good brand image.

During the Reporting Period, the reputational risk of the Bank was stable and controllable.

10.7 Exchange rate risk management

During the Reporting Period, the Bank maintained its prudent risk preference, closely monitored the changing trend of exchange rates, proactively analyzed the fluctuation of global exchange rate market, formulated staged foreign exchange hedging strategies, smoothed the hedging cost, and reduced foreign exchange exposure risk. The Bank formulated foreign exchange quota indicators, conducted reviews on a regular basis to enforce disciplined tolerance levels for exchange rate risk, paid continuous attention to the exposure positions of various foreign currencies held by the Bank during daily management, carried out foreign exchange risk stress tests, and strengthened foreign exchange business management and limit controls.

During the Reporting Period, the Bank’s exchange rate risk was stable and controllable.

III. Management Discussion and Analysis

10.8 ESG risk management

During the Reporting Period, the Bank strengthened the significant decision-making function of the Board of Directors and special committees in ESG management, prepared the 2024 Environmental, Social and Governance (ESG) Report of Zhongyuan Bank Co., Ltd. and disclosed it on the official websites of the Hong Kong Stock Exchange and the Bank, displaying the sound ESG management capabilities and corporate image of the Bank to investors.

The Bank adhered to the practice of ESG concepts and strengthened ESG risk management in the industry; promoted compliant and transparent business ethics practices to safeguard the steady expansion of business; upheld the concept of green and low-carbon development, actively promoted green financial innovation and business expansion, and fully implemented a low-carbon operating model; prioritized support for green industry projects such as clean energy, energy conservation and environmental protection through targeted credit policy adjustments; and optimized internal operation management, reduced office energy consumption, reduced its own carbon emissions, and implemented green development in all aspects.

11 Business Strategies and Outlook

For the first half of 2025, China's GDP registered RMB66,053.6 billion, marking a year-on-year increase of 5.3%. The economy maintained an overall steady performance, exhibiting a positive upward trend. Externally, slower global economic growth, escalating deglobalization sentiments, and a confluence of risks including inflation and trade frictions presented challenges. Internally, the deployment of more proactive and effective macro policies yielded tangible results, leading to a sustained and improving economic trajectory that underscores the nation's robust resilience and vitality. Across various regions, the development of new quality productive forces was tailored to local conditions, with intensified efforts to integrate technological and industrial innovation. Consequently, new industries, technologies, and business models continued to experience rapid growth. Looking ahead to the second half of the year, policy emphasis will be placed on stabilizing employment, stimulating consumption, invigorating investment, and fostering innovation. Driven by these policy initiatives, consumption is anticipated to sustain its favorable growth momentum, further solidifying its pivotal role as the "ballast" for economic expansion. While these factors collectively provide critical support for stable economic operations, the economy will also confront challenges such as domestic structural adjustments, insufficient effective demand, and the ongoing need to strengthen the foundations for continued economic recovery and improvement.

In 2025, Zhongyuan Bank will be guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. We will fully implement the guiding principles from the 20th CPC National Congress and the Second and Third Plenary Sessions of the 20th CPC Central Committee, while thoroughly studying and implementing General Secretary Xi Jinping's important discourses on financial work and his key speeches during his inspection tour in Henan. We will conscientiously carry out the major decisions and deployments of the Provincial Party Committee and Provincial People's Government, vigorously pursuing the full execution of our 2025-2030 strategic plan. To build a first-class city commercial bank and become the "vanguard" in the Henan financial army, we will continue to optimize our role as a government bank, solidify our position as an industrial bank, enhance our services as a citizen bank, and expand our contributions as a rural revitalization bank, while vigorously pursuing specialized operations and differentiated development strategies.

III. Management Discussion and Analysis

Deepening government-bank cooperation to forge a new benchmark for government banks. First, by aligning more closely with strategy, we aim to secure our service advantage. This entails developing an efficient working mechanism for policy research and service responsiveness, enabling us to provide proactive services and take the lead in response. We will actively engage in project planning with provincial, municipal, county and district governments, channeling credit resources towards industries prioritized by local governments. Second, we will strengthen comprehensive operations to solidify our cooperative advantage. We are committed to fully implementing strategic cooperation agreements with municipal and local governments, offering attentive “financing + financial intelligence” services. Furthermore, we will enhance the integration of government data to support the development of digital government and the industrial transformation of local platform companies. Third, we will cultivate new advantages by deepening multi-level engagement. We will closely monitor areas where we currently lack agency qualifications for institutional business, striving to increase our coverage at the county and district levels. This expansion will extend our “business chain” and “capital chain” down to the municipal, county, and even township levels.

Strengthening industrial empowerment to solidify our competitive edge in industrial banking. First, we will enhance industrial chain-based services. Focusing on core enterprises, we will adopt a chain-based marketing approach to drive holistic growth – connecting upstream and downstream partners, as well as horizontal and vertical stakeholders – to strengthen, supplement, and extend industrial clusters. Second, we will refine industry-specific operations. We will closely serve strategic clients, including provincial state-owned enterprises and leading industries, with one policy for one household and flexible pricing. By leveraging chain-based services, we aim to enhance overall client profitability. Third, we will expand specialized product offerings. Through supply chain finance, syndicated loans, and matchmaking financing, we will intensify support for strategic clients and industrial chains, facilitating major project development.

III. Management Discussion and Analysis

Advancing retail transformation to solidify the foundation of our services as a citizen bank. First, we will deepen customer segment management. We will enhance services for key customer segments such as payroll clients, pensioners, merchant acquirers, and migrant workers. Additionally, we will intensify efforts to secure payroll partnerships with government finance departments, enterprises, public institutions, and strategic customers. Second, we will optimize product offerings. We will refine our deposit products and actively launch exclusive wealth management and seasonal offerings. Furthermore, we will roll out more scenario-specific online lending products, drive product bundling innovations, and strengthen our flagship offerings. Third, we will strengthen channel development. We will upgrade mobile banking functionalities, launch innovative online campaigns, and integrate more lifestyle scenarios to actively build high-frequency service ecosystems.

Concentrating on county-level development to enhance our reputation as a premier rural revitalization bank. First, we will strengthen products for specialty industries. We will conduct in-depth research on distinctive county-level industries to build a comprehensive customer service system covering both agricultural supply chains and non-agricultural sectors. We will enrich our product portfolio by optimizing offerings such as Yunong Loan and Industry Inclusive Loan. Second, we will leverage channel advantages to serve customers. We will develop a scientific plan for county-level branch networks, relocating underperforming urban branches to densely populated and resource-rich townships. This will enable us to deepen our presence through a grid-based approach. Third, we will create model cases to drive impact. We will intensify support for benchmark counties to maximize their demonstrative effect. By identifying and replicating best practices from top-performing sub-branches, we will promote them across the entire bank.

IV. Changes in Share Capital and Information on Shareholders

1 Changes in Ordinary Shares of the Bank during the Reporting Period

As of the end of the Reporting Period, the total issued ordinary share capital of the Bank was 36,549,823,322 Shares¹, comprising 6,945,000,000 H Shares and 29,604,823,322 Domestic Shares.

2 Shareholdings of Top Ten Non-Overseas Listed Domestic Shareholders of the Bank

As of June 30, 2025, there was no controlling shareholder and actual controller of the Bank. As at June 30, 2025, the shareholdings of the Bank's top ten non-overseas listed domestic Shareholders of ordinary Shares were as follows:

No.	Name of Shareholders	Nature of Shareholders	Number of Shares held at the end of the Reporting Period	Approximate percentage of the total share capital of issued ordinary shares of the Bank at the end of the Reporting Period
1	Henan Investment Group Co., Ltd. (河南投資集團有限公司)	State-owned Legal Person Shares	2,500,372,826	6.84%
2	Luoyang Municipal Finance Bureau (洛陽市財政局)	State Shares	1,361,571,120	3.73%
3	China Tourism Group Corporation Limited (中國旅遊集團有限公司)	State-owned Legal Person Shares	1,061,521,911	2.90%
4	Zhongyuan Trust Co., Ltd. (中原信託有限公司)	State-owned Legal Person Shares	791,131,350	2.16%
5	Henan Zhaoteng Investment Group Co., Ltd. (河南省兆騰投資集團有限公司)	Privately-owned Legal Person Shares	683,252,415	1.87%
6	Henan State-owned Capital Operation Group Investment Co., Ltd. (河南國有資本運營集團投資有限公司)	State-owned Legal Person Shares	506,751,425	1.39%
7	Luoyang Urban and Rural Construction Investment Group Co., Ltd. (洛陽城鄉建設投資集團有限公司)	State-owned Legal Person Shares	504,435,685	1.38%
8	Bank of Jiujiang Co., Ltd. (九江銀行股份有限公司)	Privately-owned Legal Person Shares	500,000,000	1.37%
9	Jiaozuo Construction Investment (Holdings) Co., Ltd. (焦作市建設投資(控股)有限公司)	State-owned Legal Person Shares	433,237,588	1.19%
10	Jiangsu Wuzhong Group Co., Ltd. (江蘇吳中集團有限公司)	Privately-owned Legal Person Shares	420,238,000	1.15%
Total			8,762,512,320	23.97%

¹ The registered capital of Zhongyuan Bank was changed from RMB20,075,000,000 to RMB36,549,823,322 as approved by the former CBIRC Henan Office. As of the date of this report, the registration of registered capital for change with the competent authority of industry and commerce is still in progress.

IV. Changes in Share Capital and Information on Shareholders

3 Interests and Short Positions of Substantial Shareholders and Other Persons in the Shares and Underlying Shares

As of June 30, 2025, so far as is known to the Bank and the Directors, substantial Shareholders of the Bank and other persons (other than Directors, Supervisors and chief executive officer of the Bank) who had interests and short positions in the Shares and underlying Shares of the Bank which were required to be notified to the Bank or the Hong Kong Stock Exchange under 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 were as follows:

Name of Shareholders	Class of Shares	Nature of interests	Number of Shares ⁽¹⁾	Approximate percentage of the total issued share capital of the relevant class of the Bank (%) ⁽²⁾	Approximate percentage of the total issued share capital of ordinary shares of the Bank (%) ⁽²⁾
Henan Investment Group Co., Ltd. (河南投資集團有限公司) ⁽³⁾	Domestic Shares	Beneficial owner	2,500,372,826 (L)	8.45	6.84
	Domestic Shares	Interest in controlled corporation	1,046,246,733 (L)	3.53	2.86
AMTD Group Company Limited ⁽⁴⁾	H Shares	Interest in controlled corporation	482,288,000 (L)	6.94	1.32
L.R. Capital Management Company (Cayman) Limited ⁽⁴⁾	H Shares	Interest in controlled corporation	482,288,000 (L)	6.94	1.32
NEW MERIT GROUP LIMITED	H Shares	Beneficial owner	453,636,000 (L)	6.53	1.24
GOLD LEADING CAPITAL LIMITED	H Shares	Having a security interest in the Shares	573,964,000 (L)	8.26	1.57
Piramid Park Co., Ltd ⁽⁵⁾	H Shares	Beneficial owner	999,831,000 (L)	14.40	2.74
XU Yan (徐雁)	H Shares	Interest in controlled corporation	999,831,000 (L)	14.40	2.74

Notes:

- (1) (L) represents the long position, (S) represents short position.
- (2) As at June 30, 2025, the total number of issued Shares of the Bank was 36,549,823,322, comprising 6,945,000,000 H Shares and 29,604,823,322 Domestic Shares. As of the date of this report, the registration for change with the competent authority of industry and commerce is still in progress.
- (3) Henan Investment Group Co., Ltd. (河南投資集團有限公司) is wholly owned by the Finance Department of Henan Province (河南省財政廳). Henan Investment Group Co., Ltd. directly holds 2,500,372,826 Domestic Shares of the Bank (long positions), indirectly holds 17,696,926 Domestic Shares of the Bank (long positions) through its controlled corporation, Henan Huirong Industrial Operation and Management Co., Ltd. (河南匯融產業運營管理有限公司) (former Henan Investment Group Guarantee Co., Ltd. (河南投資集團擔保有限公司)), and indirectly holds 791,131,350 Domestic Shares of the Bank (long positions) through controlled corporation, Zhongyuan Trust Co., Ltd. (中原信託有限公司), and indirectly holds 237,418,457 Domestic Shares of the Bank (long positions) through controlled corporation, Henan Asset Management Co., Ltd (河南資產管理有限公司).
- (4) L.R. Capital Management Company (Cayman) Limited, through its controlled corporations, namely L.R. Capital Financial Holdings Limited, AMTD Group Company Limited and AMTD Asia (Holdings) Limited, indirectly holds 482,288,000 H Shares of the Bank (long positions) held by AMTD Asia Limited. Therefore, by virtue of the SFO, each of L.R. Capital Management Company (Cayman) Limited, L.R. Capital Financial Holdings Limited, AMTD Group Company Limited and AMTD Asia (Holdings) Limited is deemed to be interested in the H Shares of the Bank (long positions) held by AMTD Asia Limited.
- (5) Piramid Park Co., Ltd is wholly owned by XU Yan (徐雁).

IV. Changes in Share Capital and Information on Shareholders

Save as disclosed above, to the knowledge of the Bank, none of the other substantial Shareholders or persons had, as at June 30, 2025, any interests or short positions in the Shares or underlying Shares of the Bank as recorded in the register required to be kept under Section 336 of the SFO.

4 Shareholdings of Top Ten Shareholders as at the End of the Reporting Period

As at June 30, 2025, the top ten Shareholders of the Bank together held 41.53% of the Bank's total share capital. Among the top ten Shareholders, the largest Shareholder of Non-overseas Listed Shares was Henan Investment Group Co., Ltd., which held 6.84% of the total share capital, the second largest Shareholder was Luoyang Municipal Finance Bureau with 3.73% of the total share capital, and the third largest Shareholder was China Tourism Group Corporation Limited with 2.90% of the total share capital. The largest and third largest Shareholders of Non-overseas Listed Shares are wholly state-owned enterprises, and the second is a local financial department.

The shareholding of the top ten Shareholders was as follows:

No.	Name of Shareholder	Class of Shares	Nature of Shareholders	Number of Shares held as at June 30, 2025	Approximate percentage of the total share capital of issued ordinary shares of the Bank as at June 30, 2025 ⁽¹⁾
1	HKSCC Nominees Limited ⁽²⁾	H Shares	Other	6,836,775,900	18.71%
2	Henan Investment Group Co., Ltd. (河南投資集團有限公司)	Domestic Shares	State-owned Legal Person Shares	2,500,372,826	6.84%
3	Luoyang Municipal Finance Bureau (洛陽市財政局)	Domestic Shares	State Shares	1,361,571,120	3.73%
4	China Tourism Group Corporation Limited (中國旅遊集團有限公司)	Domestic Shares	State-owned Legal Person Shares	1,061,521,911	2.90%
5	Zhongyuan Trust Co., Ltd. (中原信託有限公司)	Domestic Shares	State-owned Legal Person Shares	791,131,350	2.16%
6	Henan Zhaoteng Investment Group Co., Ltd. (河南省兆騰投資集團有限公司)	Domestic Shares	Privately-owned Legal Person Shares	683,252,415	1.87%
7	Henan State-owned Capital Operation Group Investment Co., Ltd. (河南國有資本運營集團投資有限公司)	Domestic Shares	State-owned Legal Person Shares	506,751,425	1.39%
8	Luoyang Urban and Rural Construction Investment Group Co., Ltd. (洛陽城鄉建設投資集團有限公司)	Domestic Shares	State-owned Legal Person Shares	504,435,685	1.38%
9	Bank of Jiujiang Co., Ltd. (九江銀行股份有限公司)	Domestic Shares	Privately-owned Legal Person Shares	500,000,000	1.37%
10	Jiaozuo Construction Investment (Holding) Co., Ltd. (焦作市建設投資(控股)有限公司)	Domestic Shares	State-owned Legal Person Shares	433,237,588	1.19%
Total				15,179,050,220	41.53%

Notes:

- (1) It was calculated on the basis of the total share capital of the Bank of 36,549,823,322 shares.
- (2) HKSCC Nominees Limited, as a nominee, held 6,836,769,900 H Shares in aggregate of the Bank on behalf of several clients, representing 18.71% of the issued share capital of the Bank. As a member of the Central Clearing and Settlement System, HKSCC Nominees Limited conducts registration and custodian business for clients.

IV. Changes in Share Capital and Information on Shareholders

5 Shareholders Holding 5% or More of the Total Ordinary Share Capital of the Bank

Please refer to the relevant section “Changes in Share Capital and Information on Shareholders” for details of the Shareholders with an interest in 5% or more of the share capital of the Bank.

6 Information on Substantial Shareholders Disclosed Under the Interim Measures for the Equity Management of Commercial Banks

As at June 30, 2025, according to the Interim Measures for the Equity Management of Commercial Banks (《商業銀行股權管理暫行辦法》), in addition to the one Shareholder mentioned above, namely Henan Investment Group Co., Ltd. (河南投資集團有限公司), the following three Shareholders are also substantial Shareholders of the Bank.

- (1) China Tourism Group Corporation Limited (中國旅遊集團有限公司), holding 1,061,521,911 Domestic Shares of the Bank, was incorporated in Haikou Integrated Free Trade Zone, Hainan Province on January 3, 1987 with a registered capital of RMB15,800 million. The company's business scope includes the operation and management of state-owned assets within the scope authorized by the State Council; development and operation of tourism, steel and real estate, and investment and management of logistics trade; construction, planning design and operation management of tourist attractions, theme parks and resorts, golf clubs, and tourism infrastructure; tourist information services; retail and wholesale of tourist goods; organizing cultural and artistic exchange activities; hosting conferences and exhibitions; various ticket agency services; advertising production and publishing; hotels investment and operation management, entrusted management and consulting; real estate development and operation; property leasing and management; leasing commercial buildings; international and domestic freight forwarding; goods subcontracting and warehousing; technology development, sales, service and consulting; import and export business. During the Reporting Period, the company assigned a supervisor, namely YAN Yongfu (閻永夫), to the Bank.
- (2) Jiangsu Wuzhong Group Co., Ltd. (江蘇吳中集團有限公司), holding 420,238,000 Domestic Shares of the Bank, was incorporated in Wuzhong District, Suzhou City, Jiangsu Province on May 26, 1992 with a registered capital of RMB100 million. The company's business scope includes construction of municipal public facilities; investment in education, tourism and other industries; business management; domestic trade (where the business scope involves special approval stipulated by the state, approvals should be obtained prior to the commencement of operation); house leasing; property management; investment management consulting services; sales of gold, gold jewelry, handicrafts and non-ferrous metal materials; setting up branches operating in the design, production, agency and publishing of various domestic and foreign advertisements; real estate development and operation; (for projects subject to approval in accordance with law, approvals from the relevant authorities must be obtained prior to the commencement of operation) general projects: sales of building materials; sales of ecological environment materials; sales of specialized equipment for environmental protection; sales of mechanical and electrical equipment (except for projects subject to the approval, the business activities shall be conducted independently with the business licences in accordance with the laws). During the Reporting Period, the company assigned a director, namely ZHANG Shu (張姝), to the Bank.

IV. Changes in Share Capital and Information on Shareholders

- (3) Henan Rebecca Hair Products, Inc. (河南瑞貝卡髮製品股份有限公司), holding 109,125,598 Domestic Shares of the Bank, was incorporated in Jian'an District, Xuchang City on October 24, 1999 with a registered capital of RMB1,131,985,440. The company's business scope includes manufacture and sales of hair products series and technical services; manufacture and sales of composite fiber material (fiber hair) products and services; operation of export business of the enterprise's self-produced products and related technologies; operation of import business of raw and auxiliary materials, mechanical equipment, instruments, spare parts and related technologies required for the enterprise's production and scientific research; operation of the enterprise's processing of imported materials and three categories of processing and one category of compensation business; sales business of textiles, beauty and hairdressing commodities; conference services. During the Reporting Period, the company assigned a supervisor, namely LU Suyue (陸素月), to the Bank.

7 Equity Pledge and Freezing

As of June 30, 2025, so far as is known to the Bank, the Bank's 4,555,693,798 Domestic Shares were subject to pledge, accounting for 12.46% of the total number of issued ordinary shares (of which, the Domestic Shares pledged by the Bank's substantial Shareholders accounted for 0.99% of the total number of issued ordinary shares). In addition, there were 855,092,055 Domestic Shares that were judicially frozen.

8 Purchase, Sale or Redemption of Listed Securities of the Bank

Neither the Bank nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Bank (including the sale of treasury shares (as defined in the Hong Kong Listing Rules)).

As at June 30, 2025, the Bank did not hold treasury shares (as defined in the Hong Kong Listing Rules).

V. Directors, Supervisors, Senior Management and Employees

1 Existing Directors, Supervisors and Senior Management

The composition of the Board of Directors, the Board of Supervisors and the senior management of the Bank as at the end of the Reporting Period is as follows:

The Board of Directors of the Bank consisted of a total of 8 Directors, including 1 executive Director, namely Mr. GUO Hao; 2 non-executive Directors, namely Mr. FENG Ruofan, Ms. ZHANG Shu; and 5 independent non-executive Directors, namely Mr. XU Yiguo, Ms. ZHAO Zijian, Mr. WANG Maobin, Mr. PAN Xinmin and Mr. GAO Pingyang.

The Board of Supervisors of the Bank consisted of a total of 7 Supervisors, including 1 employee representative Supervisor, namely Ms. DAN Limin; 3 Shareholder representative Supervisors, namely Ms. WANG Xiaoyan, Mr. YAN Yongfu and Ms. LU Suyue; and 3 external Supervisors, namely Mr. LI Xingzhi, Ms. GU Xiujuan and Ms. LIU Xia.

The senior management of the Bank consisted of a total of 14 members, including 1 president, namely Mr. LIU Kai; 4 vice presidents, namely Mr. ZHOU Litao, Mr. YAO Huiyuan (whose senior management qualification is subject to approval by the regulatory authorities), Mr. LIU Qingfen (whose senior management qualification is subject to approval by the regulatory authorities), Mr. WANG Tianqi (whose senior management qualification is subject to approval by the regulatory authorities); 6 assistants to the president, namely Mr. SHAO Qiang, Mr. WANG Le, Ms. LIU Juan, Mr. YAO Hongbo, Ms. SUO Jia, Mr. ZHANG Ke (whose senior management qualification is subject to approval by the regulatory authorities); 1 chief information officer, namely Mr. HU Hao; 1 business director, namely Mr. NIE Guoqing; and 1 secretary to the Board, namely Mr. PAN Wenyao.

2 Changes in the Information of Directors, Supervisors and Senior Management

During the Reporting Period, Mr. GAO Pingyang, an independent non-executive Director of the Bank, served as an independent non-executive Director of The People's Insurance Company (Group) of China Limited (listed on the Hong Kong Stock Exchange, stock code: 1339.HK) since February 2025, and served as an independent non-executive Director of Bloks Group Limited (listed on the Hong Kong Stock Exchange, stock code: 0325.HK) since January 2025.

Save as disclosed above, during the Reporting Period and as of the date of this report, there was no change in the information of Directors, Supervisors and senior management.

V. Directors, Supervisors, Senior Management and Employees

3 Changes of Directors, Supervisors and Senior Management during the Reporting Period

Ms. ZHANG Qiuyun resigned from the Bank's positions as non-executive Director and member of the Strategy and Development Committee of the Board of Directors on April 17, 2025 due to job changes, effective from April 17, 2025.

