



中国农业银行

AGRICULTURAL BANK OF CHINA

Agricultural Bank of China Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 1288



2025 INTERIM REPORT

耕耘 美丽中国 共创幸福生活

Profile

The predecessor of the Bank was Agricultural Cooperative Bank established in 1951. Since the resumption of establishment in February 1979, the Bank has evolved from a state-owned specialized bank to a wholly state-owned commercial bank and subsequently a state-controlled commercial bank. The Bank was restructured into a joint stock limited liability company in January 2009. In July 2010, the Bank was listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The Bank is one of the major integrated financial service providers in China, aiming at high-quality development, highlighting the two positionings of a leading bank serving rural revitalization and a major bank serving the real economy, and fully implementing the three strategies in rural and inclusive finance, green finance and digitalization. Capitalizing on its comprehensive business portfolio, extensive distribution network and advanced IT platform, the Bank provides a diverse portfolio of corporate and retail banking products and services for a broad range of customers and conducts treasury operations and asset management. Our business scope also includes, among other things, investment banking, fund management, financial leasing and life insurance. At 30 June 2025, the Bank had total assets of RMB46,855,878 million, total loans and advances to customers of RMB26,729,060 million and deposits from customers of RMB31,900,486 million. Our capital adequacy ratio was 17.45%. The Bank achieved a net profit of RMB139,943 million in the first half of 2025.

As at 30 June 2025, we had 22,914 domestic branch outlets, including the Head Office, Business Department of the Head Office, four specialized institutions managed by the Head Office, four training institutes, 37 tier-1 branches, 410 tier-2 branches, 3,313 tier-1 sub-branches, 19,102 foundation-level branch outlets and 42 other establishments. Our overseas branch outlets consisted of 13 overseas branches and four overseas representative offices. Our subsidiaries mainly included subsidiaries with integrated operations, rural banks and overseas subsidiary banks, etc.

The Financial Stability Board has included the Bank into the list of Global Systemically Important Banks for 11 consecutive years since 2014. The Bank ranked No. 3 among global banks in terms of Tier 1 capital. At the date of this interim report, Standard & Poor's affirmed long-/short-term issuer credit ratings of the Bank at A/A-1, Moody's affirmed long-/short-term bank deposit ratings of the Bank at A1/P-1 and Fitch Ratings affirmed long-/short-term issuer default ratings of the Bank at A/F1+.



Contents

1 Definitions 2

2 Basic Corporate Information and Major Financial Indicators 4

Basic Corporate Information	4
Financial Highlights	6

3 Operation Overview 10

4 Discussion and Analysis 12

Situation and Prospects	13
Financial Statement Analysis	14
Income Statement Analysis	14
Balance Sheet Analysis	21
Other Financial Information	31
Business Review	32
“Five Priorities” of Finance	32
Corporate Banking	35
Retail Banking	37
Treasury Operations	41
Asset Management	42
Inclusive Finance	44
Green Finance	44
Online Finance	45
Cross-Border Financial Services	46
Integrated Operations	47
FinTech	50
Human Resources Management and Institution Management	51
Service Channels	54
County Area Banking Business	55
Management Mechanism	55
Financial Services for All-around Rural Revitalization	56
Financial Position	57
Risk Management	59
Credit Risk	59
Market Risk	64
Interest Rate Risk in the Banking Book	65
Liquidity Risk	67
Operational Risk	68
Reputational Risk	69
Country Risk	69
Risk Consolidated	69

Capital Management	70
Management of Capital Financing	70
Management of Economic Capital	70
Capital Adequacy Ratio and Leverage Ratio	71

5 Sustainability Information 72

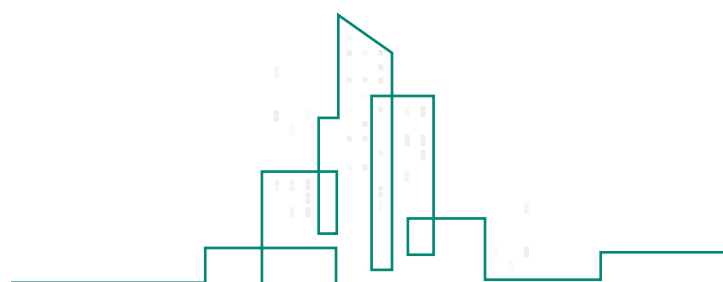
Environment	72
Society	75
Sustainable Development Governance	81

6 Corporate Governance Report 82

Operation of Corporate Governance	82
Directors, Supervisors and Senior Management	85
Particulars of Ordinary Shares	86
Particulars of Preference Shares	90

7 Significant Events 93

8 Interim Financial Information (Unaudited) 98



Definitions

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

1	ABC/Agricultural Bank of China/ the Bank/the Group/We	Agricultural Bank of China Limited, or Agricultural Bank of China Limited and its subsidiaries
2	ABC-CA	ABC-CA Fund Management Co., Ltd.
3	ABC Financial Leasing	ABC Financial Leasing Co., Ltd.
4	ABC International	ABC International Holdings Limited
5	ABC Investment	ABC Financial Asset Investment Co., Ltd.
6	ABC Life Insurance	ABC Life Insurance Co., Ltd.
7	ABC Wealth Management	ABC Wealth Management Co., Ltd.
8	Articles of Association	The <i>Articles of Association of Agricultural Bank of China Limited</i> amended pursuant to the <i>Approval on the Articles of Association of Agricultural Bank of China Limited (Jin Fu [2024] No. 94)</i> by the National Financial Regulatory Administration on 7 March 2024
9	A Share(s)	Ordinary shares listed domestically which are subscribed and traded in Renminbi
10	CASs/PRC GAAP	The Accounting Standards for Enterprises promulgated on 15 February 2006 by the Ministry of Finance of the People's Republic of China and other related rules and regulations subsequently issued
11	County Area Banking Division	An internal division with management mechanism adopted by us for specialized operation of financial services provided to agriculture, rural areas and rural residents and county areas, as required under our restructuring into a joint stock limited liability company, which focuses on the County Area Banking Business with independence in aspects such as governance mechanism, operational decision making, financial accounting as well as incentive and constraint mechanism to a certain extent
12	CSRC	China Securities Regulatory Commission
13	Global Systemically Important Banks	Banks recognized as key players in the financial market with global features as announced by the Financial Stability Board
14	Green Finance	Economic activities designed for supporting environmental improvement, responding to climate change and efficient use of resources, which are, financial services provided for project investment and financing, project operation, risk management, etc. in the fields of environmental protection, energy saving, clean energy, green transportation, green building, etc.
15	H Share(s)	Shares listed on The Stock Exchange of Hong Kong Limited and subscribed and traded in Hong Kong Dollars, the nominal value of which are denominated in Renminbi

16	Hong Kong Listing Rules	<i>The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>
17	Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
18	Huijin	Central Huijin Investment Ltd.
19	Independent Director	The independent director referred to in the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as well as the independent non-executive director referred to in the Hong Kong Listing Rules
20	MOF	Ministry of Finance of the People's Republic of China
21	NFRA	National Financial Regulatory Administration, or the former China Banking and Insurance Regulatory Commission
22	PBOC	The People's Bank of China
23	SSF	National Council for Social Security Fund of the People's Republic of China

Basic Corporate Information and Major Financial Indicators

Basic Corporate Information

Legal name in Chinese Abbreviation	中國農業銀行股份有限公司 中國農業銀行
Legal name in English Abbreviation	AGRICULTURAL BANK OF CHINA LIMITED AGRICULTURAL BANK OF CHINA (ABC)
Legal representative	GU Shu
Authorized representative	WANG Zhiheng LIU Qing
Secretary to the Board of Directors and Company Secretary	LIU Qing Address: No. 69, Jianguomen Nei Avenue, Dongcheng District, Beijing, PRC Tel: 86-10-85109619 (Investor Relations) Fax: 86-10-85126571 E-mail: ir@abchina.com
Selected media and websites for information disclosure	<i>China Securities Journal</i> (www.cs.com.cn) <i>Shanghai Securities News</i> (www.cnstock.com) <i>Securities Times</i> (www.stcn.com) <i>Securities Daily</i> (www.zqrb.cn)
Website of Shanghai Stock Exchange publishing the interim report (A Shares)	www.sse.com.cn
Website of Hong Kong Stock Exchange publishing the interim report (H Shares)	www.hkexnews.hk
Location where copies of the interim report are kept	Office of the Board of Directors of the Bank
Listing exchange of A Shares Stock name Stock code Share registrar	Shanghai Stock Exchange 農業銀行 601288 China Securities Depository and Clearing Corporation Limited, Shanghai Branch (Address: No. 188 South Yanggao Road, Pudong New Area, Shanghai, PRC)
Listing exchange of H Shares Stock name Stock code Share registrar	The Stock Exchange of Hong Kong Limited ABC 1288 Computershare Hong Kong Investor Services Limited (Address: Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, PRC)

Basic Corporate Information and Major Financial Indicators

Trading exchange and platform of preference shares	The Integrated Business Platform of Shanghai Stock Exchange
Stock name (stock code)	農行優1 (360001), 農行優2 (360009)
Share registrar	China Securities Depository and Clearing Corporation Limited, Shanghai Branch (Address: No. 188 South Yanggao Road, Pudong New Area, Shanghai, PRC)
Legal advisor as to laws of Chinese mainland	King & Wood Mallesons
Address	17-18/F, East Tower, World Financial Centre 1, No. 1, Dongsanhuan Zhong Road, Chaoyang District, Beijing, PRC
Legal advisor as to laws of Hong Kong	Linklaters
Address	11/F, Alexandra House, Chater Road, Central, Hong Kong, PRC
Domestic auditor	KPMG Huazhen LLP
Address	8/F, Office Tower E2, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing, PRC
Name of the undersigned accountants	SHI Jian, HUANG Aizhou
International auditor	KPMG
Address	8/F, Prince's Building, 10 Chater Road, Central, Hong Kong, PRC
Name of the undersigned accountant	WONG Yuen Shan

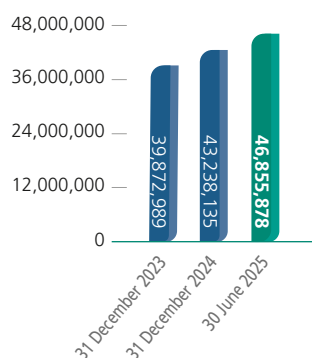
Basic Corporate Information and Major Financial Indicators

Financial Highlights

(Financial data and indicators recorded in this interim report are prepared in accordance with IFRS Accounting Standards and denominated in RMB, unless otherwise stated)

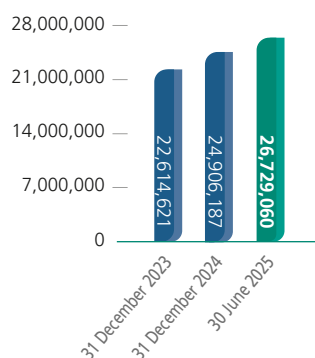
Total assets

(in millions of RMB)



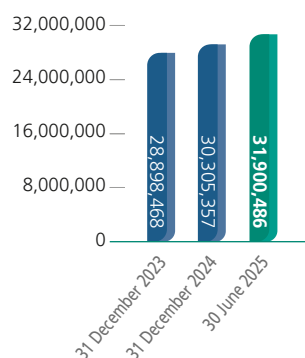
Total loans and advances to customers

(in millions of RMB)



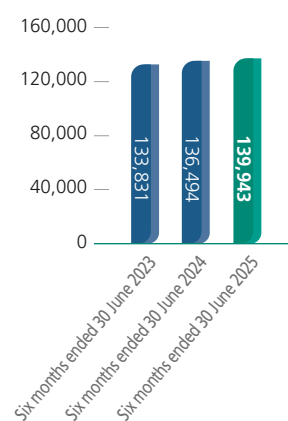
Deposits from customers

(in millions of RMB)



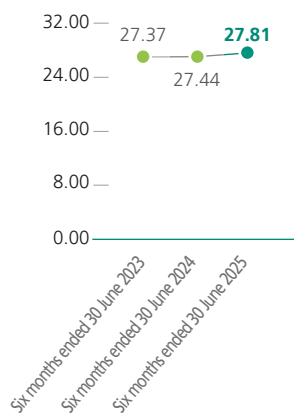
Net profit

(in millions of RMB)



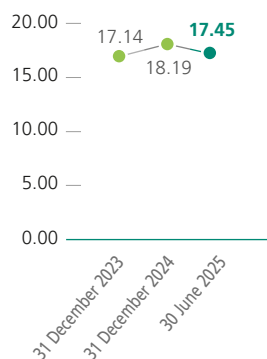
Cost-to-income ratio

(%)



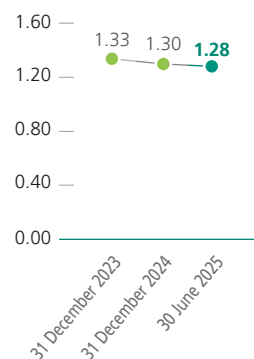
Capital adequacy ratio

(%)



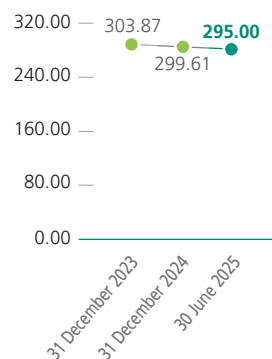
Non-performing loan ratio

(%)



Allowance to non-performing loans

(%)



Major Financial Data

	30 June 2025	31 December 2024	31 December 2023
At the end of the reporting period (in millions of RMB)			
Total assets	46,855,878	43,238,135	39,872,989
Total loans and advances to customers	26,729,060	24,906,187	22,614,621
Including: Corporate loans	15,439,803	14,144,003	12,791,116
Discounted bills	1,530,834	1,507,921	1,310,747
Retail loans	9,307,426	8,814,212	8,059,915
Overseas and others	398,339	390,115	402,491
Allowance for impairment losses on loans	965,059	929,174	882,855
Loans and advances to customers, net	25,764,001	23,977,013	21,731,766
Financial investments	14,440,383	13,849,103	11,213,713
Cash and balances with central banks	3,362,831	2,134,452	2,922,047
Deposits and placements with and loans to banks and other financial institutions	883,379	1,101,723	1,596,257
Financial assets held under resale agreements	1,554,271	1,371,571	1,809,559
Total liabilities	43,706,637	40,140,862	36,976,122
Deposits from customers	31,900,486	30,305,357	28,898,468
Including: Corporate deposits	10,298,566	10,059,292	10,477,286
Retail deposits	20,146,345	18,692,180	17,109,711
Overseas and others	971,876	1,035,207	852,298
Deposits and placements from banks and other financial institutions	6,036,546	5,031,583	4,035,787
Financial assets sold under repurchase agreements	1,066,458	615,725	100,521
Debt securities issued	3,105,787	2,678,509	2,295,921
Equity attributable to equity holders of the Bank	3,143,100	3,090,808	2,889,248
Net capital ¹	4,194,394	4,112,653	3,828,171
Common Equity Tier 1 (CET1) capital, net ¹	2,670,203	2,582,305	2,394,940
Additional Tier 1 capital, net ¹	464,558	499,559	480,009
Tier 2 capital, net ¹	1,059,633	1,030,789	953,222
Risk-weighted assets ¹	24,041,565	22,603,866	22,338,078

Basic Corporate Information and Major Financial Indicators

	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2023
Interim operating results (in millions of RMB)			
Operating income	369,793	367,140	365,794
Net interest income	282,473	290,848	290,421
Net fee and commission income	51,441	46,736	50,731
Operating expenses	111,725	108,679	107,678
Credit impairment losses	97,955	100,998	102,352
Total profit before tax	160,540	157,471	155,969
Net profit	139,943	136,494	133,831
Net profit attributable to equity holders of the Bank	139,510	135,892	133,234
Net cash flows generated from operating activities	1,005,804	291,380	1,353,499

Financial Indicators

	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2023
Profitability (%)			
Return on average total assets ²	0.62*	0.67*	0.74*
Return on weighted average net assets ³	10.16*	10.75*	11.43*
Net interest margin ⁴	1.32*	1.45*	1.66*
Net interest spread ⁵	1.20*	1.30*	1.49*
Return on risk-weighted assets ^{1, 6}	1.16*	1.23*	1.23*
Net fee and commission income to operating income	13.91	12.73	13.87
Cost-to-income ratio ⁷	27.81	27.44	27.37
Data per share (RMB Yuan)			
Basic earnings per share ³	0.37	0.37	0.37
Diluted earnings per share ³	0.37	0.37	0.37
Net cash flows per share generated from operating activities	2.87	0.83	3.87

Basic Corporate Information and Major Financial Indicators

	30 June 2025	31 December 2024	31 December 2023
Asset quality (%)			
Non-performing loan ratio ⁸	1.28	1.30	1.33
Allowance to non-performing loans ⁹	295.00	299.61	303.87
Allowance to loan ratio ¹⁰	3.77	3.88	4.05
Capital adequacy (%)			
Common Equity Tier 1 (CET1) capital adequacy ratio ¹	11.11	11.42	10.72
Tier 1 capital adequacy ratio ¹	13.04	13.63	12.87
Capital adequacy ratio ¹	17.45	18.19	17.14
Risk-weighted assets to total assets ratio ¹	51.31	52.28	56.02
Total equity to total assets ratio	6.72	7.16	7.27
Data per share (RMB Yuan)			
Net assets per ordinary share ¹¹	7.65	7.40	6.88

- Notes: 1. Since 1 January 2024, figures were calculated in accordance with the Rules on Capital Management of Commercial Banks and other relevant regulations; before 1 January 2024, figures were calculated in accordance with the Rules on Capital Management of Commercial Banks (Provisional) and other relevant regulations.
2. Calculated by dividing net profit by the average balances of total assets at the beginning and the end of the period.
3. Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) issued by the CSRC and IAS 33 — Earnings Per Share.
4. Calculated by dividing net interest income by the average balances of interest-earning assets.
5. Calculated as the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
6. Calculated by dividing net profit by risk-weighted assets at the end of the period. The risk-weighted assets are calculated in accordance with the relevant regulations of the NFRA.
7. Calculated by dividing operating and administrative expenses by operating income in accordance with CASs, which is consistent with the corresponding figures as stated in the financial report of the Bank prepared in accordance with CASs.
8. Calculated by dividing the balance of non-performing loans (excluding accrued interest) by the balance of total loans and advances to customers (excluding accrued interest).
9. Calculated by dividing the balance of allowance for impairment losses on loans by the balance of non-performing loans (excluding accrued interest), among which, the balance of allowance for impairment losses on loans includes the allowance for impairment losses on bills and forfeiting recognized in other comprehensive income.
10. Calculated by dividing the balance of allowance for impairment losses on loans by the balance of total loans and advances to customers (excluding accrued interest), among which, the balance of allowance for impairment losses on loans includes the allowance for impairment losses on bills and forfeiting recognized in other comprehensive income.
11. Calculated by dividing equity attributable to ordinary equity holders of the Bank (excluding other equity instruments) at the end of the period by the total number of ordinary shares at the end of the period.
- * Annualized figures.

Operation Overview

This year, the Bank remained committed to being guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and faithfully implemented the decisions and plans of the Central Committee of the Communist Party of China (CPC) and the State Council. Focusing on the work theme of preventing risks and promoting high-quality development, we remained committed to the general principle of pursuing progress while ensuring stability, enhanced support for agriculture, rural areas and rural residents and the real economy, effectively responded to various risks and challenges, and continuously improved the quality and efficiency of financial services. We have steadily enhanced our business strength, and achieved new progress in high-quality development.

Our business operation maintained a steady and positive momentum. In the first half of 2025, our key performance indicators were positive, and business operations remained resilient. We were the only one among our comparable peers to be awarded Grade A rating for 13 consecutive quarters in the PBOC's macro-prudential assessment (MPA). As at the end of June 2025, the Group's total assets amounted to RMB46.9 trillion, representing an increase of RMB3.6 trillion as compared to the end of the previous year, of which, total loans and advances to customers amounted to RMB26.73 trillion, representing an increase of RMB1.82 trillion as compared to the end of the previous year, maintaining a leading position in the banking industry in terms of financing supply. Total liabilities amounted to RMB43.7 trillion, of which, all-system deposits from customers increased by RMB2.60 trillion, and the deposit deviation ratio has been below 3% for five consecutive quarters, providing strong fund support for serving the real economy. The non-performing loan ratio was 1.28%, representing a decrease of 0.02 percentage point as compared to the end of the previous year. The overdue loan ratio was 1.22%, maintaining at low levels. The ratio of overdue loans to non-performing loans was 95.11% with strict classification standards for non-performing loans. The balance of allowance continued to grow, and the allowance to non-performing loans was 295%. In the first half of 2025, we achieved operating income of RMB369.8 billion and net profit of RMB139.9 billion, representing a year-on-year increase of 0.7% and 2.5%, respectively, both maintaining the momentum of "positive growth". Our capital strength was further enhanced, with capital adequacy ratio of 17.45%. The return on average total assets (ROA), return on weighted average net assets (ROE) and cost-to-income ratio were 0.62%, 10.16% and 27.81%, respectively.