On June 30, 2025, the Bank held its 2024 Annual General Meeting of Shareholders and agreed to appoint Mr. LI Wenqiang as a non-executive Director of the third session of the Board of Directors of the Bank, who will officially perform his duties upon approval of his qualifications by the Henan Financial Regulatory Bureau.

Mr. ZHANG Ke resigned from the positions of Chairman of the Board of Supervisors, Supervisor of the Bank, Member of the Nomination Committee of the Board of Supervisors and Member of the Supervision Committee of the Board of Supervisors on April 17, 2025 due to work adjustments, effective from April 17, 2025. On the same day, Mr. ZHANG Ke was approved by the Board of Directors to serve as assistant to the President of the Bank, and will officially perform his duties upon approval of his qualifications by the Henan Financial Regulatory Bureau.

Mr. ZHOU Litao has served as a member and standing member of the Party Committee of the Bank since April 3, 2025.

Mr. YAO Huiyuan has served as a member and standing member of the Party Committee of the Bank since April 3, 2025. He was approved by the Board of Directors to serve as the Vice President of the Bank on April 17, 2025, and will officially perform his duties upon approval of his qualifications by the Henan Financial Regulatory Bureau.

Mr. LIU Qingfen has served as standing member of the Party Committee of the Bank since April 3, 2025. He was approved by the Board of Directors to serve as the Vice President of the Bank on April 17, 2025, and will officially perform his duties upon approval of his qualifications by the Henan Financial Regulatory Bureau.

Mr. WANG Tianqi was approved by the Board of Directors to serve as the Vice President of the Bank on April 17, 2025, and will officially perform his duties upon approval of his qualifications by the Henan Financial Regulatory Bureau.

Save as disclosed above, during the Reporting Period and as of the date of this report, there was no change in the Directors, Supervisors and senior management members.

4 Interests and Short Positions of Directors, Supervisors and Chief Executives in Shares, Underlying Shares and Debentures

As of June 30, 2025, none of the Directors, Supervisors or chief executives of the Bank had interests and short positions in the shares, underlying shares and debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Bank under Section 352 of the SFO, or which were required to be notified to the Bank and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO and the Model Code.

V. Directors, Supervisors, Senior Management and Employees

5 Securities Transactions by Directors, Supervisors and Relevant Employees

The Bank has adopted the Model Code as the code of conduct for securities transactions of the Bank by all Directors and Supervisors. The Bank has also put in place guidelines in respect of dealings in securities of the Bank with terms no less exacting than those of the Model Code, for the relevant employees (as defined in the Hong Kong Listing Rules). The Bank has made specific enquiries with all Directors and Supervisors regarding their compliance with the Model Code, and each of the Directors and Supervisors confirmed that those standards as provided thereunder have been complied with during the Reporting Period. Having made specific enquiries with the relevant employees regarding their compliance with the guidelines of dealing in securities of the Bank, the Bank is not aware of any non-compliance with the guidelines.

6 Employees' Remuneration Policies and Training Programs

6.1 Information of Employees

As of June 30, 2025, we had 18,197 employees in total, of which 1,776 employees at our head office and 16,421 employees at our branches and sub-branches (including direct sub-branches). We had 260 dispatched labor staff, who normally held non-key positions in the Bank. Among them, 16,029 or approximately 88% of the personnel had bachelor's degrees or above, with an average age of 38. There were 9,222 male employees (accounting for 50.7% of the total employees) and 8,975 female employees (accounting for 49.3% of the total employees).

6.2 Remuneration Policies

The remuneration management of the Bank adheres to employee-centered, efficiency-oriented and performance-based principles with due consideration to fairness. According to the relevant laws and regulations and industry regulatory requirements, the remuneration structure has been designed based on the concept of paying for capabilities, responsibilities and contributions (為能力付薪、為責任付薪、為貢獻付薪), and a sound remuneration management system and a scientific and reasonable incentive and restraint mechanism have been established.

The Bank gave full play to the guiding role of remuneration in operation and risk management and control. In accordance with the principle of combining immediate incentives with long-term incentives and combining effective incentives and responsibility constraints, the Bank implemented deferred payment of performance-based remuneration for applicable personnel, and improved the management measures of relevant performance recovery and deduction, so as to further motivate the senior management and employees' stable operation and sustainable long-term development of the Bank.

The relevant remuneration management system of the Bank should be submitted to the Party Committee of the Bank, Employees' Representative Meeting, Nomination and Remuneration Committee under the Board and the Board of Directors for review. The Bank did not have any equity incentive plan or employee share ownership plan during the Reporting Period.

V. Directors, Supervisors, Senior Management and Employees

6.3 Training Programs

Based on the business development strategy and under the people-oriented philosophy, the Bank developed its education and training plans. It implemented a management mechanism of unified principles and plans, hierarchical management and classified implementation for employee training, with a focus on enhancing the comprehensive capability of key personnel and the job skills of all employees across the Bank. It also established a hierarchical training system of “navigating, voyaging, piloting, sailing” (領航、遠航、引航、啟航), targeting key personnel such as middle and senior management, heads of secondary departments, heads of branch departments, presidents at the sub-branch level, outstanding employees and newly recruited college graduates. Additionally, the trainings were managed in accordance with a three-tier training system comprising “head office, branch, sub-branch (sector)” (總、分、支), comprehensively covering core businesses such as corporate, retail, interbank, risk and compliance and promoting the enhancement of job skills for all employees in the Bank.

During the Reporting Period, the Bank held a total of 64 head office-level training sessions with a total of 20,300 participants, and 275 branch-level training sessions with a total of 46,000 participants. The Bank encouraged all employees to use their spare time for self-directed learning. As of June 30, 2025, 4,251 online courses were provided through online learning platforms, and the total number of courses attended by the trainees reached 978,000, with the learning time coming to 2,130,000 hours, which effectively promoted the improvement of staff capabilities and laid a solid foundation for the high-quality development of the Bank.

7 Basic Information of Institutions under the Bank

As of June 30, 2025, the Bank had 18 branches and 1 direct sub-branch, with a total of 667 business outlets. Among them, there are 408 urban sub-branches, 168 county sub-branches, 87 township sub-branches, 3 community sub-branches and 1 small and micro sub-branch.

No.	Region	Name of Branch	Business Address	Remarks
1	Zhengzhou, Henan	Headquarters	Zhongke Golden Tower, No. 23 Shangwu Waihuan Road, Zhengdong New District CBD, Zhengzhou, Henan Province	In charge of one directly affiliated sub-branch, one sub-branch institution
2	Zhengzhou, Henan	Zhengzhou branch	No. 6, Fengyi Road, Jinshui District, Zhengzhou City, Henan Province	In charge of one business department, 60 sub-branch institutions
3	Luoyang, Henan	Luoyang branch	Intersection of Kaiyuan Avenue and Tongji Street, Luolong District, Luoyang City, Henan Province	In charge of one business department, 75 sub-branch institutions
4	Kaifeng, Henan	Kaifeng branch	No. 246, West Daliang Road, Kaifeng City, Henan Province	In charge of one business department, 29 sub-branch institutions
5	Xinyang, Henan	Xinyang branch	Xinshi Street, Yangshan New District, Xinyang City, Henan Province	In charge of one business department, 32 sub-branch institutions

V. Directors, Supervisors, Senior Management and Employees

No.	Region	Name of Branch	Business Address	Remarks
6	Anyang, Henan	Anyang branch	Northwest Corner, Intersection of Wenfeng Avenue and Guangming Road, Wenfeng District, Anyang City, Henan Province	In charge of one business department, 27 sub-branch institutions
7	Hebi, Henan	Hebi branch	Finance Centre, Northeast Corner, Intersection of Qishui Avenue and Chaohe Road, Qibin District, Hebi City, Henan Province	In charge of one business department, 15 sub-branch institutions
8	Luohe, Henan	Luohe branch	Intersection of Huangshan Road and Songjiang Road, Yancheng District, Luohe City, Henan Province	In charge of one business department, 17 sub-branch institutions
9	Nanyang, Henan	Nanyang branch	Diyuan Garden, No. 1 Zhongzhou East Road, Wancheng District, Nanyang City, Henan Province	In charge of one business department, 48 sub-branch institutions
10	Pingdingshan, Henan	Pingdingshan branch	No. 7, Yaodian Avenue, Zhanhe District, Pingdingshan City, Henan Province	In charge of one business department, 57 sub-branch institutions
11	Puyang, Henan	Puyang branch	No. 444, Shenglizhong Road, Puyang City, Henan Province	In charge of one business department, 23 sub-branch institutions
12	Sanmenxia, Henan	Sanmenxia branch	No. 2 Commercial Street South, Yingbin Avenue West, Central Business District, Sanmenxia City, Henan Province	In charge of one business department, 41 sub-branch institutions
13	Shangqiu, Henan	Shangqiu branch	No. 195, Middle Wenhua Road, Suiyang District, Shangqiu City, Henan Province	In charge of one business department, 44 sub-branch institutions
14	Xinxiang, Henan	Xinxiang branch	No. 599 Pingyuan Road, Hongqi District, Xinxiang City, Henan Province	In charge of one business department, 33 sub-branch institutions
15	Xuchang, Henan	Xuchang branch	East Jianan Avenue, Xuchang City, Henan Province	In charge of one business department, 31 sub-branch institutions
16	Zhoukou, Henan	Zhoukou branch	Changjian MOCO New World Business Office Building, Intersection of Qingfeng East Road and Zhoukou Avenue, Zhoukou City, Henan Province	In charge of one business department, 29 sub-branch institutions
17	Zhumadian, Henan	Zhumadian branch	No. 168, Wenming Road, Zhumadian City, Henan Province	In charge of one business department, 37 sub-branch institutions
18	Jiaozuo, Henan	Jiaozuo branch	No. 1, Yingbin Road, Jiaozuo City, Henan Province	In charge of one business department, 45 sub-branch institutions
19	Jiyuan, Henan	Jiyuan branch	No. 481, Middle Yellow River Road, Jiyuan City, Henan Province	In charge of one business department, 4 sub-branch institutions

VI. Corporate Governance

1 Compliance with the Corporate Governance Code

During the Reporting Period, the Bank has complied with all the code provisions in the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules, and adopted most of the recommended best practices set out therein.

2 Information Regarding the Convening of the Shareholders' General Meetings

The Bank held three Shareholders' general meetings during the Reporting Period.

On June 30, 2025, the Bank held the 2024 Annual General Meeting, the 2025 First H Shareholders Class Meeting and the 2025 First Domestic Shareholders Class Meeting in Zhengzhou, Henan. 14 proposals were considered and approved at the 2024 Annual General Meeting, including "Proposal on the Work Report of the Board of Directors of Zhongyuan Bank Co., Ltd. for 2024", "Proposal on the Work Report of the Board of Supervisors of Zhongyuan Bank Co., Ltd. for 2024", "Proposal on the Final Account Report of Zhongyuan Bank Co., Ltd. for 2024", "Proposal on the Financial Budget Report of Zhongyuan Bank Co., Ltd. for 2025" and "Proposal on Profit Distribution Plan of Zhongyuan Bank Co., Ltd. for 2024"; 2 proposals were considered and approved respectively at the 2025 First Domestic Shareholders Class Meeting and the 2025 First H Shareholders Class Meeting, including "Proposal on Amending the Articles of Association of Zhongyuan Bank Co., Ltd." and "Proposal on Amending the Rules of Procedure for the General Meeting of Zhongyuan Bank Co., Ltd."

3 Information Regarding the Convening of Meetings of the Board of Directors and its Special Committees

During the Reporting Period, four meetings of the Board of Directors were held, at which 87 items of business were heard or considered; the Strategic Development Committee of the Board of Directors met 4 times and heard or considered 23 items of business; the Related Party Transactions Control Committee of the Board of Directors met 3 times and heard or considered 10 items of business; the Consumer Rights Protection Committee of the Board of Directors met twice and heard or considered 5 items of business; the Risk Management Committee of the Board of Directors met twice and heard or considered 32 items of business; the Nomination and Remuneration Committee of the Board of Directors met 3 times and heard or considered 8 items of business; and the Audit Committee of the Board of Directors met 3 times and heard or considered 17 items of business.

4 Information Regarding the Convening of Meetings of the Board of Supervisors and Its Special Committees

During the Reporting Period, two meetings of the Board of Supervisors were held, at which 60 items of business were heard or considered. The Supervisory Committee of the Board of Supervisors met twice and heard or considered 58 items of business; the Nomination Committee of the Board of Supervisors met twice and heard or considered 3 items of business.

5 Public Float

Based on the public information available to the Bank and to the knowledge of our Directors, as of the date of this report, the Bank had maintained sufficient public float in compliance with the minimum requirement of the Hong Kong Listing Rules and the exemption granted by the Hong Kong Stock Exchange upon the Bank's listing.

VI. Corporate Governance

6 Internal Control

Based on the principles of full coverage, checks and balances, prudence and compatibility, the Bank has established a relatively scientific and standardized internal control system in accordance with relevant laws and regulations, such as the Commercial Banking Law of the PRC (《中華人民共和國商業銀行法》) and the Internal Control Guidelines for Commercial Banks (《商業銀行內部控制指引》), and the relevant requirements of the Hong Kong Stock Exchange, aiming to ensure consistent compliance with relevant laws, regulations and rules of the PRC, the application of the Bank's development strategies and the accomplishment of its operating objectives, the accuracy and completeness of the Bank's financial information and other management information, and the effectiveness of the risk management of the Bank.

The Bank continues to implement and optimize the defense mechanism comprising three lines for internal control. The first line of defense for internal control consists of various branches and operating units. They are the owners of, and are responsible for risks and control, and have to undertake self-risk control functions in the course of their business operation, including the formulation and implementation of policies, the business examination, the reporting of control deficiencies and the implementation of rectification measures. The second line of defense for internal control consists of the internal control and risk management departments at all levels, which are responsible for the overall planning, organizing and implementing, and examining and assessing of risk management and internal control. The third line of defense for internal control consists of the audit and supervision departments, which are responsible for the functions, including performing internal audit on the adequacy and effectiveness of the internal control and risk management, taking disciplinary actions against staff in violation of regulations or disciplinary rules, carrying out case investigations and promoting management accountability.

During the Reporting Period, the Bank, following the principle of "prudential operation with risk-based supervision", continued to improve internal control compliance and management tools for operational risks, optimized and upgraded the information integration system for internal control, compliance and operational risk management, and realized the effective integration of internal control management, compliance risk management and operational risk management. The Bank continued to improve its rules and regulations systems by establishing a three-tier system comprising basic norms, administrative measures and operational rules. The Bank had established a mechanism to assess internal control system and continued to modify and improve its internal control system in accordance with the changing requirements of the external laws and regulations and the regulatory requirements, to ensure compliance with external laws and regulations and regulatory requirements, and to provide a basis and support for the Bank's operational management, business operations and effective risk prevention and control.

The Bank continues to promote the culture building of internal control compliance and actively organizes compliance training courses and publicity activities for all of its staff, with a view to refining its long-term policy on compliance education, and further enhancing the effectiveness of its internal control through continuously organizing case warning and education activities, and special trainings on compliance and campaigns at different levels throughout the Bank.

VII. Important Events

1 Use of Proceeds

On September 19, 2024, the Bank issued the 2024 special financial bonds for loans to micro and small enterprises in the national inter-bank bond market, with an issuance size of RMB5.0 billion, and a coupon rate of 2.1%, which were 3-year fixed interest rate bonds. The proceeds were used to issue loans to small and micro enterprises based on the applicable laws and approvals from regulatory authorities. Please refer to the announcement of the Bank dated September 20, 2024 for details.

On July 10, 2024, the Bank publicly issued 2024 tier 2 capital bonds of Zhongyuan Bank Co., Ltd. (the first tranche) in the national inter-bank bond market, with an issuance size of RMB8.0 billion, which were 10-year fixed interest rate bonds. The issuer shall have a conditional redemption right at the end of the fifth year with a coupon rate of 2.35%. The proceeds were used to replenish the Bank's tier 2 capital in accordance with applicable laws and approvals by the regulatory authorities. Please refer to the announcement of the Bank dated July 11, 2024 for details.

On August 15, 2023, the Bank publicly issued the 2023 undated capital bonds (the first tranche) in the national inter-bank bond market, with an issuance size of RMB10.0 billion, an issue price of RMB100, and a coupon rate of 4.6% for the first 5 years, which will be reset every 5 years, and the issuer shall have a conditional redemption right on every dividend payment date from the fifth year onwards. The proceeds were used to replenish other tier 1 capital of the Bank in accordance with applicable laws and the approval of the regulatory authorities. Please refer to the announcement of the Bank dated August 15, 2023 for details.

In January 2023, the Bank entered into a convertible negotiated deposit agreement with Zhengzhou Finance Bureau as designated by the Finance Department of Henan Province, and received RMB8.0 billion from Zhengzhou Finance Bureau in the form of convertible negotiated deposit, which has been fully used to replenish other tier 1 capital. Please refer to the announcement of the Bank dated February 6, 2023 for details.

On May 10, 2022, the Bank issued 3,150,000,000 new H Shares. The total proceeds raised from the H Share Placement were approximately HK\$5,670 million and the net proceeds (after deducting any commission and relevant expenses) from the H Share Placement were approximately HK\$5,667 million. The net proceeds from the H Share Placement have been fully used to replenish core tier 1 capital of the Bank. Please refer to the announcement of the Bank dated May 10, 2022 for details.

2 Profits and Dividends

The Board has not made any proposal on the payment of an interim dividend for the six months ended June 30, 2025.

The final dividend for the year ended December 31, 2024 has been approved at the Bank's 2024 annual general meeting, with a dividend of RMB0.12 (tax included) per ten shares, and the payment of the said cash dividend has commenced on August 5, 2025.

VII. Important Events

3 Related Party (Connected) Transactions

3.1 Related party transactions under the requirements of the former CBIRC (National Financial Regulatory Administration)

According to Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions (《銀行保險機構關聯交易管理辦法》), the overall situation of related party transactions under the regulatory standards of the Bank during the Reporting Period is as follows:

3.1.1 Related parties

As of the end of the Reporting Period, the Bank has a total of 7,318 related parties, including 1,537 related legal persons and 5,781 related natural persons.

3.1.2 The implementation of supervision proportion

As of the end of the Reporting Period, the maximum credit balance of a single related party of the Bank accounted for 4.19% of the net capital of the Bank at the end of the previous quarter; the maximum credit balance of a group customer that includes a single related legal person or an unincorporated organization accounted for 8.11% of the net capital of the Bank; and the credit balance of all related parties accounted for 24.06% of the net capital of the Bank. None of the above indicators exceeds the following limits specified by the regulatory authorities: the balance of credit granted by the banking institution to a single related party shall not exceed 10% of the net capital of the banking institution at the end of the previous quarter; the total balance of credit granted by the banking institution to a group customer that includes a single related legal person or an unincorporated organization shall not exceed 15% of the net capital of the banking institution at the end of the previous quarter; and the balance of credit granted by the banking institution to all related parties shall not exceed 50% of the net capital of the banking institution at the end of the previous quarter.

3.2 Connected transactions under the Hong Kong Listing Rules

In the ordinary and usual course of business, the Bank offers commercial banking services and products to the public in China, including certain connected persons of the Bank such as the Shareholders, Directors, Supervisors, President and/or their respective associates. Pursuant to the Hong Kong Listing Rules, such transactions, being conducted on normal commercial terms in the ordinary and usual course of business of the Bank, shall be exempt from the reporting, annual review, disclosure and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. The Bank has reviewed all its connected transactions and acknowledged that it had complied with the requirements under Chapter 14A of the Hong Kong Listing Rules. During the Reporting Period, there were no other events that constituted material connected transactions of the Bank.

3.3 Related party transactions under the International Accounting Standards

For further details, please refer to the note 41 to the financial statements in this report. The definition of connected persons under Chapter 14A of the Hong Kong Listing Rules is different from the definition of related parties under the International Accounting Standard, and its interpretations by the International Accounting Standards Board. Certain related party transactions set out in the notes to the financial statements also constitute connected transactions or continuing connected transactions as defined under the Hong Kong Listing Rules, but none of them constitutes a disclosable connected transaction as defined under the Hong Kong Listing Rules.

VII. Important Events

4 Material Litigations and Arbitrations

As of June 30, 2025, the disputed amounts involved in the outstanding litigation cases in which the Bank was the defendant were RMB1,482.28 million and HK\$27.29 million. The Bank does not expect such litigation to have a material adverse effect on the Bank's business, financial condition and results of operations.

5 Penalties for the Bank and its Directors, Supervisors and Senior Management

During the Reporting Period, none of the Bank, its Directors, Supervisors and senior management had been subject to any material administrative penalty by the regulatory authorities that would affect the Bank's normal operations.

6 Performance of Commitments by the Bank and Shareholders with 5% or more of Shares

The Bank's major Shareholders, their related parties and persons acting in concert have issued to the Bank a statement on the conditions and requirements for investment in the Bank, a statement on the equity relationship, a statement on the tax situation, a statement on the purpose of the shareholding and the source of funds, a statement on non-occurrence of non-compliance related party transactions, a statement on non-significant violations, a statement on the authenticity of materials, a statement on compliance holdings, and a statement on equity status and shareholder performance. They have also made commitments to comply with laws and regulations, the Bank's Articles of Association and other relevant provisions, legal exercise of rights and performance of obligations and other matters.

7 Material Contracts and their Performance

No material contracts (including provision of relevant services) in relation to the Bank's business to which the Bank or its subsidiaries was a party and in which any of the Directors, Supervisors or members of its management had a material interest, whether directly or indirectly, subsisted during the Reporting Period.

8 Significant Investment, Acquisitions and Disposals of Assets and Business Mergers

No significant investment, acquisitions and disposals of assets and business mergers have occurred during the Reporting Period.

VII. Important Events

9 Replenishment of Other Tier-1 Capital through a Convertible Negotiated Deposit

In order to actively implement the government's special debt policy of RMB8 billion, enhance the Bank's capital strength and risk resistance level, the Bank carried out the convertible negotiated deposit business to replenish its other tier-1 capital. The extraordinary general meeting, the domestic Share class meeting and the H Share class meeting held by the Bank on November 11, 2022 reviewed and approved the Bank's replenishment of other tier-1 capital through a convertible negotiated deposit. The Bank has entered into Convertible Negotiated Deposit Agreement (the "**Agreement**") with Zhengzhou Finance Bureau, an authority designated by the Finance Department of Henan Province, under which special bonds of RMB8 billion undertaken through a convertible negotiated deposit by the Bank were all used to replenish the Bank's other tier-1 capital.

The parties agreed that the conversion of the convertible negotiated deposit into ordinary shares of the Bank should satisfy the following conditions at the same time:

- (1) the core tier-1 capital adequacy ratio of the Bank is lower than 5.125%;
- (2) Zhengzhou Finance Bureau reported to the Finance Department of Henan Province for approval; and
- (3) the class and number of the converted ordinary shares and the shareholding structure of the Bank after the conversion should satisfy the specific requirements of the Hong Kong Stock Exchange for the Minimum Public Float, otherwise the conversion shall be terminated.

If the above conditions are satisfied, all or part of the convertible negotiated deposit placed in the Bank by Zhengzhou Finance Bureau will be converted into the Shares of the Bank. Their shareholding ratios will be determined based on the conversion price standards set out in the Agreement. When the core tier-1 capital adequacy ratio of the Bank is lower than 5.125% while the above conditions (2) and (3) are not satisfied, Zhengzhou Finance Bureau shall not convert the Shares in a mandatory manner. The convertible negotiated deposit can be converted into a maximum of 8,000,000,000 H Shares of the Bank (taking up approximately 17.96% of the enlarged total share capital of the Bank), with a par value of RMB1.00 per Share, provided that the conditions for conversion are satisfied. Based on that and the conversion price of RMB1.00 per Share, the conversion will not result in a theoretical dilution effect. The Bank has complied with the theoretical dilution effect requirement in accordance with Rule 7.27B of the Listing Rules at the time of entering into the Agreement and will also ensure to comply with the theoretical dilution effect requirement in accordance with Rule 7.27B of the Listing Rules at the time of implementation of the convertible negotiated deposit.

As of the date of this report, the conditions for conversion set out in the Agreement were not satisfied, and the Bank has not issued any shares in accordance with the Agreement. Please refer to the Bank's circular dated October 5, 2022 and announcement dated February 6, 2023 for details on supplementing other tier-1 capital with convertible negotiated deposit.

VII. Important Events

10 Implementation of Share Schemes during the Reporting Period

During the Reporting Period, the Bank had not implemented any share schemes.

11 Appointment and Dismissal of Auditors

After consideration and approval at the 2024 annual general meeting convened on June 30, 2025, the Bank has reappointed Baker Tilly China Certified Public Accountants and Baker Tilly Hong Kong Limited as the Bank's domestic and overseas auditors in 2025 respectively, with term of office till the end of the 2025 annual general meeting.

12 Pledge of Significant Assets

During the Reporting Period, the Bank had not pledged any significant assets.

13 Contingent Liabilities

As at June 30, 2025, save as disclosed in Note 46 of the consolidated financial statements in this interim report, the Group has no other contingent liabilities.

14 Events after the End of the Reporting Period

As of the date of this interim report, there are no significant subsequent events that need to be disclosed.

15 Review of the Interim Report

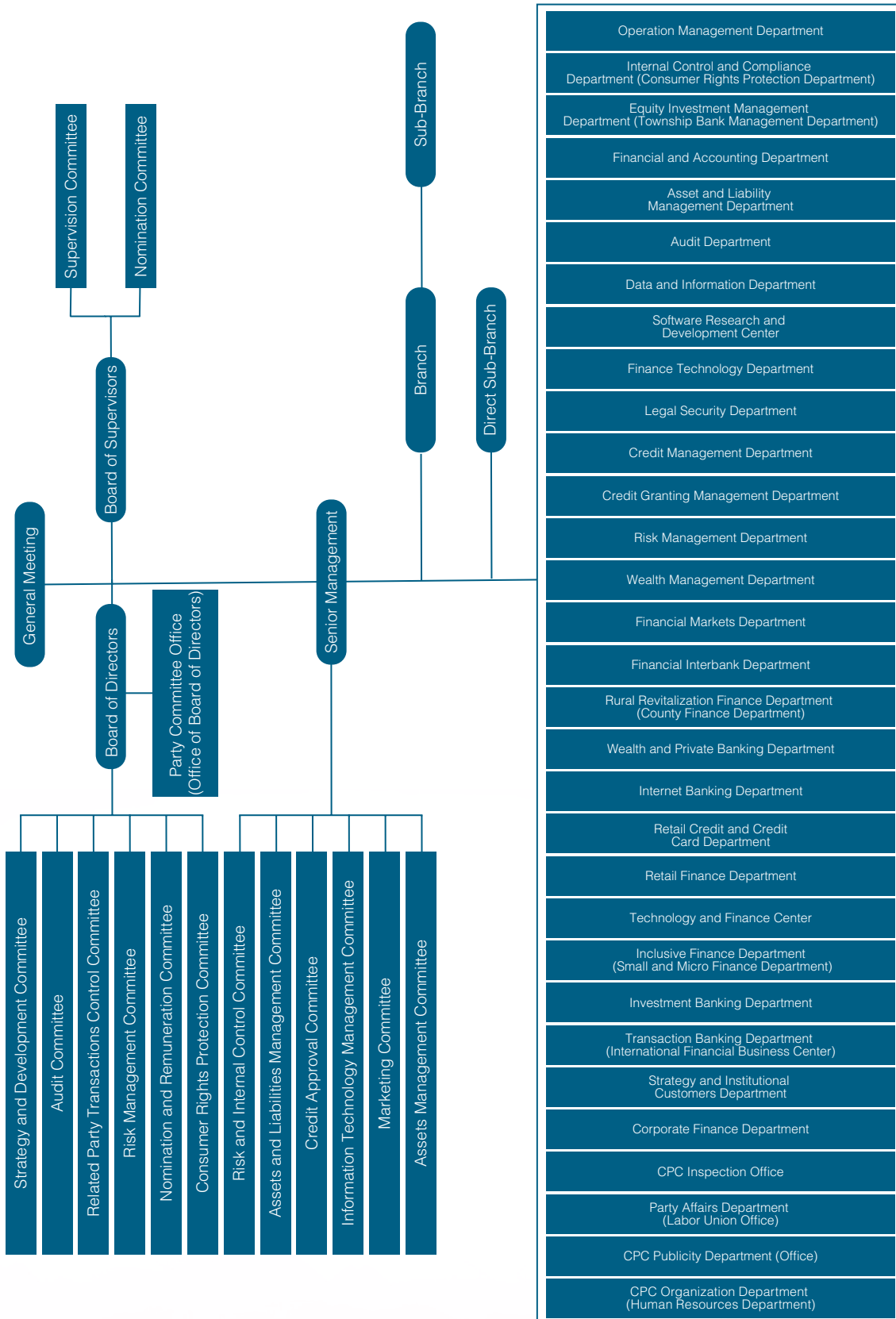
The interim financial statements disclosed in this report have not been audited. Baker Tilly Hong Kong Limited has reviewed the interim financial statements of the Bank for the six months ended June 30, 2025, which were prepared in accordance with the International Accounting Standards issued by the International Accounting Standards Board, pursuant to the Hong Kong Standards on Review Engagements.

On August 25, 2025, the Audit Committee of the Board of Directors reviewed and confirmed the interim results announcement of the Group for the six months ended June 30, 2025, the 2025 interim report and the unaudited interim financial statements for the six months ended June 30, 2025 prepared in accordance with the requirements of the International Accounting Standards.

16 Interim Results

The interim results announcement of the Group for the six months ended June 30, 2025 was published on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Bank's website (www.zybank.com.cn) on August 28, 2025.

VIII. Organizational Structure



IX. Review Report to the Board of Directors



Review report to the board of directors of Zhongyuan Bank Co., Ltd.

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

Introduction

We have reviewed the interim financial report set out on page 83 to 175 which comprises the consolidated statement of financial position of Zhongyuan Bank Co., Ltd. (the “Bank”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2025 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34.

Our responsibility is to express a conclusion, based on our review, on the interim financial report 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 Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making enquiries, 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 Hong Kong 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 financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with IAS 34.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 28 August 2025

Gao Yajun

Practising certificate number P06391

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Interest income		22,871,039	24,363,756
Interest expense		(11,820,458)	(13,659,575)
Net interest income	4	11,050,581	10,704,181
Fee and commission income		1,410,511	1,635,712
Fee and commission expense		(173,982)	(358,198)
Net fee and commission income	5	1,236,529	1,277,514
Net trading gains	6	342,310	492,653
Net gains arising from investment securities	7	875,561	1,388,812
Other operating income	8	57,483	128,972
Operating income		13,562,464	13,992,132
Operating expenses	9	(4,069,154)	(4,396,287)
Impairment losses on assets	10	(8,070,870)	(8,096,335)
Share of results of associate and joint venture		83,402	74,827
Profit before tax		1,505,842	1,574,337
Income tax	11	623,129	544,037
Profit for the period		2,128,971	2,118,374
Attributable to:			
Equity shareholders of the Bank		2,033,566	2,049,467
Non-controlling interests		95,405	68,907
Profit for the period		2,128,971	2,118,374
Basic and diluted earnings per share (in RMB)	12	0.05	0.05

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June 2025 (Unaudited)	2024 (Unaudited)
Profit for the period		2,128,971	2,118,374
Other comprehensive (expense)/income for the period			
<i>Other comprehensive (expense)/income attributable to equity shareholders of the Bank, net of tax</i>			
Items that may be reclassified subsequently to profit or loss:			
– Financial assets at fair value through other comprehensive income: net movement in fair value reserve	35(d)(i)	(673,262)	527,972
– Financial assets at fair value through other comprehensive income: net movement in impairment losses	35(d)(ii)	(439,097)	29,000
– Share of reserve of associate	35(d)(iv)	(394)	–
		(1,112,753)	556,972
Item that will not be reclassified subsequently to profit or loss:			
– Remeasurement of net defined benefit liability	35(d)(iii)	(17,043)	(30,109)
<i>Other comprehensive (expense)/income attributable to non-controlling interests, net of tax</i>		(21,314)	2,816
Other comprehensive (expense)/income for the period, net of tax		(1,151,110)	529,679
Total comprehensive income for the period		977,861	2,648,053
Attributable to:			
Equity shareholders of the Bank		903,770	2,576,330
Non-controlling interests		74,091	71,723
Total comprehensive income for the period		977,861	2,648,053

The notes on pages 91 to 175 form part of this interim financial report.

Consolidated Statement of Financial Position

As at 30 June 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Cash and deposits with the central bank	13	60,318,274	65,828,432
Deposits with banks and other financial institutions	14	43,134,077	22,114,844
Placements with banks and other financial institutions	15	50,646,309	43,520,103
Derivative financial assets	16	51,092	21,565
Financial assets held under resale agreements	17	34,232,412	23,797,451
Loans and advances to customers	18	698,685,608	697,845,196
Financial investments:	19		
– Financial investments at fair value through profit or loss		73,591,254	84,936,843
– Financial investments at fair value through other comprehensive income		100,181,734	89,322,558
– Financial investments at amortised cost		241,868,506	239,593,383
Lease receivables	20	73,268,434	68,208,860
Interest in associate	21(b)	179,836	257,172
Interest in joint venture	21(c)	1,950,620	1,790,276
Property and equipment	22	8,269,479	8,147,314
Deferred tax assets	23	12,807,763	11,248,143
Goodwill	24	1,982,050	1,982,050
Other assets	25	6,759,052	6,582,783
TOTAL ASSETS		1,407,926,500	1,365,196,973
LIABILITIES AND EQUITY			
Liabilities			
Borrowing from the central bank	27	39,678,366	44,035,508
Deposits from banks and other financial institutions	28	47,325,121	52,658,555
Placements from banks and other financial institutions	29	68,325,900	60,771,599
Derivative financial liabilities	16	11,631	174,230
Financial assets sold under repurchase agreements	30	22,812,221	34,874,817
Deposits from customers	31	964,868,004	911,799,787
Income tax payable		471,242	156,073
Debt securities issued	32	152,270,480	146,878,447
Other liabilities	33	11,384,958	13,464,643
Total liabilities		1,307,147,923	1,264,813,659

Consolidated Statement of Financial Position

As at 30 June 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Equity			
Share capital	34	36,549,823	36,549,823
Other equity instruments	37	13,998,937	13,998,937
Reserves	35	40,906,939	41,226,377
Retained earnings	36	5,423,231	4,782,621
Total equity attributable to equity shareholders of the Bank		96,878,930	96,557,758
Non-controlling interests		3,899,647	3,825,556
Total equity		100,778,577	100,383,314
TOTAL LIABILITIES AND EQUITY		1,407,926,500	1,365,196,973

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

Guo Hao

Chairman of the Board of Directors
Executive Director

Liu Kai

President

Liu Qingfen

President Assistant in charge
of accounting affairs

Zhao Yixin

General Manager of the Planning
and Finance Department

Zhongyuan Bank Co., Ltd.

(Company chop)

The notes on pages 91 to 175 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to equity shareholders of the Bank								Non-controlling interests	Total
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other reserves	Retained earnings	Sub-total		
Balance at 1 January 2025 (audited)	36,549,823	13,998,937	19,004,374	3,419,254	16,679,124	2,123,625	4,782,621	96,557,758	3,825,556	100,383,314
Changes in equity for the six months ended 30 June 2025:										
Profit for the period	-	-	-	-	-	-	2,033,566	2,033,566	95,405	2,128,971
Other comprehensive expense	-	-	-	-	-	(1,129,796)	-	(1,129,796)	(21,314)	(1,151,110)
Total comprehensive (expense)/income	-	-	-	-	-	(1,129,796)	2,033,566	903,770	74,091	977,861
Appropriation to general reserve	-	-	-	-	810,358	-	(810,358)	-	-	-
Distribution of interest on perpetual bonds	-	-	-	-	-	-	(144,000)	(144,000)	-	(144,000)
Dividend distribution	-	-	-	-	-	-	(438,598)	(438,598)	-	(438,598)
Balance at 30 June 2025 (unaudited)	36,549,823	13,998,937	19,004,374	3,419,254	17,489,482	993,829	5,423,231	96,878,930	3,899,647	100,778,577

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to equity shareholders of the Bank							Sub-total	Non-controlling interests	Total
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Other reserves	Retained earnings			
Balance at 1 January 2024 (audited)	36,549,823	13,998,937	19,022,039	3,107,811	16,547,644	846,685	2,431,639	92,504,578	4,383,593	96,888,171
Changes in equity for the six months ended 30 June 2024:										
Profit for the period	-	-	-	-	-	-	2,049,467	2,049,467	68,907	2,118,374
Other comprehensive income	-	-	-	-	-	526,863	-	526,863	2,816	529,679
Total comprehensive income	-	-	-	-	-	526,863	2,049,467	2,576,330	71,723	2,648,053
Appropriation to general reserve	-	-	-	-	67,765	-	(67,765)	-	-	-
Distribution of interest on perpetual bonds	-	-	-	-	-	-	(144,000)	(144,000)	-	(144,000)
Loss of control of a subsidiary	-	-	(17,665)	(2,712)	(45,324)	-	48,036	(17,665)	(541,678)	(559,343)
Balance at 30 June 2024 (unaudited)	36,549,823	13,998,937	19,004,374	3,105,099	16,570,085	1,373,548	4,317,377	94,919,243	3,913,638	98,832,881

The notes on pages 91 to 175 form part of this interim financial report.

Consolidated Cash Flow Statement

For the six months ended 30 June 2025
(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Operating activities		
Profit before tax	1,505,842	1,574,337
Adjustments for:		
– Impairment losses on assets	8,070,870	8,096,335
– Depreciation and amortisation	630,741	792,679
– Depreciation of investment properties	1,310	1,310
– Unrealised foreign exchange gains	(183,672)	(62,492)
– Net gains on disposal of property and equipment	(15,895)	(39,430)
– Net trading losses/(gains)	211,021	(764,568)
– Net gains arising from fair value changes of derivatives	(192,126)	(378,186)
– Net gains arising from investment securities	(875,561)	(1,388,812)
– Share of results of associate and joint venture	(83,402)	(74,827)
– Interest expense on debt securities issued	1,505,559	1,527,080
– Interest expense on lease liabilities	8,139	45,594
	10,582,826	9,329,020
<i>Changes in operating assets:</i>		
Increase in deposits with the central bank	(2,628,844)	(2,120,827)
Increase in deposits and placements with banks and other financial institutions	(18,094,638)	(3,003,127)
Increase in financial assets held for trading	(22,939,470)	(27,397,118)
(Increase)/decrease in loans and advances to customers	(2,690,374)	5,899,747
Increase in lease receivables	(5,602,841)	(4,497,568)
Decrease/(increase) in other operating assets	14,939,977	(2,594,084)
	(37,016,190)	(33,712,977)
<i>Changes in operating liabilities:</i>		
Decrease in borrowing from the central bank	(4,202,428)	(1,675,971)
Decrease in deposits from banks and other financial institutions	(5,313,888)	(22,047,149)
Increase in placements from banks and other financial institutions	7,588,300	1,320,152
Decrease in financial assets sold under repurchase agreements	(12,056,830)	(8,979,751)
Increase in deposits from customers	54,240,849	59,539,723
Decrease in other operating liabilities	(3,592,575)	(1,677,133)
	36,663,428	26,479,871

Consolidated Cash Flow Statement

For the six months ended 30 June 2025

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Operating activities (Continued)			
Cash generated from operations		10,230,064	2,095,914
Income tax paid		(342,875)	(162,579)
Net cash generated from operating activities		9,887,189	1,933,335
Investing activities			
Proceeds from disposal and redemption of investments		362,344,673	240,190,985
Proceeds from disposal of property and equipment, intangible assets and other assets		47,657	304,571
Payments on acquisition of investments		(363,051,847)	(227,026,487)
Payments on acquisition of property and equipment, intangible assets and other assets		(569,961)	(143,114)
Net cash (used in)/generated from investing activities		(1,229,478)	13,325,955
Financing activities			
Proceeds from issue of debt securities		123,396,321	134,394,033
Repayment of debt securities issued		(118,002,380)	(148,340,056)
Interest paid on debt securities issued		(1,507,468)	(1,517,775)
Dividends paid		(144,843)	(12,330)
Capital element of lease liabilities paid		(132,784)	(388,276)
Interest element of lease liabilities paid		(8,139)	(45,594)
Net cash generated from/(used in) financing activities		3,600,707	(15,909,998)
Effect of foreign exchange rate changes		(13,855)	38,341
Net increase/(decrease) in cash and cash equivalents	40(a)	12,244,563	(612,367)
Cash and cash equivalents at 1 January		63,630,220	101,193,704
Cash and cash equivalents at 30 June	40(b)	75,874,783	100,581,337
Interest received		21,122,182	23,776,479
Interest paid (excluding interest expense on debt securities issued)		(11,701,556)	(13,271,158)

The notes on pages 91 to 175 form part of this interim financial report.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

1 Background information

Zhongyuan Bank Co., Ltd. (the “Bank”) was established in Zhengzhou, Henan Province, the People’s Republic of China (the “PRC”) on 23 December 2014 with the approval of the former China Banking Regulatory Commission (the former “CBRC”). Prior to its establishment, the banking business (the “Business”) was carried out by thirteen city commercial banks (the “Predecessor Entities”), each being located in Henan Province.

Pursuant to the reorganisation initiated by the People’s Government of Henan Province (the “Henan Government”), the Bank was established through the merger and reorganisation of the Predecessor Entities.

The Bank obtained its financial institution license No. B0615H241010001 from the former CBRC, and obtained its business license with unified social credit code 9141000031741675X6 from the State Administration for Industry and Commerce of the PRC. The Bank is regulated by the National Financial Regulatory Administration authorised by the State Council.

In July 2017, the Bank’s H-shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock code: 01216).

On 25 May 2022, the Bank received the approval for the merger by absorption of Bank of Luoyang Co., Ltd. (“Bank of Luoyang”), Bank of Pingdingshan Co., Ltd. (“Bank of Pingdingshan”) and Bank of Jiaozuo China Travel Service Co., Ltd. (“Bank of JZCTS”) from the former China Banking and Insurance Regulatory Commission (the former “CBIRC”) and completed the merger by absorption.

The principal activities of the Bank and its subsidiaries (collectively referred to as the “Group”) are the provision of corporate and personal deposits, loans and advances, settlement, financial market business, financial leasing and other financial services as approved by the former CBRC.

2 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the “IASB”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual consolidated financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

2 Basis of preparation (Continued)

This interim financial report contains consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by Baker Tilly Hong Kong Limited in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

3 Changes in accounting policies

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim financial report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

4 Net interest income

	Six months ended 30 June	
	2025	2024
Interest income arising from		
Deposits with the central bank	388,040	369,245
Deposits with banks and other financial institutions	275,852	348,420
Placements with banks and other financial institutions	667,040	528,140
Loans and advances to customers		
– Corporate loans and advances	9,598,479	9,967,411
– Personal loans and advances	5,109,640	5,878,852
– Discounted bills	92,582	318,164
Financial assets held under resale agreements	287,797	517,939
Financial investments	4,390,169	4,419,502
Lease receivables	2,061,440	2,016,083
Sub-total	22,871,039	24,363,756
Interest expenses arising from		
Borrowing from the central bank	(339,892)	(767,702)
Deposits from banks and other financial institutions	(463,163)	(358,042)
Placements from banks and other financial institutions	(738,336)	(965,982)
Deposits from customers	(8,446,499)	(9,459,700)
Financial assets sold under repurchase agreements	(327,009)	(581,069)
Debt securities issued	(1,505,559)	(1,527,080)
Sub-total	(11,820,458)	(13,659,575)
Net interest income	11,050,581	10,704,181

The above interest income and expenses are related to financial instruments which are not measured at fair value through profit or loss.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

5 Net fee and commission income

	Six months ended 30 June	
	2025	2024
Fee and commission income		
Underwriting fees	178,314	151,398
Wealth management business fees	208,385	265,848
Bank card services fees	226,163	214,471
Settlement and clearing services fees	441,117	474,332
Advisory and consulting fees	137,134	206,192
Acceptance and guarantee services fees	99,839	190,883
Agency services fees	116,751	128,254
Custodial services fees	2,808	4,334
Sub-total	1,410,511	1,635,712
Fee and commission expense	(173,982)	(358,198)
Net fee and commission income	1,236,529	1,277,514

6 Net trading gains

	Note	Six months ended 30 June	
		2025	2024
Net gains from debt securities	(a)	475,156	320,896
Net foreign exchange (losses)/gains	(b)	(133,287)	172,116
Net gains/(losses) from interest rate swaps		441	(359)
Total		342,310	492,653

(a) Net gains from debt securities include gains arising from the buying and selling of, and changes in the fair value of debt securities held for trading.

(b) Net foreign exchange (losses)/gains mainly include net (losses)/gains from foreign currency derivatives, the purchase and sale of foreign currency spot, and translation of foreign currency monetary assets and liabilities into Renminbi.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

7 Net gains arising from investment securities

	Note	Six months ended 30 June	
		2025	2024
Net gains of financial investments at fair value through profit or loss	(a)	104,638	771,661
Net gains of financial investments at fair value through other comprehensive income		459,102	262,524
Net gains of financial investments at amortised cost		311,978	354,854
Others		(157)	(227)
Total		875,561	1,388,812

(a) Net gains of financial investments at fair value through profit or loss include the investment income and fair value changes of financial investments at fair value through profit or loss except for debt securities held for trading.