We provided more robust financial services for supporting agriculture, rural areas and rural residents. We were firmly committed to our primary responsibilities and core businesses, gave priorities in policies and resource allocation, innovated product models, and continuously improved the quality and efficiency of financial services for agriculture, rural areas and rural residents, as well as rural revitalization. In the first half of 2025, loans in County Areas increased by RMB916.4 billion with the balance reaching and maintaining above RMB10 trillion, and the proportion of loans in County Areas to our domestic loans rose to 40.9%. We spared no effort to guarantee China's food security, vigorously expanded our financial service for the whole industrial chain for grains, and the balance of loans in fields related to ensuring stable supply of grains and major agricultural products was RMB1.24 trillion, representing an increase of 23.7% as compared to the end of the previous year. We supported in consolidating and expanding achievements in poverty alleviation with a focus on key areas, and the balance of loans to 160 key counties receiving national assistance for rural revitalization and "Three Areas and Three Prefectures" were RMB475.8 billion and RMB479.7 billion, respectively, with growth rate of 9.0% and 8.8% as compared to the end of the previous year, respectively, both higher than the growth rate of loans of the Bank. We actively supported the integrated urban-rural development and farmers' income growth. The balance of loans to rural industries and rural construction areas amounted to RMB2.70 trillion and RMB2.44 trillion, respectively, representing an increase of 21.3% and 8.5% as compared to the end of the previous year, which were higher than the growth rate of loans of the Bank by 14.0 percentage points and 1.2 percentage points, respectively. The balance of Huinong E-loan, our exclusive product for rural households, was RMB1.79 trillion, representing an increase of 19.9% as compared to the end of the previous year. We innovatively launched the Ten Financial Products and Service Plans for rural revitalization, and explored and promoted the mobile finance service model, continuously improving the precision and expanding the coverage of financial services for agriculture, rural areas and rural residents.

We supported the real economy in a targeted and efficient manner. Adapting to the changing needs of the real economy, we continuously optimized credit policies, innovated products and service models, and strengthened financing supply in key areas such as the “implementation of major national strategies and security capacity building in key areas”, “a new round of large-scale equipment upgrades and consumer goods trade-in programs”, and the “Five Priorities” of finance, in order to support sustained economic recovery and growth. We took a leading position in providing services for stimulating consumption and expanding domestic demand. In light of the consumer goods trade-in policy, we carried out a specific financial support initiative for boosting consumption. The balance of our personal consumption loans, including credit card balances, amounted to RMB1.45 trillion, representing an increase of over RMB110.0 billion as compared to the end of the previous year. We granted loans of more than RMB530.0 billion for “white list” projects under the urban real estate financing coordination mechanisms accumulatively, accounting for 75% of the approved loans, both ranking among the top in the banking industry. We deeply implemented the coordination mechanisms for supporting small and micro enterprises in obtaining financing, and granted loans of over RMB3 trillion to 2.73 million small and micro enterprises accumulatively, both ranking first among our comparable peers. We enhanced and accelerated the development of technology finance services. The balance of technology loans was RMB4.7 trillion, representing an increase of over 20% as compared to the end of the previous year, serving nearly 300 thousand technology enterprises. A batch of AIC pilot funds, M&A loans targeting sci-tech enterprises and sci-tech innovation bonds were launched. We continued to enhance our comprehensive service capability in green finance. We increased the granting of green loans in key areas and improved the green investment and financing business system. The balance of green loans amounted to RMB5.72 trillion, representing an increase of RMB728.8 billion as compared to the end of the previous year, and the green bonds invested for our own account amounted to RMB129.2 billion, representing an increase of 11.8% as compared to the end of the previous year. We continuously consolidated our service advantages in private finance and inclusive finance. The balance of loans granted to private enterprises amounted to RMB7.39 trillion, representing an increase of RMB857.3 billion as compared to the end of the previous year; the balance of inclusive loans amounted to RMB4.24 trillion, representing an increase of RMB643.1 billion as compared to the end of the previous year. We ranked first in the banking industry in terms of the balance and increment, as well as the number and increment of customers with outstanding loan balances, for both private enterprise loans and inclusive loans. We continued to enrich our pension finance service system. The pension funds under entrusted management amounted to RMB345.4 billion, representing an increase of 9.1% as compared to the end of the previous year. The number of our pension finance products exceeded 1,100. The number of private pension customers ranked among the top in the banking industry. We enhanced support for the silver economy. The balance of loans to the elderly care industry amounted to RMB21.6 billion, representing an increase of 95% as compared to the end of the previous year.

We continued to deepen reform in key areas. Persisting in taking customer and employee satisfaction as the standard, we deepened technology empowerment, and continued to promote reform and innovation in key areas. The effectiveness of our smart banking construction has begun to show. We expedited the construction of the “ABC Smart+” platform. Large-scale AI models were applied in multiple scenarios such as intelligent customer service and intelligent marketing. We accelerated the creation of a digital financial ecosystem, with the number of monthly active users of mobile banking amounting to 263 million, maintaining a leading position among our comparable peers. We innovated new customer service models in outlets, and promoted 2.0 version of new processes for corporate accounts opening, thereby making counter services more efficient and continuously improving the quality and efficiency of customer services. We were committed to using technological means to reduce burdens and empower employees at foundation level, promoted intelligent handling of loans and the “on-site + remote” centralized operation model, and continued to centralize business from branches’ back-office centers as well as outlets, to effectively reduce burdens of employees at foundation level.

We further strengthened risk prevention and control. Always making risk prevention and control the primary task, we strengthened the preliminary research and prediction of risk situations, strengthened management and control of overdue loans and disposal of non-performing loans, and effectively prevented and mitigated credit risks in key areas, maintaining stable asset quality. We upgraded the market risk management and control platform, improved the level of risk monitoring and optimized asset portfolio and risk exposure in a timely manner, ensuring the stable operation of various types of market business. We strengthened case prevention and compliance management, and took solid steps to protect consumers’ interests. Our regulatory assessment results on consumer interests protection have improved for three consecutive years. Our IT and cyber networks were under stable and controlled operations, successfully passing the PBOC’s stress testing for business continuity extreme scenario for important information systems in the financial industry, with 100% availability rate for core system services.

Discussion and Analysis

Situation and Prospects	13
Financial Statement Analysis	14
Income Statement Analysis	14
Balance Sheet Analysis	21
Other Financial Information	31
Business Review	32
“Five Priorities” of Finance	32
Corporate Banking	35
Retail Banking	37
Treasury Operations	41
Asset Management	42
Inclusive Finance	44
Green Finance	44
Online Finance	45
Cross-Border Financial Services	46
Integrated Operations	47
FinTech	50
Human Resources Management and	
Institution Management	51
Service Channels	54
County Area Banking Business	55
Management Mechanism	55
Financial Services for All-around Rural	
Revitalization	56
Financial Position	57

Risk Management	59
Credit Risk	59
Market Risk	64
Interest Rate Risk in the Banking Book	65
Liquidity Risk	67
Operational Risk	68
Reputational Risk	69
Country Risk	69
Risk Consolidated	69
Capital Management	70
Management of Capital Financing	70
Management of Economic Capital	70
Capital Adequacy Ratio and Leverage	
Ratio	71



Situation and Prospects

In the first half of 2025, China's economy maintained overall stability with a trend of steady improvement. The gross domestic product (GDP) of China increased by 5.3% year on year, while the consumer price index (CPI) declined by 0.1% year on year. With a reasonably ample liquidity, the broad money (M2) amounted to RMB330.29 trillion, representing an increase of 8.3% year on year, and the aggregate financing to the real economy (flow) amounted to RMB22.83 trillion. The RMB exchange rate remained basically stable at a reasonably balanced level.

In the first half of 2025, facing complex circumstances, the Chinese government implemented more proactive and effective macro policies, focusing on stabilizing employment, supporting enterprises, ensuring smooth market operations and strengthening expectations. A more proactive fiscal policy was implemented and efforts were made to enhance the provision of fiscal policy support and improve the management of fund allocation, focusing on key areas such as stimulating consumption and stabilizing employment and economy, to shore up economic and social development. An appropriately accommodative monetary policy was implemented with strengthened counter-cyclical adjustments, adopting a variety of monetary policy instruments such as cutting the required reserve ratios and interest rates, and open market operations to support the high-quality development of the real economy. The benefits of loan prime rate (LPR) reform were continually unleashed, and the market-based adjustment mechanism for deposit rate functioned effectively. The monetary policy transmission became more efficient, and the social financing cost stood at historically low levels.

In the first half of 2025, China's banking industry continuously increased support for the real economy, achieved growth of total assets, maintained basically stable asset quality and remained resilient against risks. As at the end of June 2025, the total assets of Chinese commercial banks reached RMB402.9 trillion, representing an increase of 8.9% year on year. The non-performing loan ratio was 1.49%, and the allowance to non-performing loans was 211.97%. The capital adequacy ratio was 15.58%.

Looking ahead to the second half of 2025, China's economy is expected to maintain a steady development with progress and good momentum. Macro policies will be continuously strengthened and intensified in a timely manner by implementing and refining a more proactive fiscal policy and an appropriately accommodative monetary policy to fully unleash the policy effectiveness, and the consistency of macro policy orientation will be enhanced.

The Bank will diligently fulfill its primary responsibilities and core businesses of serving agriculture, rural areas and rural residents, closely follow the work theme of preventing risks and promoting high-quality development, and continuously improve operational quality and efficiency, to make new advances in promoting high-quality development. Firstly, we will optimize and strengthen financial services for agriculture, rural areas, and rural residents and rural revitalization with stronger historical initiative, to make greater contribution in promoting all-around rural revitalization and building China's Agricultural Strength. We will maintain robust growth of loans in County Areas and related to agriculture, continuously consolidate the achievements of our financial support in key areas, further increase funding support for rural development, and continue to expand service coverage in County Areas and rural areas. Secondly, we will implement the guiding principles of the Central Urban Work Conference, and improve our services to facilitate integrated urban-rural development. Adapting to the characteristics of new urbanization, we will refine and adjust our credit strategies and make solid efforts to provide financial services for emerging areas and urban renewal. We will focus on innovation and quality enhancement in technology finance, upgrade and increase financing supply for people's livelihood and consumption as well as inclusiveness and private enterprises. Thirdly, we will focus on key areas and deepen reforms, and continuously solidify our operational foundation. We will accelerate the implementation of smart banking projects and enhance the empowerment of employees at foundation level and the reduction of their burden with technology. With customer satisfaction and employee satisfaction as the goal, we will streamline and optimize systems and business procedures. Fourthly, we will better ensure both development and security and adhere to the bottom line of risk management. We will make continuous efforts to mitigate credit risks in key areas, prevent market risks in a forward-looking manner, and ensure IT security and cybersecurity prudently and consistently.

Financial Statement Analysis

Income Statement Analysis

In the first half of 2025, the Bank achieved a net profit of RMB139,943 million, representing an increase of RMB3,449 million or 2.5%, as compared to the first half of the previous year.

Changes of Significant Income Statement Items

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Net interest income	282,473	290,848	(8,375)	-2.9
Net fee and commission income	51,441	46,736	4,705	10.1
Other non-interest income	35,879	29,556	6,323	21.4
Operating income	369,793	367,140	2,653	0.7
Less: Operating expenses	111,725	108,679	3,046	2.8
Credit impairment losses	97,955	100,998	(3,043)	-3.0
Impairment losses on other assets	14	33	(19)	-57.6
Operating profit	160,099	157,430	2,669	1.7
Share of results of associates and joint ventures	441	41	400	975.6
Profit before tax	160,540	157,471	3,069	1.9
Less: Income tax expense	20,597	20,977	(380)	-1.8
Net profit	139,943	136,494	3,449	2.5
Attributable to: Equity holders of the Bank	139,510	135,892	3,618	2.7
Non-controlling interests	433	602	(169)	-28.1

Operating income

 RMB **369,793** million

an increase of **0.7%** 

Operating profit

 RMB **160,099** million

an increase of **1.7%** 

Net profit

 RMB **139,943** million

an increase of **2.5%** 

Net Interest Income

Net interest income was the largest component of our operating income, accounting for 76.4% of the operating income in the first half of 2025. Our net interest income was RMB282,473 million in the first half of 2025, representing a decrease of RMB8,375 million as compared to the first half of the previous year, among which, the increase in volume and changes in interest rates resulted in an increase of RMB20,527 million and a decrease of RMB28,902 million in net interest income, respectively. In the first half of 2025, our net interest margin and net interest spread were 1.32% and 1.20%, representing decreases of 13 and 10 basis points as compared to the first half of the previous year, respectively. The year-on-year decreases in net interest margin and net interest spread were primarily due to a decrease in the yield of interest-earning assets as a result of our support for the development of the real economy and the decrease of LPR.

The table below presents the average balance, interest income/expense, and average yield/cost of interest-earning assets and interest-bearing liabilities.

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Average balance	Interest income/expense	Average yield/cost ⁶ (%)	Average balance	Interest income/expense	Average yield/cost ⁶ (%)
Assets						
Loans and advances to customers	25,677,592	378,600	2.97	23,465,528	413,628	3.54
Debt securities investments ¹	13,272,596	182,115	2.77	11,531,323	176,700	3.08
Non-restructuring-related debt securities	12,888,391	178,182	2.79	11,147,107	171,906	3.10
Restructuring-related debt securities ²	384,205	3,933	2.06	384,216	4,794	2.51
Balances with central banks	2,524,238	19,708	1.57	2,487,449	19,785	1.60
Amounts due from banks and other financial institutions ³	1,610,599	17,582	2.20	2,765,822	33,935	2.47
Total interest-earning assets	43,085,025	598,005	2.80	40,250,122	644,048	3.22
Allowance for impairment losses	(767,359)			(785,528)		
Non-interest-earning assets	1,880,339			1,697,767		
Total assets	44,198,005			41,162,361		
Liabilities						
Deposits from customers	30,418,600	213,656	1.42	28,960,679	244,427	1.70
Amounts due to banks and other financial institutions ⁴	5,627,945	57,637	2.07	4,591,560	60,207	2.64
Other interest-bearing liabilities ⁵	3,750,587	44,239	2.38	3,513,075	48,566	2.78
Total interest-bearing liabilities	39,797,132	315,532	1.60	37,065,314	353,200	1.92
Non-interest-bearing liabilities	1,400,788			1,224,673		
Total liabilities	41,197,920			38,289,987		
Net interest income		282,473			290,848	
Net interest spread			1.20			1.30
Net interest margin			1.32			1.45

- Notes:
1. Debt securities investments include debt securities investments at fair value through other comprehensive income and debt securities investments at amortized cost.
 2. Restructuring-related debt securities include the receivable from the MOF and the special government bonds.
 3. Amounts due from banks and other financial institutions primarily include deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions and financial assets held under resale agreements.
 4. Amounts due to banks and other financial institutions primarily include deposits from banks and other financial institutions, placements from banks and other financial institutions as well as financial assets sold under repurchase agreements.
 5. Other interest-bearing liabilities primarily include debt securities issued and borrowings from central banks.
 6. Annualized figures.

Discussion and Analysis

The table below presents the changes in net interest income due to changes in volume and interest rate.

In millions of RMB

Item	Increase/(decrease) due to		Net increase/ (decrease)
	Volume	Interest rate	
Assets			
Loans and advances to customers	32,615	(67,643)	(35,028)
Debt securities investments	23,892	(18,477)	5,415
Balances with central banks	287	(364)	(77)
Amounts due from banks and other financial institutions	(12,611)	(3,742)	(16,353)
Changes in interest income	44,183	(90,226)	(46,043)
Liabilities			
Deposits from customers	10,240	(41,011)	(30,771)
Amounts due to banks and other financial institutions	10,614	(13,184)	(2,570)
Other interest-bearing liabilities	2,802	(7,129)	(4,327)
Changes in interest expense	23,656	(61,324)	(37,668)
Changes in net interest income	20,527	(28,902)	(8,375)

Note: Changes caused by both volume and interest rate have been allocated to changes in volume.

Interest Income

We achieved interest income of RMB598,005 million in the first half of 2025, representing a decrease of RMB46,043 million as compared to the first half of the previous year, which was primarily due to a decrease of 42 basis points in the average yield of interest-earning assets.

Interest Income from Loans and Advances to Customers

Interest income from loans and advances to customers decreased by RMB35,028 million or 8.5% to RMB378,600 million as compared to the first half of the previous year, which was primarily due to a decrease in the average yield of loans and advances to customers.

The table below presents the average balance, interest income and average yield of loans and advances to customers by business type.

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Average balance	Interest income	Average yield ¹ (%)	Average balance	Interest income	Average yield ¹ (%)
Corporate loans	14,848,754	217,969	2.96	13,818,086	235,593	3.43
Short-term corporate loans	3,902,080	56,598	2.92	3,679,139	61,964	3.39
Medium- and long-term corporate loans	10,946,674	161,371	2.97	10,138,947	173,629	3.44
Discounted bills	1,441,940	6,673	0.93	852,096	5,407	1.28
Retail loans	9,004,034	146,013	3.27	8,381,397	162,716	3.90
Overseas and others	382,864	7,945	4.18	413,949	9,912	4.82
Total loans and advances to customers	25,677,592	378,600	2.97	23,465,528	413,628	3.54

Note: 1. Annualized figures.

Interest Income from Debt Securities Investments

Interest income from debt securities investments was the second largest component of interest income. In the first half of 2025, interest income from debt securities investments increased by RMB5,415 million to RMB182,115 million as compared to the first half of the previous year, which was primarily due to an increase in the scale of debt securities investments.

Interest Income from Balances with Central Banks

Interest income from balances with central banks decreased by RMB77 million to RMB19,708 million as compared to the first half of the previous year, which was primarily due to a decrease in the average yield of balances with central banks.

Interest Income from Amounts Due from Banks and Other Financial Institutions

Interest income from amounts due from banks and other financial institutions decreased by RMB16,353 million to RMB17,582 million as compared to the first half of the previous year, which was primarily due to a decrease in the scale and the average yield of amounts due from banks and other financial institutions.

Interest Expense

Interest expense decreased by RMB37,668 million to RMB315,532 million as compared to the first half of the previous year, which was primarily due to a decrease of 32 basis points in the average cost of interest-bearing liabilities.

Interest Expense on Deposits from Customers

Interest expense on deposits from customers decreased by RMB30,771 million to RMB213,656 million as compared to the first half of the previous year, which was primarily due to a decrease in the average cost of deposits from customers.

Discussion and Analysis

Analysis of Average Cost of Deposits by Product Type

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025			Six months ended 30 June 2024		
	Average balance	Interest expense	Average cost ¹ (%)	Average balance	Interest expense	Average cost ¹ (%)
Corporate deposits						
Time	5,756,620	65,578	2.30	5,788,635	72,711	2.53
Demand	5,183,279	14,491	0.56	5,617,971	31,312	1.12
Sub-Total	10,939,899	80,069	1.48	11,406,606	104,023	1.83
Retail deposits						
Time	12,537,341	130,357	2.10	10,932,690	132,661	2.44
Demand	6,941,360	3,230	0.09	6,621,383	7,743	0.24
Sub-Total	19,478,701	133,587	1.38	17,554,073	140,404	1.61
Total deposits from customers	30,418,600	213,656	1.42	28,960,679	244,427	1.70

Note: 1. Annualized figures.

Interest Expense on Amounts Due to Banks and Other Financial Institutions

Interest expense on amounts due to banks and other financial institutions decreased by RMB2,570 million to RMB57,637 million as compared to the first half of the previous year, which was primarily due to a decrease in the average cost of amounts due to banks and other financial institutions.

Interest Expense on Other Interest-bearing Liabilities

Interest expense on other interest-bearing liabilities decreased by RMB4,327 million to RMB44,239 million as compared to the first half of the previous year, which was primarily due to relatively low interest rates on newly issued interbank certificates of deposit and bonds.

Net Fee and Commission Income

In the first half of 2025, we generated net fee and commission income of RMB51,441 million, representing an increase of RMB4,705 million, or 10.1%, as compared to the first half of the previous year, among which, agency commissions increased by 62.3%, which was primarily due to our deepening transformation of wealth management business, with increased income from wealth management and agency distribution of funds.

Composition of Net Fee and Commission Income

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Agency commissions	15,807	9,738	6,069	62.3
Settlement and clearing	6,729	6,288	441	7.0
Bank card	8,268	8,398	(130)	-1.5
Consultancy and advisory	10,998	11,230	(232)	-2.1
Electronic banking service	12,951	14,822	(1,871)	-12.6
Custodian and other fiduciary service	2,471	2,237	234	10.5
Credit commitment	683	754	(71)	-9.4
Others	190	216	(26)	-12.0
Fee and commission income	58,097	53,683	4,414	8.2
Less: Fee and commission expenses	6,656	6,947	(291)	-4.2
Net Fee and Commission Income	51,441	46,736	4,705	10.1

Other Non-interest Income

In the first half of 2025, other non-interest income amounted to RMB35,879 million, representing an increase of RMB6,323 million, as compared to the first half of the previous year. In particular, net trading gain decreased by RMB8,200 million, which was primarily due to a decrease in net trading gain on derivative financial instruments; net gain on financial investments decreased by RMB5,185 million, which was primarily due to a decrease in net gain on financial instruments at fair value through profit or loss; net gain on derecognition of financial assets measured at amortized cost increased by RMB10,788 million, which was primarily due to an increase in income from disposal of debt securities investments; other operating income increased by RMB8,920 million, which was primarily due to an increase in the foreign exchange gains related to foreign exchange business.

Composition of Other Non-interest Income

In millions of RMB

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Net trading gain	7,558	15,758
Net gain on financial investments	5,869	11,054
Net gain on derecognition of financial assets measured at amortized cost	15,088	4,300
Other operating income/(expense)	7,364	(1,556)
Total	35,879	29,556

Operating Expenses

In the first half of 2025, operating expenses increased by RMB3,046 million to RMB111,725 million as compared to the first half of the previous year; cost-to-income ratio increased by 0.37 percentage point to 27.81% as compared to the first half of the previous year.

Discussion and Analysis

Composition of Operating Expenses

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/ (decrease)	Growth rate (%)
Staff costs	67,533	65,691	1,842	2.8
General operating and administrative expenses	23,942	23,800	142	0.6
Insurance benefits and claims	3,590	2,939	651	22.2
Depreciation and amortization	11,399	11,152	247	2.2
Taxes and surcharges	3,859	3,843	16	0.4
Others	1,402	1,254	148	11.8
Total	111,725	108,679	3,046	2.8

Credit Impairment Losses

In the first half of 2025, our credit impairment losses decreased by RMB3,043 million to RMB97,955 million as compared to the first half of the previous year, among which, impairment losses on loans decreased by RMB1,215 million to RMB97,417 million as compared to the first half of the previous year.