8 Other operating income

	Six months ended 30 June	
	2025	2024
Government grants	15,724	41,336
Rental income	15,639	11,916
Net gains on disposal of property and equipment	15,895	39,430
Others	10,225	36,290
Total	57,483	128,972

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

9 Operating expenses

	Six months ended 30 June	
	2025	2024
Staff costs		
– Salaries, bonuses and allowances	1,521,653	1,753,542
– Social insurance and annuity	601,509	519,569
– Staff welfares	81,155	73,956
– Housing allowances	206,324	202,458
– Employee education expenses and labour union expenses	58,495	58,849
– Supplementary retirement benefits	6,812	8,736
– Others	30,911	572
Sub-total	2,506,859	2,617,682
Office expenses	527,689	479,539
Depreciation and amortisation	511,300	619,047
Depreciation charge for right-of-use assets	119,441	173,632
Taxes and surcharges	118,507	171,180
Interest expense on lease liabilities	8,139	45,594
Other general and administrative expenses	277,219	289,613
Total	4,069,154	4,396,287

10 Impairment losses on assets

	Six months ended 30 June	
	2025	2024
Loans and advances to customers	2,397,449	2,950,173
Financial investments	4,751,587	4,638,302
Credit commitments	133,443	24,807
Others	788,391	483,053
Total	8,070,870	8,096,335

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

11 Income tax

	Six months ended 30 June	
	2025	2024
Current tax	514,524	1,060,141
Deferred tax	(1,287,616)	(1,670,870)
Adjustment for prior years	149,963	66,692
Total	(623,129)	(544,037)

12 Basic and diluted earnings per share

	Note	Six months ended 30 June	
		2025	2024
Earnings:			
Net profit attributable to equity shareholders of the Bank		2,033,566	2,049,467
Less: Profit for the year attributable to other equity instruments holders of the Bank		(144,000)	(144,000)
Net profit attributable to ordinary shareholders of the Bank		1,889,566	1,905,467
Shares:			
Weighted average number of ordinary shares (in thousands)	(i)	36,549,823	36,549,823
Basic and diluted earnings per share attributable to ordinary shareholders of the Bank (in RMB)		0.05	0.05

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

(i) Weighted average number of ordinary shares (in thousands)

	Six months ended 30 June	
	2025	2024
Number of ordinary shares as at 1 January	36,549,823	36,549,823
New added weighted average number of ordinary shares	—	—
Weighted average number of ordinary shares	36,549,823	36,549,823

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

13 Cash and deposits with the central bank

	Note	30 June 2025	31 December 2024
Cash on hand		2,066,679	1,812,703
Deposits with the central bank			
– Statutory deposit reserves	(a)	47,320,238	43,575,754
– Surplus deposit reserves	(b)	10,496,094	18,888,157
– Fiscal deposits	(c)	413,400	1,529,040
Sub-total		58,229,732	63,992,951
Accrued interest		21,863	22,778
Total		60,318,274	65,828,432

- (a) The Group places statutory deposit reserves with the People's Bank of China ("PBOC") in accordance with relevant regulations. As at 30 June 2025 and 31 December 2024, the statutory deposit reserve ratios applicable to the Bank were as follows:

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

The above statutory deposit reserves are not available for the Bank's daily business. 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.
- (c) The fiscal deposits arise from fiscal institution and place in the PBOC in accordance with relevant regulations. The fiscal deposits are not available for the Bank's daily business.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

14 Deposits with banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2025	31 December 2024
Deposits in mainland China		
– Banks	35,529,317	15,754,474
– Other financial institutions	6,785,654	4,603,653
Sub-total	42,314,971	20,358,127
Deposits outside mainland China		
– Banks	716,291	1,711,851
Total	43,031,262	22,069,978
Accrued interest	113,383	52,501
Less: Provision for impairment losses	(10,568)	(7,635)
Net carrying amount	43,134,077	22,114,844

15 Placements with banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2025	31 December 2024
Placements in mainland China		
– Banks	1,087,859	929,721
– Other financial institutions	49,044,958	42,124,958
Sub-total	50,132,817	43,054,679
Accrued interest	548,169	495,001
Less: Provision for impairment losses	(34,677)	(29,577)
Net carrying amount	50,646,309	43,520,103

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

16 Derivative financial instruments

A derivative is a financial instrument, the value of which changes in response to the change in a specified interest rate, commodity price, foreign exchange rate, or other similar variables. The Group's derivative financial instruments mainly include foreign exchange forwards and interest rate swaps.

The notional amount of a derivative represents the amount of an underlying asset upon which the value of the derivative is based. It indicates the volume of business transacted by the Group but does not reflect the risk.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in any orderly transaction between market participants at measurement date.

	Notional amount	30 June 2025 Fair value	
		Assets	Liabilities
Interest rate swaps	2,738,074	9,700	11,631
Foreign exchange forwards	7,044,632	41,392	–
Total	9,782,706	51,092	11,631

	Notional amount	31 December 2024 Fair value	
		Assets	Liabilities
Interest rate swaps	3,980,000	21,565	24,301
Foreign exchange forwards	7,044,632	–	149,929
Total	11,024,632	21,565	174,230

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

17 Financial assets held under resale agreements

(a) Analysed by type and location of counterparty

	30 June 2025	31 December 2024
In mainland China		
– Banks	16,347,323	8,299,750
– Other financial institutions	17,883,271	15,492,980
Sub-total	34,230,594	23,792,730
Accrued interest	6,383	7,663
Less: Provision for impairment losses	(4,565)	(2,942)
Net carrying amount	34,232,412	23,797,451

(b) Analysed by type of collateral

	30 June 2025	31 December 2024
Debt securities	30,728,820	23,792,730
Bills	3,501,774	–
Sub-total	34,230,594	23,792,730
Accrued interest	6,383	7,663
Less: Provision for impairment losses	(4,565)	(2,942)
Net carrying amount	34,232,412	23,797,451

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

18 Loans and advances to customers

(a) Analysed by nature

	30 June 2025	31 December 2024
Loans and advances to customers measured at amortised cost:		
Corporate loans and advances	392,872,813	389,407,337
Personal loans and advances		
– Residential mortgage	127,349,379	123,407,039
– Personal consumption loans	54,474,584	51,410,888
– Personal business loans	72,842,983	69,936,536
– Others	18,824,535	20,624,178
Sub-total	273,491,481	265,378,641
Accrued interest	6,833,905	5,197,970
Less: Provision for impairment losses on loans and advances to customers measured at amortised cost	(23,164,545)	(21,808,030)
Sub-total	650,033,654	638,175,918
Loans and advances to customers measured at fair value through other comprehensive income:		
Corporate loans and advances	26,874,769	20,417,031
Discounted bills	21,777,185	39,252,247
Sub-total	48,651,954	59,669,278
Net loans and advances to customers	698,685,608	697,845,196

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

18 Loans and advances to customers (Continued)

(b) Analysed by economic sector

	30 June 2025		
	Amount	Percentage	Loans and advances secured by collaterals
Renting and business activities	145,350,100	20.32%	49,671,863
Manufacturing	56,771,520	7.94%	12,578,587
Wholesale and retail trade	45,491,371	6.36%	14,272,392
Construction	43,534,938	6.09%	21,353,105
Water, environment and public utility	29,463,818	4.12%	12,740,303
Real estate	27,686,831	3.87%	20,495,863
Production and supply of electric power, gas and water	16,666,810	2.33%	5,915,635
Mining	8,995,429	1.26%	1,356,651
Education	7,671,070	1.07%	3,398,608
Transportation, storage and postal services	7,119,449	1.00%	2,372,495
Agriculture, forestry, animal husbandry and fishery	5,047,192	0.71%	1,494,759
Accommodation and catering	2,564,705	0.36%	1,671,204
Others	23,384,349	3.27%	9,511,177
Sub-total of corporate loans and advances	419,747,582	58.70%	156,832,642
Personal loans and advances	273,491,481	38.25%	199,393,186
Discounted bills	21,777,185	3.05%	18,067,850
Gross loans and advances to customers	715,016,248	100.00%	374,293,678

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

18 Loans and advances to customers (Continued)

(b) Analysed by economic sector (Continued)

	31 December 2024		
	Amount	Percentage	Loans and advances secured by collaterals
Renting and business activities	148,291,318	20.76%	44,284,097
Manufacturing	50,607,861	7.08%	12,153,139
Wholesale and retail trade	43,096,403	6.03%	14,568,321
Construction	42,267,774	5.92%	20,216,093
Real estate	28,180,236	3.94%	20,500,409
Water, environment and public utility	28,080,853	3.93%	11,737,421
Production and supply of electric power, gas and water	15,825,633	2.22%	4,766,365
Mining	7,901,805	1.11%	1,204,782
Education	7,635,930	1.07%	4,138,404
Transportation, storage and postal services	6,848,486	0.96%	2,234,214
Agriculture, forestry, animal husbandry and fishery	5,344,257	0.75%	1,669,039
Accommodation and catering	2,479,829	0.35%	1,610,401
Others	23,263,983	3.24%	9,908,584
Sub-total of corporate loans and advances	409,824,368	57.36%	148,991,269
Personal loans and advances	265,378,641	37.14%	194,828,821
Discounted bills	39,252,247	5.50%	27,813,088
Gross loans and advances to customers	714,455,256	100.00%	371,633,178

(c) Analysed by type of collateral

	30 June 2025	31 December 2024
Unsecured loans	158,286,433	160,325,991
Guaranteed loans	182,436,137	182,496,087
Collateralised loans	291,423,467	282,307,236
Pledged loans	82,870,211	89,325,942
Gross loans and advances to customers	715,016,248	714,455,256
Accrued interest	6,833,905	5,197,970
Less: Provision for impairment losses on loans and advances to customers measured at amortised cost	(23,164,545)	(21,808,030)
Net loans and advances to customers	698,685,608	697,845,196

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

18 Loans and advances to customers (Continued)

(d) Overdue loans analysed by overdue period

	30 June 2025				
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	Total
Unsecured loans	967,971	1,395,350	1,482,654	462,038	4,308,013
Guaranteed loans	5,870,173	439,788	2,106,611	1,002,940	9,419,512
Collateralised loans	6,978,796	1,245,697	3,008,810	1,542,464	12,775,767
Pledged loans	2,006,024	17,086	210,478	26,266	2,259,854
Total	15,822,964	3,097,921	6,808,553	3,033,708	28,763,146
As a percentage of gross loans and advances to customers	2.21%	0.43%	0.95%	0.43%	4.02%

	31 December 2024				
	Overdue within three months (inclusive)	Overdue more than three months to one year (inclusive)	Overdue more than one year to three years (inclusive)	Overdue more than three years	Total
Unsecured loans	734,730	1,535,641	1,394,707	323,520	3,988,598
Guaranteed loans	6,493,598	1,620,462	1,481,683	869,035	10,464,778
Collateralised loans	7,707,284	2,257,088	2,548,846	1,323,867	13,837,085
Pledged loans	704,538	204,029	36,545	14,881	959,993
Total	15,640,150	5,617,220	5,461,781	2,531,303	29,250,454
As a percentage of gross loans and advances to customers	2.19%	0.79%	0.76%	0.35%	4.09%

Overdue loans represented loans, of which the whole or part of the principal or interest were overdue for one day or more.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

18 Loans and advances to customers (Continued)

(e) Loans and advances and provision for impairment losses

	30 June 2025			
	Loans and advances that are assessed for 12-month expected credit losses	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	Total
Total loans and advances to customers measured at amortised cost	626,982,395	25,031,784	14,350,115	666,364,294
Accrued interest	6,833,905	—	—	6,833,905
Less: Provision for impairment losses	(5,914,170)	(4,539,476)	(12,710,899)	(23,164,545)
Carrying amount of loans and advances to customers measured at amortised cost	627,902,130	20,492,308	1,639,216	650,033,654
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	48,651,954	—	—	48,651,954
Total carrying amount of loans and advances to customers	676,554,084	20,492,308	1,639,216	698,685,608

	31 December 2024			
	Loans and advances that are assessed for 12-month expected credit losses	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	Total
Total loans and advances to customers measured at amortised cost	617,325,139	23,002,802	14,458,037	654,785,978
Accrued interest	5,197,970	—	—	5,197,970
Less: Provision for impairment losses	(5,962,388)	(4,072,913)	(11,772,729)	(21,808,030)
Carrying amount of loans and advances to customers measured at amortised cost	616,560,721	18,929,889	2,685,308	638,175,918
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	59,669,278	—	—	59,669,278
Total carrying amount of loans and advances to customers	676,229,999	18,929,889	2,685,308	697,845,196

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

18 Loans and advances to customers (Continued)

(f) Movements of provision for impairment losses

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

	Six months ended 30 June 2025			
	Loans and advances that are assessed for 12-month expected credit losses	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	Total
As at 1 January 2025	5,962,388	4,072,913	11,772,729	21,808,030
Transfers:				
– to 12-month expected credit losses	2,749,668	(2,011,657)	(738,011)	–
– to lifetime expected credit losses:				
– not credit-impaired loans	(153,862)	742,646	(588,784)	–
– credit-impaired loans	(36,501)	(483,841)	520,342	–
(Release)/charge for the period	(2,607,523)	2,219,415	3,385,156	2,997,048
Recoveries	–	–	315,286	315,286
Write-offs and disposals	–	–	(1,845,069)	(1,845,069)
Others	–	–	(110,750)	(110,750)
As at 30 June 2025	5,914,170	4,539,476	12,710,899	23,164,545

	Year ended 31 December 2024			
	Loans and advances that are assessed for 12-month expected credit losses	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	Total
As at 1 January 2024	6,304,298	4,174,994	11,331,374	21,810,666
Transfers:				
– to 12-month expected credit losses	1,682,631	(1,184,890)	(497,741)	–
– to lifetime expected credit losses:				
– not credit-impaired loans	(791,490)	1,009,853	(218,363)	–
– credit-impaired loans	(210,730)	(656,125)	866,855	–
(Release)/charge for the year	(1,016,799)	837,631	3,867,869	3,688,701
Recoveries	–	–	682,883	682,883
Write-offs and disposals	–	–	(4,196,353)	(4,196,353)
Loss of control of a subsidiary	(5,522)	(108,550)	(63,795)	(177,867)
As at 31 December 2024	5,962,388	4,072,913	11,772,729	21,808,030

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

18 Loans and advances to customers (Continued)

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

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

	Six months ended 30 June 2025			Total
	Loans and advances that are assessed for 12-month expected credit losses	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at 1 January 2025	605,647	–	–	605,647
Release for the period	(599,599)	–	–	(599,599)
As at 30 June 2025	6,048	–	–	6,048

	Year ended 31 December 2024			Total
	Loans and advances that are assessed for 12-month expected credit losses	Loans and advances that are not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired loans and advances that are assessed for lifetime expected credit loss	
As at 1 January 2024	454,567	–	–	454,567
Charge for the year	151,080	–	–	151,080
As at 31 December 2024	605,647	–	–	605,647

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

19 Financial investments

	Note	30 June 2025	31 December 2024
Financial investments at fair value through profit or loss	(a)	73,591,254	84,936,843
Financial investments at fair value through other comprehensive income	(b)	100,181,734	89,322,558
Financial investments at amortised cost	(c)	241,868,506	239,593,383
Total		415,641,494	413,852,784

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

	Note	30 June 2025	31 December 2024
Debt securities	(i)		
– Government		2,598,177	6,151,619
– Policy banks		3,485,034	848,218
– Banks and other financial institutions		34,972,892	24,891,942
Sub-total		41,056,103	31,891,779
Investment management products under public funds		27,950,509	49,184,578
Investment management products managed by securities companies		3,959,777	3,220,736
Investment management products managed by trust plans		23,012	43,558
Sub-total		31,933,298	52,448,872
Equity investments		601,853	596,192
Total		73,591,254	84,936,843

	30 June 2025	31 December 2024
Analysed into:		
Debt securities:		
Listed	2,598,177	6,151,619
Unlisted	38,457,926	25,740,160
Sub-total	41,056,103	31,891,779
Funds and other investment management products:		
Unlisted	31,933,298	52,448,872
Equity investments:		
Listed	22,709	24,278
Unlisted	579,144	571,914
Sub-total	601,853	596,192
Total	73,591,254	84,936,843

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

19 Financial investments (Continued)

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

	Note	30 June 2025	31 December 2024
Debt securities	(i)		
– Government		49,019,455	40,691,109
– Policy banks		16,517,000	18,107,251
– Banks and other financial institutions		27,069,356	24,908,940
– Corporate		6,503,890	4,638,921
Sub-total		99,109,701	88,346,221
Accrued interest		953,534	821,283
Equity investments	(ii)	118,499	155,054
Total		100,181,734	89,322,558
Analysed into:			
Debt securities:			
Listed		50,759,839	41,995,088
Unlisted		49,303,396	47,172,416
Sub-total		100,063,235	89,167,504
Equity investments:			
Unlisted		118,499	155,054
Total		100,181,734	89,322,558

- (i) As at the end of the reporting period, certain debt securities were pledged for repurchase agreements (Note 26(a)). No other investment was subject to material restrictions in the realisation.
- (ii) The Group designates non-trading equity investments as financial investments at fair value through other comprehensive income. The Group did not dispose of any such equity investment, nor transfer any cumulative gain or loss from other comprehensive income to retained earnings during the reporting period.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

19 Financial investments (Continued)

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

(iii) Movements of provision for impairment losses on financial investments at fair value through other comprehensive income are as follows:

	Six months ended 30 June 2025			
	12-month expected credit losses	Lifetime expected credit losses: not credit- impaired	Lifetime expected credit losses: credit- impaired	Total
Balance at 1 January 2025	21,680	–	–	21,680
Charge for the period	14,136	–	–	14,136
Balance at 30 June 2025	35,816	–	–	35,816

	Year ended 31 December 2024			
	12-month expected credit losses	Lifetime expected credit losses: not credit- impaired	Lifetime expected credit losses: credit- impaired	Total
Balance at 1 January 2024	19,239	–	–	19,239
Charge for the year	2,441	–	–	2,441
Balance at 31 December 2024	21,680	–	–	21,680

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

19 Financial investments (Continued)

(c) Financial investments at amortised cost

	Note	30 June 2025	31 December 2024
Debt securities	(i)		
– Government		157,491,491	149,301,304
– Policy banks		61,924,389	62,658,119
– Banks and other financial institutions		1,402,000	602,000
– Corporate		6,871,136	6,504,398
Sub-total		227,689,016	219,065,821
Investment management products under trust plans		27,376,232	28,599,558
Private debt financing plans		3,661,851	4,318,800
Investment fund managed by private fund manager		1,275,020	1,726,450
Investment management products managed by securities companies		357,410	357,410
Others		600,000	600,000
Sub-total		33,270,513	35,602,218
Accrued interest		2,684,898	2,819,686
Less: Provision for impairment losses	(ii)	(21,775,921)	(17,894,342)
Total		241,868,506	239,593,383
Analysed into:			
Debt securities:			
Listed		159,757,262	150,955,261
Unlisted		68,009,466	68,926,951
Sub-total		227,766,728	219,882,212
Other investments:			
Unlisted		14,101,778	19,711,171
Total		241,868,506	239,593,383

- (i) As at the end of the reporting period, certain debt securities were pledged for repurchase agreements (Note 26(a)). No other investment was subject to material restrictions in the realisation.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

19 Financial investments (Continued)

(c) Financial investments at amortised cost (Continued)

- (ii) Movements of provision for impairment losses on financial investments at amortised cost are as follows:

	Six months ended 30 June 2025			
	12-month expected credit losses	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	Total
Balance at 1 January 2025	334,016	21,468	17,538,858	17,894,342
Transfers:				
– to lifetime expected credit losses:				
– not credit-impaired	(15,231)	15,231	–	–
– credit-impaired	–	(4,722)	4,722	–
(Release)/charge for the period	(163,920)	302,006	4,599,365	4,737,451
Recoveries	–	–	3,733	3,733
Write-offs and disposals	–	–	(852,125)	(852,125)
Others	–	–	(7,480)	(7,480)
Balance at 30 June 2025	154,865	333,983	21,287,073	21,775,921

	Year ended 31 December 2024			
	12-month expected credit losses	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	Total
Balance at 1 January 2024	214,323	97,480	11,647,248	11,959,051
Transfers:				
– to 12-month expected credit losses	19,233	(19,233)	–	–
– to lifetime expected credit losses:				
– not credit-impaired	(6,808)	14,466	(7,658)	–
– credit-impaired	(23,603)	(32,166)	55,769	–
Charge/(release) for the year	130,871	(39,079)	7,011,848	7,103,640
Recoveries	–	–	232,363	232,363
Write-offs and disposals	–	–	(1,400,712)	(1,400,712)
Balance at 31 December 2024	334,016	21,468	17,538,858	17,894,342

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

20 Lease receivables

	Note	30 June 2025	31 December 2024
Minimum finance lease receivables	(a)	11,944,423	10,658,155
Less: unearned finance lease income	(a)	(1,989,141)	(2,391,750)
Present value of finance lease receivables	(a)	9,955,282	8,266,405
Receivables from sale-and-leaseback transactions		66,717,130	62,719,287
Sub-total		76,672,412	70,985,692
Less: provision for impairment losses	(b)	(3,403,978)	(2,776,832)
Total		73,268,434	68,208,860

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

	30 June 2025		
	Minimum finance lease receivables	Unearned finance income	Present value of finance lease receivables
Less than 1 year	2,113,409	(18,599)	2,094,810
1 year to 2 year	1,720,592	(113,715)	1,606,877
2 year to 3 year	1,981,425	(173,993)	1,807,432
3 year to 5 year	1,441,830	(171,439)	1,270,391
More than 5 year	4,687,167	(1,511,395)	3,175,772
Total	11,944,423	(1,989,141)	9,955,282

	31 December 2024		
	Minimum finance lease receivables	Unearned finance income	Present value of finance lease receivables
Less than 1 year	241,244	(9,332)	231,912
1 year to 2 year	418,317	(32,447)	385,870
2 year to 3 year	1,887,316	(155,485)	1,731,831
3 year to 5 year	2,762,603	(328,751)	2,433,852
More than 5 year	5,348,675	(1,865,735)	3,482,940
Total	10,658,155	(2,391,750)	8,266,405

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

20 Lease receivables (Continued)

(b) Movements of provision for impairment losses:

	Six months ended 30 June 2025			Total
	12-month expected credit losses	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	
Balance at 1 January 2025	1,240,906	927,791	608,135	2,776,832
Transfers:				
– to lifetime expected credit losses:				
– not credit-impaired	(78,869)	78,869	–	–
– credit-impaired	(32,973)	(167,380)	200,353	–
Charge/(release) for the period	101,074	668,350	(226,157)	543,267
Recoveries	–	–	221,339	221,339
Write-offs and disposals	–	–	(137,460)	(137,460)
Balance at 30 June 2025	1,230,138	1,507,630	666,210	3,403,978

	Year ended 31 December 2024			Total
	12-month expected credit losses	Lifetime expected credit losses: not credit-impaired	Lifetime expected credit losses: credit-impaired	
Balance at 1 January 2024	1,190,670	376,920	924,289	2,491,879
Transfers:				
– to 12-month expected credit losses	1,068	(1,068)	–	–
– to lifetime expected credit losses:				
– not credit-impaired	(13,536)	13,536	–	–
– credit-impaired	(312)	(3,983)	4,295	–
Charge for the year	63,016	542,386	373,696	979,098
Recoveries	–	–	265,892	265,892
Write-offs and disposals	–	–	(960,037)	(960,037)
Balance at 31 December 2024	1,240,906	927,791	608,135	2,776,832