Income Tax Expense

In the first half of 2025, our income tax expense decreased by RMB380 million, or 1.8%, to RMB20,597 million as compared to the first half of the previous year. The effective tax rate was 12.83%, which was lower than the statutory tax rate. This was primarily because the interest income from the PRC treasury bonds and local government bonds held by the Bank was exempted from enterprise income tax by the relevant tax laws.

Segment Reports

We assessed our performance and determined the allocation of resources based on the segment reports. Segment information has been presented in the same manner with that of internal management and reporting. At present, we manage our segments from the aspects of business lines, geographical regions and the County Area Banking Business.

The table below presents our operating income by business segment during the periods indicated.

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Corporate banking business	138,060	37.3	152,123	41.4
Retail banking business	190,281	51.5	203,769	55.5
Treasury operations	29,403	7.9	185	0.1
Other business	12,049	3.3	11,063	3.0
Total operating income	369,793	100.0	367,140	100.0

The table below presents our operating income by geographic segment during the periods indicated.

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	(8,518)	(2.3)	(27,537)	(7.5)
Yangtze River Delta	89,132	24.1	92,468	25.2
Pearl River Delta	55,552	15.0	60,650	16.5
Bohai Rim	57,944	15.7	59,349	16.2
Central Region	66,064	17.9	68,616	18.7
Western Region	80,336	21.7	85,765	23.4
Northeastern Region	13,090	3.5	14,093	3.8
Overseas and others	16,193	4.4	13,736	3.7
Total operating income	369,793	100.0	367,140	100.0

The table below presents our operating income from the County Area Banking Business and Urban Area Banking Business during the periods indicated.

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
County Area Banking Business	183,008	49.5	182,912	49.8
Urban Area Banking Business	186,785	50.5	184,228	50.2
Total operating income	369,793	100.0	367,140	100.0

Balance Sheet Analysis

Assets

At 30 June 2025, our total assets amounted to RMB46,855,878 million, representing an increase of RMB3,617,743 million, or 8.4%, as compared to the end of the previous year. In particular, net loans and advances to customers increased by RMB1,786,988 million, or 7.5%; financial investments increased by RMB591,280 million, or 4.3%; cash and balances with central banks increased by RMB1,228,379 million, or 57.6%; deposits and placements with and loans to banks and other financial institutions decreased by RMB218,344 million, or 19.8%, which was primarily due to a decrease in cooperative deposits with banks and other financial institutions; financial assets held under resale agreements increased by RMB182,700 million, or 13.3%, which was primarily due to an increase in debt securities held under resale agreements.

Discussion and Analysis

Key Items of Assets

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans and advances to customers	26,729,060	—	24,906,187	—
Less: Allowance for impairment losses on loans	965,059	—	929,174	—
Loans and advances to customers, net	25,764,001	55.0	23,977,013	55.5
Financial investments	14,440,383	30.8	13,849,103	32.0
Cash and balances with central banks	3,362,831	7.2	2,134,452	4.9
Deposits and placements with and loans to banks and other financial institutions	883,379	1.9	1,101,723	2.5
Financial assets held under resale agreements	1,554,271	3.3	1,371,571	3.2
Others	851,013	1.8	804,273	1.9
Total assets	46,855,878	100.0	43,238,135	100.0

Loans and Advances to Customers

At 30 June 2025, our total loans and advances to customers amounted to RMB26,729,060 million, representing an increase of RMB1,822,873 million, or 7.3%, as compared to the end of the previous year.

Distribution of Loans and Advances to Customers by Business Type

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Domestic loans	26,278,063	98.5	24,466,136	98.4
Corporate loans	15,439,803	57.9	14,144,003	56.8
Discounted bills	1,530,834	5.7	1,507,921	6.1
Retail loans	9,307,426	34.9	8,814,212	35.5
Overseas and others	398,339	1.5	390,115	1.6
Sub-Total	26,676,402	100.0	24,856,251	100.0
Accrued interest	52,658	—	49,936	—
Total	26,729,060	—	24,906,187	—

Distribution of Corporate Loans by Maturity

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Short-term corporate loans	4,200,992	27.2	3,478,420	24.6
Medium- and long-term corporate loans	11,238,811	72.8	10,665,583	75.4
Total	15,439,803	100.0	14,144,003	100.0

Distribution of Corporate Loans by Industry¹

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Manufacturing	2,636,112	17.1	2,356,480	16.7
Production and supply of electricity, heating, gas and water	1,737,767	11.3	1,606,497	11.4
Real estate	880,499	5.7	858,127	6.1
Transportation, storage and postal services	3,102,403	20.0	2,967,712	20.8
Wholesale and retail	1,004,708	6.5	867,917	6.1
Water, environment and public utilities management	1,356,451	8.8	1,267,293	9.0
Construction	665,840	4.3	546,646	3.9
Mining	325,977	2.1	288,314	2.0
Leasing and commercial services	2,526,402	16.4	2,334,026	16.5
Finance	444,836	2.9	389,722	2.8
Information transmission, software and IT services	141,157	0.9	106,693	0.8
Others ²	617,651	4.0	554,576	3.9
Total	15,439,803	100.0	14,144,003	100.0

Notes: 1. Classification of the loans in the above table is based on the industries in which the borrowers operate.
2. Others mainly include agriculture, forestry, animal husbandry, fishery, public health, and social work, etc.

At 30 June 2025, the top five major industries for our corporate loans include: (1) transportation, storage and postal services; (2) manufacturing; (3) leasing and commercial services; (4) production and supply of electricity, heating, gas and water; and (5) water, environment and public utilities management. Aggregate loan balance of the top five major industries accounted for 73.6% of our total corporate loans, representing a decrease of 0.8 percentage point as compared to the end of the previous year.

Discussion and Analysis

Distribution of Retail Loans by Product Type

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Residential mortgage loans	4,935,431	53.0	4,984,592	56.6
Personal consumption loans	539,077	5.8	476,391	5.4
Loans to private business	2,922,604	31.4	2,494,263	28.3
Credit card balances	910,159	9.8	858,811	9.7
Others	155	—	155	—
Total	9,307,426	100.0	8,814,212	100.0

At 30 June 2025, our retail loans increased by RMB493,214 million, or 5.6%, as compared to the end of the previous year. In particular, personal consumption loans (including credit card balances) increased by RMB114,034 million, or 8.5%, as compared to the end of the previous year, primarily due to our continuous increase in the granting of consumption loans by actively responding to consumption stimulating policies and making deployment focusing on key scenarios. Loans to private business increased by RMB428,341 million, or 17.2%, as compared to the end of the previous year, primarily due to our focus on serving agriculture, rural areas and rural residents, inclusive groups and the real economy, and active response to the financing demands of small and micro enterprises owners, self-employed individuals, rural households and other customer groups.

Distribution of Loans and Advances to Customers by Geographic Region

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	1,010,177	3.8	920,361	3.7
Yangtze River Delta	6,536,259	24.5	6,029,691	24.3
Pearl River Delta	4,123,154	15.5	3,895,277	15.7
Bohai Rim	3,607,898	13.5	3,354,604	13.5
Central Region	4,408,815	16.5	4,072,430	16.4
Northeastern Region	817,105	3.1	769,852	3.1
Western Region	5,774,655	21.6	5,423,921	21.7
Overseas and others	398,339	1.5	390,115	1.6
Sub-Total	26,676,402	100.0	24,856,251	100.0
Accrued interest	52,658	—	49,936	—
Total	26,729,060	—	24,906,187	—

Financial Investments

At 30 June 2025, our financial investments amounted to RMB14,440,383 million, representing an increase of RMB591,280 million, or 4.3%, as compared to the end of the previous year. In particular, investments in non-restructuring-related debt securities increased by RMB587,551 million as compared to the end of the previous year, primarily due to an increase in the investments in government bonds.

Distribution of Financial Investments by Product Type

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Non-restructuring-related debt securities	13,631,380	95.7	13,043,829	95.5
Restructuring-related debt securities	384,205	2.7	384,206	2.8
Equity instruments	133,519	0.9	127,573	0.9
Others	103,876	0.7	110,735	0.8
Sub-Total	14,252,980	100.0	13,666,343	100.0
Accrued interest	187,403	–	182,760	–
Total	14,440,383	–	13,849,103	–

Distribution of Non-restructuring-related Debt Securities Investments by Issuer

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Government bonds	10,340,897	75.9	9,205,375	70.6
Bonds issued by policy banks	1,476,091	10.8	1,628,909	12.5
Bonds issued by banks and other financial institutions	1,272,809	9.3	1,737,001	13.3
Bonds issued by entities in public sectors	253,455	1.9	246,490	1.9
Corporate bonds	288,128	2.1	226,054	1.7
Total	13,631,380	100.0	13,043,829	100.0

Discussion and Analysis

Distribution of Non-restructuring-related Debt Securities Investments by Remaining Maturity

In millions of RMB, except for percentages

Remaining Maturity	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Less than 3 months	869,937	6.4	686,076	5.3
3-12 months	1,505,963	11.0	1,857,564	14.2
1-5 years	4,414,870	32.4	4,019,528	30.8
Over 5 years	6,840,610	50.2	6,480,661	49.7
Total	13,631,380	100.0	13,043,829	100.0

Distribution of Non-restructuring-related Debt Securities Investments by Currency

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
RMB	13,148,921	96.5	12,593,350	96.5
USD	383,961	2.8	371,985	2.9
Other foreign currencies	98,498	0.7	78,494	0.6
Total	13,631,380	100.0	13,043,829	100.0

Distribution of Financial Investments by Business Models and Characteristics of Contractual Cash Flows

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial assets at fair value through profit or loss	521,158	3.7	513,306	3.8
Debt investments at amortized cost	10,189,455	71.5	9,748,446	71.3
Other debt instruments and other equity investments at fair value through other comprehensive income	3,542,367	24.8	3,404,591	24.9
Sub-Total	14,252,980	100.0	13,666,343	100.0
Accrued interest	187,403	—	182,760	—
Total	14,440,383	—	13,849,103	—

Investment in Financial Bonds

Financial bonds refer to securities issued by policy banks, banks and other financial institutions, the principals and interests of which are to be repaid pursuant to a pre-determined schedule. At 30 June 2025, the balance of financial bonds held by the Bank was RMB2,748,900 million, including bonds of RMB1,476,091 million issued by policy banks and bonds of RMB1,272,809 million issued by banks and other financial institutions.

The table below presents the top ten financial bonds held by the Bank in terms of face value at 30 June 2025.

In millions of RMB, except for percentages

Bond	Face value	Annual interest rate	Maturity date	Allowance ¹
2022 policy bank bond	70,719	3.18%	2032-03-11	—
2021 policy bank bond	50,954	3.38%	2031-07-16	—
2020 policy bank bond	49,980	3.74%	2030-11-16	—
2020 policy bank bond	48,419	3.79%	2030-10-26	—
2021 policy bank bond	46,691	3.30%	2031-11-05	—
2021 policy bank bond	41,688	3.52%	2031-05-24	—
2021 policy bank bond	40,558	3.22%	2026-05-14	—
2022 policy bank bond	38,351	3.06%	2032-06-06	—
2022 policy bank bond	34,332	2.91%	2029-02-21	—
2021 policy bank bond	34,081	3.48%	2028-02-04	—

Note: 1. Allowance in this table refers to allowance for impairment losses in stage II and stage III, not including allowance for impairment losses in stage I.

Liabilities

At 30 June 2025, our total liabilities amounted to RMB43,706,637 million, representing an increase of RMB3,565,775 million, or 8.9%, as compared to the end of the previous year. In particular, deposits from customers increased by RMB1,595,129 million, or 5.3%; deposits and placements from banks and other financial institutions increased by RMB1,004,963 million, or 20.0%, mainly due to an increase in deposits from banks; financial assets sold under repurchase agreements increased by RMB450,733 million, or 73.2%, mainly due to an increase in bond repurchase; debt securities issued increased by RMB427,278 million, or 16.0%, mainly due to the issuance of interbank certificates of deposit and financial bonds.

Discussion and Analysis

Key Items of Liabilities

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Deposits from customers	31,900,486	73.0	30,305,357	75.5
Deposits and placements from banks and other financial institutions	6,036,546	13.8	5,031,583	12.5
Financial assets sold under repurchase agreements	1,066,458	2.4	615,725	1.5
Debt securities issued	3,105,787	7.1	2,678,509	6.7
Other liabilities	1,597,360	3.7	1,509,688	3.8
Total liabilities	43,706,637	100.0	40,140,862	100.0

Deposits from Customers

At 30 June 2025, the balance of our deposits from customers amounted to RMB31,900,486 million, representing an increase of RMB1,595,129 million, or 5.3%, as compared to the end of the previous year. In terms of customer structure, the proportion of retail deposits increased by 1.3 percentage points to 64.1% as compared to the end of the previous year. In terms of maturity structure, the proportion of demand deposits decreased by 0.9 percentage point to 40.0% as compared to the end of the previous year.

Distribution of Deposits from Customers by Business Type

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Domestic deposits	31,239,546	99.4	29,611,505	99.4
Corporate deposits	10,298,566	32.8	10,059,292	33.7
Time	4,972,390	15.8	4,837,501	16.2
Demand	5,326,176	17.0	5,221,791	17.5
Retail deposits	20,146,345	64.1	18,692,180	62.8
Time	12,931,776	41.1	11,750,277	39.4
Demand	7,214,569	23.0	6,941,903	23.4
Other deposits ¹	794,635	2.5	860,033	2.9
Overseas and others	177,241	0.6	175,174	0.6
Sub-Total	31,416,787	100.0	29,786,679	100.0
Accrued interest	483,699	—	518,678	—
Total	31,900,486	—	30,305,357	—

Note: 1. Including margin deposits, remittance payables and outward remittance.

Distribution of Deposits from Customers by Geographic Region

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Head Office	113,633	0.3	91,941	0.3
Yangtze River Delta	7,435,224	23.7	6,981,158	23.5
Pearl River Delta	4,358,816	13.9	4,260,191	14.3
Bohai Rim	5,583,600	17.8	5,286,682	17.7
Central Region	5,610,475	17.8	5,215,174	17.5
Northeastern Region	1,662,876	5.3	1,552,230	5.2
Western Region	6,474,922	20.6	6,224,129	20.9
Overseas and others	177,241	0.6	175,174	0.6
Sub-Total	31,416,787	100.0	29,786,679	100.0
Accrued interest	483,699	—	518,678	—
Total	31,900,486	—	30,305,357	—

Distribution of Deposits from Customers by Remaining Maturity

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Demand	13,528,332	43.0	12,915,799	43.3
Less than 3 months	2,896,185	9.2	3,680,897	12.4
3-12 months	7,027,025	22.4	5,578,773	18.7
1-5 years	7,960,946	25.3	7,609,342	25.5
Over 5 years	4,299	0.1	1,868	0.1
Sub-Total	31,416,787	100.0	29,786,679	100.0
Accrued interest	483,699	—	518,678	—
Total	31,900,486	—	30,305,357	—

Shareholders' Equity

At 30 June 2025, our shareholders' equity amounted to RMB3,149,241 million, representing an increase of RMB51,968 million as compared to the end of the previous year. Net assets per ordinary share were RMB7.65, representing an increase of RMB0.25 as compared to the end of the previous year.

Discussion and Analysis

Composition of Shareholders' Equity

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Ordinary shares	349,983	11.1	349,983	11.3
Other equity instruments	465,000	14.8	500,000	16.1
Capital reserve	173,415	5.5	173,419	5.6
Surplus reserve	302,271	9.6	301,841	9.7
General reserve	570,192	18.1	532,991	17.2
Retained earnings	1,199,509	38.1	1,150,758	37.3
Other comprehensive income	82,730	2.6	81,816	2.6
Non-controlling interests	6,141	0.2	6,465	0.2
Total	3,149,241	100.0	3,097,273	100.0

Off-balance Sheet Items

Off-balance sheet business refers to business engaged by the Bank that is not recorded on the balance sheet under current accounting standards for enterprises and does not form actual assets or liabilities, but may lead to changes in profit or loss. Based on the characteristics and legal relationships, off-balance sheet business is categorized into guarantees and commitments, agency investment and financing services, intermediary services, and others. For details on off-balance sheet items such as credit commitments and capital expenditure commitments, please refer to Note 45 Contingent liabilities and commitments to the Condensed Consolidated Interim Financial Statements.

In the first half of 2025, the Bank adhered to the principle of prudent operations, and attached great importance to the development and risk control of off-balance sheet business. The Bank fully implemented regulatory requirements, specified development objectives and strategies for off-balance sheet business, focused on improving the level of refined business management to better meet customer demands for comprehensive financial services.

Other Financial Information

Changes in Accounting Policies

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

Differences between the Consolidated Financial Statements Prepared under IFRS Accounting Standards and those Prepared under CASs

There were no differences in the net profit or shareholders' equity, during the reporting period, between the Consolidated Interim Financial Statements of the Bank prepared under IFRS Accounting Standards and the corresponding figures prepared in accordance with CASs.

Other Financial Indicators

		Regulatory Standard	30 June 2025	31 December 2024	31 December 2023
Liquidity ratio ¹ (%)	RMB	≥25	98.94	85.34	75.42
	Foreign currency	≥25	149.57	181.05	182.67
Percentage of loans to the largest single customer ² (%)		≤10	2.68	2.64	1.99
Percentage of loans to the top ten customers ³ (%)			14.85	13.79	12.02
Loan migration ratio ⁴ (%)	Normal		1.61	1.26	1.39
	Special mention		30.96	18.61	23.85
	Substandard		67.18	39.37	35.45
	Doubtful		116.34	22.98	17.29

- Notes:
1. Calculated by dividing current assets by current liabilities in accordance with the relevant regulations of the NFRA.
 2. Calculated by dividing total loans to the largest single customer (excluding accrued interest) by net capital.
 3. Calculated by dividing total loans to the top ten customers (excluding accrued interest) by net capital.
 4. The data at 30 June 2025 was annualized.

Business Review

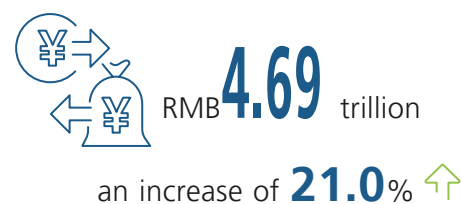
“Five Priorities” of Finance

We thoroughly implemented the decisions and plans of the CPC Central Committee and the State Council, comprehensively advanced the follow-up implementation plan to carry out the guiding principles of the Central Financial Work Conference. We made solid headway in the “Five Priorities” of finance¹, facilitated high-quality development of the economy and society, and persisted in being the national team and main force serving the real economy. We promoted the “Five Priorities” of finance in an orderly manner, gradually improved the service system of technology finance, increasingly enriched service models of green finance, continuously consolidated the advantages of services in inclusive finance, accelerated the business development of pension finance, and steadily enhanced the service capabilities of digital finance.

Technology Finance

We actively innovated financial products and service mechanisms to support the greater self-reliance and strength in science and technology. We optimized the organizational system of technology finance, established 25 technology finance service centers, and enhanced the institutional strength for more than 300 specialized sub-branches of technology finance and increased the workforce. We optimized the exclusive credit service system, and tailored differentiated credit support policies. We innovatively launched the Technology Quick Loan, an exclusive online product. We accelerated the implementation of various national policies supporting scientific and technological innovation, and actively served enterprises on the national sci-tech innovation loan list. We successfully issued RMB20.0 billion of commercial banks’ scientific and technological innovation bonds, and actively invested in and underwrote the first batch of scientific and technological innovation bonds. We launched the business of M&A loans targeting sci-tech enterprises in a pilot program to support their mergers, acquisitions and reorganizations. We have signed cooperation agreements with all cities included in the pilot program for asset investment companies (AIC) equity investment, and established 13 pilot funds with a subscribed capital scale of over RMB10.0 billion. As at the end of June 2025, the balance of technology loans amounted to RMB4.69 trillion, representing an increase of 21.0% as compared to the end of the previous year.

The balance of technology loans



¹ The data related to the “Five Priorities” of finance in this interim report is in accordance with the statistical criteria specified in the Notice on Strengthening the Statistical Work of the “Five Priorities” of Finance issued by the General Office of PBOC.

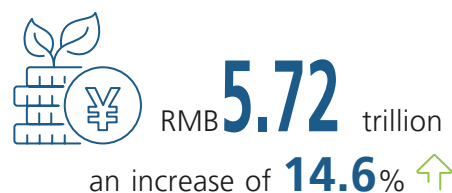
Green Finance

We thoroughly implemented the green finance strategy with a focus on the Beautiful China Initiative. We continuously improved the management system and mechanism, accelerated the innovation of service models, and deepened the building of our green finance brand, to promote the high-quality development of green finance. We refined our multi-tiered policy system, continued to incorporate the requirements of green and low-carbon development into our credit policies and guidelines, and optimized industrial credit policies, to guide the investment of green funds. We improved the mechanism for the pool of major green finance projects, and increased the credit supply focusing on key areas including energy conservation and carbon reduction, resource recycling, green and low-carbon transformation of energy, ecological protection, restoration and utilization, and green upgrading of infrastructure. We issued green finance bonds, carried out green bond investment, and continuously developed diversified green investment and financing business such as green funds, green leasing, and green wealth management. As at the end of June 2025, the balance of green loans amounted to RMB5.72 trillion, representing an increase of 14.6% as compared to the end of the previous year.

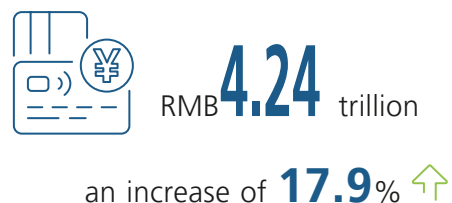
Inclusive Finance

We thoroughly practiced the political and people-oriented nature of financial work, and continued to advance the implementation of the strategy of rural and inclusive finance. We also thoroughly implemented the coordination mechanism for supporting small and micro enterprises in obtaining financing, enhanced financial support for key areas such as private enterprises, science and technology, foreign trade, and consumption, and strengthened the supply of first-time loans, loan renewals, credit loans, long- and medium-term loans, as well as services for small and micro enterprises. We further improved the long-term mechanism featuring cost affordability and commercial sustainability to fully meet diversified and inclusive financial needs of vast market entities and specific groups. As at the end of June 2025, the balance of inclusive loans amounted to RMB4.24 trillion, representing an increase of RMB643.1 billion or 17.9% as compared to the end of the previous year; the balance of inclusive loans to small and micro enterprises was RMB3.82 trillion, representing an increase of RMB596.2 billion as compared to the end of the previous year; the number of inclusive small and micro enterprise customers with outstanding loan balances amounted to 5,207.4 thousand, representing an increase of 625.5 thousand customers as compared to the end of the previous year. Our role as a major bank in inclusive finance with the largest supply of inclusive loans, broadest service coverage and leading capabilities in sustainable development was continuously consolidated.

The balance of green loans



The balance of inclusive loans



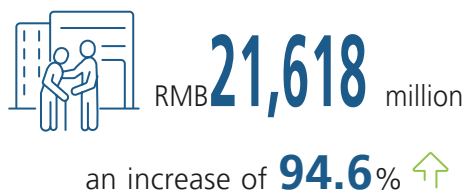
Pension Finance

We actively served the proactive national strategy in response to population aging. With the goal of building a bank featuring pension finance that would satisfy the people, we are committed to establishing a service system featuring comprehensive product supply, full-channel age-friendly services, multi-tiered industrial support, multi-dimensional customer group management, and multi-scenario ecosystem development endeavoring to improve coverage, sense of gain and refinement of services. We continuously supported the building of a multi-tiered and multi-pillar pension insurance system. As at the end of June 2025, the number of users of social security cards, electronic social security cards and medical insurance QR codes amounted to 278 million, 183 million and 79.01 million, respectively, all leading the banking industry. We achieved a relatively high growth in annuity under entrusted management and annuity custody business. The number of private pension customers increased by 71.9% as compared to the end of the previous year. We optimized our pension service finance, and supplied more than 1,100 pension finance products. In the first half of 2025, we provided door-to-door services and “direct access to staff” hotline services to 776 thousand and 3,925 thousand elderly customers, respectively. We stepped up support for the silver economy. As at the end of June 2025, the balance of loans to the elderly care industry amounted to RMB21,618 million, representing an increase of 94.6% as compared to the end of the previous year.

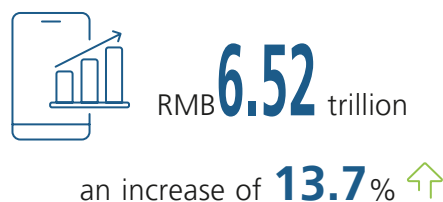
Digital Finance

We actively advanced the construction of smart banking. Guided by the “AI+” *Innovation Action Plan of Agricultural Bank of China*, we accelerated the large-scale application of “AI+” throughout the Bank. To empower operations and reduce the burdens of employees at foundation level, we continued to deepen the application of data in targeted marketing, risk prevention and control, and innovation of management using a project-based approach. We accelerated the innovation of data asset credit enhancement products and services, and improved the efficiency of credit business and the refinement of customer services. We launched the 10.1 version of mobile banking, and optimized the full-link online-offline business process of “mobile banking +mobile marketing PAD”, to continuously strengthen the capabilities of financial services for customers. We completed the mainframe migration and decommissioning which was the largest-scale project involving the largest number of customers in the banking industry. As at the end of June 2025, the balance of ABC E-loan amounted to RMB6.52 trillion, representing an increase of 13.7% as compared to the end of the previous year, and the number of monthly active users (MAU) of retail mobile banking was 263 million.

The balance of loans to the elderly care industry



The balance of ABC E-loan



Corporate Banking

During the reporting period, we focused on serving the real economy, made solid headway in the “Five Priorities”, and increased funding supply and support for major national strategies, key areas and weak links. We proactively carried out the digitalization strategy, and optimized operation and service systems in online and offline scenarios. Being customer-centered, we deepened the hierarchical and classified operation for customers, and improved our comprehensive financial service capability, so as to promote the high-quality development of our corporate banking business. As at the end of June 2025, the balance of domestic corporate deposits amounted to RMB10,298,566 million. The balance of domestic corporate loans and discounted bills amounted to RMB16,970,637 million, representing an increase of RMB1,318,713 million as compared to the end of the previous year. As at the end of June 2025, we had 12,990.1 thousand corporate banking customers, among which 649.5 thousand customers had outstanding loan balances, representing an increase of 42.0 thousand customers as compared to the end of the previous year.

- We implemented the national strategy of building a manufacturing powerhouse. Focusing on advanced manufacturing, industrial transformation and upgrading, industrial green development, industrial chain and supply chain and other fields, we strengthened policy support and resource guarantees, optimized financial products and service models, and supported large-scale equipment upgrades, and transformation and upgrading, and high-quality development of the manufacturing industry. As at the end of June 2025, the contracted loans under the program for technology transformation and equipment renewals reached RMB315.2 billion, and the balance of loans was RMB115.4 billion, representing an increase of RMB89.7 billion as compared to the end of the previous year, all ranking first among the 26 financial institutions; the balance of loans granted to the manufacturing industry (based on the distribution of loans) amounted to RMB3.80 trillion, representing an increase of RMB555.3 billion or 17.1% as compared to the end of the previous year.
- We served national strategies of regional development. We took advantage of our omni-channel, full range of products and multiple licenses and strengthened differentiated policy support to comprehensively serve national strategies of regional development, such as Coordinated Development of the Beijing-Tianjin-Hebei Region, Integrated Development of the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and Chengdu-Chongqing Economic Circle, with an increase of RMB917.8 billion in loans to corporate customers in the first half of 2025.
- We supported the development of the private sector. We formulated an action plan to improve the quality and efficiency of services for private enterprises. We allocated dedicated credit resources, increased financial support for the private enterprises in key fields such as rural revitalization, technology, inclusiveness and green transformation, and supported private enterprises to participate in high-quality private investment projects under the investment-loan linkage mechanism of National Development and Reform Commission. As at the end of June 2025, the balance of loans granted to private enterprises was RMB7.39 trillion, representing an increase of RMB857.3 billion or 13.1% as compared to the end of the previous year.
- We implemented the urban real estate financing coordination mechanisms. We supported the efforts to ensure the timely delivery of housing projects, and promoted the stable and healthy development of the real estate market. As at the end of June 2025, we approved loans for over 1,400 “white list” projects with a total amount of over RMB700.0 billion, and granted loans of more than RMB530.0 billion accumulatively.
- We facilitated the stable development of the capital market. As one of the first batch of banks participating in central bank lending facility for share buybacks and shareholding increases, we established an efficient and coordinated linkage mechanism among the Head Office, branches and sub-branches, targeted the needs of high-quality listed companies, strengthened service and interface as well as marketing from the source, and built a full-chain service system. We granted loans to companies of multiple sectors, with the cumulative amount ranking among the top in the banking industry.
- We promoted digital transformation. We improved the intelligent marketing management platform and a series of digital support tools to further enhance the quality and efficiency of financial services.

Transaction Banking

We continued to improve the transaction banking system based on accounts and payment and settlement. With the focus on key areas, industries and customers, we strengthened product innovation, accelerated online penetration, deepened differentiated integrated marketing, and increased traffic through scenarios, to facilitate the high-quality development of transaction banking business. We fully leveraged the advantages of mobile marketing PAD in outreach marketing, optimized the division of operation between front and back offices, and refined the corporate account opening process, to continuously enhance the quality of services for corporate customers. As at the end of June 2025, we had 15,883.6 thousand corporate RMB-denominated settlement accounts.

Institutional Banking

Adhering to the customer-centered principle, we promoted the smart scenarios construction and improved the customer service efficiency to promote the high-quality development of institutional banking. As at the end of June 2025, we had 744.1 thousand institutional banking customers, representing an increase of 8.8 thousand customers as compared to the end of the previous year.

- In terms of financial services to the governments, we enhanced the intelligent services for government affairs, and promoted the extension to County Areas and foundation-level governments. The independently developed “ZhiXian” platform has been launched and operated in 742 counties of 31 provinces (including autonomous regions and municipalities directly under the central government) to help improve the efficiency of the county-level governments’ performance of duties, optimize the business environment, and render public services.
- In terms of fiscal and social security, we supported the fiscal budget institutional reform, and facilitated the front-loaded implementation of a more proactive fiscal policy. We were awarded excellent agent bank for central fiscal authorized payments by the MOF for eight consecutive years, ranking first for three consecutive years. We were awarded excellent agent bank for central non-tax revenue collection by the MOF for 15 consecutive years. We deepened cooperation on social security and medical insurance business, and consolidated the medical insurance service network, with the number of qualifications for cooperation in mobile payment of medical bills under medical insurance and medical insurance QR code users both ranking first in the banking industry.
- In terms of services to people’s livelihood, we cooperated with over 35.5 thousand schools on our smart campus.
- In terms of services to financial institutions, the contracted customers for third-party depository services amounted to 87.00 million, representing an increase of 5.77 million customers as compared to the end of the previous year.

Investment Banking

We proactively made our efforts in the “Five Priorities”, and endeavored to build the first-class investment banking division of commercial banks. In the first half of 2025, the income from our investment banking business was RMB9,723 million.

- We focused on financing demands of the real economy. We fully leveraged the advantages of syndicated loan business to meet the financing demands of customers in key sectors, with the balance of syndicated loans exceeding RMB3.2 trillion. We actively implemented the pilot policy on M&A loans targeting tech companies, to support their mergers, acquisitions and reorganizations. We expanded securitization service methods to support the revitalization of existing assets of the real economy. We established the marketing and cooperation business service system “E-match”, promoted institutional development and system support, and achieved a leading position among peers in both increment and growth rate of our matchmaking business, with our full-scenario comprehensive financial service capability of investment banking effectively enhanced.
- We deepened the strategic layout in technology finance. We underwrote the first batch of technology innovation bonds, covering both technology enterprises and equity investment institutions, and providing strong support for rural revitalization and private technology enterprises. We steadily advanced the establishment of AIC equity investment pilot funds and the investment in projects by such funds. As at the end of June 2025, a total of 13 pilot equity investment funds were set up, with a subscribed capital scale of over RMB10.0 billion. We made solid progress in the mutual reinforcement between investment and loans providing stock option arrangement advisory services for over 3,000 technology enterprises.
- We accelerated digital transformation. We optimized and upgraded the functional architecture of the ABC SISON, strengthened the promotion and application of the Inclusive Zone section, and enriched the platform’s service offerings to enhance our online customer service capabilities. We fully used artificial intelligence technologies, thoroughly advanced the development of the intelligent Q&A system for investment banking, and actively piloted new scenarios for intelligent applications.

Retail Banking

Pursuing high-quality development as our overarching task, we deepened the development strategy of “One Main Body with Two Wings” (namely, customer construction as the main body, unswervingly promoting broad wealth management and digital transformation as the two wings), continued to strengthen the refined, integrated, and digital and intelligent customer service, and strove to be the preferred principal bank for customers. We accelerated efforts to enhance our professional and innovative capabilities in broad wealth management, to better meet customers’ demands for asset value preservation and appreciation. We increased the supply of retail loans, served the real economy, and facilitated to boost consumption and expand domestic demand. We intensified services in key fields related to people’s livelihood, and practiced the principle of “finance for the people”, to continuously meet people’s financial needs associated with their pursuit of a better life.

Customer Management

Adhering to the customer-centered principle and based on the strategy of customer management classified by groups and layers, we forged an operation and service model that meets customers' diverse needs through the "four-wheel drive" of value, reform, organization, and digitalization and intelligence, to improve our "financial + non-financial" integrated service capabilities. As at the end of June 2025, the total number of our retail banking customers reached 888 million, maintaining first in the banking industry.

- We adhered to value-driven development. We fully leveraged the inclusiveness of retail banking, and innovatively launched products such as ABC Yi Yang Bao and Beautiful Life debit cards precisely aligning with the demands and expectations of elderly customers, new urban residents and rural customers. We increased financial supply in rural areas, and improved the service channels such as outlets, mobile banking, Huinong service stations, and door-to-door service by rural revitalization service vanguard teams, to make inclusiveness of retail banking benefit more households.
- We adhered to reform-driven development. We implemented the concept of "One Customer, One Bank", and built the "Five-in-One" service system integrating customer maintenance classified by groups, layered benefits, leveled customer management, comprehensive operations, and integrated strategies. We systematically implemented customer management classified by groups, accelerated the restructuring of the customer benefits system, adopted the "staff + digitalization and intelligence" customer management strategy on all fronts, and thoroughly carried out multi-field collaboration and multi-system synergy, to forge a long-term engine for customer services.
- We adhered to organization-driven development. We deepened the construction of team matrix featuring "multi-tiered and multi-dimensional synergy", and optimized the service mechanism featuring data interoperability, information sharing, capability co-building, and performance sharing. We strengthened empowerment with intelligent tools, enriched training resources, and organized professional skill competitions, to comprehensively enhance the capabilities of our teams and provide customers with higher-quality and more professional services.
- We adhered to digitalization and intelligence-driven development. Relying on the building of smart banking, we actively applied tools such as intelligent outbound calls and WeCom to carry out digital direct service to retail customers, achieving mutual reinforcement between customer service and value creation. We enhanced the deep empowerment capability of "Yiming", an AI digital employee, which provided digital and intelligent support for customer manager in customer services.

Broad Wealth Management

Anchoring the positioning as a family financial planner trusted by customers, we insisted on putting equal emphases on professionalism and companionship, and provided platform-based, professional, comprehensive and inclusive broad wealth management services. As at the end of June 2025, the assets under management of our retail banking customers reached RMB23.68 trillion, ranking among the top in the banking industry; the balance of domestic retail deposits amounted to RMB20,146,345 million, representing an increase of RMB1,454,165 million as compared to the end of the previous year, maintaining a leading position in the banking industry.

- We leveraged our platform advantages to enrich the wealth management ecosystem. Upholding the principle of "reasonable expectations and qualified delivery", we strengthened internal collaboration within the Group and deepened external cooperation, and screened and integrated the high-quality wealth management institutions, products, experts and other resources across the entire market, to enhance customer service capabilities in a coordinated manner and deliver "one-stop" investment experience.

- We leveraged our innovation capabilities to deepen the supply-side reform. Through innovation and selection, we continuously refined product portfolio and optimized product structure. We actively developed commercial pension business, and successfully launched the first batch of funds with floating management fees in the market, a series of innovative index funds, and ABC Kuai E Bao No. 2, a new money market fund portfolio product. Targeting elderly customers, we developed Zhang Bei Yue Xiang, a series of wealth management products with monthly dividends.
- We leveraged asset allocation to support the growth of customers' wealth. We promoted the full-cycle and companion-based family asset allocation services, and provided sustainable wealth growth solutions of "deposits + wealth management + other products/services" focusing on customers' differentiated risk tolerance and investment objectives, to increase their comprehensive income.

Retail Loans

Practicing the principle of "finance for the people" and actively serving "expanding domestic demand and stimulating consumption" and the high-quality development of the real economy, we continuously increased the granting of retail loans. As at the end of June 2025, the balance of domestic retail loans was RMB9,307,426 million, representing an increase of RMB493,214 million or 5.6% as compared to the end of the previous year, maintaining a leading position in the banking industry.

- We resolutely implemented policies of financial support for real estate, actively adapted to the changes in the supply-demand relationship in the real estate market, and facilitated to promote the stable and healthy development of the real estate market. In the first half of 2025, we granted retail residential mortgage loans of RMB317.7 billion.
- We actively served the national strategies of "expanding domestic demand and stimulating consumption", ensured alignment with policies related to the special initiatives to boost consumption, made deployment focusing on key scenarios, advanced product innovation and process optimization, and enhanced the quality and efficiency of our services. As at the end of June 2025, the balance of personal consumption loans (including credit card balances) amounted to RMB1.45 trillion, representing an increase of RMB114.0 billion as compared to the end of the previous year.
- Focusing on serving agriculture, rural areas and rural residents, inclusive groups and the real economy, we implemented various national requirements, adopted differentiated policies, and actively responded to the financing demands of small and micro enterprises owners, self-employed individuals, rural households and other customer groups. As at the end of June 2025, the balance of loans to private business amounted to RMB2.92 trillion, representing an increase of RMB428.3 billion as compared to the end of the previous year.

Bank Card Business

- We continuously enhanced the innovation capabilities of our debit card business and promoted the business transformation. We built a new-generation debit card product management system with identifiers of all debit card products, and strengthened the standardized management of debit cards. We accelerated the upgrading and optimization of the customized card business. We forged the “Money-Saving Monthly Card” activity brand, and collaborated with UnionPay and leading payment institutions to launch activities such as Welcome Rewards for first-time card binding and Threshold Discounts for payment to boost consumption. We continued to implement the measures of fee reduction and interest concession, exempting annual fees and minimum balance fees for eligible accounts. As at the end of June 2025, we had 1,207 million existing debit cards.
- We strengthened cooperation with online payment platforms, and carried out differentiated management of credit card customer groups. We formulated special measures to boost consumption, stepped up support for trade-ins of consumer goods, and expanded the coverage of cooperation on state subsidies. We particularly served popular consumption scenarios such as culture and tourism, overseas and county areas, and took active part in the themed campaigns of the “National Consumption Promotion Month” launched by the Ministry of Commerce and the “Summer Culture & Tourism Consumption Season” launched by the Ministry of Culture and Tourism. We enriched the scenarios of consumption finance, and greatly supported the consumption of big-ticket items such as automobiles and home decoration. We organized the 2nd Huinong Financial Service Festival, comprehensively upgraded the Huinong installment services for agricultural machinery, and innovated installment products for agricultural inputs. In the first half of 2025, the transaction volume of credit cards amounted to RMB1.05 trillion.

Private Banking Business

- We deepened the service philosophy of “professional insights and value creation”, and accelerated the deployment of a multi-dimensional, multi-sector and characteristic ecosystem management platform. We strengthened the integrated corporate and retail banking services, and adopted targeted strategies by customer groups to enhance customers’ experience, with both the number of entrepreneur customers and the scale of assets under management increasing by 14% as compared to the end of the previous year. We provided retirement planning and wealth inheritance services for elderly customers, and innovatively built pension finance wealth management centers, with the number of elderly customers increasing by 12 thousand and the scale of assets under management reaching RMB1.3 trillion. We vigorously developed wealth management of private banking business, continuously expanded the shelves of private banking wealth management and insurance products, and optimized the whole-process experience of asset allocation services. Leveraging the “1 + N” public welfare financial service system, we promoted the large-scale development of public welfare finance, with the number of charitable trusts launched by customers with our assistance increasing by 31% as compared to the end of the previous year, and successfully launched benchmark projects such as the “Shen Jilan Rural Revitalization Charitable Trust”.
- As at the end of June 2025, the number of our private banking customers reached 279 thousand and the balance of assets under management amounted to RMB3.5 trillion.

Treasury Operations

Treasury operations of the Bank include money market activities and investment portfolio management. We adhered to serving the high-quality development of the real economy and supporting the green and low-carbon development. We flexibly adjusted investment strategies on the basis of ensuring the security of bank-wide liquidity. Our investment return on assets remained at a relatively high level among peers.

Money Market Activities

- We strengthened research on monetary policies and forecasts of market liquidity, comprehensively used financing instruments such as interbank lending, repurchases, certificates of deposit and interbank deposits and continuously optimized the structure of short-term assets to improve the efficiency of fund utilization on the basis of ensuring the security of our liquidity.
- We effectively fulfilled the responsibilities as a primary dealer of open market operations, and efficiently assisted in the transmission of monetary policies. We proactively carried out the bond repurchase transactions under Securities, Funds and Insurance companies Swap Facility (SFISF) to facilitate the stable development of the capital market. In the first half of 2025, the volume of our RMB-denominated financing transactions amounted to RMB63.82 trillion.

Investment Portfolio Management

As at 30 June 2025, our financial investments amounted to RMB14,440,383 million, representing an increase of RMB591,280 million or 4.3% as compared to the end of the previous year.

Trading Book Activities

- We made solid progress in promoting the high-quality development of the bond market-making business, and continuously improved the capability of bond market-making in the interbank market. Aiming to serve the real economy, we steadily carried out quoting and trading for bonds such as sci-tech innovation bonds, rural revitalization bonds, green bonds, and small and micro enterprise bonds. We actively served the high-standard opening-up of the bond market, and our Bond Connect business maintained a leading position in the market.
- We enhanced the management of bond trading portfolio. In the first half of 2025, the yields of the domestic bond market rallied first before pulling back. Proactively capturing market opportunities, we intensified the flexible operation of trading portfolio, and dynamically optimized the portfolio structure to maintain a balance between risk and return.

Banking Book Activities

- We strengthened bond market analysis and judgment to enhance the refinement of investment strategies. We rationalized the investment pace comprehensively considering both the trends in the bond market and the needs of portfolio management and adaptively optimized the portfolio structure. We coordinated asset returns and risk prevention and control to enhance the quality and effectiveness of investment operations.
- We maintained efforts to invest in government bonds and optimized the investment structure of credit bonds. We enhanced efforts to invest in government bonds to support the implementation of major national strategies and the building up of security capacity in key areas. Aiming to serve the high-quality development of the real economy and focusing on the "Five Priorities", we actively invested in credit bonds.

Discussion and Analysis

Asset Management

Wealth Management

As at the end of June 2025, the balance of the Group's wealth management products amounted to RMB1,760,321 million, of which RMB7,044 million was generated from the Bank. All of the Bank's wealth management products were non-principal guaranteed wealth management products and publicly offered wealth management products. The balance of ABC Wealth Management's wealth management products amounted to RMB1,753,277 million, which were all net worth wealth management products. Among them, publicly offered wealth management products and privately offered wealth management products accounted for 93.5% and 6.5%, respectively.