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

21 Investments in subsidiaries, interest in associate and joint venture

(a) Investments in subsidiaries

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

Subsidiary	Note	Amount invested by the Bank		Percentage of equity interest		Voting rights Registered capital		Establishment date	Place of incorporation/ registration	Principal activity
		30 June 2025	31 December 2024	30 June 2025	31 December 2024	30 June 2025	30 June 2025 RMB million			
				%	%	%				
AB Leasing Co., Ltd. ("邦銀金融租賃股份有限公司")		4,525,199	4,525,199	90.00	90.00	90.00	3,000.00	16 August 2013	Zhengzhou, Henan Province	Leasing
BOL Financial Leasing Co., Ltd. ("洛銀金融租賃股份有限公司")		2,228,739	2,228,739	57.50	57.50	57.50	2,000.00	18 December 2014	Luoyang, Henan Province	Leasing
Xiping Zhongyuan County Bank Co., Ltd. ("西平中原村鎮銀行股份有限公司")	(i)	176,686	176,686	43.69	43.69	67.64	208.52	17 December 2009	Zhumadian, Henan Province	Banking
Xinyang Pingqiao Zhongyuan County Bank Co., Ltd. ("信陽平橋中原村鎮銀行股份有限公司")		38,341	38,341	51.73	51.73	51.73	83.52	13 December 2010	Xinyang, Henan Province	Banking
Qixian Zhongyuan County Bank Co., Ltd. ("淇縣中原村鎮銀行股份有限公司")		41,531	41,531	51.00	51.00	51.00	50.00	23 December 2010	Hebi, Henan Province	Banking
Xinxiang Zhongyuan County Bank Co., Ltd. ("新鄉中原村鎮銀行股份有限公司")		150,306	150,306	78.46	78.46	78.46	130.00	23 March 2010	Xinxiang, Henan Province	Banking
Linzhou Zhongyuan County Bank Co., Ltd. ("林州中原村鎮銀行股份有限公司")		29,771	29,771	51.00	51.00	51.00	75.00	30 September 2011	Linzhou, Henan Province	Banking
Puyang Zhongyuan County Bank Co., Ltd. ("濮陽中原村鎮銀行股份有限公司")		30,736	30,736	51.00	51.00	51.00	58.75	16 March 2012	Puyang, Henan Province	Banking
Xiangcheng Zhongyuan County Bank Co., Ltd. ("襄城中原村鎮銀行股份有限公司")		38,044	38,044	51.00	51.00	51.00	61.00	27 October 2011	Xuchang, Henan Province	Banking
Suiping Zhongyuan County Bank Co., Ltd. ("遂平中原村鎮銀行股份有限公司")		35,084	35,084	51.02	51.02	51.02	56.15	12 March 2012	Zhumadian, Henan Province	Banking
Jiaxian Guangtian County Bank Co., Ltd. ("郟縣廣天村鎮銀行股份有限公司")		-	-	51.28	51.28	51.28	78.00	23 October 2009	Pingdingshan, Henan Province	Banking
Henan Luanchuan Minfeng County Bank Co., Ltd. ("河南樂川民豐村鎮銀行股份有限公司")	(i)	180,854	180,854	30.33	30.33	55.69	152.40	12 June 2008	Luanchuan, Henan Province	Banking
Mengjin Minfeng County Bank Co., Ltd. ("孟津民豐村鎮銀行股份有限公司")	(i)	140,376	140,376	34.58	34.58	61.08	150.00	23 November 2011	Mengjin, Henan Province	Banking
Luohe Yancheng Zhongyuan County Bank Co., Ltd. ("漯河鄆城中原村鎮銀行有限責任公司")		245,201	245,201	51.00	51.00	51.00	300.00	12 July 2011	Luohe, Henan Province	Banking

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

21 Investments in subsidiaries, interest in associate and joint venture (Continued)

(a) Investments in subsidiaries (Continued)

Note:

- (i) As at 30 June 2025 and 31 December 2024, the Bank holds 43.69%, 30.33% and 34.58% of equity interest of Xiping Zhongyuan County Bank Co., Ltd. ("Xiping Zhongyuan"), Henan Luanchuan Minfeng County Bank Co., Ltd. ("Luanchuan Minfeng") and Mengjin Minfeng County Bank Co., Ltd. ("Mengjin Minfeng") respectively. According to the concerted action arrangement between the Bank and other shareholders, as at 30 June 2025, the voting rights ratio of the Bank for Xiping Zhongyuan, Luanchuan Minfeng and Mengjin Minfeng is 67.64%, 55.69% and 61.08% respectively (31 December 2024: 67.64%, 55.69% and 61.08%), the above county banks are deemed to be controlled by the Bank.

(b) Interest in associate

	Note	30 June 2025	31 December 2024
Interest in associate	(i)	179,836	257,172

Note:

- (i) Shenzhen Nanshan Baosheng County Bank Co., Ltd. ("Nanshan Baosheng") is an associate in which the Bank has significant influence and a 42.05% ownership interest. Nanshan Baosheng is not publicly listed.

Name	Percentages of voting rights		Place of incorporation/ registration	Business sector
	30 June 2025	31 December 2024		
Nanshan Baosheng	42.05%	42.05%	Nanshan, Shenzhen	Banking

The following table illustrates the aggregate information of the Bank's associate:

	30 June 2025	31 December 2024
Aggregate carrying amount of the associate in the consolidated interim statements of financial position of the Bank	179,836	257,172
Aggregate amounts of the Bank's share of results of the associate		
– Loss from continuing operations	(76,942)	(117,351)
– Other comprehensive expense	(394)	(101)
– Total comprehensive expense	(77,336)	(117,452)

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

21 Investments in subsidiaries, interest in associate and joint venture (Continued)

(c) Interest in joint venture

	Note	30 June 2025	31 December 2024
Interest in joint venture	(i)	1,950,620	1,790,276

Note:

- (i) Henan Zhongyuan Consumer Finance Co., Ltd. ("Consumer Finance") is a joint venture in which the Bank has joint control and a 49.25% ownership interest. Consumer Finance is not publicly listed.

Name	Percentages of equity/voting rights		Place of incorporation/ registration	Business sector
	30 June 2025	31 December 2024		
Consumer Finance	49.25%	49.25%	Zhengzhou, China	Consumer credit

The following table illustrates the aggregate information of the Bank's joint venture:

	30 June 2025	31 December 2024
Aggregate carrying amount of the joint venture in the consolidated interim statements of financial position of the Bank	1,950,620	1,790,276
Aggregate amounts of the Bank's share of results of the joint venture		
– Profit from continuing operations	160,344	247,728
– Other comprehensive income	–	–
– Total comprehensive income	160,344	247,728

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

22 Property and equipment

	Premises	Investment properties	Electronic equipment	Motor vehicles	Office equipment & others	Construction in progress	Total
Cost							
As at 1 January 2024	8,962,758	36,552	1,765,550	34,829	629,707	1,803,736	13,233,132
Additions	372,713	–	114,990	2,318	883,399	252,664	1,626,084
Disposals	(316,069)	(267)	(142,306)	(11,123)	(42,096)	(2,238)	(514,099)
Transfers out of construction in progress	–	–	–	–	–	(302,156)	(302,156)
Loss of control of a subsidiary	–	–	(13,008)	(2,027)	(2,072)	–	(17,107)
As at 31 December 2024 and 1 January 2025	9,019,402	36,285	1,725,226	23,997	1,468,938	1,752,006	14,025,854
Additions	1,808	–	33,538	3	386,318	45,308	466,975
Disposals	(66,244)	(2,850)	(261)	(2,578)	(4,787)	–	(76,720)
Transfers out of construction in progress	–	–	–	–	–	(10,445)	(10,445)
As at 30 June 2025	8,954,966	33,435	1,758,503	21,422	1,850,469	1,786,869	14,405,664
Accumulated depreciation							
As at 1 January 2024	(3,486,663)	(13,439)	(1,452,430)	(25,670)	(495,726)	–	(5,473,928)
Additions	(509,641)	(2,620)	(196,143)	(8,466)	(59,712)	–	(776,582)
Disposals	181,073	259	136,197	10,660	41,224	–	369,413
Loss of control of a subsidiary	–	–	10,877	1,744	1,337	–	13,958
As at 31 December 2024 and 1 January 2025	(3,815,231)	(15,800)	(1,501,499)	(21,732)	(512,877)	–	(5,867,139)
Additions	(254,048)	(1,310)	(51,179)	(876)	(21,433)	–	(328,846)
Disposals	61,832	2,488	249	2,501	4,073	–	71,143
As at 30 June 2025	(4,007,447)	(14,622)	(1,552,429)	(20,107)	(530,237)	–	(6,124,842)
Impairment							
As at 1 January 2024	(6,620)	–	(491)	(229)	(1,681)	–	(9,021)
Additions	(2,734)	–	–	(13)	(75)	–	(2,822)
Disposals	201	–	77	–	164	–	442
As at 31 December 2024 and 1 January 2025	(9,153)	–	(414)	(242)	(1,592)	–	(11,401)
Disposals	–	–	–	13	45	–	58
As at 30 June 2025	(9,153)	–	(414)	(229)	(1,547)	–	(11,343)
Net book value							
As at 30 June 2025	4,938,366	18,813	205,660	1,086	1,318,685	1,786,869	8,269,479
As at 31 December 2024	5,195,018	20,485	223,313	2,023	954,469	1,752,006	8,147,314

The carrying amount of the premises with incomplete title deeds as at 30 June 2025 was RMB2,028.12 million (31 December 2024: RMB3,437.48 million). The Group is still in the progress of application for the outstanding title deeds for these premises. The Group expects that there would be no significant cost in obtaining the title deeds.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

22 Property and equipment (Continued)

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

	30 June 2025	31 December 2024
Held in mainland China		
– Long-term leases (over 50 years)	718,301	753,372
– Medium-term leases (10 – 50 years)	2,675,682	2,864,228
– Short-term leases (less than 10 years)	1,544,383	1,577,418
Total	4,938,366	5,195,018

The net book value of investment properties as at the end of the reporting period are analysed by the remaining terms of the leases as follows:

	30 June 2025	31 December 2024
Held in mainland China		
– Medium-term leases (10 – 50 years)	18,813	20,485

23 Deferred tax assets

	30 June 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred income tax assets/ (liabilities)
Deferred income tax assets/(liabilities):				
Provision for impairment losses	54,536,895	13,634,224	47,147,376	11,786,844
Accrued staff cost payable	645,758	161,440	2,703,440	675,860
Supplementary retirement benefits	539,127	134,782	343,180	85,795
Fair value changes of financial assets	(1,573,629)	(393,407)	(2,395,412)	(598,853)
Deferred income	(56,435)	(14,109)	(47,740)	(11,935)
Assets appraisal and related depreciation	(3,468,176)	(867,044)	(3,582,816)	(895,704)
Deductible losses	–	–	277,188	69,297
Others	607,512	151,877	547,356	136,839
Net balances	51,231,052	12,807,763	44,992,572	11,248,143

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

24 Goodwill

		Goodwill
Cost:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025		1,982,050
Accumulated impairment losses:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025		–
Carrying amount:		
At 31 December 2024, 1 January 2025 and 30 June 2025		1,982,050

As there were no indicators for impairment of goodwill, the Group determined that no impairment provision on goodwill was required as at 30 June 2025.

25 Other assets

	Note	30 June 2025	31 December 2024
Repossessioned assets	(a)	1,178,095	1,313,824
Interest receivable	(b)	1,044,023	1,848,781
Intangible assets	(c)	979,574	1,063,969
Land use rights		888,575	881,258
Other right-of-use assets	(d)	432,362	476,621
Leasehold improvements		235,486	276,712
Advanced payment of income tax		10,290	16,733
Other receivables		1,990,647	704,885
Total		6,759,052	6,582,783

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

25 Other assets (Continued)

(a) Repossessed assets

	30 June 2025	31 December 2024
Reposessed assets	2,124,289	2,166,853
Less: Provision for impairment losses	(946,194)	(853,029)
Net carrying amount	1,178,095	1,313,824

(b) Interests receivable

	30 June 2025	31 December 2024
Interests receivable arising from:		
Financial investments	867,393	995,333
Loans and advances to customers	1,022,912	1,606,389
Total	1,890,305	2,601,722
Less: Provision for impairment losses	(846,282)	(752,941)
Net carrying amount	1,044,023	1,848,781

Interest receivable 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 Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

25 Other assets (Continued)

(c) Intangible assets

	Leasing license	Computer software	Total
Cost			
As at 1 January 2024	357,880	2,166,823	2,524,703
Additions	–	201,362	201,362
Disposals	–	(29,416)	(29,416)
Loss of control of a subsidiary	–	(3,102)	(3,102)
As at 31 December 2024 and 1 January 2025	357,880	2,335,667	2,693,547
Additions	–	68,217	68,217
As at 30 June 2025	357,880	2,403,884	2,761,764
Accumulated amortisation			
As at 1 January 2024	–	(1,320,073)	(1,320,073)
Additions	–	(308,378)	(308,378)
Disposals	–	(3,600)	(3,600)
Loss of control of a subsidiary	–	2,473	2,473
As at 31 December 2024 and 1 January 2025	–	(1,629,578)	(1,629,578)
Additions	–	(152,612)	(152,612)
As at 30 June 2025	–	(1,782,190)	(1,782,190)
Impairment			
As at 1 January 2024, 31 December 2024 and 30 June 2025	–	–	–
Net book value			
As at 30 June 2025	357,880	621,694	979,574
As at 31 December 2024	357,880	706,089	1,063,969

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

25 Other assets (Continued)

(d) Other right-of-use assets

	Leased properties and buildings	Leased equipment	Total
Cost			
As at 1 January 2024	1,641,822	13,320	1,655,142
Additions	137,534	659	138,193
Disposals	(219,705)	(307)	(220,012)
As at 31 December 2024 and 1 January 2025	1,559,651	13,672	1,573,323
Additions	89,411	–	89,411
Disposals	(400,115)	(52)	(400,167)
As at 30 June 2025	1,248,947	13,620	1,262,567
Accumulated depreciation			
As at 1 January 2024	(884,438)	(7,531)	(891,969)
Additions	(307,402)	(2,224)	(309,626)
Disposals	104,586	307	104,893
As at 31 December 2024 and 1 January 2025	(1,087,254)	(9,448)	(1,096,702)
Additions	(118,348)	(1,093)	(119,441)
Disposals	385,886	52	385,938
As at 30 June 2025	(819,716)	(10,489)	(830,205)
Net book value			
As at 30 June 2025	429,231	3,131	432,362
As at 31 December 2024	472,397	4,224	476,621

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

26 Pledged assets

(a) Assets pledged as collateral

	Note	30 June 2025	31 December 2024
For repurchase agreements			
– Financial investments at fair value through other comprehensive income	19(b)	1,716,900	6,219,800
– Financial investments at amortised cost	19(c)	21,106,079	30,695,700
Total		22,822,979	36,915,500

The above financial assets are pledged by the Group as collaterals for liabilities under repurchase agreements.

(b) Received pledged assets

The Group conducts resale agreements under the usual and customary terms of placements, and holds collaterals for these transactions. As at 30 June 2025, fair value of the received pledged assets is RMB36,045.40 million (31 December 2024: RMB23,946.36 million).

27 Borrowing from the central bank

	30 June 2025	31 December 2024
Due to central bank	39,590,782	43,793,210
Interest accrued	87,584	242,298
Total	39,678,366	44,035,508

Borrowing from the central bank mainly includes borrowing from the central bank and rediscounting with the central bank.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

28 Deposits from banks and other financial institutions

Analysed by type and location of counterparty

	30 June 2025	31 December 2024
In mainland China		
– Banks	3,512,970	2,858,990
– Other financial institutions	43,547,429	49,515,297
Sub-total	47,060,399	52,374,287
Accrued interest	264,722	284,268
Total	47,325,121	52,658,555

29 Placements from banks and other financial institutions

	30 June 2025	31 December 2024
In mainland China		
– Banks	58,241,838	52,274,211
– Other financial institutions	9,355,500	8,066,000
Sub-total	67,597,338	60,340,211
Outside mainland China		
– Banks	331,173	–
Sub-total	67,928,511	60,340,211
Accrued interest	397,389	431,388
Total	68,325,900	60,771,599

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

30 Financial assets sold under repurchase agreements

(a) Analysed by type and location of counterparty

	30 June 2025	31 December 2024
In mainland China – Banks	22,808,360	34,865,190
Accrued interest	3,861	9,627
Total	22,812,221	34,874,817

(b) Analysed by type of collateral

	30 June 2025	31 December 2024
Debt securities	22,808,360	34,865,190
Accrued interest	3,861	9,627
Total	22,812,221	34,874,817

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

31 Deposits from customers

	Note	30 June 2025	31 December 2024
Demand deposits			
– Corporate customers		126,442,649	128,926,742
– Individual customers		110,802,748	102,655,501
Sub-total		237,245,397	231,582,243
Time deposits			
– Corporate customers		136,702,263	151,807,130
– Individual customers		484,330,988	456,284,582
Sub-total		621,033,251	608,091,712
Pledged deposits		77,315,136	41,683,089
Convertible negotiated deposits	(a)	8,000,000	8,000,000
Inward and outward remittances		81,333	77,224
Sub-total		943,675,117	889,434,268
Accrued interest		21,192,887	22,365,519
Total		964,868,004	911,799,787

Notes:

- (a) On 19 January 2023, after obtaining the proceeds from issuance of Local Government Special Debt by Henan Provincial Department of Finance, Zhengzhou Finance Bureau deposited the relevant funds in the form of negotiated deposit into the special RMB deposit account opened with the Bank. With Henan Provincial Department of Finance's consents to the conversion, when the core tier-1 capital adequacy ratio of the Bank is lower than 5.125%, and upon the satisfaction of specific requirements on the Minimum Public Float prescribed by The Stock Exchange of Hong Kong Limited, Zhengzhou Finance Bureau shall convert the negotiated deposits into ordinary shares of the Bank in accordance with laws and regulations. If the conversion conditions are not satisfied, the principal of the convertible negotiated deposit is repayable by equal annual installments based on the total par value of the convertible negotiated deposit from 2028, i.e. 20% of the principal is repaid annually, amounting to RMB1.6 billion.

During the term of the convertible negotiated deposits, the Bank shall report the changes in the core tier-1 capital adequacy ratio of the previous quarter by the twentieth day of the first month of each quarter to Zhengzhou Finance Bureau. When the core tier-1 capital adequacy ratio of the Bank drops to 7.50%, and early warning is triggered, the Bank shall promptly inform Zhengzhou Finance Bureau of the situation, formulate emergency plans, and actively take emergency measures to improve the ability to resist risks and avoid the occurrence of triggering events.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

32 Debt securities issued

	Note	30 June 2025	31 December 2024
Interbank deposits issued	(a)	139,009,972	128,674,600
Financial bonds	(b)	4,997,808	9,996,939
Tier-2 capital bonds	(c)	7,999,530	7,999,563
Sub-total		152,007,310	146,671,102
Accrued interest		263,170	207,345
Total		152,270,480	146,878,447

Notes:

- (a) For the six months ended 30 June 2025, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB122,090.00 million with duration between 1-12 months. The coupon rates ranged from 1.63% to 2.12% per annum.

For the year ended 31 December 2024, the Bank issued a number of certificates of interbank deposits with total nominal amount of RMB266,180.00 million with duration between 1-12 months. The coupon rates ranged from 1.67% to 2.55% per annum.

As at 30 June 2025, the fair value of interbank deposits issued was RMB139,410.73 million (31 December 2024: RMB128,241.69 million).

- (b) On 12 May 2022, 9 June 2022 and 19 September 2024, the Bank issued three fixed-rate financial bonds with a total notional amount of RMB10,000 million. Pursuant to the agreement, all of the three bonds had a term of 3 years. The coupon rate were 2.95%, 2.90% and 2.10% per annum respectively.

The bank redeemed two out of three financial bonds with a total notional amount of RMB5,000 million during the first half of 2025.

As at 30 June 2025, the fair value of financial bonds issued was RMB5,116.61 million (31 December 2024: RMB10,071.60 million).

- (c) Fixed rate tier-2 capital bonds of RMB8,000 million with a term of 10 years was issued in July 2024 and will mature in July 2034. The coupon rate is 2.35% per annum.

As at 30 June 2025, the fair value of tier-2 capital bonds issued was RMB8,199.14 million (31 December 2024: RMB7,984.70 million).

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

33 Other liabilities

	Note	30 June 2025	31 December 2024
Finance lease deposits		2,759,820	3,164,332
Accrued staff cost	(a)	2,510,557	3,604,691
Payment and collection clearance accounts		1,063,631	1,279,767
Lease liabilities		434,056	477,429
Other tax payable		987,970	960,831
Provisions	(b)	641,581	467,165
Dividend payable		612,869	175,114
Other payable		2,374,474	3,335,314
Total		11,384,958	13,464,643

(a) Accrued staff cost

	30 June 2025	31 December 2024
Salary, bonuses and allowances payable	1,663,544	2,735,504
Supplementary retirement benefits payable	539,127	536,021
Labour union fee, staff and workers' education fee	228,733	232,367
Social insurance payable	74,662	93,140
Housing allowances payable	4,491	7,659
Total	2,510,557	3,604,691

(b) Provisions

	Note	30 June 2025	31 December 2024
Litigations and disputes provision		171,133	130,102
Credit commitments provision	(i)	470,448	337,063
Total		641,581	467,165

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

33 Other liabilities (Continued)

(b) Provisions (Continued)

(i) Movements of credit commitments provision are as follows:

	Six months ended 30 June 2025			
	12-month expected credit losses	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	Total
Balance at 1 January 2025	334,092	2,971	–	337,063
Transfers:				
– to 12-month expected credit losses	335	(335)	–	–
– to lifetime expected credit losses				
– not credit-impaired	(39)	39	–	–
Charge for the period	127,343	6,100	–	133,443
Exchange differences and others	(58)	–	–	(58)
Balance at 30 June 2025	461,673	8,775	–	470,448

	Year ended 31 December 2024			
	12-month expected credit losses	Lifetime expected credit losses not credit-impaired	Lifetime expected credit losses credit-impaired	Total
Balance at 1 January 2024	328,776	1,716	6,806	337,298
Transfers:				
– to lifetime expected credit losses				
– not credit-impaired	(14)	14	–	–
Charge/(release) for the year	5,748	1,241	(6,806)	183
Loss of control of a subsidiary	(533)	–	–	(533)
Exchange differences and others	115	–	–	115
Balance at 31 December 2024	334,092	2,971	–	337,063

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

34 Share capital

The share capital of the Group as at 30 June 2025 and 31 December 2024 represents the paid-up share capital of the Bank.

	30 June 2025	31 December 2024
Ordinary shares in Mainland China	29,604,823	29,604,823
Ordinary shares listed in Hong Kong (H-share)	6,945,000	6,945,000
Total	36,549,823	36,549,823

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

35 Reserves

(a) Capital reserve

	30 June 2025	31 December 2024
Share premium	19,181,529	19,181,529
Other capital reserve	(177,155)	(177,155)
Total	19,004,374	19,004,374

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

35 Reserves (Continued)

(b) Surplus reserve

The surplus reserve at the end of 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 as on an annual basis determined under the China Accounting Standards for Business Enterprises, 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

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. If this is difficult to reach 1.5% at one time, general reserve could be set aside by years, which should not exceed 5 years in principle.

(d) Other reserves

	Note	30 June 2025	31 December 2024
Investment revaluation reserve	(i)	1,052,275	1,725,537
Impairment reserve	(ii)	31,384	470,481
Deficit on remeasurement of net defined benefit liability	(iii)	(90,097)	(73,054)
Share of reserve of an associate	(iv)	267	661
Total		993,829	2,123,625

(i) Investment revaluation reserve

	2025	2024
As at 1 January	1,725,537	417,855
Changes in fair value recognised in other comprehensive income	419,843	1,741,553
Transfer to profit or loss upon disposal	(1,312,141)	(1,227)
Less: deferred income tax	219,036	(432,644)
As at 30 June/31 December	1,052,275	1,725,537

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

35 Reserves (Continued)

(d) Other reserves (Continued)

(ii) Impairment reserve

	2025	2024
As at 1 January	470,481	473,806
Impairment losses reversed in other comprehensive income	(439,097)	(3,325)
As at 30 June/31 December	31,384	470,481

(iii) Deficit on remeasurement of net defined benefit liability

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

	2025	2024
As at 1 January	(73,054)	(44,976)
Changes in fair value recognised in other comprehensive income	(17,043)	(28,078)
As at 30 June/31 December	(90,097)	(73,054)

(iv) Share of reserve of associate

	2025	2024
As at 1 January	661	—
Share of investment revaluation reserve of the investee	(394)	661
As at 30 June/31 December	267	661

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

36 Retained earnings

(a) Appropriation of profits

The Bank did not declare interim dividend for the six months ended 30 June 2025.

In accordance with the resolution of the 2024 annual general meeting of the Bank held on 30 June 2025, the shareholder approved the following profit appropriations for the year ended 31 December 2024:

- Appropriation of statutory surplus reserve of the Bank amounted to RMB314.16 million;
- Appropriation of general reserve of the Bank amounted to RMB155.95 million; and
- Declaration of cash dividend of RMB0.12 per 10 shares before tax and in an aggregation amount of RMB438.60 million to ordinary shareholders; and

In accordance with the resolution of the 2023 annual general meeting of the Bank held on 21 June 2024, the proposed profit appropriations of the Bank for the year ended 31 December 2023 is listed as follows:

- Appropriation of statutory surplus reserve of the Bank amounted to RMB303.51 million;
- Appropriation of general reserve of the Bank amounted to RMB2,700.00 million; and
- The Bank will not distribute cash dividend to ordinary shareholders.

- (b)** As at 30 June 2025, the consolidated retained profits attributable to equity shareholders of the Bank included an appropriation of RMB609.81 million of surplus reserve made by subsidiaries (2024: RMB609.81 million).

(c) Distribution of interest on perpetual bonds

The Bank distributed a dividend of RMB144.00 million to the perpetual bond holders during the period ended 30 June 2025 (for the year ended 31 December 2024: RMB652.00 million).

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

37 Other equity instruments

Perpetual Bond

(a) Perpetual Bond outstanding:

Financial instrument outstanding	Time issued	Classifications	Dividend yield ratio/ Interest rate	Issue Price (RMB)	Quantities	In RMB million
Perpetual Bonds	2 December 2020	Equity	4.80%	100	10,000,000	1,000.00
Perpetual Bonds	25 June 2021	Equity	4.80%	100	10,000,000	1,000.00
Perpetual Bonds	25 June 2021	Equity	4.80%	100	20,000,000	2,000.00
Perpetual Bonds	15 August 2023	Equity	4.60%	100	100,000,000	10,000.00
Less: issuing cost						(1.06)
Book value						13,998.94

(b) Main clause

With the approvals of relevant regulatory authorities, former Bank of Pingdingshan issued RMB1,000 million and RMB1,000 million of Perpetual Bonds on 2 December 2020 and 25 June 2021 respectively in the National Inter-bank Bond Market. Former Bank of Luoyang issued RMB2,000 million of Perpetual Bond on 25 June 2021 in the National Inter-bank Bond Market. The Bank inherited the above Perpetual Bonds after the completion of the merger by absorption.

With the approvals of relevant regulatory authorities, the Bank issued RMB10,000 million of Perpetual Bonds on 15 August 2023 in the National Inter-bank Bond Market. The funds raised by the Bank from the bonds are used to supplement other tier-1 capital of the Bank in accordance with the relevant laws and approvals by regulatory authorities.

(i) Interest

The unit coupon amount of the perpetual bonds is RMB100. The first 5-year coupon rate of the perpetual bonds inherited by the Bank in 2022 is 4.80%, with the interest rate resettable every 5 years. The first 5-year coupon rate of the perpetual bonds issued by the Bank in 2023 is 4.60%, with the interest rate resettable every 5 years. The coupon rate of the bonds consists of two components: a base rate and a fixed spread.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

37 Other equity instruments (Continued)

Perpetual Bond (Continued)

(b) Main clause (Continued)

(ii) Interest stopper and setting mechanism

The interest payment for Perpetual Bonds is non-cumulative. The Bank shall have the right to cancel, in whole or in part, distributions on the interest payment and any such cancellation shall not constitute an event of default. The Bank may, at its sole discretion, use the proceeds from the cancelled distributions to meet other obligations as they fall due. However, the Bank shall not distribute profits to ordinary shareholders until resumption of full interest payment.

(iii) Order of distribution and liquidation method

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

(iv) Write down conditions

Upon the occurrence of a Non-Viability Trigger Event, the Bank has the right to write down all or part of the nominal amount of the outstanding Perpetual Bonds without the need for the consent of the bond holders.

(v) Redemption

The duration of the Perpetual Bonds is the same as the continuing operation of the Bank. Five years after the issuance date of the Perpetual Bonds, the Bank shall have the right to redeem them in whole or in part on each distribution payment date (including the fifth distribution payment date since the issuance). In the event that the Perpetual Bond is not classified as other tier-1 capital instruments due to unpredicted changes in regulations, the Bank shall have the right to redeem the Perpetual Bonds fully instead of partly.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

38 Involvement with unconsolidated structured entities

(a) Structured entities sponsored by third party institutions in which the Group holds an interest in

The Group holds interests in certain structured entities sponsored by third party institutions through investments in the units issued by these structured entities. Such structured entities include investment management products under trust schemes, investment management products managed by securities companies and wealth management products issued by financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of third party investors. These vehicles are financed through the issue of units to investors.

The following tables set out an analysis of the carrying amounts of interests held by the Group in unconsolidated structured entities, as well as an analysis of the line items in the consolidated statements of financial position in which relevant assets are recognised as at 30 June 2025 and 31 December 2024:

	30 June 2025	
	Carrying amount	Maximum exposure
Financial investments at fair value through profit or loss	31,933,298	31,933,298
Financial investments at amortised cost	11,624,929	11,624,929
Total	43,558,227	43,558,227

	31 December 2024	
	Carrying amount	Maximum exposure
Financial investments at fair value through profit or loss	52,448,872	52,448,872
Financial investments at amortised cost	16,600,176	16,600,176
Total	69,049,048	69,049,048

As at 30 June 2025 and 31 December 2024, the maximum exposures in the unconsolidated structural entities are equal to their carrying amounts.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

38 Involvement with unconsolidated structured entities (Continued)

(b) Structured entities sponsored by the Group which the Group does not consolidate but holds an interest in

The types of unconsolidated structured entities sponsored by the Group include non-principal guaranteed wealth management products. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These structured entities are financed through the issue of units to investors. Interest held by the Group includes investments in units issued by these structured entities and fees charged for providing management services.

As at 30 June 2025 and 31 December 2024, the carrying amounts of the investments in the units issued by these structured entities and management fee receivables being recognised are not material in the consolidated statement of financial position.

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, was RMB60,318.81 million (31 December 2024: RMB66,706.82 million).

(c) Unconsolidated structure entities sponsored by the Group during the reporting periods which the Group does not consolidate but have an interest in

As at 30 June 2025, the aggregated amount of the non-principal guaranteed wealth management products sponsored and issued by the Group after 1 January, but matured before 30 June amounted to RMB68.92 million (31 December 2024: RMB10,683.32 million).

39 Capital management

The Group's capital management includes capital adequacy ratio management, capital financing management and economic capital management, of which the primary focus is on capital adequacy ratio management. The Group calculates the capital adequacy ratio in accordance with guidelines issued by the former CBRC. The capital of the Group is divided into core tier-1 capital, other tier-1 capital and tier-2 capital.

Capital adequacy ratio management is the key in capital management. The capital adequacy ratio reflects the soundness of the Group's operations and risk management capabilities. The main objective in capital adequacy ratio management is to set an optimal capital adequacy ratio that meets the regulatory requirements by benchmarking against the capital adequacy ratio level of leading peer banks with reference to its own business environment and conditions.

The Group considers its strategic development plans, business expansion plans and risk variables when conducting scenario analysis and stress testing and executing other measures to forecast, plan and manage its capital adequacy ratio.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

39 Capital management (Continued)

In accordance with the “Administrative Measures for the Capital of Commercial Banks”, the State Administration of Financial Supervision stipulates that the Group’s core tier-1 capital adequacy ratio should not be lower than 5.00%, tier-1 capital adequacy ratio of not less than 6.00% and capital adequacy ratio of not less than 8.00%.

The on-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, taking into account any eligible collaterals or guarantees. Similar treatment is adopted for off-balance sheet exposure, with adjustments made to reflect the more contingent nature of any potential losses. Market risk-weighted assets are calculated using the standardised approach. Operational risk-weighted assets are calculated using basic indicator approach.

The capital adequacy ratios and related components of the Group illustrated below are computed based on the Group’s financial statements prepared in accordance with the China Accounting Standards.

The Group calculates the capital adequacy ratios from 1 January 2024 in accordance with the Administrative Measures for the Capital of Commercial Banks issued by the National Financial Regulatory Administration in 2023 as follows:

	30 June 2025	31 December 2024
Core tier-1 capital adequacy ratio	8.67%	8.46%
Tier-1 capital adequacy ratio	11.18%	10.93%
Capital adequacy ratio	13.29%	13.02%

	30 June 2025	31 December 2024
Core tier-1 capital	85,110,343	84,621,015
Deductions of core tier-1 capital	(8,228,978)	(8,317,618)
Net core tier-1 capital	76,881,365	76,303,397
Other tier-1 capital	22,296,316	22,273,896
Net tier-1 capital	99,177,681	98,577,293
Tier-2 capital	18,750,221	18,838,593
Net capital base	117,927,902	117,415,886
Total risk weighted assets	887,065,199	901,608,843

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

40 Notes to the consolidated cash flow statement

(a) Net increase/(decrease) in cash and cash equivalents

	Six months ended 30 June	
	2025	2024
Cash and cash equivalents as at 30 June	75,874,783	100,581,337
Less: Cash and cash equivalents as at 1 January	63,630,220	101,193,704
Net increase/(decrease) in cash and cash equivalents	12,244,563	(612,367)

(b) Cash and cash equivalents

	30 June 2025	30 June 2024
Cash on hand	2,066,679	2,036,435
Deposits with the central bank	10,496,094	22,689,813
Deposits with banks and other financial institutions	28,007,626	24,497,240
Financial assets held under resale agreements	34,230,594	41,430,241
Placements with banks and other financial institutions	1,073,790	9,927,608
Total	75,874,783	100,581,337

41 Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

Major shareholders include shareholders of the Bank with direct or indirect 5% or above shareholding, or with the right to appoint a director in the Bank.

Shareholding in the Bank:

	30 June 2025	31 December 2024
Henan Investment Group Co., Ltd.	6.84%	6.69%
Jiangsu Wuzhong Group Co., Ltd.	1.15%	1.15%

(ii) Subsidiaries, associate and joint venture of the Bank

The detailed information of the Bank's subsidiaries, associate and joint venture are set out in Note 21.

(iii) Other related parties

Other related parties can be individuals or enterprises, which include: members of the board of directors 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 and senior management, and close family members of such individuals; and entities controlled or jointly controlled by the major shareholders of the Bank as set out in Note 41(a) or their controlling shareholders.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

41 Related party relationships and transactions (Continued)

(b) Related party transactions and balances

(i) Transactions between the Bank and major shareholders:

	Six months ended 30 June	
	2025	2024
Transactions during the reporting period:		
Interest income	20,420	8,518
Interest expense	2,275	539
Operating expenses	854	–
	30 June	31 December
	2025	2024
Balances at end of the reporting period/year:		
Loans and advances to customers	1,228,125	1,233,242
Right-of-use assets	5,318	2,527
Deposits from customers	351,533	45,673
Lease liabilities	1,556	2,386

(ii) Transactions between the Bank and subsidiaries:

The subsidiaries of the Bank are its related parties. The transactions between the Bank and its subsidiaries and among the subsidiaries are eliminated on consolidation and therefore are not disclosed in this interim financial report.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

41 Related party relationships and transactions (Continued)

(b) Related party transactions and balances (Continued)

(iii) Transactions between the Bank and other related parties, associate and joint venture:

	Six months ended 30 June	
	2025	2024
Transactions during the reporting period:		
Interest income	351,392	292,874
Interest expense	67,964	63,275
Net gains arising from investment securities	6,857	–
Operating expenses	97	–
Disposal of assets	264,835	246
	30 June 2025	31 December 2024
Balances at end of the reporting period/year:		
Loans and advances to customers	11,415,169	14,278,250
Financial investments	1,480,927	545,243
Lease receivables	344,027	464,563
Deposits with banks and other financial institutions	–	1,656,478
Placements with banks and other financial institutions	3,870,204	3,025,936
Financial assets held under resale agreements	2,000,795	–
Right-of-use assets	1,276	–
Deposits from customers	6,897,472	5,437,552
Deposits from banks and other financial institutions	990,369	1,313,281
Lease liabilities	958	–
Finance lease deposits	1,560	–
	30 June 2025	31 December 2024
Balances of items off the consolidated statement of financial position outstanding at the end of the reporting period/year:		
Bank acceptances	5,248,259	3,217,072
Letters of credit	301,060	258,000
Letters of guarantees	5,100	5,100
Loan commitments	500	–

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

41 Related party relationships and transactions (Continued)

(c) Key management personnel

The key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group, directly or indirectly, including members of the board of directors, the supervisory board and executive officers.

(i) Transactions between the Bank and key management personnel

	Six months ended 30 June	
	2025	2024
Transactions during the reporting period:		
Interest income	54	54
Interest expense	27	30
	30 June 2025	31 December 2024
Balances at end of the reporting period/year:		
Loans and advances to customers	3,859	3,442
Deposits from customers	6,112	7,709

(ii) Key management personnel compensation

The aggregate compensation of key management personnel is listed as follows:

	Six months ended 30 June	
	2025	2024
Salaries and other emoluments	4,987	6,665
Discretionary bonuses	1,964	2,437
Contribution by the employer to social insurance and welfare plans, housing allowance, etc.	607	820
Total	7,558	9,922

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

42 Segment reporting

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 financing and deposit taking activities, agency services, consulting and advisory services, remittance and settlement services and guarantee services.

Retail banking

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

Financial markets business

This segment covers the Group's financial markets business operations. The financial markets business enters into inter-bank money market transactions, repurchases transactions and investments. It also trades in debt securities. The financial markets business segment also covers management of the Group's overall liquidity position, including the issuance of debts.

Others

These represent assets, liabilities, income and expenses which cannot directly attributable or cannot be allocated to a segment on a reasonable basis.

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 and expense earned from third parties are referred to as "external net interest income/expense". Net income and expense arising from internal charges and transfer pricing adjustments are referred to as "internal net interest income/expense".

Segment income, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment income, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process. Segment capital expenditure is the total cost incurred during the six months ended 30 June 2025 and 2024 to acquire property and equipment, intangible assets and other long-term assets.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

42 Segment reporting (Continued)

	Six months ended 30 June 2025				
	Corporate banking	Retail banking	Financial market business	Others	Total
Operating income					
External net interest income/(expense)	9,317,243	(878,021)	2,611,359	–	11,050,581
Internal net interest (expense)/income	(3,435,642)	5,042,570	(1,606,928)	–	–
Net interest income	5,881,601	4,164,549	1,004,431	–	11,050,581
Net fee and commission income	641,077	319,625	275,827	–	1,236,529
Net trading gains	(82,134)	–	424,444	–	342,310
Net gains arising from investment securities	1,675	–	873,886	–	875,561
Other operating income	11,980	10,666	2,031	32,806	57,483
Sub-total	6,454,199	4,494,840	2,580,619	32,806	13,562,464
Operating expenses	(1,366,638)	(1,829,591)	(501,686)	(371,239)	(4,069,154)
Impairment losses on assets	(5,888,119)	(1,068,019)	(1,110,221)	(4,511)	(8,070,870)
Share of results of associate and joint venture	–	–	83,402	–	83,402
(Loss) /profit before tax	(800,558)	1,597,230	1,052,114	(342,944)	1,505,842
Other segment information					
– Depreciation and amortisation	251,917	233,879	143,494	1,451	630,741
– Capital expenditure	227,642	211,342	129,666	1,311	569,961

	30 June 2025				
	Corporate banking	Retail banking	Financial market business	Others	Total
Segment assets	559,647,920	300,803,001	528,126,589	6,541,227	1,395,118,737
Deferred tax assets	–	–	–	12,807,763	12,807,763
Total assets	559,647,920	300,803,001	528,126,589	19,348,990	1,407,926,500
Segment liabilities	354,309,644	614,905,519	331,494,045	6,438,715	1,307,147,923
Total liabilities	354,309,644	614,905,519	331,494,045	6,438,715	1,307,147,923

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

42 Segment reporting (Continued)

	Six months ended 30 June 2024				
	Corporate banking	Retail banking	Financial market business	Others	Total
Operating income					
External net interest income/(expense)	9,608,897	(880,943)	1,976,227	–	10,704,181
Internal net interest (expense)/income	(2,613,527)	4,112,869	(1,499,342)	–	–
Net interest income	6,995,370	3,231,926	476,885	–	10,704,181
Net fee and commission income	842,818	144,844	289,852	–	1,277,514
Net trading gains	73,555	–	419,098	–	492,653
Net gains arising from investment securities	3,808	–	1,385,004	–	1,388,812
Other operating income	76,156	6,800	4,473	41,543	128,972
Sub-total	7,991,707	3,383,570	2,575,312	41,543	13,992,132
Operating expenses	(1,641,548)	(1,845,685)	(541,515)	(367,539)	(4,396,287)
Impairment losses on assets	(6,732,550)	(1,136,581)	(208,632)	(18,572)	(8,096,335)
Share of results of associate and joint venture	–	–	74,827	–	74,827
(Loss) /profit before tax	(382,391)	401,304	1,899,992	(344,568)	1,574,337
Other segment information					
– Depreciation and amortisation	348,302	267,054	175,658	1,665	792,679
– Capital expenditure	62,884	48,215	31,714	301	143,114
	31 December 2024				
	Corporate banking	Retail banking	Financial market business	Others	Total
Segment assets	577,830,151	294,706,529	475,804,038	5,608,112	1,353,948,830
Deferred tax assets	–	–	–	11,248,143	11,248,143
Total assets	577,830,151	294,706,529	475,804,038	16,856,255	1,365,196,973
Segment liabilities	336,100,812	580,463,069	340,302,674	7,947,104	1,264,813,659
Total liabilities	336,100,812	580,463,069	340,302,674	7,947,104	1,264,813,659

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management

The Group has exposure to the following risks from its financial instruments: credit risk, market risk, liquidity risk and operational risk.

This note presents information about the Group's exposure to each of these risks and their sources, and the Group's objectives, policies and procedures for measuring and managing these risks.

The Group's risk management policies were established to identify and analyse the risks to which the Group is exposed, to set appropriate risk limits, and to design relevant internal control policies and systems for monitoring risks and adhering to risk limits. Risk management policies and relevant internal control systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Internal Audit Department of the Group undertakes both regular and ad hoc reviews of the compliance of internal control implementation with risk management policies.

(a) Credit risk

Credit risk represents the potential loss that may arise from the failure of a debtor or counterparty to meet its contractual obligation or commitment to the Group. It arises primarily from credit and bond investment portfolios and guarantees granted.

Credit business

The board of directors is responsible for setting the Group's risk management strategy and the overall risk tolerance level. The board also monitors the Group's risk management process and regularly assesses the Group's risk position and risk management strategies. The board gives advice on internal controls relating to risk management. The responsible departments for credit risk management include the Credit Approval Management Department, Credit Management Department, and Risk Management Department. The Risk Management Department is responsible for implementing the Group's overall risk management system. Besides risk monitoring and control, the Risk Management Department is also responsible for formulating risk management policies. To ensure the independence of credit approval, the Credit Approval Department is independent from customer relationship and product management departments. Front office departments of branches carry out credit businesses according to the Group's risk management policies and procedures.

The Group continuously improves the internal control mechanism and strengthens the management of the credit business. The Group has established comprehensive assessment and inquiry mechanisms, assigning the credit management accountability to the relevant departments and individuals.

For corporate and institutional businesses, the Group has established industry-specific limits for credit approval. It has put in place continuous monitoring mechanism, with regular reporting of credit exposures to the board. The Group's credit risk management covers key operational phases, including pre-lending evaluations, credit approval, and post-lending monitoring. With respect to pre-lending evaluations, the Group assesses customer credit ratings and performs integrated analysis on the risk and return of the loan. In the credit approval phase, all credit applications are approved by designated credit officers. During the post-lending monitoring, the Group continually monitors outstanding loans and other credit related businesses. Any adverse events that may significantly affect a borrower's repayment ability are reported immediately, and actions are taken to mitigate the risks.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(a) Credit risk (Continued)

Credit business (Continued)

For personal credit operation business, credit assessment of applicants is used as the basis for loan approval. In the credit assessment, customer relationship managers are required to assess the income level, credit history, and repayment ability of the applicant. The customer relationship managers then forward the application and their recommendations to the loan-approval departments for further approval. The Group monitors borrowers' repayment ability, the status of collateral and any changes to their value during the post-lending phase. Once a loan becomes overdue, the Group starts the recovery process according to standardised loan recovery procedures.

The Group adopts a loan risk classification approach to manage its loan portfolio risk. Loans are generally classified as normal, special mention, substandard, doubtful and loss according to their levels of risk. Substandard, doubtful and loss loans are considered to be impaired loans and advances. They are classified as such when one or more events demonstrate that there is objective evidence of a loss event. The impairment loss is assessed collectively or individually as appropriate.

Financial markets business

The Group sets credit limits for financial markets business operations based on the credit risk inherent in the products, counterparties and geographical areas. Credit risk exposure is closely monitored on a systematic, real-time basis, and credit risk limits are reviewed and updated regularly.

Credit risk management

The financial assets are categorised by the Group into the following stages to manage its financial assets' credit risk:

Stage 1

Financial assets have not experienced a significant increase in credit risk since initial recognition and impairment recognised on the basis of 12-month expected credit losses.

Stage 2

Financial assets have experienced a significant increase in credit risk since initial recognition and impairment is recognised on the basis of lifetime expected credit losses.

Stage 3

Financial assets that are in default and considered credit-impaired.

Significant increase in credit risk

When one or more quantitative, qualitative standards or upper limits are triggered, the Group assumes that credit risk on financial assets has increased significantly.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(a) Credit risk (Continued)

Credit risk management (Continued)

The borrower is listed in the watch list and if one or more of the following criteria are met:

- The credit spread increases significantly;
- Significant changes with an adverse effect that have taken place in the borrower's business, financial and economic status;
- Application of a grace period or debt-restructuring;
- Significant changes with an adverse effect in the borrower's business conditions;
- Decrease in value of the collaterals (for the collateral loans and pledged loans only);
- Indicators of cash flow/liquidity issues, such as late payment of accounts payable/repayment of loans;
- The financial assets is overdue more than 30 days.

The Group uses watch lists to monitor credit risk of financial assets related to loans and treasury operations, and conducts regular assessments at the counterparty level. The standards used in determining whether credit risk increases significantly are regularly monitored and reviewed by the management for the appropriateness.

As at 30 June 2025, the Group did not consider any of its financial assets to have a low credit risk that would warrant not reassessing these financial assets at the end of the reporting period to determine whether there has been a significant increase in credit risk since their initial recognition.