The table below presents the issuance, maturity and existence of wealth management products of the Group

In 100 million of RMB, except for tranches

Item	31 December 2024		Issuance		Maturity		30 June 2025	
	Tranche	Amount	Tranche	Amount	Tranche	Amount	Tranche	Amount
ABC Wealth Management	795	19,695.80	412	24,872.90	248	27,144.21	959	17,532.77
The Bank	8	158.21	—	63.80	5	153.23	3	70.44
Total	803	19,854.01	412	24,936.70	253	27,297.44	962	17,603.21

Note: The amount of issuance refers to the actual raised amount of new products and the subscription amount of existing products during the reporting period. The amount of maturity refers to the payment amount of matured products and the redemption amount of existing products during the reporting period.

The table below presents the balances of direct and indirect investment assets under the Group's wealth management business

In 100 million of RMB, except for percentages

Item	ABC Wealth Management		30 June 2025 The Bank		The Group	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Cash, deposits and bonds held under resale agreements	6,520.78	34.4	23.49	14.4	6,544.27	34.2
Debt securities	10,994.86	57.9	—	—	10,994.86	57.4
Non-standard debt-based assets	349.67	1.8	—	—	349.67	1.8
Other assets	1,118.97	5.9	139.99	85.6	1,258.96	6.6
Total	18,984.28	100.0	163.48	100.0	19,147.76	100.0

Note: Other assets include mutual funds, financial derivatives, customer-driven overseas wealth management investments(QDII), and equity assets.

Custody Business

- We successfully marketed a number of national industrial funds and enterprise annuity projects with market influence. Both of the scale of mutual funds and pension funds under custody exceeded RMB2 trillion, and the scale of insurance under custody stood at RMB8 trillion.
- At the end of June 2025, our assets under custody amounted to RMB18,930,107 million, representing an increase of 7.9% as compared to the end of the previous year.

Precious Metals

- In the first half of 2025, we traded 1,809.86 tons of gold and 5,996.09 tons of silver for our own account as well as on behalf of customers, and maintained a leading position in the industry in terms of transaction volume.
- We met the gold using demands of enterprises in the precious metals industrial chain by precious metals leasing business. We improved the quality and efficiency of services for upstream and downstream enterprises in the precious metals industrial chain, and supported the high-quality development of green mining enterprises.

Treasury Transactions on Behalf of Customers

- We continuously promoted the concept of exchange rate risk neutrality, and provided enterprises with forwards, swaps, option products and other exchange rate hedging products to help improve the quality and stabilize the volume of foreign trade. In the first half of 2025, the transaction volume of foreign exchange sales and settlements as well as foreign exchange trading on behalf of customers amounted to USD291,710 million.
- The OTC bond (Zhaishibao) business achieved steady growth. We enhanced the inclusiveness of financial services, expanded the offerings of thematic bonds including sci-tech innovation bonds, and continuously optimized the OTC bond product and service system. In the first half of 2025, the transaction volume of OTC bonds exceeded RMB80.0 billion, representing a year-on-year increase of over 14%.

Pension Business

- We took the initiative to serve the proactive national strategy in response to population aging, deepened business layout, promoted market cultivation, and helped expand the coverage of the annuity system, with the steady increase of the scale of pension business. We continuously improved the supply of products and services, and strengthened project operation management, to constantly meet customers' diversified service needs and contribute to the building of a multi-tiered and multi-pillar pension insurance system.
- As at the end of June 2025, our pension funds¹ under entrusted management amounted to RMB345,418 million, representing an increase of 9.1% as compared to the end of the previous year.

¹ Including occupational annuities, enterprise annuities and other pension assets under entrusted management.

Inclusive Finance

We deepened the coordination mechanism for supporting small and micro enterprises in obtaining financing, actively followed up on various lists provided by governments at all levels, and granted credit lines of RMB4,040.9 billion to 2.76 million small and micro enterprises and loans of RMB3,016.7 billion to 2.73 million small and micro enterprises accumulatively, with the number of credit-approved customers, the amount of credit lines, the number of customers with outstanding loan balances, and the balance of loans all ranking first in the banking industry. In the first half of 2025, the inclusive loans to small and micro enterprises grew by 18.5%, which was 11.2 percentage points higher than the growth rate of loans of the Bank, and the annualized interest rate of newly granted loans was 3.14%, representing a decrease of 30 BPs as compared to the previous year.

- We innovated and enhanced the product and service system. By actively leveraging artificial intelligence technologies, we intensified technological empowerment and advanced smart handling of loans. We launched Technology Quick Loans, the exclusive online credit product for technology-based small and micro enterprises, comprehensively improving the application efficiency and service experience of loans. We innovated the model of “Micro Quick Loans-Supply Chain Financing”, expanding financing scenarios for upstream and downstream small and micro enterprises in the industrial chain. We upgraded and launched Mortgage E-loan 4.0, enhancing refinement of customer service and reducing financing costs of customers. We iteratively optimized the Merchant E-loan, better serving self-employed individuals as well as small and micro enterprise owners. We promoted an integrated online-offline loan handling model for rural households, with customer managers visiting villages and homes for providing door-to-door services to meet the credit needs of farmer groups engaged in planting and breeding, processing, commerce and other forms of business.
- We advanced the development of both online and offline service channels. We improved the online service platform Inclusive E-station, and launched functions such as the “Benefiting Enterprises Insights” with industry information, the “Benefiting Enterprises Express” with discounted logistics services and the “Benefiting Enterprises Card” with exclusive business credit card service, providing one-stop and full-ecosystem services covering financing, advisory and commerce. We promoted the extension of inclusive finance business to grassroots levels, and continuously strengthened the inclusive financial service capabilities of sub-branches, outlets, as well as customer managers.
- We improved the long-term service mechanism. We maintained preferential support in areas such as performance appraisal, remuneration and expenses, and internal funds transfer pricing. We implemented the policy of due diligence and liability exemption, specifying the circumstances of due diligence and liability exemption, to maintain the enthusiasm of our inclusive finance employees.
- We strengthened risk and compliance management. We further improved the all-round and whole-process risk control system tailored to the characteristics of inclusive credit business, enhanced credit risk control in key links, and strictly managed operational risks of employees, to solidify the risk control foundation for the high-quality development of inclusive finance. As a result, the quality of inclusive financial assets was consistently aligned within regulatory requirements.

Green Finance

Please refer to “Sustainability Information—Environment—Green Finance”.

Online Finance

The Bank remains committed to the original aspiration and founding mission of “Finance for the People”. Driven by scientific and technological innovation, we deeply advanced the development of the online finance service system and fostered new momentum for digital finance.

Smart Mobile Banking

We launched the 10.1 version of mobile banking, thoughtfully upgrading platform features and providing considerate products and services. As at the end of June 2025, we had 263 million of monthly active users (MAU) of mobile banking, representing an increase of 12.37 million MAU as compared to the end of the previous year, maintaining the leading position among the comparable peers.

- We improved the capacity of providing digital and intelligent services. We launched the Smart Assistant in our mobile banking, introducing a new “Conversation-as-a-Service” model that enables users to access and utilize service functions including feature search, transaction inquiry, and activity navigation through dialogue, delivering various effortless intelligent financial services.
- We deepened inclusive finance for the people. We upgraded the “Pension Zone” by launching the pension wealth planning feature and optimizing private pension products, providing diversified pension finance services. We promoted convenient business models such as “Streamlined Loan Handling” and “One-Click Loan Renewal” to improve customer experience of loans.
- We empowered rural revitalization. We upgraded the rural version of the mobile banking, and enhanced the section of Huinong Loan, providing multi-dimensional and differentiated loan services for production, operation and daily consumption. We innovatively implemented a coordinated service model combining the rural version of mobile banking with Huinongtong service stations, creating a closed-loop services of “online access and offline delivery”. As at the end of June 2025, we had over 51 million of MAU of the rural version of mobile banking.

Online Corporate Banking

- We enhanced platform service efficiency. Our corporate online banking provided customized services, which launched a special version of corporate online banking for legal affairs, providing case-specific accounts and other exclusive services. Our corporate online banking achieved a leading position in the market in terms of supporting HarmonyOS. We launched features like voice search and business card sharing in the corporate mobile banking, continuously improving customer interaction experience.
- We developed the Salary Manager, providing integrated salary and tax service. We promoted the new version of payslips, providing services such as individual income tax planning, simplified salary calculation, tax calculation and declaration, invoice OCR, and duplicate invoice detection, to help enterprises reduce costs and improve efficiency.

Customer Manager Super Workbench

- We improved the operational features of the Super Workbench. We continued to integrate outlet services into the Super Workbench, adding new functions such as credit investigation and credit card application, to empower the “last mile” of customer services.
- We launched the 4.2 version of the Super Workbench. We launched features such as full lifecycle equipment management and online inspection to enhance the comprehensive service capabilities of the Workbench. We streamlined the information profiling and collection process for rural households, and upgraded and promoted the “onsite + remote” handling model for inclusive loans to improve the business efficiency.

Smart Scene-based Finance

- We upgraded digital scenario-based services. In terms of campuses, we enhanced the function of campus funds supervision to support compliance management of school payment funds. In terms of canteens, we promoted Integrity Canteens, providing integrated services for official reception. In terms of government affairs, we introduced account notification from National Healthcare Security Administration, enabling real-time push of medical insurance payments and expenditures information, to improve convenience of services. In terms of travel, we upgraded electrical bicycle charging services, providing information such as nearby charging stations and charging reports.

E-CNY Projects

- We enabled e-CNY application across multiple sectors. The e-CNY has applied in various areas such as wholesale and retail, dining and culture and tourism, education and healthcare, and public services, and we formed a range of replicable and scalable models covering online and offline scenarios. The user base of e-CNY continued to grow steadily, with both of the number of MAU of individual and corporate wallets leading the banking industry.
- We advanced e-CNY cross-border payments. We improved the system functionality of the Multiple Central Bank Digital Currency Bridge (m-CBDC Bridge), and empowered enterprises in cross-border trade settlement by leveraging its high efficiency and low cost features in interbank cross-border payments.

Cross-Border Financial Services

We actively serve the high-standard opening-up of China, step up efforts to promote the stable growth of foreign trade, and make our contributions to the Belt and Road cooperation, the Regional Comprehensive Economic Partnership (RCEP), the international use of RMB, and the development of Pilot Free Trade Zone and Hainan Free Trade Port. In the first half of 2025, the volume of international settlement (on the international balance of payment basis, the same below) by domestic branches reached USD837.4 billion, and the volume of international trade finance (including financing with domestic letters of credit) reached USD95.2 billion. As at the end of June 2025, the total assets of our overseas branches and subsidiary banks reached USD169.5 billion, with net profit for the first half of 2025 amounting to USD0.49 billion.

- We have been providing targeted and effective services for the real economy in foreign trade. We served trade and investment facilitation and two branches were newly approved by regulator to be pilot entity for trade facilitation of foreign exchange receipts and payments, with over 0.30 million trade facilitation transactions handled in the first half of 2025, representing a year-on-year increase of 25%. We supported the development of new forms of trade business, dealing with a total of USD19.2 billion of international settlement business related to new forms of trade business, such as new offshore international trade, overseas warehouses, market procurement trade, integrated foreign trade services, bonded maintenance, and cross-border e-commerce in the first half of 2025. We strengthened financial support for high-quality foreign trade enterprises, dealing with a total of USD245.4 billion of international settlement business for 1,880 Authorized Economic Operators (AEOs). We increased financing support for small and micro foreign trade enterprises, advanced the launch of credit insurance loans on the single-window platform, and improved the risk-sharing mechanism among micro, small and medium enterprises, export credit insurance companies, local governments and ABC, with a year-on-year increase of 70% in export credit insurance financing business in the first half of 2025. We strengthened financial support for agricultural cooperation, optimized and improved the cross-border financial marketing mechanism for agriculture-related customers. In the first half of 2025, our domestic branches completed agriculture-related trade finance of USD5.8 billion cumulatively.

- We have been enhancing the quality and efficiency of cross-border financial services in key regions. We supported high-quality Belt and Road cooperation and enterprises' financial demands of going global. The volume of international settlement and international trade finance related to the Belt and Road cooperation amounted to USD171,865 million in the first half of 2025, covering 152 countries participating in the Belt and Road cooperation. We served cross-border trade and investment in the RCEP region, with the volume of international settlement and international trade finance by domestic institutions for the RCEP region of USD125.7 billion and USD10,673 million respectively in the first half of 2025. We promoted the development of free trade (FT) accounting business with international settlement volume of USD48.6 billion under FT account scheme in the first half of 2025.
- We have been strengthening international exchange and cooperation. Implementing the guiding principles of the Central Conference on Work Related to Neighboring Countries, we hosted the China-Vietnam Financial Service Roundtable themed "Bridging Financial Visions, Towards a Shared Future", and released the *Service Plan for Supporting China-Vietnam Economic and Trade Cooperation* with 15 practical measures covering border trade settlement, infrastructure interconnectivity, and industrial chain upgrading.
- We developed cross-border RMB business in an orderly manner. The volume of cross-border RMB settlement reached RMB2.01 trillion in the first half of 2025, of which the volume of RMB settlement for current account and direct investment reached RMB851.7 billion.

Overseas Subsidiary Banks

Agricultural Bank of China (Luxembourg) S.A.

Agricultural Bank of China (Luxembourg) S.A. is a wholly-owned subsidiary of the Bank incorporated in Luxembourg, with a registered capital of EUR20.00 million. Its scope of business includes wholesale banking business such as international settlement, corporate deposits, syndicated loans, bilateral loans, trade finance and foreign exchange trading. As at the end of June 2025, its total assets and net assets amounted to USD101 million and USD29 million, respectively. It recorded a net profit of USD1.23 million for the first half of 2025.

Agricultural Bank of China (Moscow) Limited

Agricultural Bank of China (Moscow) Limited is a wholly-owned subsidiary of the Bank incorporated in Russia, with a registered capital of RUB7,556 million. Its scope of business includes wholesale banking business such as international settlement, corporate deposits, syndicated loans, bilateral loans, trade finance and foreign exchange trading. As at the end of June 2025, its total assets and net assets amounted to USD381 million and USD154 million, respectively. It recorded a net profit of USD10.53 million for the first half of 2025.

In addition, we own Agricultural Bank of China (UK) Limited in the United Kingdom, with a share capital of USD0.1 billion, and we have been undertaking the dissolution procedures of Agricultural Bank of China (UK) Limited.

Integrated Operations

We have established an integrated operation platform covering fund management, securities and investment banking, financial leasing, life insurance, debt-to-equity swap and wealth management businesses. In the first half of 2025, our six subsidiaries of integrated operations centered on the Group's overall development strategy and focused on their primary responsibilities and core businesses. They continued to improve management mechanisms, deepened corporate governance, consolidated the shields for risk prevention and control and coordinated with the Group in making solid headway in the "Five Priorities". As a result, our capabilities of integrated financial services have been continuously improved.

ABC-CA Fund Management Co., Ltd.

ABC-CA Fund Management Co., Ltd. was established in March 2008 with a registered capital of RMB1,750 million, 51.67% of which was held by the Bank. Its business covers a wide range: fund raising, fund sales, and asset management. The main products include equity funds, index funds, hybrid funds, bond funds, money-market funds and FOF funds. As at 30 June 2025, the total assets and net assets of ABC-CA amounted to RMB5,055 million and RMB4,745 million respectively, achieving a net profit of RMB132 million for the first half of 2025.

ABC-CA actively implemented *Action Plan on Promoting the High-quality Development of Mutual Funds* issued by the CSRC, strengthened its investment and research capabilities, expanded its product lines, and optimized its marketing and service systems to improve the quality and efficiency of its financial services. As at the end of June 2025, ABC-CA had offered 87 mutual funds, with assets under management amounting to RMB209,227 million, an increase of RMB19,001 million as compared to the end of the previous year.

ABC International Holdings Limited

ABC International Holdings Limited was established in Hong Kong SAR, China in November 2009 with a share capital of HKD4,760 million, 100% of which was held by the Bank. ABC International mainly engages in providing comprehensive and integrated financial services, including IPO sponsorship and underwriting, underwriting of bond issuance, financial advisory, asset management, direct investment, institutional sales, securities brokerage and securities advisory. As at 30 June 2025, its total assets and net assets amounted to HKD53,703 million and HKD11,898 million, respectively. It recorded a net profit of HKD207 million for the first half of 2025.

ABC International fully leveraged its cross-border investment banking platform to support high-standard opening-up of finance and meet the Group's customers' cross-border financial service needs for "going global" and "bringing in". Seizing the opportunities brought by the enhanced connectivity policies between the mainland and Hong Kong capital markets, it facilitated listings and fundraising on the Hong Kong Stock Exchange for a number of technology companies and A-share listed industry-leading companies. ABC International maintained its good momentum in green finance, underwriting ESG bonds with the scale of issuance over USD5 billion in the first half of 2025.

ABC Financial Leasing Co., Ltd.

ABC Financial Leasing Co., Ltd. was established in September 2010 with a registered capital of RMB9.5 billion, 100% of which was held by the Bank. Its principal scope of business includes financial leasing, transfer and acceptance of financial leasing assets, borrowing with a maturity of three months or more from non-bank shareholders, interbank lending, borrowing from financial institutions, issuing non-capital bonds, acceptance of leasing margin, selling and disposal of leased items, establishment of project companies domestically to carry out financial leasing business, granting shareholder loans to project companies, provision of financing and performance guarantee for project companies, fixed-income investment business, provision of financial leasing-related consultation service, and other business approved by the regulatory authorities. As at 30 June 2025, its total assets and net assets amounted to RMB107,698 million and RMB13,570 million, respectively. It recorded a net profit of RMB505 million for the first half of 2025.

Focusing on its leasing business, ABC Financial Leasing deeply served key areas such as agriculture, rural areas and rural residents and inclusiveness, aviation and shipping, new energy, sci-tech innovation and advanced manufacturing. It actively innovated leasing products and business models, and drove business transformation and structure optimization, to improve the quality and efficiency of the "Five Priorities" of finance through financial leasing services. As at the end of June 2025, the balance of green leasing assets was RMB64.8 billion. The balance of direct leasing and operating leasing assets amounted to RMB53.2 billion, with the proportion in total leasing assets increasing by 1.0 percentage point as compared to the end of the previous year.

ABC Life Insurance Co., Ltd.

The registered capital of ABC Life Insurance Co., Ltd. was RMB2.95 billion, 51% of which was held by the Bank. Its principal scope of business includes various types of personal insurance such as life insurance, health insurance and accident insurance; reinsurance business for the above-mentioned businesses; businesses with the utilization of insurance funds as permitted by the laws and regulations of the PRC; and other businesses approved by the regulatory authorities. As at 30 June 2025, its total assets and net assets amounted to RMB229,116 million and RMB4,785 million, respectively. It recorded a net profit of RMB743 million for the first half of 2025.

ABC Life Insurance adhered to the general principle of pursuing progress while ensuring stability, strengthened professionalized operations, effectively prevented and controlled risks, and steadily advanced all of its strategic objectives. In the first half of 2025, its gross premium income reached RMB31,854 million, representing a year-on-year increase of 24.06%. ABC Life Insurance further promoted its pension finance initiatives and launched the “Guardian for Life” care insurance product, so as to support the growing nursing care needs arising from population aging and facilitate the construction of a multi-tiered network for health safeguard.

ABC Financial Asset Investment Co., Ltd.

The registered capital of ABC Financial Asset Investment Co., Ltd. was RMB20.0 billion, 100% of which was held by the Bank. Its principal scope of business includes acquiring the creditor's rights of the banks to the enterprises for the purpose of debt-to-equity swap, converting the creditor's rights into equity and managing the equity; restructuring, transferring and disposing of the creditor's rights that cannot be converted into equity; investing in equities of enterprises for the purpose of debt-to-equity swap, where the invested enterprise uses all the equity investment funds to repay the existing creditor's rights; raising funds from qualified investors according to laws and regulations, issuing private placement asset management products to support debt-to-equity swaps; issuing financial bonds; raising funds through bond repurchase, interbank lending, interbank borrowing and so on; conducting necessary investment management for proprietary funds and raised funds, where the proprietary funds may be used for interbank deposit, interbank loan, purchase of treasury bonds or other fixed income securities and other businesses, and the use of raised funds shall conform to the purposes agreed upon in fund raising; financial advisory and consulting services related to the debt-to-equity swap business; other business approved by the regulatory authorities. As at 30 June 2025, its total assets and net assets amounted to RMB127,586 million and RMB37,629 million, respectively. It recorded a net profit of RMB1,936 million for the first half of 2025.

ABC Investment promoted the development of market-based debt-to-equity swap and pilot equity investment businesses in a coordinated manner, deepened the development of investment and research capabilities, strengthened full lifecycle risk management, and continuously increased investments in key areas such as rural revitalization, green and low-carbon development, and scientific and technological innovation, to further foster competitive business advantages and market brands. Since the establishment of the pilot program for equity investment, a total of 13 pilot funds were set up, with the subscribed capital scale of over RMB10.0 billion, actively leveraging long-term and patient capital.

ABC Wealth Management Co., Ltd.

ABC Wealth Management Co., Ltd. was established in July 2019 with a registered capital of RMB12.0 billion, 100% of which was held by the Bank. Its principal scope of business includes public offering of wealth management products to the general public, investment in and management of the properties entrusted by the investors; private placement of wealth management products to qualified investors, investment in and management of the properties entrusted by the investors; wealth management advisory and consulting services; and other businesses approved by the regulatory authorities. As at 30 June 2025, its total assets and net assets amounted to RMB24,266 million and RMB23,497 million, respectively. It recorded a net profit of RMB1,273 million for the first half of 2025.