Definition of "default" and "credit-impaired assets"

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor;

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(a) Credit risk (Continued)

Credit risk management (Continued)

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

- the disappearance of an active market for a security because of financial difficulties of the issuer; or
- overdue more than 90 days.

The above criteria apply to all financial assets of the Group and they are consistent with the definition of “default” adopted by the internal management of credit risk.

Measurement of expected credit loss (“ECL”)

The Group adopts ECL model to measures provision for loss of financial assets based on the stages categorised above.

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 collaterals or other credit support.

The Group determines the ECL by estimating the PD, LGD and EAD of individual exposure or asset portfolios in the future months. 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 ECL for the future months. The results of calculation for each month are then discounted to the reporting date and added up. The discount rate used in the calculation of ECL is the initial effective interest rate or its approximate value.

PD is derived based on internal and external ratings, five-level classification or historical data, with forward-looking adjustments.

The Group’s exposure to credit risk can be reasonably grouped into credit risks by using qualitative and quantitative analyses and suggestions from experts, and by taking into account credit risk characteristics such as business types, product attributes or customer characteristics.

The Group updates the ECL assessment on a monthly basis, also makes loss allowance for credit risk based on the assessment results. To ensure that the model parameters adequately reflect the impact of forward-looking information on ECLs, the model parameters are updated at least semi-annually, the implementation of the ECL approach is assessed annually, and a competent independent external third-party institution is engaged to conduct a comprehensive validation on the implementation model under the ECL approach at least once every three years.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(a) Credit risk (Continued)

Credit risk management (Continued)

Measurement of expected credit loss ("ECL") (Continued)

In measuring ECLs of financial instruments, the Group requires to consider all available, reasonable and reliable information that may affect credit risk, uses relevant observable data (e.g., Gross Domestic Product ("GDP"), Consumer Price Index, income of urban residents, etc.).

The Group setting up a variety of basic scenarios in accordance with the Group's operations and the macro-political situation when developing forward-looking information indicators, specifying the weight of different scenarios, and adding extreme scenarios in conjunction with the results of the stress tests when necessary. Adopt a combination of internal expert forecasting methods and data from external institutions to obtain forward-looking information, which may include both domestic information and information about other countries and regions related to credit risk. The forward-looking model is established to determine the adjustments of forward-looking information to the relevant parameters of the ECL assessment model.

As at 30 June 2025, the Group makes forward-looking forecasts of macroeconomic indicators, taking into account the impact of different macroeconomic scenarios and other factors on economic trends. Among these, the quarter-on-quarter GDP at constant prices growth rate used to estimate ECLs ranges from 4.61% to 4.90% in the neutral scenario for the second half of 2025.

Assessing credit risk of financial assets after the amendment of contractual cash flows

In order to achieve maximum collection, the Group may modify the contractual terms of loans due to business negotiations or financial difficulties of the borrowers at times.

Such rescheduling activities include extended payment term arrangements, payment holidays and payment forgiveness. Rescheduling policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. The restructuring of loans is most common in the management of medium and long-term loans. The risk stage can only be adjusted lower if the rescheduled loans are reviewed for at least 6 consecutive months and the corresponding stage classification criteria is reached.

(i) Maximum credit risk exposure

The maximum exposure to credit risk is represented by the net carrying amount of each type of financial assets as at the end of each reporting period.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(a) Credit risk (Continued)

(ii) Financial assets analysed by credit quality are summarised as follows:

	30 June 2025							
	Balance				Provision for impairment losses			
	Assessed for 12-month expected credit losses	Not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired and assessed for lifetime expected credit loss	Total	Assessed for 12-month expected credit losses	Not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired and assessed for lifetime expected credit loss	Total
Financial assets measured at amortised cost (not including accrued interest)								
Cash and deposits with the central bank	58,229,732	–	–	58,229,732	–	–	–	–
Deposits/Placements with banks and other financial institutions	93,145,052	–	19,027	93,164,079	(26,218)	–	(19,027)	(45,245)
Financial assets held under resale agreements	34,230,594	–	–	34,230,594	(4,565)	–	–	(4,565)
Loans and advances to customers	626,982,395	25,031,784	14,350,115	666,364,294	(5,854,227)	(4,539,476)	(12,710,899)	(23,104,602)
Financial investments	231,913,605	1,706,510	27,339,414	260,959,529	(154,865)	(333,983)	(21,287,073)	(21,775,921)
Lease receivables	71,003,571	4,747,202	921,639	76,672,412	(1,230,138)	(1,507,630)	(666,210)	(3,403,978)
Total	1,115,504,949	31,485,496	42,630,195	1,189,620,640	(7,270,013)	(6,381,089)	(34,683,209)	(48,334,311)
Financial assets at fair value through other comprehensive income (not including accrued interest)								
Loans and advances to customers	48,651,954	–	–	48,651,954	(6,048)	–	–	(6,048)
Financial investments	99,109,701	–	–	99,109,701	(35,816)	–	–	(35,816)
Total	147,761,655	–	–	147,761,655	(41,864)	–	–	(41,864)

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(a) Credit risk (Continued)

(ii) Financial assets analysed by credit quality are summarised as follows: (Continued)

31 December 2024								
	Balance			Total	Provision for impairment losses			Total
	Assessed for 12-month expected credit losses	Not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired and assessed for lifetime expected credit loss		Assessed for 12-month expected credit losses	Not credit-impaired and assessed for lifetime expected credit loss	Credit-impaired and assessed for lifetime expected credit loss	
Financial assets measured at amortised cost (not including accrued interest)								
Cash and deposits with the central bank	63,992,951	-	-	63,992,951	-	-	-	-
Deposits/Placements with banks and other financial institutions	65,105,630	-	19,027	65,124,657	(18,185)	-	(19,027)	(37,212)
Financial assets held under resale agreements	23,792,730	-	-	23,792,730	(2,942)	-	-	(2,942)
Loans and advances to customers	617,325,139	23,002,802	14,458,037	654,785,978	(5,962,388)	(4,072,913)	(11,772,729)	(21,808,030)
Financial investments	225,791,202	715,679	28,161,158	254,668,039	(334,016)	(21,468)	(17,538,858)	(17,894,342)
Lease receivables	67,454,495	2,721,036	810,161	70,985,692	(1,240,906)	(927,791)	(608,135)	(2,776,832)
Total	1,063,462,147	26,439,517	43,448,383	1,133,350,047	(7,558,437)	(5,022,172)	(29,938,749)	(42,519,358)
Financial assets at fair value through other comprehensive income (not including accrued interest)								
Loans and advances to customers	59,669,278	-	-	59,669,278	(605,647)	-	-	(605,647)
Financial investments	88,346,221	-	-	88,346,221	(21,680)	-	-	(21,680)
Total	148,015,499	-	-	148,015,499	(627,327)	-	-	(627,327)

As at 30 June 2025, the fair value of collaterals held against loans and advances that are not credit-impaired and assessed for lifetime expected credit losses amounted to RMB42,340.93 million (31 December 2024: RMB31,491.41 million). The fair value of collaterals held against loans and advances that are credit-impaired and assessed for lifetime expected credit losses amounted to RMB4,772.59 million (31 December 2024: RMB4,817.73 million). The collaterals mainly include land, buildings, machinery and equipment, etc. The fair value of collaterals was estimated by the Bank based on the latest external valuations, adjusted in light of disposal experience and current market conditions.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(a) Credit risk (Continued)

(iii) Amounts due from banks and other financial institutions

The 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. Amounts due from banks and non-bank financial institutions are rated with reference to major rating agencies accepted by the People's Bank of China.

	30 June 2025	31 December 2024
Neither overdue nor credit-impaired		
Ratings		
– A to AAA	92,051,364	65,074,609
– unrated	35,961,434	24,357,789
Total	128,012,798	89,432,398

(iv) Debt securities

The Group adopts a credit rating approach in managing the credit risk of the debt securities portfolio. Debt securities are rated with reference to major rating agencies where the issuers of the securities are located. The carrying amounts of debt securities investments analysed by the rating agency designations at the end of the reporting period are as follows:

	30 June 2025	31 December 2024
Neither overdue nor credit-impaired		
Ratings		
– AAA	351,192,405	324,919,901
– AA- to AA+	5,744,583	4,116,141
– A+	3,203,552	–
– unrated	8,745,526	11,184,822
Overdue and credit impaired		
– unrated	–	720,631
Total	368,886,066	340,941,495

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(b) Market risk

Market risk is the risk of loss, in respect of the Group's activities, arising from adverse movements in market rates including interest rates, foreign exchange rates, commodity prices, stock prices and other prices.

The board of directors is ultimately responsible for monitoring the Group's market risk to ensure that the Group has effectively identified, measured and monitored all types of market risk. The Risk and Internal Control Management Committee monitors the market risk management process within the scope authorised by the board of directors, which include review and approval of market risk management strategies, policies and procedures. The Group is primarily exposed to market risk in its financial markets business. The Financial Market Department is responsible for carrying out capital investments and transactions, as well as monitoring and managing the foreign exchange risk on a daily basis. The Asset and Liability Management Department is responsible for monitoring and managing the interest rate risk in bank account. The Risk Management Department is responsible for formulating the market risk management policies and procedures, as well as identifying, measuring and monitoring the Group's market risk.

Sensitivity analysis is a technique which assesses the sensitivity of the Group's overall risk profile and its risk profile for each period with reference to the interest rate risks for different maturities.

Scenario analysis is a multi-factor analysis method which assesses the impact of multiple factors interacting simultaneously, taking into consideration of the probabilities of various scenarios.

Foreign currency gap analysis is a technique which estimates the impact of foreign exchange rate movements on the Group's current profit or loss. The foreign currency gap mainly arises from the currency mismatch in the Group's on/off-balance sheet items.

Sensitivity gap analysis is a technique which estimates the impact of interest rate movements on the Group's current profit or loss. It is used to work out the gap between future cash inflows and outflows by categorising each of the Group's interest-bearing assets and interest-taking liabilities into different periods based on repricing dates.

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.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(b) Market risk (Continued)

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 financial markets business position.

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 timing 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 measuring, monitoring and managing interest rate risk. The Group regularly performs assessment on the interest rate repricing gap between the assets and liabilities that are sensitive to changes in interest rates and 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.

Trading interest rate risk

Trading interest rate risk mainly arises from the financial markets business’ investment portfolios. Interest rate risk is monitored using the effective duration analysis method. The Group employs other supplementary methods to measure its interest rate sensitivity, which is expressed as changes in the investment portfolios’ fair value given a 100 basis points (1%) movement in the interest rates.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(b) Market risk (Continued)

Interest rate risk (Continued)

- (i) The following tables indicate the assets and liabilities at 30 June by the expected next repricing dates or by maturity dates, depending on which is earlier:

	30 June 2025					Total
	Within three months	Three months to one year	One year to five years	More than five years	Non-interest bearing	
Assets						
Cash and deposits with the central bank	58,229,732	–	–	–	2,088,542	60,318,274
Deposits with banks and other financial institutions	38,417,925	4,602,769	–	–	113,383	43,134,077
Placements with banks and other financial institutions	16,521,329	29,478,784	4,098,027	–	548,169	50,646,309
Derivative financial assets	–	–	–	–	51,092	51,092
Financial assets held under resale agreements	34,232,412	–	–	–	–	34,232,412
Loans and advances to customers (Note (1))	326,826,225	185,402,178	110,193,519	69,647,318	6,616,368	698,685,608
Financial investments (Note (2))	21,356,190	65,855,907	156,649,328	169,878,033	1,902,036	415,641,494
Lease receivables (Note (3))	1,249,145	25,649,367	44,295,085	2,074,837	–	73,268,434
Others	–	–	–	–	31,948,800	31,948,800
Total assets	496,832,958	310,989,005	315,235,959	241,600,188	43,268,390	1,407,926,500
Liabilities						
Borrowing from the central bank	10,076,952	29,513,830	–	–	87,584	39,678,366
Deposits from banks and other financial institutions	17,866,103	29,150,000	44,296	–	264,722	47,325,121
Placements from banks and other financial institutions	32,714,480	34,115,200	1,098,831	–	397,389	68,325,900
Derivative financial liabilities	–	–	–	–	11,631	11,631
Financial assets sold under repurchase agreements	22,808,360	–	–	–	3,861	22,812,221
Deposits from customers	377,152,098	342,063,962	216,453,073	8,005,984	21,192,887	964,868,004
Debt securities issued	57,826,613	81,183,359	4,997,808	7,999,530	263,170	152,270,480
Others	110,499	133,876	599,732	217,998	10,794,095	11,856,200
Total liabilities	518,555,105	516,160,227	223,193,740	16,223,512	33,015,339	1,307,147,923
Asset-liability gap	(21,722,147)	(205,171,222)	92,042,219	225,376,676	10,253,051	100,778,577

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(b) Market risk (Continued)

Interest rate risk (Continued)

- (i) The following tables indicate the assets and liabilities at 31 December by the expected next repricing dates or by maturity dates, depending on which is earlier:

	31 December 2024					
	Within three months	Three months to one year	One year to five years	More than five years	Non-interest bearing	Total
Assets						
Cash and deposits with the central bank	63,992,951	–	–	–	1,835,481	65,828,432
Deposits with banks and other financial institutions	17,428,343	4,634,000	–	–	52,501	22,114,844
Placements with banks and other financial institutions	19,505,102	23,520,000	–	–	495,001	43,520,103
Derivative financial assets	–	–	–	–	21,565	21,565
Financial assets held under resale agreements	23,789,788	–	–	–	7,663	23,797,451
Loans and advances to customers (Note (1))	343,092,371	168,361,778	116,987,363	64,205,714	5,197,970	697,845,196
Financial investments (Note (2))	21,112,447	44,124,912	167,793,464	164,780,917	16,041,044	413,852,784
Lease receivables (Note (3))	3,799,444	20,038,098	42,290,305	2,081,013	–	68,208,860
Others	–	–	–	–	30,007,738	30,007,738
Total assets	492,720,446	260,678,788	327,071,132	231,067,644	53,658,963	1,365,196,973
Liabilities						
Borrowing from the central bank	16,813,371	26,979,839	–	–	242,298	44,035,508
Deposits from banks and other financial institutions	21,441,787	30,930,000	2,500	–	284,268	52,658,555
Placements from banks and other financial institutions	17,789,490	42,129,670	421,051	–	431,388	60,771,599
Derivative financial liabilities	–	–	–	–	174,230	174,230
Financial assets sold under repurchase agreements	34,865,190	–	–	–	9,627	34,874,817
Deposits from customers	419,169,112	222,834,459	242,630,697	4,800,000	22,365,519	911,799,787
Debt securities issued	44,414,028	89,260,175	4,997,335	7,999,564	207,345	146,878,447
Others	523,652	862,892	2,601,383	217,311	9,415,478	13,620,716
Total liabilities	555,016,630	412,997,035	250,652,966	13,016,875	33,130,153	1,264,813,659
Asset-liability gap	(62,296,184)	(152,318,247)	76,418,166	218,050,769	20,528,810	100,383,314

Notes:

- As at 30 June 2025, for loans and advances to customers, the category “Within three months” includes overdue amounts (net of provision for impairment losses) of RMB7,187.52 million (31 December 2024: RMB11,546.66 million).
- As at 30 June 2025, for financial investments, the category “Within three months” includes overdue amounts (net of provision for impairment losses) of RMB5,224.99 million (31 December 2024: RMB10,220.22 million).
- As at 30 June 2025, for lease receivables, the category “Within three months” includes overdue amounts (net of provision for impairment losses) of RMB357.73 million (31 December 2024: RMB535.65 million).

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(b) Market risk (Continued)

Interest rate risk (Continued)

(ii) Interest rate sensitivity analysis

	30 June 2025 (Decrease)/ increase	31 December 2024 (Decrease)/ increase
Changes in net profit		
Up 100 basis points ("bps") parallel shift in yield curves	(719,596)	(973,595)
Down 100 bps parallel shift in yield curves	719,596	973,595
Changes in equity		
Up 100 bps parallel shift in yield curves	(2,219,857)	(3,151,047)
Down 100 bps parallel shift in yield curves	2,439,661	3,403,810

The sensitivity analysis above is based on a static interest rate risk profile of the Group's assets and liabilities. This analysis measures only the impact of changes in interest rates within one year, showing how annualised net profit or loss and equity would have been affected by 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 reporting period. The sensitivity analysis is based on the following assumptions:

- Interest rate movements at the end of each of the reporting period apply to non-derivative financial instruments of the Group;
- At the end of each of the reporting period, an interest rate movement of 100 basis points is based on the assumption of interest rates movement over the next 12 months;
- There is a parallel shift in the yield curve with the changes in interest rates;
- There are no other changes to the assets and liabilities portfolio;
- Other variables (including exchange rates) remain unchanged; and
- The analysis does not take into account the effect of risk management measures taken by the management.

Due to the adoption of the aforementioned assumptions, the actual changes in the Group's net profit or loss and equity caused by an increase or decrease in interest rates might vary from the estimated results of this sensitivity analysis.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(b) Market risk (Continued)

Foreign currency risk

The Group's currency risk mainly arises from foreign currency deposits with banks and other financial institutions. 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	USD (RMB Equivalent)	HKD (RMB Equivalent)	Others (RMB Equivalent)	Total (RMB Equivalent)
Assets					
Cash and deposits with the central bank	60,305,362	12,885	27	–	60,318,274
Deposits with banks and other financial institutions	41,115,551	662,551	1,277,786	78,189	43,134,077
Placements with banks and other financial institutions	49,572,519	1,073,790	–	–	50,646,309
Financial assets held under resale agreements	34,232,412	–	–	–	34,232,412
Loans and advances to customers	698,685,608	–	–	–	698,685,608
Financial investments	411,986,109	3,655,385	–	–	415,641,494
Lease receivables	73,268,434	–	–	–	73,268,434
Derivative financial assets	51,092	–	–	–	51,092
Others	31,678,442	245,497	24,861	–	31,948,800
Total assets	1,400,895,529	5,650,108	1,302,674	78,189	1,407,926,500
Liabilities					
Borrowing from the central bank	39,678,366	–	–	–	39,678,366
Deposits from banks and other financial institutions	47,325,120	1	–	–	47,325,121
Placements from banks and other financial institutions	68,254,314	71,586	–	–	68,325,900
Financial assets sold under repurchase agreements	22,096,089	716,132	–	–	22,812,221
Deposits from customers	964,613,571	237,612	463	16,358	964,868,004
Debt securities issued	152,270,480	–	–	–	152,270,480
Derivative financial liabilities	11,631	–	–	–	11,631
Others	6,165,287	4,479,369	1,141,451	70,093	11,856,200
Total liabilities	1,300,414,858	5,504,700	1,141,914	86,451	1,307,147,923
Asset-liability gap	100,480,671	145,408	160,760	(8,262)	100,778,577

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(b) Market risk (Continued)

Foreign currency risk (Continued)

31 December 2024					
	RMB	USD (RMB Equivalent)	HKD (RMB Equivalent)	Others (RMB Equivalent)	Total (RMB Equivalent)
Assets					
Cash and deposits with the central bank	65,818,647	7,690	496	1,599	65,828,432
Deposits with banks and other financial institutions	19,066,922	1,707,695	1,298,702	41,525	22,114,844
Placements with banks and other financial institutions	43,304,424	215,679	–	–	43,520,103
Financial assets held under resale agreements	23,797,451	–	–	–	23,797,451
Loans and advances to customers	697,845,196	–	–	–	697,845,196
Financial investments	409,618,841	3,927,993	305,950	–	413,852,784
Lease receivables	68,208,860	–	–	–	68,208,860
Derivative financial assets	21,565	–	–	–	21,565
Others	29,793,763	188,730	25,245	–	30,007,738
Total assets	1,357,475,669	6,047,787	1,630,393	43,124	1,365,196,973
Liabilities					
Borrowing from the central bank	44,035,508	–	–	–	44,035,508
Deposits from banks and other financial institutions	52,658,554	1	–	–	52,658,555
Placements from banks and other financial institutions	60,771,599	–	–	–	60,771,599
Financial assets sold under repurchase agreements	34,874,817	–	–	–	34,874,817
Deposits from customers	911,605,299	176,138	292	18,058	911,799,787
Debt securities issued	146,878,447	–	–	–	146,878,447
Derivative financial liabilities	174,230	–	–	–	174,230
Others	7,208,721	5,362,410	1,049,585	–	13,620,716
Total liabilities	1,258,207,175	5,538,549	1,049,877	18,058	1,264,813,659
Asset-liability gap	99,268,494	509,238	580,516	25,066	100,383,314

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(b) Market risk (Continued)

Foreign currency risk (Continued)

	30 June 2025 Increase/ (decrease)	31 December 2024 Increase/ (decrease)
Changes in net profit and equity		
Up 100 bps change of foreign exchange rate	2,234	8,361
Down 100 bps change of foreign exchange rate	(2,234)	(8,361)

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;
- All the position will be held and keep unchanged after maturity; 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 Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 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 sustain its asset business or meet repayment obligations. This risk exists even if a bank's solvency remains strong. In accordance with liquidity policies, the Group monitors the future cash flows and maintains an appropriate level of highly liquid assets.

The Asset and Liability Management Committee ("ALMC") is responsible for managing the Group's overall liquidity risk. The ALMC is responsible for the formulation of the liquidity policies in accordance with regulatory requirements and prudential principles. Such policies include:

- Maintaining liquidity at a stable and sufficient level; establishing integrated liquidity risk management system; ensuring the meeting on a timely basis of liquidity requirements and the payment of assets, liabilities, and off-balance sheet business, whether under a normal operating environment or a state of stress; balancing the effectiveness and security of funds in an efficient manner; and
- Making timely and reasonable adjustments to capital structure and scale in response to market changes and business developments; pursuing profit maximisation and cost minimisation to a modest extent while ensuring appropriate liquidity; achieving the integration of the security, liquidity, and effectiveness of the Bank's funds.

The Asset and Liability Management Department takes the lead to execute liquidity management policies and is responsible for formulating and revising the liquidity management strategies, and for identifying, measuring, monitoring and releasing the liquidity risk of the Bank. It is also responsible for managing and forecasting the working capital on a regular basis and ensuring the liquidity of working capital meets management requirements based on the liquidity strategies. The Finance Market Department is responsible for performing the operation following the instructions of the Asset and Liability Management Department. Significant disbursement or portfolio changes must be reported to the ALMC on a timely basis.

A substantial portion of the Group's assets are funded by deposits from customers. These deposits from customers, which have been growing in recent years, are widely diversified in terms of type and duration and represent a stable source of funds.