Upholding the concept of “Built on Stability, Driven by Expertise” and being customer-centered, ABC Wealth Management comprehensively improved its investment and research capabilities, actively advanced product innovation, and continuously strengthened risk management, to keep improving customer satisfaction. It served vast customers in County Areas. As at the end of June 2025, the number and the scale of rural revitalization Huinong products amounted to 22 and RMB55.9 billion, respectively. It enhanced green financial services and continuously launched ESG-themed wealth management products. As at the end of June 2025, the balance of investment in green bonds amounted to RMB5.5 billion, and the number and the scale of ESG-themed wealth management products under management amounted to 49 and RMB50.9 billion, respectively. Its brand image continued to be enhanced, receiving 17 asset management industry awards, including the “Outstanding Bank Wealth Management Company” Yinghua Award from *China Fund News* and the “2024 Golden Wealth Management Subsidiary” Golden Pixiu Award from the *Financial Money*.

Besides, we own Agricultural Finance Co., Ltd. in Hong Kong SAR, China, with a share capital of HKD589 million, 100% of which is held by the Bank. We also own six rural banks, including ABC Hubei Hanchuan Rural Bank Limited Liability Company, ABC Hexigten Rural Bank Limited Liability Company, ABC Ansai Rural Bank Limited Liability Company, ABC Jixi Rural Bank Limited Liability Company, ABC Zhejiang Yongkang Rural Bank Limited Liability Company and ABC Xiamen Tong'an Rural Bank Limited Liability Company.

FinTech

During the reporting period, we continued to deepen the application of frontier technologies related to FinTech, and deeply promoted the implementation of informatization construction of our 14th Five-Year Plan, with regular evaluation on implementation results, to continuously improve the scientific and technological support and empowerment level.

Focusing on FinTech Innovation

Actively responding to the accelerated evolution of technology transformation, we sped up the digital and intelligent transformation of finance work to empower the high-quality development of business operations.

- Regarding the application of big data technology, we advanced the improvement of data lake products, enhancing automated deployment, and data monitoring, management and control, and other capabilities.
- Regarding the application of cloud computing technology, we formulated the special plan for improving cloud-native capabilities (2025-2026). Focusing on key areas, we continued to advance the upgrading of cloud-native infrastructures, improvement of resources efficiency, and development of other capabilities, with the proportion of PaaS-based applications reaching 95.91%.
- Regarding the application of distributed architecture, we completed the largest-scale mainframe migration and decommissioning project involving the largest number of customers in the banking industry.
- Regarding the application of network technology, we completed the IPv6 deployment of user domains in 37 tier-1 branches, and formulated the plan for the promotion and deployment of Segment Routing IPv6 (SRv6).
- Regarding the application of AI, guided by the “AI+” *Innovation Action Plan of Agricultural Bank of China*, we established the “ABC Smart+” platform and sped up the large-scale application of “AI+” across the Bank.
- Regarding the basic data governance, we deeply extracted multi-format data assets that were well-organized, standardized, and highly shareable-and-reusable, and advanced the development of high-quality datasets. We established full-scenario data usage tools such as AI modelling, intelligent data query, and tag center. We continuously improved the closed-loop management mechanism for data quality across the chain, to ensure the steady improvement of data quality.

Improving the Level of Guarantee of Our Business Continuity

Our information system always maintained stable operation under the multiple challenges such as the continued growth in trading volume, system under high load and switching of technology stacks, and the technological operation system related to the distributed architecture was further complete.

- We completed the “local + remote” joint switching drill of important information systems, regularly carried out joint disaster recovery switching drill in branches, and expanded the coverage of emergency drill, to ensure the guarantee for business continuity under extreme conditions.
- We further improved the operation and maintenance management mechanism, strengthened management of production and operation incidents, and accelerated the promotion and adaptation of the integrated production and operation platform to branch outlets. The distributed core system has achieved the “Excellence” rating in the *SRE Service Resilience Engineering Capability Assessment* conducted by the China Academy of Information and Communications Technology, the first financial institution honored the highest-level rating of the program in China.
- Our information system maintained stable operation under sustained high pressure. The average daily transaction volume processed by the core system on working days reached 1,670 million. The daily transaction peak volume reached 1,944 million. The availability rate of core system services reached 100%.

Improving the Cybersecurity Protection System

We bolstered our technology defense system for cybersecurity on all fronts. Our management systems and mechanisms were continuously enhanced, our organizational structure was continuously improved, and our cybersecurity protection capabilities were significantly strengthened.

- We strengthened the cybersecurity operation and management of overseas institutions and subsidiaries. We built the cybersecurity evaluation model for overseas institutions for the first time, and developed systematic evaluation standard, to build up the bottom line of the integrated management and control of cybersecurity risks within the Group.
- We strengthened governance of vulnerabilities, and promoted application security management and control throughout the entire lifecycle of project research and development, to reduce cybersecurity risk exposure.

Human Resources Management and Institution Management

Human Resources and Institution Reform

We continued to advance organizational reform in key areas in line with the goal of building China’s Financial Strength and meeting the Bank’s reform and development needs.

- We strengthened the Group’s capabilities in strategic equity investment and integrated operations management by upgrading the Equity Investment Management Department (secondary department level) to the Equity Management Department.
- We optimized the organizational structure for technology finance. The Head Office established a dedicated institution for technology finance, and the key branches set up technology finance business departments, so as to enhance the Bank’s overall capacity in coordinating and promoting, providing products and services, and linking investment and loans for technology finance.

Discussion and Analysis

- We improved the organizational system for inclusive and retail credit risk prevention and control. We strengthened staffing in product design and model R&D at the Head Office, and optimized the setup of risk management departments at sub-branches, to continuously enhance our capabilities of monitoring, early warning, and disposal of inclusive and retail credit risk.
- We optimized the business layout of sub-branches in Shanghai, with a focus on strengthening institutional layout and setup in the Pudong New Area to support the development of Shanghai International Financial Center.

Talent Cultivation and Development

During the reporting period, we strove to cultivate a pool of competent and professional employees, and actively implemented the strategy of leveraging talent to empower the Bank.

- We strengthened the construction of professional talent teams in various fields. We actively promoted the construction of classified and hierarchical professional talent pools, and strengthened the cultivation of talents in these pools across various fields with a focus on the “Five Priorities” of finance. We advanced the building of the customer manager team in an orderly manner, striving to cultivate a batch of customer managers in the new era with Mr. Rao Caifu as the model. We optimized the selection and recruitment management mechanism for professional posts, ensuring smooth pathways for talent promotion and development. We carried out senior post title assessment in an orderly manner to further expand the development space for high-end talents.
- We strengthened the construction of leadership and management teams. We implemented the “Hundred, Thousand and Ten Thousand Talent Project” and the “Youth Talent Development Project” in a coordinated manner, and built leadership teams at all levels of the Bank with balanced age distribution and complementary professional strengths. We held the Young and Middle-aged Cadre Training, Executive Management Training (EMT) for targeted young cadres, onboarding training for newly appointed cadres, and Youth Talent Excellence Leadership Training, to improve cadres’ professional competence and capabilities to fulfill their responsibilities.
- We organized special training programs by level and by field. For professional talents, we provided specialized training on “Five Priorities” of finance and for those in the talent pool. For customer managers, a new round of competency enhancement training programs was implemented. For young employees, specialized training for key business personnel was held, along with the implementing of the progressive “Onboarding, Advancement, and Leadership” training plan covering all development stages. In the first half of 2025, approximately 407 thousand employees across all levels and functions attended the training.
- We enhanced training resource development. We continued to improve “ABC E-Learning”, our online learning platform. In the first half of 2025, 966 premium online courses were launched and 69 thematic learning modules were created. In this manner, we promoted the supply of high-quality learning and training resources into online platform, making them accessible to foundation-level institutions and benefiting all employees.

Information on Employees

As at the end of June 2025, we had a total of 445,110 employees. Among them, 836 employees were employed by our overseas branches, subsidiary banks and representative offices, and 7,145 employees were employed by the subsidiaries with integrated operations and rural banks.

Distribution of Employees by Regions

	30 June 2025	
	Number of Employees	Percentage (%)
Head Office	14,951	3.4
Yangtze River Delta	63,717	14.3
Pearl River Delta	49,682	11.2
Bohai Rim	63,635	14.3
Central Region	89,283	20.0
Northeastern Region	40,018	9.0
Western Region	115,843	26.0
Overseas Branches, Subsidiary Banks and Representative Offices	836	0.2
Subsidiaries with Integrated Operations and Rural Banks	7,145	1.6
Total	445,110	100.0

Information on Institutions

As at the end of June 2025, we had 22,914 domestic branch outlets, including the Head Office, Business Department of the Head Office, four specialized business institutions managed by the Head Office, four training institutes, 37 tier-1 branches, 410 tier-2 branches, 3,313 tier-1 sub-branches, 19,102 foundation-level branch outlets and 42 other establishments. We had a total of 13 overseas branches and four overseas representative offices, including branches in Hong Kong SAR, Singapore, Seoul, New York, Dubai International Financial Centre (DIFC), Dubai, Tokyo, Frankfurt, Sydney, Luxembourg, London, Macao SAR and Hanoi, and representative offices in Vancouver, Chinese Taipei, Sao Paulo and Dushanbe. Our subsidiaries mainly included subsidiaries with integrated operations, rural banks and overseas subsidiary banks. For details, please refer to “Discussion and Analysis — Business Review — Integrated Operations” and “Discussion and Analysis — Business Review — Cross-Border Financial Services” respectively.

Number of Domestic Branch Outlets by Regions

	30 June 2025	
	Number of Domestic Branch Outlets	Percentage (%)
Head Office ¹	10	—
Yangtze River Delta	2,991	13.1
Pearl River Delta	2,369	10.3
Bohai Rim	3,317	14.5
Central Region	5,179	22.6
Northeastern Region	2,184	9.5
Western Region	6,864	30.0
Total	22,914	100.0

Note: 1. Organizations of the Head Office include the Head Office, Business Department of the Head Office, Capital Operation Center, Private Banking Department, Credit Card Center, Bills Business Department, Beijing Advanced-Level Training Institute, Tianjin Financial Training Institute, Changchun Financial Training Institute and Wuhan Financial Training Institute.

Service Channels

Offline Channels

- Serving the rural revitalization strategy. We maintained the stability of the total number of branch outlets, continuously optimized the distribution of branch outlets by relocating the branch outlets to areas including counties, urban-rural fringe and key townships to continuously extend rural service channels.
- Strengthening the service capability of branch outlets. We upgraded the “ABC Caring Service Zones+” service mode, and set aside specific areas for outdoor workers where they can rest, drink water, recharge batteries, heat meals, and get other public welfare and convenience services, sharing the service resources at branch outlets with the public.
- Improving age-friendly services at branch outlets. We optimized age-friendly facilities and equipment at branch outlets, arranged wheelchair accessible passages as well as caring counters and seats, and provided presbyopic glasses, magnifying glasses and wheelchairs, etc., making branch outlets the “warm home” for elderly customers. In the first half of 2025, we provided door-to-door services for a total of 776 thousand elderly customers.

Online Channels

- Mobile Banking. As at the end of June 2025, the Bank had 586 million registered retail customers of mobile banking, representing an increase of 25 million as compared to the end of the previous year; and 9.70 million registered corporate customers of mobile banking, representing an increase of 0.96 million as compared to the end of the previous year.
- Online Banking. As at the end of June 2025, the Bank had 550 million registered retail customers of online banking, representing an increase of 18 million as compared to the end of the previous year; and 14.59 million corporate customers of online financial services platforms, representing an increase of 0.92 million as compared to the end of the previous year.
- Self-service Banking. We continued to optimize the user interface and interaction experience of STM, strengthened online monitoring and maintenance of ATM, to constantly enhance the customer experience. As at the end of June 2025, we had 53.2 thousand STMs and 52.5 thousand ATMs.

Remote Channels

- In the first half of 2025, we reached a total of 0.19 billion customers through all-media customer services (including voice, text, video, and new media), representing a year-on-year increase of 18%. Among these, 39.74 million voice call-ins were handled by customer service staffs, with a customer satisfaction rate of 99.88%.
- We provided remote services for special customer groups. We refined customer segmentation, and matched tailored services for key customer groups to improve the professional capabilities of our services. We optimized the “direct access to staff” voice customer service for elderly customers and developed the video call activation feature, achieving a customer satisfaction rate of 99.88%. We expanded the coverage of the “one-person on-site + one-person remote video” service for special customer groups.
- We improved customer satisfaction. We leveraged the 5G New Calling technology to launch guidance and support via screen sharing for corporate online banking users. We introduced remote appointment and offline handling services for inquiries about the deposit information of deceased depositors, further improving the convenience of financial services.
- We accelerated the construction of intelligent customer services. Using the large model technology, we enhanced the customer service robots’ ability to understand customer demands. Focusing on high-frequency customer inquiries, we enriched multi-turn interaction scenarios for customer service robots, to provide customers with more efficient and convenient intelligent services.

County Area Banking Business

We provide customers in County Areas and rural areas with comprehensive financial services through all our operating institutions of the County Area Banking Division. We refer to such business as the County Area Banking Business or Banking Business for Agriculture, Rural Areas and Rural Residents. During the reporting period, we closely focused on our strategic positioning as a leading bank serving rural revitalization, kept improving the operation system and mechanism of the County Area Banking Division, and continuously expanded the supply of financial services to the key areas of rural revitalization with the focus on our primary responsibilities and core businesses, further consolidating and improving the competitive strengths of our business in agriculture, rural areas and rural residents and County Areas.

Management Mechanism

- We enhanced the support with prioritized resource allocation. We prioritized the supply of credit for agriculture, rural areas and rural residents. We allocated economic capital in County Areas separately, and implemented economic capital support policies to leverage the guiding role of capital to encourage branches to increase the granting of loans to County Areas, agro-related fields and other key fields. We strengthened Funds Transfer Pricing (FTP) preferential treatment and pricing support for agriculture, rural areas and rural residents and County Areas, so as to greatly guarantee the efforts to consolidate and expand achievements in poverty alleviation and effectively dovetailing rural revitalization.
- We enhanced the quality and efficiency of rural credit management. We formulated the rural credit policy guidelines for 2025, which specified over 30 differentiated credit policies with the focus on key areas such as ensuring stable production and supply of grains and other major agricultural products, agricultural technology equipment, consolidation and expansion of achievements in poverty alleviation, rural industries, and rural construction. We improved the priority processing and expedited completion mechanism for key businesses of rural revitalization, refined the criteria for credit review and approval, and advanced the development of intelligent templates for investigation reports and review reports, to effectively enhance the professional capability of review and approval for the rural credit business.
- We extended the financial service channels in County Areas and rural areas. We continued to optimize the layout of outlets in County Areas, with new outlets and relocated outlets further prioritized in counties, urban-rural fringe, and townships. We vigorously promoted the rural version of mobile banking, iteratively optimized services and functions with the focus on the customer demands in County Areas and rural areas, and drove the development of the integrated online and offline rural channel system. As at the end of June 2025, the proportion of outlets in County Areas increased to 56.6%; the number of MAU of the rural version of mobile banking recorded more than 51 million.
- We strengthened the building of talent teams in County Areas. We thoroughly implemented the “Double Hundred” cadres and talents pairing assistance plan featuring collaboration between eastern and western branches, and intensified assistance for key regions of rural revitalization, northeastern region, and old revolutionary base areas. We continuously strengthened the selection and cultivation of young talents in County Areas, and encouraged young employees to be rooted at foundation-level institutions and work in the front line of rural revitalization. We allocated more salary resources to County Areas, and strengthened caring for employees in foundation-level institutions.

Financial Services for All-around Rural Revitalization

Serving for Consolidation and Expansion of Achievements in Poverty Alleviation

- We continued to increase credit support for areas lifted out of poverty. We strengthened resources allocation as well as institutional and systemic support, enhanced product innovation as well as scientific and technological empowerment, and increased the granting of loans to areas lifted out of poverty, to help forestall any large-scale relapse into poverty. As at the end of June 2025, the balance of loans to 832 counties lifted out of poverty amounted to RMB2.48 trillion, representing an increase of 8.9% as compared to the end of the previous year.
- We made great efforts to ensure financial support for key areas. Targeting key counties receiving national assistance for rural revitalization, the “Three Areas and Three Prefectures”, the designated counties receiving assistance and other key areas, we formulated loan plans separately, prioritized the allocation of credit resources, adopted differentiated policies such as preferential rural household loan rates and exemption or reduction of merchant fees, and provided targeted assistance through a county-specific approach. As at the end of June 2025, the balance of loans to the 160 key counties receiving national assistance for rural revitalization amounted to RMB475.8 billion, representing an increase of 9.0% as compared to the end of the previous year.
- We met the financing needs of people lifted out of poverty in a targeted manner. We continuously increased the supply of small loans to people lifted out of poverty, with a focus on meeting the funding needs of three categories of monitored objects: those who have just emerged from poverty but whose position is far from secure, those on the verge of poverty who can fall back in again easily, and those experiencing sudden severe difficulties. We expanded the coverage and increased the supply of Fumin Loan, to help people lifted out of poverty increase their income. As at the end of June 2025, the balance of Fumin Loan was RMB124.1 billion, representing an increase of 31.8% as compared to the end of the previous year.

Serving All-around Rural Revitalization

- We enhanced financial support for the key areas of rural revitalization. We innovatively advanced the services for high-standard cropland development, increased financial support for the whole industrial chain of grains, deepened financial service for rural industries that benefited local people, and actively supported new urbanization and integrated urban-rural development. As at the end of June 2025, the balance of loans in fields related to ensuring stable supply of grains and major agricultural products was RMB1.24 trillion, representing an increase of 23.7% as compared to the end of the previous year; the balance of loans to rural industries amounted to RMB2.70 trillion, representing an increase of 21.3% as compared to the end of the previous year; the balance of loans to rural construction areas amounted to RMB2.44 trillion, representing an increase of 8.5% as compared to the end of the previous year.
- We improved the quality and efficiency of financial services for rural households. We accelerated the innovation of exclusive products of Huinong E-loan, launched Professional Large-scale Operator Loan and Border Security Loan, promoted Facility Loan, Merchant Loan and Rural Tourism Loan, and increased the granting of rural household loans with a focus on key areas. We deepened technological empowerment, advanced the convenient loan application through the integration of digitalization and intelligence, and promoted operation models such as rural household information archiving and “onsite + remote” handling, to improve the efficiency of loan processing and the effectiveness of customer management, effectively driving the sustained and rapid growth of loans to rural households. As at the end of June 2025, the balance of Huinong E-loan reached RMB1.79 trillion, representing an increase of 19.9% as compared to the end of the previous year.
- We sped up the innovation of financial products and services for rural revitalization. We continued to speed up product innovation in areas such as food security, rural industries, rural construction, and agricultural science and technology, and kept enriching the product system for rural revitalization. Closely centering on the national digital village strategy, we continued to optimize and promote the ABC Huinong Cloud, a digital rural platform, introducing multiple financial services such as payment and settlement, credit financing, and fund custody. As at the end of June 2025, the ABC Huinong Cloud platform had 0.32 million institutional members, covering 2,675 counties (districts) and serving over 6.70 million customers.

Financial Position

Major Items of Assets and Liabilities of the County Area Banking Business

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans and advances to customers	10,771,347	—	9,854,954	—
Allowance for impairment losses on loans	(407,853)	—	(387,450)	—
Loans and advances to customers, net	10,363,494	66.1	9,467,504	64.2
Intra-bank balance ¹	3,983,164	25.4	4,077,192	27.6
Other assets	1,339,535	8.5	1,212,026	8.2
Total assets	15,686,193	100.0	14,756,722	100.0
Deposits from customers	13,987,712	95.8	13,153,343	95.8
Other liabilities	609,765	4.2	581,851	4.2
Total liabilities	14,597,477	100.0	13,735,194	100.0

Note: 1. Intra-bank balance refers to funds provided by the County Area Banking Business to other business segments within the Bank through internal funds transfers.

Discussion and Analysis

Major Income Statement Items of the County Area Banking Business

In millions of RMB, except for percentages

Item	Six months ended 30 June 2025	Six months ended 30 June 2024	Increase/(decrease)	Growth rate (%)
External interest income	157,536	166,802	(9,266)	-5.6
Less: External interest expense	95,451	102,569	(7,118)	-6.9
Interest income from intra-bank balance ¹	98,767	96,003	2,764	2.9
Net interest income	160,852	160,236	616	0.4
Net fee and commission income	19,550	19,047	503	2.6
Other non-interest income	2,606	3,629	(1,023)	-28.2
Operating income	183,008	182,912	96	0.1
Less: Operating expenses	50,427	49,530	897	1.8
Credit impairment losses	41,450	35,929	5,521	15.4
Impairment losses on other assets	13	27	(14)	-51.9
Total profit before tax	91,118	97,426	(6,308)	-6.5

Note: 1. Interest income from intra-bank balance represents the interest income earned on funds provided by the County Area Banking Business to other business segments of the Bank through internal funds transfer pricing, the interest rate of which is determined based on the market interest rate.

Major Financial Indicators of the County Area Banking Business

Unit: %

Item	Six months ended 30 June 2025	Six months ended 30 June 2024
Average yield of loans	3.09*	3.66*
Average cost of deposits	1.35*	1.59*
Net fee and commission income to operating income	10.68	10.41
Cost-to-income ratio	26.73	26.28

Item	30 June 2025	31 December 2024
Loan-to-deposit ratio	77.01	74.92
Non-performing loan ratio	1.20	1.21
Allowance to non-performing loans	331.05	338.33
Allowance to loan ratio	3.97	4.10

* Annualized figures.

Risk Management

In the first half of 2025, facing complex and severe internal and external situations, we continuously improved the comprehensive risk management system, ensured both development and security, and firmly guarded the bottom line of risk and compliance management. We conducted retrospective reviews of and updated the Group's risk appetite and comprehensive risk management strategy, and took a more proactive and forward-looking approach to risk management. We maintained unwavering efforts in strengthening credit risk management and control in key areas, key industries, and crucial links, to mitigate risks in a steady way. We continued to optimize the functions of market risk management and control platform and strengthened our capabilities of risk identification, monitoring and management and control. We fully implemented the new regulatory provisions on operational risk management, and enhanced management of operational risk in key areas, information technology risk and business continuity.