The Group principally uses liquidity gap analysis to measure liquidity risk. Scenario analysis and stress testing are also adopted to assess the impact of liquidity risk.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(c) Liquidity risk (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 30 June:

	30 June 2025							Total
	Indefinite (Note (i))	On demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	
Assets								
Cash and deposits with the central bank	47,733,638	12,562,773	–	21,863	–	–	–	60,318,274
Deposits with banks and other financial institutions	–	14,879,407	7,423,332	16,228,569	4,602,769	–	–	43,134,077
Placements with banks and other financial institutions	–	–	7,070,918	9,998,580	29,478,784	4,098,027	–	50,646,309
Derivative financial assets	–	–	8	118	48,307	2,659	–	51,092
Financial assets held under resale agreements	–	–	34,232,412	–	–	–	–	34,232,412
Loans and advances to customers	12,118,288	6,518,095	55,353,686	53,344,070	227,945,354	153,688,805	189,717,310	698,685,608
Financial investments	5,228,372	–	5,622,529	11,590,776	66,794,907	160,730,945	165,673,965	415,641,494
Lease receivables	62,227	36,087	129,385	809,840	8,361,083	55,952,997	7,916,815	73,268,434
Others	30,301,049	–	227,765	21,174	198,598	313,033	887,181	31,948,800
Total assets	95,443,574	33,996,362	110,060,035	92,014,990	337,429,802	374,786,466	364,195,271	1,407,926,500
Liabilities								
Borrowing from the central bank	–	921	3,771,105	6,370,600	29,535,740	–	–	39,678,366
Deposits from banks and other financial institutions	–	1,920,103	6,970,057	9,001,388	29,387,532	46,041	–	47,325,121
Placements from banks and other financial institutions	–	–	10,699,362	17,437,913	38,500,213	1,688,412	–	68,325,900
Derivative financial liabilities	–	–	–	–	8,972	2,659	–	11,631
Financial assets sold under repurchase agreements	–	–	22,812,221	–	–	–	–	22,812,221
Deposits from customers	–	260,417,309	36,748,322	82,881,458	352,707,337	224,108,806	8,004,772	964,868,004
Debt securities issued	–	–	17,794,579	40,032,034	81,183,359	5,078,644	8,181,864	152,270,480
Others	–	10,355,497	99,523	488,751	275,381	459,063	177,985	11,856,200
Total liabilities	–	272,693,830	98,895,169	156,212,144	531,598,534	231,383,625	16,364,621	1,307,147,923
Long/(short) position	95,443,574	(238,697,468)	11,164,866	(64,197,154)	(194,168,732)	143,402,841	347,830,650	100,778,577

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(c) Liquidity risk (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 31 December:

	31 December 2024							
	Indefinite (Note (i))	On demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years	Total
Assets								
Cash and deposits with the central bank	45,104,794	20,700,860	–	22,778	–	–	–	65,828,432
Deposits with banks and other financial institutions	–	10,480,844	3,402,500	3,597,500	4,634,000	–	–	22,114,844
Placements with banks and other financial institutions	–	–	4,746,066	15,057,306	23,716,731	–	–	43,520,103
Derivative financial assets	–	–	–	–	10,068	11,497	–	21,565
Financial assets held under resale agreements	–	–	23,797,451	–	–	–	–	23,797,451
Loans and advances to customers	10,311,608	4,682,789	59,510,836	80,083,891	201,370,702	160,084,653	181,800,717	697,845,196
Financial investments	12,073,797	639,750	5,923,438	15,719,841	45,117,577	171,627,253	162,751,128	413,852,784
Lease receivables	334,991	205,698	500,613	813,910	5,953,001	53,020,887	7,379,760	68,208,860
Others	28,571,217	–	63,199	26,295	196,974	272,748	877,305	30,007,738
Total assets	96,396,407	36,709,941	97,944,103	115,321,521	280,999,053	385,017,038	352,808,910	1,365,196,973
Liabilities								
Borrowing from the central bank	–	921	5,839,723	11,156,303	27,038,561	–	–	44,035,508
Deposits from banks and other financial institutions	–	3,103,055	11,413,000	7,210,000	30,930,000	2,500	–	52,658,555
Placements from banks and other financial institutions	–	–	7,187,495	10,765,494	42,391,064	427,546	–	60,771,599
Derivative financial liabilities	–	–	–	149,929	8,641	15,660	–	174,230
Financial assets sold under repurchase agreements	–	–	34,874,817	–	–	–	–	34,874,817
Deposits from customers	–	243,441,809	80,802,357	105,473,291	228,428,648	248,853,682	4,800,000	911,799,787
Debt securities issued	–	–	7,662,896	36,751,132	89,349,647	5,026,102	8,088,670	146,878,447
Others	–	9,472,949	212,359	292,219	836,477	2,589,401	217,311	13,620,716
Total liabilities	–	256,018,734	147,992,647	171,798,368	418,983,038	256,914,891	13,105,981	1,264,813,659
Long/(short) position	96,396,407	(219,308,793)	(50,048,544)	(56,476,847)	(137,983,985)	128,102,147	339,702,929	100,383,314

Note:

- (i) Cash and deposits with the central bank listed in the category of indefinite represents the statutory deposit reserves and fiscal deposits with the central bank. Loans and advances to customers and lease receivables listed in the category of indefinite includes all the credit-impaired loans and lease receivables, as well as those overdue more than one month. Loans and advances to customers and lease receivables with no impairment but overdue within one month are classified into the category of recoverable on demand. Financial investments listed in the category of indefinite represent credit-impaired investments or those overdue more than one month. Financial investments with no impairment but overdue within one month are classified into the category of recoverable on demand. Equity investments are listed in the category of indefinite.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(c) Liquidity risk (Continued)

The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities and loan commitments at 30 June:

	30 June 2025							
	Carrying amount	Contractual undiscounted cash flow	On demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowing from the central bank	39,678,366	39,704,905	921	3,771,451	6,371,165	29,561,368	-	-
Deposits from banks and other financial institutions	47,325,121	47,441,871	1,920,103	6,972,288	9,010,379	29,492,291	46,810	-
Placements from banks and other financial institutions	68,325,900	69,472,260	-	10,756,070	17,556,671	39,353,632	1,805,887	-
Financial assets sold under repurchase agreements	22,812,221	22,812,845	-	22,812,845	-	-	-	-
Deposits from customers	964,868,004	982,485,571	260,417,309	36,769,164	83,142,363	357,270,731	235,123,067	9,762,937
Debt securities issued	152,270,480	155,485,000	-	18,048,000	40,355,000	82,180,000	5,962,000	8,940,000
Lease liabilities	434,056	484,207	-	21,225	48,405	184,491	213,512	16,574
Total non-derivative financial liabilities	1,295,714,148	1,317,886,659	262,338,333	99,151,043	156,483,983	538,042,513	243,151,276	18,719,511
Loan commitments	-	16,189,497	-	16,189,497	-	-	-	-

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(c) Liquidity risk (Continued)

The following tables provide an analysis of the contractual undiscounted cash flow of the non-derivative financial liabilities and loan commitments at 31 December:

	31 December 2024							
	Carrying amount	Contractual undiscounted cash flow	On demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Non-derivative financial liabilities								
Borrowing from the central bank	44,035,508	44,040,034	921	5,840,410	11,158,164	27,040,539	-	-
Deposits from banks and other financial institutions	52,658,555	53,011,576	3,103,055	11,424,499	7,239,312	31,242,035	2,675	-
Placements from banks and other financial institutions	60,771,599	61,451,928	-	7,194,253	10,815,333	43,000,698	441,644	-
Financial assets sold under repurchase agreements	34,874,817	34,880,140	-	34,880,140	-	-	-	-
Deposits from customers	911,799,787	933,163,574	243,441,809	80,984,395	105,873,619	230,812,288	266,753,449	5,298,014
Debt securities issued	146,878,447	150,524,500	-	7,670,000	36,910,000	90,749,500	5,315,000	9,880,000
Lease liabilities	477,429	482,265	-	28,036	23,697	159,514	247,051	23,967
Total non-derivative financial liabilities	1,251,496,142	1,277,554,017	246,545,785	148,021,733	172,020,125	423,004,574	272,759,819	15,201,981
Loan commitments	-	16,178,421	-	16,178,421	-	-	-	-

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(c) Liquidity risk (Continued)

The following tables analyse the Group's contractual undiscounted cash flows of derivative financial instruments to be settled on a net and gross basis as at the end of the reporting period:

	30 June 2025							
	Carrying amount	Contractual undiscounted cash flow	On demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Derivatives settled on net basis								
Foreign exchange forwards	41,392	42,237	–	–	–	42,237	–	–
Interest rate swaps	(1,931)	(2,319)	–	(312)	(99)	(1,908)	–	–
Total	39,461	39,918	–	(312)	(99)	40,329	–	–

	31 December 2024							
	Carrying amount	Contractual undiscounted cash flow	On demand	Within one month	Between one month and three months	Between three months and one year	Between one year and five years	More than five years
Derivatives settled on net basis								
Foreign exchange forwards	(149,929)	(151,357)	–	(151,357)	–	–	–	–
Interest rate swaps	(2,736)	(4,743)	–	(635)	418	(2,669)	(1,857)	–
Total	(152,665)	(156,100)	–	(151,992)	418	(2,669)	(1,857)	–

The Group's derivatives include foreign exchange forwards and interest rate swaps which will be settled on a net basis.

This analysis of the derivative and non-derivative financial instruments by contractual undiscounted cash flow might diverge from actual results.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

43 Risk management (Continued)

(d) Operational risk

Operational risk refers to the risk of losses associated with internal processes deficiencies, personnel mistakes and information system failures, or impact from other external events.

The Group establishes a framework of policies and procedures to identify, assess, control, manage and report operational risk. The framework covers all business functions ranging from corporate banking, retail banking, trading, corporate finance, settlement, intermediary business, asset management and all supporting functions, including human resource management, financial management, legal affairs, anti-money laundering and administration management. The key elements of the framework are listed as below:

- A multi-level operational risk management framework with segregation of duties between front and back offices under the leadership of senior management;
- A series of operational risk management policies covering all businesses on the basis of core operational risk management policy;
- An emergency plan and a business continuity system designed to deal with emergent and adverse circumstances, including public relation issues, natural disasters, IT system errors, bank runs, robberies, etc.;
- An evaluation system on the operational risk management as well as an inquiry and disciplinary system on the non-compliance issues; and
- An independent risk assessment framework based on the internal audit and the compliance review.

44 Fair value

(a) Methods and assumptions for measurement of fair value

The Group adopts the following methods and assumptions when evaluating the fair values of financial instruments:

(i) Debt securities and equity investments

The fair values of debt securities and equity investments that are traded in an active market are based on their quoted market prices in an active market at the end of each reporting period.

(ii) Investments and other non-derivative financial assets

Fair values are estimated as the present value of the future cash flows, discounted at the market interest rates at the end of the reporting period.

(iii) Debt securities issued and other non-derivative financial liabilities

Fair values of debt securities issued are based on their quoted market prices at the end of the reporting period, or the present value of estimated future cash flows. The fair values of other non-derivative financial liabilities are valued at the present value of estimated future cash flows. The discount rates are based on the market interest rates at the end of the reporting period. The Group has established policies and internal controls with respect to the measurement of fair values, specifying the framework of fair value measurement of financial instruments, fair value measurement methodologies and procedures.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

44 Fair value (Continued)

(a) Methods and assumptions for measurement of fair value (Continued)

(iv) *Derivative financial instruments*

The fair values of foreign currency forward and swaps contracts are determined by the difference between the present value of the forward price and the contractual price at the end of the reporting period, or is based on quoted market prices. The fair values of interest rate swaps are estimated as the present value of estimated future cash flows.

(b) Fair value measurement

(i) *Financial assets*

The Group's financial assets mainly consist of cash and deposits with the central bank, receivables with banks and other financial institutions, loans and advances to customers, lease receivables and investments.

Deposits with the central bank and receivables with banks and other financial institutions are mostly priced at market interest rates and due within one year. Accordingly, the carrying amounts approximate the fair values.

Loans and advances to customers and lease receivables are mostly priced at floating rates close to the Loan Prime Rate (LPR). Accordingly, the carrying amounts of loans and advances to customers measured at amortised cost and lease receivables approximate the fair values. The fair values of Loans and advances to customers measured at fair value through other comprehensive income, are based on valuation techniques.

Financial investments at fair value through other comprehensive income and financial investments at fair value through profit or loss are stated at fair value. The carrying amount of financial investments at amortised cost is the reasonable approximations of its fair values because, in general, these investments are short-term in nature or repriced at current market rates frequently.

(ii) *Financial liabilities*

The Group's financial liabilities mainly include payables to banks and other financial institutions, deposits from customers and subordinated debt securities issued.

Financial liabilities designated at fair value through profit or loss are carried at fair value. The carrying amount and fair value of debt securities issued are disclosed in Note 32. The carrying amounts of other financial liabilities approximate their fair value.

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

44 Fair value (Continued)

(c) Fair value hierarchy

The following table presents the fair value of the Bank'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

If there is a reliable market quote for financial instruments, the fair value of financial instruments is based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis. The inputs used in valuation techniques include risk-free and benchmark interest rates, and credit spreads. Where discounted cash flow analysis is used, estimated cash flows are based on management's best estimates and the discount rate used is reference to another instrument that is substantially the same.

	30 June 2025			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets				
Financial assets at fair value through profit or loss	22,709	72,966,389	602,156	73,591,254
Derivative financial assets	–	51,092	–	51,092
Financial investments at fair value through other comprehensive income	–	100,063,235	118,499	100,181,734
Loans and advances to customers measured at fair value through other comprehensive income	–	48,651,954	–	48,651,954
Total	22,709	221,732,670	720,655	222,476,034
Liabilities				
Derivative financial liabilities	–	11,631	–	11,631
Total	–	11,631	–	11,631

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

44 Fair value (Continued)

(c) Fair value hierarchy (Continued)

	31 December 2024			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements				
Assets				
Financial assets at fair value through profit or loss	24,278	84,297,093	615,472	84,936,843
Derivative financial assets	–	21,565	–	21,565
Financial investments at fair value through other comprehensive income	–	89,167,504	155,054	89,322,558
Loans and advances to customers measured at fair value through other comprehensive income	–	59,669,278	–	59,669,278
Total	24,278	233,155,440	770,526	233,950,244
Liabilities				
Derivative financial liabilities	–	174,230	–	174,230
Total	–	174,230	–	174,230

During the reporting period, there were no significant transfers among instruments in Level 1, Level 2 and Level 3.

Movement of Level 3 fair value measurements of financial assets is as follows:

	2025	
	Financial assets at fair value through profit or loss	Financial investments at fair value through other comprehensive income
As at 1 January 2025	615,472	155,054
Total fair value changes recognised in		
– Profit or loss	(13,316)	–
– Other comprehensive income	–	(36,555)
As at 30 June 2025	602,156	118,499

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

44 Fair value (Continued)

(c) Fair value hierarchy (Continued)

Movement of Level 3 fair value measurements of financial assets is as follows: (Continued)

	2024	
	Financial assets at fair value through profit or loss	Financial investments at fair value through other comprehensive income
As at 1 January 2024	43,754	155,054
Additions	571,914	–
Disposals and settlements	(196)	–
As at 31 December 2024	615,472	155,054

45 Entrusted lending business

The Group provides entrusted lending business services to customers. All entrusted loans are funded by entrusted funds from these customers. The Group does not take any credit risk in relation to these transactions. The Group acts as an agent to hold and manage these assets and liabilities at the direction of the entrustor and receives fee income for the services provided. The entrusted assets are not the assets of the Group and are not recognised in the consolidated statement of financial position. Surplus funding is accounted for as deposits from customers.

	30 June 2025	31 December 2024
Entrusted loans	18,327,024	15,639,130
Entrusted funds	18,327,024	15,639,130

Notes to the Unaudited Interim Financial Statements

(Expressed in thousands of Renminbi, unless otherwise stated)

46 Commitments and contingent liabilities

(a) Credit commitments

The Group's credit commitments take the form of loan commitments, bank acceptances, letters of credit and financial guarantees.

The contractual amounts of loans 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. 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 the customers.

	30 June 2025	31 December 2024
Bank acceptances	97,350,042	77,847,769
Letters of credit	38,770,626	34,866,484
Loan commitments	16,189,497	16,178,421
Letters of guarantees	2,912,721	2,783,709
Total	155,222,886	131,676,383

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) Capital commitments

As at 30 June 2025 and 31 December 2024, the Group's authorised capital commitments are as follows:

	30 June 2025	31 December 2024
Contracted but not paid for	388,036	441,551

(c) Outstanding litigations and disputes

As at 30 June 2025, the Group was the defendant in certain pending litigation and disputes with an estimated gross amount of RMB1,505.47 million (31 December 2024: RMB1,437.48 million). The Group recognised the related litigation provision (see Note 33) based on the board of directors' best estimates.

Unaudited Supplementary Financial Information

(Expressed in thousands of Renminbi, unless otherwise stated)

The information set out below does not form part of the interim financial report, and is included herein for information purpose only.

1 Liquidity coverage ratio and leverage ratio

	30 June 2025	Average for the six months ended 30 June 2025
Qualified high-quality liquid assets	217,656,856	
Net cash outflow	83,716,847	
Liquidity coverage ratio (RMB and foreign currency)	259.99%	278.61%

	31 December 2024	Average for the year ended 2024
Qualified high-quality liquid assets	208,435,072	
Net cash outflow	70,563,650	
Liquidity coverage ratio (RMB and foreign currency)	295.39%	304.05%

Pursuant to the Administrative Measures for Liquidity Risk Management of Commercial Banks, the Group's liquidity coverage ratio as at 30 June 2025 stands at 259.99% which meets the regulatory requirements set forth by the National Financial Regulatory Administration.

Liquidity ratio

	30 June 2025	31 December 2024
Liquidity ratio	47.40%	45.76%

Leverage ratio

	30 June 2025	31 December 2024
Leverage ratio	6.29%	6.67%

The Group has calculated the Leverage Ratio in accordance with the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》) issued by the National Financial Regulatory Administration which was effective since 1 January 2024.

2 Net stable funding ratio

	30 June 2025	31 March 2025	31 December 2024
Available stable funding	894,990,169	871,058,696	849,027,533
Required stable funding	700,406,208	694,572,851	678,784,217
Net stable funding ratio	127.78%	125.41%	125.08%

Unaudited Supplementary Financial Information

(Expressed in thousands of Renminbi, unless otherwise stated)

3 Currency concentrations

	30 June 2024			
	US Dollars (RMB equivalent)	HK Dollars (RMB equivalent)	Others (RMB equivalent)	Total (RMB equivalent)
Spot assets	5,650,108	1,302,674	78,189	7,030,971
Spot liabilities	(5,504,700)	(1,141,914)	(86,451)	(6,733,065)
Net position	145,408	160,760	(8,262)	297,906

	31 December 2023			
	US Dollars (RMB equivalent)	HK Dollars (RMB equivalent)	Others (RMB equivalent)	Total (RMB equivalent)
Spot assets	6,047,787	1,630,393	43,124	7,721,304
Spot liabilities	(5,538,549)	(1,049,877)	(18,058)	(6,606,484)
Net position	509,238	580,516	25,066	1,114,820

The Group has no structural position at the end of reporting period.

4 International claims

The Bank regards all claims on third parties outside Mainland China as international claims.

International claims include amounts due from banks and other financial institutions and financial 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			
	Banks and other financial institutions	Public sector entities	Non-bank private sectors	Total
Asia Pacific	17,174	–	5,712,432	5,729,606
North America	250,991	–	–	250,991
Others	49,875	–	–	49,875
	318,040	–	5,712,432	6,030,472

Unaudited Supplementary Financial Information

(Expressed in thousands of Renminbi, unless otherwise stated)

4 International claims (Continued)

	31 December 2024			
	Banks and other financial institutions	Public sector entities	Non-bank private sectors	Total
Asia Pacific	15,781	–	5,744,640	5,760,421
North America	229,606	–	–	229,606
Others	4,290	–	–	4,290
	249,677	–	5,744,640	5,994,317

5 Gross amount of overdue loans and advances

	30 June 2025	31 December 2024
Gross loans and advances which have been overdue with respect to either principal or interest for periods of		
– between 3 and 6 months (inclusive)	1,286,713	1,136,056
– between 6 months and 1 year (inclusive)	1,811,208	4,481,164
– over 1 year	9,842,261	7,993,084
Total	12,940,182	13,610,304
As a percentage of total gross loans and advances		
– between 3 and 6 months (inclusive)	0.18%	0.16%
– between 6 months and 1 year (inclusive)	0.25%	0.63%
– over 1 year	1.38%	1.11%
Total	1.81%	1.90%

X. Definitions

“13 County Banks”	Linzhou Zhongyuan County Bank Co., Ltd. (林州中原村鎮銀行股份有限公司), Qixian Zhongyuan County Bank Co., Ltd. (淇縣中原村鎮銀行股份有限公司), Xinxiang Zhongyuan County Bank Co., Ltd. (新鄉中原村鎮銀行股份有限公司), Puyang Zhongyuan County Bank Co., Ltd. (濮陽中原村鎮銀行股份有限公司), Xiangcheng Zhongyuan Rural Bank Co., Ltd. (襄城中原村鎮銀行股份有限公司), Xinyang Pingqiao Zhongyuan County Bank Co., Ltd. (信陽平橋中原村鎮銀行股份有限公司), Xiping Zhongyuan County Bank Co., Ltd. (西平中原村鎮銀行股份有限公司), Suiping Zhongyuan County Bank Co., Ltd. (遂平中原村鎮銀行股份有限公司), Shenzhen Nanshan Baosheng County Bank Co., Ltd. (深圳南山寶生村鎮銀行股份有限公司), Henan Luanchuan Minfeng County Bank Co., Ltd. (河南樂川民豐村鎮銀行股份有限公司), Mengjin Minfeng County Bank Co., Ltd. (孟津民豐村鎮銀行股份有限公司), Jiaxian Guangtian County Bank Co., Ltd. (郊縣廣天村鎮銀行股份有限公司), Luohe Yancheng Zhongyuan County Bank Co., Ltd. (漯河鄆城中原村鎮銀行有限責任公司)
“AB Leasing”	AB Leasing Co., Ltd. (邦銀金融租賃股份有限公司), a joint stock company incorporated in the PRC with limited liability and a subsidiary of the Bank
“Articles of Association”, or “Bank’s Articles of Association”	the articles of association of the Bank as may be amended, supplemented or otherwise modified from time to time
“Bank”, “we”, “us”, or “Zhongyuan Bank”	Zhongyuan Bank Co., Ltd. (中原銀行股份有限公司), a joint stock company established on December 23, 2014 in the PRC with limited liability pursuant to the relevant PRC laws and regulations, and, if the context requires, includes its predecessors, branches and sub-branches and all subsidiaries
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“BOL Financial Leasing”	BOL Financial Leasing Co., Ltd. (洛銀金融租賃股份有限公司), a joint stock company incorporated in the PRC with limited liability and a subsidiary of the Bank
“CBIRC”	the China Banking and Insurance Regulatory Commission, a former name of the National Financial Regulatory Administration
“China” or “PRC”	the People’s Republic of China, but for the purpose of this interim report only, excluding Hong Kong, Macau Special Administrative Region and Taiwan of the PRC
“Consumer Finance Company”	Henan Zhongyuan Consumer Finance Co., Ltd. (河南中原消費金融股份有限公司), a joint stock company established in the PRC on December 29, 2016, and a joint venture of our Bank
“Corporate Governance Code”	the Corporate Governance Code under Appendix C1 to the Hong Kong Listing Rules
“Director(s)”	director(s) of the Bank

X. Definitions

“Domestic Shares”	ordinary shares issued by the Bank with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
“H Shares”	ordinary shares issued by the Bank with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Henan Financial Regulatory Bureau”	the Henan Regulatory Bureau of the National Financial Regulatory Administration
“HK\$”	the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
“PBOC” or “Central Bank”	The People’s Bank of China (中國人民銀行)
“Reporting Period”	the 6 months ended June 30, 2025
“RMB” or “Renminbi”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	the holder(s) of the Shares
“Shares”	ordinary shares in the share capital of the Bank with a nominal value of RMB1.00 each, including Domestic Shares and H Shares
“Supervisor(s)”	supervisor(s) of the Bank