Credit Risk

We consistently adhered to the prudent and sound operation strategy, placed greater emphasis on preventing risks, and constantly improved the mechanism for risk identification, monitoring, early warning and disposal, to make credit risk prevention and control more prospective, comprehensive and proactive, thereby our asset quality made solid improvement.

We adjusted and optimized credit asset structure. We specified the credit support policy for key areas, solidly promoted the "Five Priorities", and continuously improved financial services for key fields including rural revitalization, manufacturing, strategic emerging industries, industries of the future, sci-tech innovation, green and low-carbon development, infrastructure construction, inclusive and retail finance, people's livelihood and consumption, foreign trade and investment. Focusing on the transformation and upgrading of traditional industries, the development of emerging industries, as well as regional competitive industries and industries with distinctive features, we continued to improve the level of refinement of industrial credit policies, differentiated regional credit policies and credit authorization, so as to guide the optimization of our credit structure.

We strengthened credit risk prevention and control in key areas. We coordinated efforts on the granting of new loans and risk prevention and control of existing risks of loans for real estate, vigorously supported the construction of the "Three Major Projects" including government-subsidized housing, and actively implemented the requirements of the urban real estate financing coordination mechanisms and the scope expansion and efficiency improvement of "white list" projects. We enhanced the refined management of real estate projects, and steadily advanced the mitigation and disposal of real estate risks through developer-specific measures. We strictly observed national regulations and regulatory requirements on the management of local government debts, actively implemented a pack of measures to mitigate debt risks, and mitigated debt risks of financing platforms in a proper and orderly way. Adhering to market-based principles and the rule of law, we handled newly increased financing on financing platforms, and resolutely stemmed the increase of local government hidden debts.

We improved the risk prevention and control system for inclusive and retail finance. We made good use of the customer acquisition model featuring origin-based, proactive and batch processing approaches, and optimized models of key products, to strictly guard the customer access threshold. We solidified the responsibilities for loan management and governance, strengthened online-offline collaboration, and stepped up post-loan inspections for inclusive and retail loans with large loan balances. We improved the digital risk control system, built a multi-dimensional risk identification model system in line with the characteristics of different customer groups, leveraged the advantages of centralized monitoring, and intensified efforts in identification, early warning, verification and disposal of risk clues for inclusive and retail loans.

We stepped up management and control of overdue loans and disposal of non-performing loans. We managed maturing loans in a prospective way, and carried out collection of overdue loans on a regular basis. We comprehensively used diverse disposal approaches to continuously improve the quality and efficiency of disposal.

Discussion and Analysis

Risk Classification of Financial Assets

We formulated the risk classification management systems in accordance with the requirements of *Measures for the Risk Classification of Financial Assets of Commercial Banks*. We specified the methods for the risk classification of different types of financial assets, based on such information as the financial asset type, the counterparty type, the features of product structure, and past defaults, taking into account the characteristics of their asset portfolios, with an overdue method for retail assets and model method for non-retail assets. The classification process follows the principle of checks and balances horizontally and authority restriction vertically, and it operates based on process and authority. The basic procedures include preliminary classification, classification recognition, classification review and approval.

We adopted two classification management models for financial assets undertaking credit risk, being the five-category classification system and the 12-category classification system. Non-retail credit assets were mainly managed with the 12-category classification system. We conducted comprehensive evaluations from the two dimensions of customer default risk and debt transaction risk to prudently reflect the degree of credit assets risk. Our retail credit assets were managed with the five-category classification system, which carried out risk classification automatically by the system, mainly based on overdue days of principal and interest of the credit assets and the type of guarantee. Our non-credit assets were managed with the five-category classification system, mainly taking into account factors such as the type of financial assets, type of counterparty, and overdue days, so as to truly reflect the risk situation.

Credit Risk Analysis

Distribution of Loans by Collaterals

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Loans secured by mortgages	9,004,688	33.8	8,903,280	35.8
Loans secured by pledges	2,506,191	9.4	2,452,690	9.9
Guaranteed loans	3,417,753	12.8	3,003,634	12.1
Unsecured loans	11,747,770	44.0	10,496,647	42.2
Sub-Total	26,676,402	100.0	24,856,251	100.0
Accrued interest	52,658	—	49,936	—
Total	26,729,060	—	24,906,187	—

Distribution of Overdue Loans by Overdue Period

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage of total loans (%)	Amount	Percentage of total loans (%)
Overdue for less than 90 days (including 90 days)	106,277	0.40	100,140	0.40
Overdue for 91 days to 360 days (including 360 days)	120,960	0.45	109,826	0.44
Overdue for 361 days to 3 years (including 3 years)	79,248	0.30	66,322	0.27
Overdue for over 3 years	18,091	0.07	16,809	0.07
Total	324,576	1.22	293,097	1.18

Loan Concentration

In millions of RMB, except for percentages

Top ten single borrowers	Industry	Amount	Percentage of total loans (%)
Borrower A	Transportation, storage and postal services	112,270	0.42
Borrower B	Finance	99,911	0.37
Borrower C	Production and supply of electricity, heating, gas and water	71,419	0.27
Borrower D	Transportation, storage and postal services	61,659	0.23
Borrower E	Transportation, storage and postal services	59,802	0.22
Borrower F	Finance	57,560	0.22
Borrower G	Transportation, storage and postal services	49,357	0.19
Borrower H	Transportation, storage and postal services	39,048	0.15
Borrower I	Transportation, storage and postal services	35,962	0.13
Borrower J	Leasing and commercial services	35,905	0.13
Total		622,893	2.33

At 30 June 2025, we fulfilled the regulatory requirements as total loans to our largest single borrower represented 2.68% of our net capital and total loans to our top ten single borrowers represented 14.85% of our net capital.

Large Exposures

During the reporting period, pursuant to the *Administrative Measures for Large Exposures of Commercial Banks* and other relevant regulatory requirements, we continuously improved the organizational structure and system for large exposures management, consolidated the data basis, optimized the measurement process, upgraded system functions, carried out the measurement, monitoring and system optimization of large exposures in an orderly manner, strictly implemented each regulatory indicator, regularly reported the regulatory reports, strengthened limit management and control and constantly improved our capability to measure and manage large exposures.

Distribution of Loans by Five-category Classification

In millions of RMB, except for percentages

Item	30 June 2025		31 December 2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Normal	25,963,348	97.33	24,186,399	97.30
Special mention	371,779	1.39	347,687	1.40
Non-performing loans	341,275	1.28	322,165	1.30
Substandard	131,562	0.50	124,568	0.50
Doubtful	102,313	0.38	141,757	0.58
Loss	107,400	0.40	55,840	0.22
Sub-Total	26,676,402	100.00	24,856,251	100.00
Accrued interest	52,658	—	49,936	—
Total	26,729,060	—	24,906,187	—

At 30 June 2025, the balance of our non-performing loans was RMB341,275 million, representing an increase of RMB19,110 million as compared to the end of the previous year; and the non-performing loan ratio was 1.28%, decreased by 0.02 percentage point as compared to the end of the previous year. The balance of special mention loans was RMB371,779 million, representing an increase of RMB24,092 million as compared to the end of the previous year; and special mention loans accounted for 1.39%, representing a decrease of 0.01 percentage point as compared to the end of the previous year.

Discussion and Analysis

Distribution of Non-Performing Loans by Business Type

In millions of RMB, except for percentages

Item	30 June 2025			31 December 2024		
	Amount	Percentage (%)	Non-performing loan ratio (%)	Amount	Percentage (%)	Non-performing loan ratio (%)
Corporate loans	223,152	65.4	1.45	222,774	69.1	1.58
Including: Short-term corporate loans	44,691	13.1	1.06	62,523	19.4	1.80
Medium- and long-term corporate loans	178,461	52.3	1.59	160,251	49.7	1.50
Discounted bills	—	—	—	—	—	—
Retail loans	109,764	32.2	1.18	91,211	28.4	1.03
Residential mortgage loans	38,086	11.3	0.77	36,598	11.4	0.73
Personal consumption loans	8,351	2.4	1.55	7,380	2.3	1.55
Loans to private business	49,554	14.5	1.70	34,682	10.8	1.39
Credit card balances	13,758	4.0	1.51	12,534	3.9	1.46
Others	15	—	9.68	17	—	10.97
Overseas and others	8,359	2.4	2.10	8,180	2.5	2.10
Total	341,275	100.0	1.28	322,165	100.0	1.30

Distribution of Corporate Non-Performing Loans by Industry

In millions of RMB, except for percentages

Item	30 June 2025			31 December 2024		
	Amount	Percentage (%)	Non-performing loan ratio (%)	Amount	Percentage (%)	Non-performing loan ratio (%)
Manufacturing	34,465	15.5	1.31	37,061	16.6	1.57
Production and supply of electricity, heating, gas and water	6,379	2.9	0.37	5,048	2.3	0.31
Real estate	47,116	21.2	5.35	46,339	20.8	5.40
Transportation, storage and postal services	21,295	9.5	0.69	19,524	8.8	0.66
Wholesale and retail	20,829	9.3	2.07	20,176	9.1	2.32
Water, environment and public utilities management	22,304	10.0	1.64	23,164	10.4	1.83
Construction	11,809	5.3	1.77	11,631	5.2	2.13
Mining	959	0.4	0.29	1,206	0.5	0.42
Leasing and commercial services	39,242	17.6	1.55	41,205	18.5	1.77
Finance	280	0.1	0.06	282	0.1	0.07
Information transmission, software and IT services	4,098	1.8	2.90	3,125	1.4	2.93
Others	14,376	6.4	2.33	14,013	6.3	2.53
Total	223,152	100.0	1.45	222,774	100.0	1.58

Distribution of Non-Performing Loans by Geographic Region

In millions of RMB, except for percentages

Item	30 June 2025			31 December 2024		
	Amount	Percentage (%)	Non-performing loan ratio (%)	Amount	Percentage (%)	Non-performing loan ratio (%)
Head Office	2,388	0.7	0.24	792	0.2	0.09
Yangtze River Delta	52,922	15.5	0.81	49,307	15.3	0.82
Pearl River Delta	67,154	19.8	1.63	58,909	18.3	1.51
Bohai Rim	48,421	14.2	1.34	49,328	15.3	1.47
Central Region	50,303	14.7	1.14	44,517	13.8	1.09
Northeastern Region	16,168	4.7	1.98	16,857	5.2	2.19
Western Region	95,560	28.0	1.65	94,275	29.4	1.74
Overseas and others	8,359	2.4	2.10	8,180	2.5	2.10
Total	341,275	100.0	1.28	322,165	100.0	1.30

Changes in the Allowance for Impairment Losses on Loans

In millions of RMB

Item	Six months ended 30 June 2025			Total
	Stage I 12 months expected credit loss	Stage II Lifetime expected credit loss	Stage III	
1 January 2025	659,327	100,388	205,511	965,226
Transfer ¹				
Stage I to Stage II	(8,424)	8,424	—	—
Stage II to Stage III	—	(26,920)	26,920	—
Stage II to Stage I	14,173	(14,173)	—	—
Stage III to Stage II	—	7,167	(7,167)	—
Originated or purchased financial assets	162,005	—	—	162,005
Remeasurement	(50,373)	36,607	61,532	47,766
Repayment and transfer-out of normal loans and special mention loans	(86,298)	(12,972)	—	(99,270)
Repayment and transfer-out of non-performing loans	—	—	(19,860)	(19,860)
Write-offs	—	—	(49,104)	(49,104)
30 June 2025	690,410	98,521	217,832	1,006,763

- Notes:
- For details of the three-stage impairment models, please refer to "Note 21 Loans and advances to customers to the Condensed Consolidated Interim Financial Statements".
 - The table includes the allowance for impairment losses on loans measured at fair value through other comprehensive income.

Market Risk

In the first half of 2025, we formulated the risk management strategies for financial market business, strengthened the risk management of treasury transactions and investment business across the Bank, and optimized and adjusted the market risk management limits. We continued to optimize the functions of the market risk management and control platform and promoted its application to overseas institutions and subsidiaries, to enhance the intelligence level of the Group's market risk management. We continuously optimized the mechanism for on-site management of market risk in the treasury transaction business, and effectively identified, managed and controlled risks associated with transaction behaviors with management tools such as transaction reconciliation, price monitoring, transaction monitoring, and profit and loss analysis.

Our market risk exposure limits are classified into directive limits and indicative limits. We classified all of the on-and off-balance sheet assets and liabilities into either the trading book or the banking book. The trading book includes the financial instruments, foreign exchange and commodities positions held by the Bank for trading or hedging against the risk of other items in the trading book. Any other positions are classified into the banking book.

Market Risk Management in the Trading Book

We managed the market risk of the trading book through various approaches including stress testing, Value at Risk (VaR), exposure limit management, sensitivity analysis, duration analysis and exposure analysis.

We regularly conducted stress testing to evaluate the maximum loss to the Bank's trading book under extreme market risk. Stress testing scenarios include the single-factor scenario, the multi-factor scenario, and the historical scenario. In the stress testing of market risk, by quantitative analysis of the impact of the changes in interest rates, foreign exchange rates and other market prices on the Bank's asset prices and profits/losses, we revealed the weak links of the Bank's trading businesses in extreme scenarios, to improve the Bank's responsiveness to extreme risk events. Results of the stress testing indicated that during the reporting period, losses of the Bank under stress testing of market risk were generally controllable.

Please refer to "Note 47.3 Market Risk to the Financial Risk Management to the Condensed Consolidated Interim Financial Statements" for details of VaR for the trading book.

Exchange Rate Risk Management

In the first half of 2025, the Bank regularly performed exchange rate exposure monitoring, exchange rate sensitivity analysis and stress testing, and further refined the exchange rate risk measurement. We also flexibly adjusted the trading exchange rate risk exposure, and maintained the stable exposure in the non-trading exchange rate risk. Exchange rate risk exposure of the Bank was controlled within a reasonable range.

Exchange Rate Risk Analysis

The Bank's exchange rate risk is mainly the exposure risk arising from the exchange rate of USD against RMB. In the first half of 2025, the central parity of the RMB against USD appreciated accumulatively by 298 basis points or 0.4%. As at the end of June 2025, the Bank had a short position of USD5,011 million for the foreign exchange exposure of on-and off-balance sheet financial assets/liabilities.

Foreign Exchange Exposure

In millions of RMB (USD)

	30 June 2025		31 December 2024	
	RMB	USD equivalent	RMB	USD equivalent
Net foreign exchange exposure of on-balance sheet financial assets/liabilities	(153,038)	(21,378)	106,506	14,816
Net foreign exchange exposure of off-balance sheet financial assets/liabilities	117,162	16,367	(65,762)	(9,148)

Note: Please refer to "Note 47.3 Market Risk to the Financial Risk Management to the Condensed Consolidated Interim Financial Statements" for more details.

Exchange Rate Sensitivity Analysis

In millions of RMB

Currency	Increase/decrease in exchange rate of foreign currency against RMB	Impact on profit before tax	
		30 June 2025	31 December 2024
USD	+5%	(453)	19
	-5%	453	(19)
HKD	+5%	1,442	1,773
	-5%	(1,442)	(1,773)

The non-RMB denominated assets and liabilities of the Bank were primarily denominated in USD and HKD. Based on the exchange rate exposure at the end of the reporting period, the profit before tax of the Bank would decrease (or increase) by RMB453 million if USD appreciates (or depreciates) by 5% against RMB.

Interest Rate Risk in the Banking Book

We managed interest rate risk in the banking book through comprehensive use of technical measures such as exposure limit management, stress testing, scenario analysis and gap analysis.

Interest Rate Risk Management in the Banking Book

We adhered to the prudential risk appetite for the interest rate risk in the banking book, strengthened interest rate risk forecasting, monitoring and analysis, and continued to optimize the interest rate exposure and duration structure of assets and liabilities. We improved the internal and external pricing mechanism, made efforts to improve the coordination of volume growth and price control, and intensified the transmission of the interest rate risk strategy. We advanced the smart laboratory project of interest rate risk, and further refined risk measurement tools to enhance the accuracy of risk measurement and analysis. During the reporting period, all the interest rate risk indicators of the Bank were within the scope of regulatory requirements and management objectives, and our interest rate risk in the banking book remained generally controllable, as shown by the result of stress testing.

Discussion and Analysis

Interest Rate Risk Analysis in the Banking Book

As at 30 June 2025, the accumulative negative gap with interest rate sensitivity within one year of the Bank amounted to RMB506,070 million, representing an increase of RMB122,341 million in absolute value as compared to the end of the previous year.

Interest Rate Risk Gap

In millions of RMB

	Within 1 month	1-3 months	3-12 months	Sub-total of 1 year and below	1-5 years	Over 5 years	Non- interest earning
30 June 2025	(8,453,439)	1,356,878	6,590,491	(506,070)	(3,467,750)	6,776,307	171,888
31 December 2024	(7,982,027)	905,459	6,692,839	(383,729)	(3,222,857)	6,506,172	85,730

Note: Please refer to "Note 47.3 Market Risk to the Financial Risk Management to the Condensed Consolidated Interim Financial Statements" for more details.

Interest Rate Sensitivity Analysis

In millions of RMB

	30 June 2025		31 December 2024	
	Movements in net interest income	Movements in other comprehensive income	Movements in net interest income	Movements in other comprehensive income
+ 100 basis points in interest rate	(45,471)	(105,983)	(43,851)	(95,502)
– 100 basis points in interest rate	45,471	105,983	43,851	95,502

The interest rate sensitivity analysis above indicates the movements within the next 12 months in net interest income and other comprehensive income under various interest rate conditions, assuming that there is a parallel shift in the yield curve and without taking into account any risk management measures that the management may adopt to reduce interest rate risk.

Based on the composition of the assets and liabilities as at 30 June 2025, if the interest rates instantaneously increase (or decrease) by 100 basis points, the net interest income and other comprehensive income of the Bank would decrease (or increase) by RMB45,471 million and RMB105,983 million, respectively.

Liquidity Risk

Liquidity Risk Management Governance Structure

The liquidity risk management governance structure of the Bank consists of a decision-making system, an execution system and a supervision system, among which, the decision-making system comprises the Board of Directors and its Risk Management and Consumers' Interests Protection Committee and the Senior Management; the execution system comprises liquidity management department, asset and liability business management department and information and technology department, etc.; and the supervision system comprises the Board of Supervisors, the Audit Office, the Internal Control and Compliance Supervision Department and the Legal Affairs Department. The above systems perform their respective decision-making, execution and supervision functions based on the division of responsibility.

Liquidity Risk Management Strategy and Policy

We adhered to a prudent liquidity management strategy. We formulated our liquidity risk management policy pursuant to the regulatory requirements, external macroeconomic environment and our business development. We effectively maintained balance among liquidity, security and profitability, on condition of the guaranteed security of liquidity.

Liquidity Risk Management Objectives

The objectives of our liquidity risk management were to effectively identify, measure, monitor and report liquidity risk by establishing a scientific and refined liquidity risk management system, to promptly fulfill the liquidity needs of assets, liabilities and off-balance sheet businesses, perform the external payment obligations, achieve an effective balance between capital efficiency and security of liquidity, and prevent the overall liquidity risk of the Group under normal business environment or under operational pressure.

Liquidity Risk Management Method

We paid close attention to internal and external economic situation, continued to monitor our bank-wide liquidity condition, and strengthened the asset-liability matching management to mitigate risks related to mismatch of maturity. We improved the liquidity management mechanism by strengthening the monitoring, early warning, and overall allocation of liquidity position, and by enhancing the diversification and stability of sources of funding, to maintain a moderate reserve level and meet various payment demands. In addition, we continued to refine the functions of the liquidity management system and improved the level of our electronic management.

Stress Testing Situation

Based on the market condition and operation practice, we set liquidity risk stress testing scenarios fully considering various risk factors which may affect the liquidity. Stress testing was conducted on a quarterly basis. According to the testing results, under the prescribed stress scenarios, we could pass all the shortest survival period tests as required by regulatory authorities.

Main Factors Affecting Liquidity Risk

The major factors affecting liquidity risk include negative impacts of market liquidity, withdrawal of deposits by customers, drawing of loans by customers, mismatch between asset and liability structures, debtor's default, difficulty in asset realization, weakening financing ability, etc.

Discussion and Analysis

Liquidity Risk Analysis

During the reporting period, our overall liquidity was sufficient, secure and under control, with all relevant indicators meeting regulatory requirements. As at the end of June 2025, we recorded liquidity ratios for RMB and foreign currency of 98.94% and 149.57%, respectively. The average liquidity coverage ratio over the second quarter in 2025 was 133.92%. As at the end of June 2025, our net stable funding ratio was 130.57%, with available stable funding of RMB31,558,416 million as the numerator and the required stable funding of RMB24,170,442 million as the denominator.

Liquidity Gap Analysis

The table below presents the Bank's net position of liquidity as at the dates indicated.

In millions of RMB

	Past due	On demand	Within 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
30 June 2025	64,381	(14,608,177)	800,707	(2,000,152)	(2,087,113)	1,082,513	17,164,616	2,557,600	2,974,375
31 December 2024	63,632	(15,102,538)	937,829	(2,247,351)	(1,385,454)	1,105,585	17,469,784	2,143,829	2,985,316

Note: Please refer to "Note 47.2 Liquidity Risk to the Financial Risk Management to the Condensed Consolidated Interim Financial Statements" for more details.

For details of liquidity coverage ratio and net stable funding ratio of the Bank, please refer to the *Pillar 3 Report for the First Half of 2025* published on the website of the Bank (www.abchina.com.cn, www.abchina.com).

Operational Risk

In the first half of 2025, we fully implemented the new regulatory provisions on operational risk management, revised supporting management systems and carried out various forms of training. We re-examined our operational risk appetite and management strategies, made solid preparations for implementing the new standardized approach, and external audits on loss data management were organized and carried out. We sorted out business processes, key risk points and control measures in relevant fields on a trial basis, laying a solid foundation for full-process management. We upgraded the operational risk management system, and strengthened the technological support of operational risk management tools. We organized off-site inspection and analysis of operational risk management, improved the mechanism for operational risk loss management, to enhance operational risk management capabilities.

We strengthened operational risk management in key areas. We continuously carried out special rectification of case risk and promoted the governance of case risk in the whole chain, strengthened the prevention and control of case risk in key areas, and intensified the reporting and handling of criminal-related cases. We steadily promoted the construction of the IT application innovation project, optimized the information technology risk management strategy and business continuity plan, and continuously enhanced information technology risk and business continuity management. We strengthened outsourcing risk management, and carried out risk and compliance reviews and evaluations on outsourcing projects regularly.

Legal Risk Management

In the first half of 2025, we continued to deepen the construction of Agricultural Bank of China under the rule of law to further promote law-based governance. Focusing on primary responsibilities and core businesses, we improved the effectiveness of legal support for financial services in agriculture, rural areas and rural residents and rural revitalization, and strengthened legal support for the “Five Priorities” of finance. We optimized contract management work mechanisms and processes, and continuously improved the quality and efficiency of legal work related to consumers’ interests protection. We stepped up efforts in litigation-based collection of non-performing assets, and proactively used alternative dispute resolution to improve the quality and efficiency of collection. We effectively prevented and addressed key and sensitive legal risks to safeguard our legitimate rights and interests. We continuously strengthened legal protection of intellectual property rights, to guard against the risks of infringing or being infringed on intellectual property. We improved the legal risk management mechanism and enhanced the legal risk management capabilities of the Group. We deepened the building of the rule of law culture in finance, and actively carried out legal publicity and education. We refined the system of lists of intra-Party regulations and national laws that leading officials should know and master, and promoted the building of a high-caliber legal workforce with both moral integrity and ability.

Anti-money Laundering and Sanctions Risk Management

We deeply advanced the governance of anti-money laundering (AML) monitoring data for internal accounts, and continued to optimize the transaction monitoring model, so that our money-laundering risk prevention and control in key areas made substantial progress. We continued to improve the centralized processing model for ongoing due diligence in key scenarios, deepened research on and application of customer segmentation and grouping, accelerated the restructuring of due diligence system for customers of overseas institutions and enhanced the standardization of due diligence across the Bank. We continued to track as well as research and judgment on changes in international sanctions policies, established a sound quick response and reporting mechanism for sanctions intelligence, prudently advanced sanctions risk prevention and control to support steady business operations of the Bank.

Reputational Risk

In the first half of 2025, adhering to the management philosophy of prioritizing prevention, we continuously improved the whole-process management of reputational risk, and continuously refined the mechanisms for pre-assessment, monitoring, handling, and assessment and accountability related to reputational risk. We organized and carried out special screening, emergency drilling and professional training on reputational risk, established a more efficient public sentiment response mechanism, and eliminated reputational risk in a proper manner.

Country Risk

We managed country risk through tools and approaches such as evaluation and rating, limit control, risk measurement and stress testing. In the first half of 2025, taking into account changes in the external situation, we formulated the management strategy for country risk, reasonably set country risk limits, and strengthened country risk monitoring and reporting.

Risk Consolidated

In the first half of 2025, we continued to improve the system and mechanism for the risk consolidation management of the Group, and advanced integrated construction of risk management across the Group between the Bank and its subsidiaries. We guided our subsidiaries to revise their risk appetite statements and risk management policies for 2025 on a subsidiary-specific basis, optimized business exit and stop-loss mechanism, refined and adjusted business access criteria, and improved indicators for risk appetite and risk limits. We organized and implemented the promotion and application of the risk management system in subsidiaries. We intensified the risk monitoring of key areas of subsidiaries to enhance the quality and efficiency of consolidated risk management. We optimized risk assessment and consolidation evaluation systems of subsidiaries, to enhance the guidance role of the assessments.

Capital Management

During the reporting period, in accordance with the *Rules on Capital Management of Commercial Banks*, we formulated and implemented the capital plan for 2025-2027, improved the working mechanism of capital management, deepened the transmission of the principle of capital constraint and value return, strengthened the application of the new capital rules, and made solid progress in intensive and refined management of capital. The effectiveness of our capital management continued to show, significantly enhancing the strategic support for the Bank's high-quality development, and the level of capital adequacy consistently met regulatory requirements.

We continued to enhance the construction of Internal Capital Adequacy Assessment Process (ICAAP), strengthened the institutional foundation and the capital management reporting mechanism, expanded the coverage of risks, optimized the risk assessment standards, completed the internal capital adequacy assessment for 2025, and carried out the specific audit, effectively improving the level of the capital and risk management across the Bank.

As one of Global Systemically Important Banks (G-SIBs) and Domestic Systemically Important Banks (D-SIBs), in accordance with regulatory requirements, we optimized the construction of the mechanism for the recovery and resolution plan, updated the recovery and resolution plan of the Bank, improved capabilities of risk early warning and crisis management, and strengthened the foundation of financial stability. We continued to enhance the management of G-SIBs assessment, promoted to meet Total Loss Absorbing Capacity (TLAC) regulatory requirements, actively and steadily carried out capital and TLAC replenishment, enhanced our own risk resilience capability, and provided a solid support for high-quality financial services.

We implemented advanced approaches of capital measurement and adopted both advanced approaches of capital measurement and other approaches in parallel to calculate capital adequacy ratio according to the requirements of the NFRA.

Management of Capital Financing

In May 2025, we issued RMB50.0 billion of undated additional Tier 1 capital bonds in the National Interbank Bond Market to replenish our additional Tier 1 capital.

In June and July 2025, we issued RMB60.0 billion and RMB60.0 billion of Tier 2 capital bonds in the National Interbank Bond Market, respectively, to replenish our Tier 2 capital.

In June and August 2025, we issued RMB30.0 billion and RMB50.0 billion of TLAC eligible non-capital bonds in the National Interbank Bond Market, respectively, to enhance the Bank's total loss-absorbing capacity.

In May 2025, we redeemed RMB40.0 billion of Tier 2 capital bonds.

In May and August 2025, we redeemed RMB85.0 billion and RMB35.0 billion of undated additional Tier 1 capital bonds, respectively.

Management of Economic Capital

During the reporting period, we strengthened total capital constraint, optimized the asset structure and controlled the growth of risk-weighted assets, and strived to achieve capital-intensive development. We continued to improve the economic capital allocation mechanism, highlighted operational strategic objectives transmission, continuously improved the refined management of economic capital, and increased economic capital allocation in key areas, such as rural revitalization, inclusive finance, manufacturing, private enterprises, green credit, and food security. We strengthened the process management and control of economic capital, and advanced the systematization and automation construction comprehensively, increased the efficiency of economic capital monitoring, and improved the timeliness and effectiveness of capital management policy transmission.

Capital Adequacy Ratio and Leverage Ratio

The table below presents the Group's capital adequacy ratio calculated in accordance with the *Rules on Capital Management of Commercial Banks*.

In millions of RMB, except for percentages

Item	30 June 2025
CET 1 capital, net	2,670,203
Tier 1 capital, net	3,134,761
Net capital	4,194,394
Risk-weighted assets	24,041,565
CET 1 capital adequacy ratio	11.11%
Tier 1 capital adequacy ratio	13.04%
Capital adequacy ratio	17.45%

The table below presents the Group's leverage ratio calculated in accordance with the *Rules on Capital Management of Commercial Banks*.

In millions of RMB, except for percentages

Item	30 June 2025
Tier 1 capital, net	3,134,761
Adjusted on-and off-balance sheet assets	48,872,637
Leverage ratio	6.41%

For details of our capital adequacy ratio and leverage ratio, please refer to the *Pillar 3 Report for the First Half of 2025* published on the website of the Bank (www.abchina.com.cn, www.abchina.com).

Sustainability Information

In the first half of 2025, the Bank actively implemented the global development initiative and commitment to sustainable development, identified sustainability risks and opportunities, actively and steadily promoted peak carbon emissions and carbon neutrality goals, served a wide range of stakeholders, and steadily advanced work related to sustainable development.

- Deliberations of the Board of Directors. In the first half of 2025, the Board reviewed several sustainable development proposals, including the Sustainability Report, Green finance/peak carbon emissions and carbon neutrality, comprehensive risk management (including environmental and climate-related financial risks), and inclusive finance. The Board also listened to several reports such as the report on information technology risks and business continuity management, and the report on the implementation of the 14th Five-Year Plan and strategic risk assessment for 2024.
- Disclosure of the first *Sustainability Report*. The Bank disclosed the first *Sustainability Report* on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. Closely following the strategic plans of the Party and the country, the Report implemented new regulatory rules, consolidated the data foundation, highlighted the Bank's features, and demonstrated market value.
- Released the key points of the ESG policy. Key points of ESG-related policies related to data security and customer information protection, anti-bribery and anti-corruption, debt collection, retail marketing and publicity, and whistleblowing were formulated and published on the official website.



- Participation in domestic and international communications. The Bank attended the Fourth International Conference on Financing for Development and the International Business Forum of the United Nations to share China's practices and experience in financial support for sustainable development. We participated in CCTV's "ESG Lecture" and shared the ESG practice results entitled the "Financial Support for High-Quality Sustainable Development". We also participated in the China Enterprise Lecture held by the China Enterprise Reform and Development Society and delivered a keynote speech entitled "ESG Concept Drives the Innovative Development of the Financial Industry". The live broadcast by Xinhuanet.com and many other media attracted over 8.3 million views.

Environment

Green Finance

Green Credit

We incorporated the green and low-carbon requirements into the annual credit policy, to coordinate and support rural revitalization, inclusive small and micro enterprises, and the green transformation of the real economy. We revised the credit policies for industries such as biomass power generation and photovoltaic manufacturing. We improved the mechanism for the pool of major green finance projects, and strengthened the marketing of major projects and the dynamic management of the projects pool. We continued to increase the capital supply for the fields such as energy conservation and carbon reduction, environmental protection, resource recycling, green and low-carbon transformation of energy, ecological protection, restoration and utilization, green upgrading of infrastructure, green services, green trade and green consumption. We deepened cooperation with government departments, including the Ministry of Ecology and Environment, optimized and promoted scenarios such as smart animal husbandry and smart agricultural service, built regionally distinctive scenarios such as smart agricultural supplies and smart granaries, and actively innovated effective financial models to boost rural green development. We innovatively launched the "Transition Finance Loan" with pollution discharge rights and carbon emissions allowance as collaterals in Huzhou, Zhejiang Province to meet customers' financial needs for green transition. As at the end of June 2025, the balance of green loans amounted to RMB5.72 trillion, representing an increase of RMB728.8 billion or 14.6% as compared to the end of the previous year.

Green Investment and Financing

As at the end of June 2025, the green bonds invested for our own account increased by 11.8% to RMB129,150 million as compared to the end of the previous year. We underwrote several multi-tag bonds integrating green development and a new round of large-scale equipment upgrades and consumer goods trade-in programs, rural revitalization, and scientific and technological innovation. In the first half of 2025, over RMB240.0 billion of financing was provided to green industries and customers through investment banking products and services.

In the first half of 2025, we issued RMB60.0 billion of green bonds in the National Interbank Bond Market, as the largest single issuance of green bond in China in record.

- Integrating ESG concept into its investment process, ABC Investment actively built a green investment brand focusing on green and low-carbon investment fields such as new energy vehicles, clean energy, energy conservation and environmental protection. As at the end of June 2025, the balance of green investments with its own funds reached RMB39.89 billion, accounting for 36.2% of the investment balance of its debt-to-equity swap and pilot equity investment business.
- ABC International continued to serve the development of Hong Kong's green financial market, and participated in the underwriting of 13 ESG bonds in the first half of 2025, with a total issuance size of over USD5.0 billion.
- ABC Life Insurance participated in investments in green industries such as hydropower and photovoltaics through financial instruments like stocks, debt securities and non-standardized debt assets, with newly increased green-related investments in the first half of 2025 reaching RMB669 million.
- ABC Wealth Management continued to launch ESG-themed wealth management products, and issued 12 new ESG-themed wealth management products in the first half of 2025. As at the end of June 2025, there were 49 ESG-themed wealth management products with a total scale of RMB50,898 million; newly increased green bond investments in the first half of 2025 amounted to RMB597 million, with a balance of RMB5,529 million as at the end of June 2025.
- Adhering to the business philosophy of "green leasing", ABC Financial Leasing continuously improved service models and product types focusing on the fields such as clean energy power generation and energy storage, new energy vehicles and power batteries, green upgrading of infrastructure, ecological environment, energy conservation and environmental protection. Breakthroughs were made in new energy vehicle business. The company successfully launched operating lease models such as battery-swapping heavy trucks, household photovoltaics and energy storage. As at the end of June 2025, the balance of green leasing assets reached RMB64,774 million, continuing to maintain a leading position in the industry.
- ABC-CA promoted its green transformation. It carried out the *Implementation Plan for ABC-CA Fund Management to Serve High-quality Development of Green Finance*, improved the ESG investment framework, and steadily advanced green transformation.

Climate-related Risk Management

The Bank further clarified the risk management requirements for green finance business in the Group's risk appetite and comprehensive risk management strategy, in order to coordinate the development and security of green credit business. We deepened climate-related risk stress testing, enriched risk-influencing factors and stress scenarios, optimized risk transmission paths as well as testing methods and models, and continuously strengthened the quantitative analysis of climate-related risks.

Green Operations

Green Office

We continuously optimized green office system functions, and promoted the integrated document management platform, significantly reducing the consumption of paper resources. We formulated energy-saving and carbon-reducing measures for the Head Office and data centers, and optimized the functions of the carbon emission and energy consumption monitoring platform.

Green Procurement

We formulated the *2025 Catalogue for Centralized Procurement of the Head Office of Agricultural Bank of China*, clarifying that institutions at all levels of the Bank should embody green procurement concepts such as giving priority to energy-saving and environment-friendly products. We continued to apply green procurement indicators. In goods procurement projects, green environmental protection indicators such as environmental label product certificates and environmental management systems were assessed. In data centers' procurement projects, evaluation indicators for green environmental protection implementation plans were applied. We encouraged and guided suppliers to implement national requirements related to energy conservation and emission reduction. In the first half of 2025, a total of 777 procurement projects of the Bank applied green procurement indicators. We continued to promote digital green procurement. In 2025, all centralized procurement projects were fully switched to online procurement on the ABC e-Procurement platform, realizing whole-process digitization of procurement. It saved over 90% of paper archives. We supported non-face-to-face bidding and bid opening, significantly reducing transaction costs such as printing, travel, and meetings for both suppliers and purchasers. As at the end of June 2025, the Bank had completed 2,246 review packages on the new platform, saving 0.09 million volumes of paper bid documents. It approved 4,769 reports online, and reimbursed 50 thousand online transactions for mail orders.

Green Outlets

In the first half of 2025, over 1,000 outlets promoted relocation and renovation in accordance with the requirements of green outlet construction of the Bank in order to enhance energy-saving and carbon-reducing capabilities.

Green Energy Use

We conducted energy conservation and emission reduction for office buildings, and organized property management companies to sign energy management responsibility letters. We strengthened the management of lighting in public areas to ensure that people turn off lights when leaving. We started the central air-conditioning refrigeration system in accordance with the maximum energy-saving plan to ensure a suitable temperature in the building, and controlled the temperature of domestic hot water according to temperature changes to save heat energy. We regularly replaced office building lamps with LED energy-saving alternatives, and replaced high-energy-consuming water pumps and other equipment.

Green Transportation

Through various themed activities, we transformed green transportation into the conscious action of employees, encouraged them to use public transportation for commuting, and tried to carpool when driving to reduce seat vacancy rate. We clarified policies for the management and procurement of official vehicles, and used green and low-carbon transportation facilities and equipment. In the first half of 2025, 33.4% of the replacing official vehicles were new energy vehicles. We strengthened the use management and regular inspection and maintenance of official vehicles, reduced the frequency of official vehicle trips, and included the 100-kilometer fuel consumption indicator in the assessment system of driving service outsourcing projects, so as to reduce air pollutant emissions.

Waste Disposal

We widened the scope of application of energy-saving equipment and technology to reduce the generation of waste at the source. We required the disposal service providers to have the Hazardous Waste Operation License, and agreed that the providers should treat hazardous waste such as waste fluorescent tubes and storage batteries in a harmless and centralized manner. We properly retired and removed electronic products such as waste computers and printers in strict accordance with requirements. We laid down the requirements for the sorting and centralized clearing and transportation of garbage and for the environmental management of garbage rooms, and achieved category-based statistics. We advocated the resource conservation and waste reduction culture to create a favorable atmosphere.

Usage of Water Resources

We strictly observed the water-saving requirements of Beijing and carried out in-depth water-saving actions. We monitored the water usage in office buildings, strengthened inspection and management of water supply and drainage systems and key water-using facilities such as central air-conditioning, kitchens, and bathrooms to improve water use efficiency and prevent waste of water by way of leaking, etc. We enhanced water resource management by recycling condensed water from central air-conditioning, water from bathrooms, and waste water in boiler rooms and reused it in the reclaimed water system. We strengthened water-saving publicity through elevator screens, posters, slogans, etc.

Society

Rural Revitalization

We closely focused on our strategic positioning as a leading bank serving the rural revitalization and kept improving the operation system and mechanism of the County Area Banking Division. We continued to increase credit support for areas lifted out of poverty and provided financial assistance to key regions. Focusing on our primary responsibilities and core business, we continued to increase financial supply to key areas of rural revitalization. Closely following the national digital villages strategy, we continued to optimize and promote the ABC Huinong Cloud, a digital rural platform, and accelerated the innovation of financial products and services for rural revitalization. Our competitive strengths of business in agriculture, rural areas, rural residents and County Areas have been continuously sharpened.

For details, please refer to “Discussion and Analysis – Business Review – County Area Banking Business”.

Inclusive Finance

For details, please refer to “Discussion and Analysis – Business Review – ‘Five Priorities’ of Finance – Inclusive Finance”, “Discussion and Analysis – Business Review – Inclusive Finance” and “Discussion and Analysis – Business Review – Service Channels”.

Contributions to Society

Following the concept of “shouldering responsibilities, benefiting the people, giving priority to CSR (Corporate Social Responsibility), promoting societal prosperity”, we vigorously promoted the building of the brand “ABC Charity”, continuously implemented the four major public welfare activities with the theme of “revitalization”, “protection”, “care” and “dream realization”, innovated public welfare practices, fully fulfilled the responsibility of a major financial institution in boosting Chinese modernization. Taking the “March 5th” Learning from Lei Feng Day as an opportunity, with the theme of “Always with the Youth”, we carried out widespread charity activities across the Bank, which were attended by over 10 thousand young employees, with the total activity duration exceeding 73 thousand hours.

- The “revitalization” campaign. We always regard serving “agriculture, rural areas and rural residents” as the greatest social responsibility, and closely focus on the decisions and plans for building China’s Agricultural Strength and rural revitalization. We organized and implemented charity projects such as rural cultural inheritance, rural education and medical support, rural infrastructure donation and construction, improvement in rural living environment, and rural financial literacy, in an effort to contribute to common prosperity.

- The “protection” campaign. On the Arbor Day, World Environment Day, and National Low Carbon Day, among other major occasions, we organized green-themed public welfare and publicity and education activities, such as voluntary tree planting, garbage classification, green transportation, and city cleaning. Through these real actions, we demonstrated our commitment to the philosophy of green and low-carbon development.
- The “care” campaign. We continued to ensure services of “ABC Caring Service Zones+” at outlets, focused on groups like outdoor workers and new urban residents, etc., launched public welfare activities including summer cooling activities, and made solid efforts to provide caring services. In the first half of 2025, we organized 4,696 public welfare service activities such as “Winter Warming and Summer Cooling”. We have carried out the “My Voice, Your Eyes” volunteer activity for the blind for 12 consecutive years. By the end of June 2025, a total of 122 films were narrated. More than 2.50 million characters of script were written. We continued to promote the “Health Express for Mothers” project. We held the launching ceremony of the “Health Express for Mothers” with the China Women’s Development Foundation, donating 16 medical vehicles to provide health examination, disease treatment, maternal health care and other services for women in 16 prefecture-level and cities of eight provinces and autonomous regions including Xizang and Xinjiang. Since our public welfare cooperation with the China Women’s Development Foundation in 2013, we have donated RMB20.60 million for the “Health Express for Mothers” project to purchase 146 vehicles of “Health Express for Mothers”, benefiting over 1.5 million women and delivering health services to 17 provinces, autonomous regions and municipalities of China.
- The “dream realization” campaign. On occasions such as the International Children’s Day and the National College Entrance Examination, we organized donations, health care, examinee escort, and other voluntary activities, to financially help the youngsters. We continuously deepened “Small Points, Big Dream” public welfare activities. 21 branches held donation ceremonies, with more than RMB2 million of public welfare funds put in place. We have organized “Joining Hearts and Hands for Students from Dong Villages” volunteer service activity for twenty consecutive years, through which we funded the construction of Nanzhai Hope primary school and Bugou Hope primary school in Liuzhou City, Guangxi Zhuang Autonomous Region, supporting nearly a thousand students from Dong Villages in completing their studies.

Innovation-Driven

We continued to deepen the application of frontier FinTech, and deeply advanced the implementation of the informatization construction of our 14th Five-Year Plan, with regular evaluation on implementation effectiveness, to continuously improve the scientific and technological support and empowerment level. With digital operation as one of the “Three Major Strategies”, we continued to advance the development of smart banking. In accordance with the “AI+” *Innovation Action Plan of Agricultural Bank of China*, we accelerated the large-scale application of “AI+” across the Bank. Focusing on financial technology innovation, we actively innovated in the application of big data technology, cloud computing, distributed architecture, network technology, AI, etc. We accelerated the innovation of data asset credit enhancement products and services, and improved the efficiency of credit business and the refinement of customer services.

For details, please refer to “Discussion and Analysis – Business Review – FinTech”.

Supply Chain Security

Ensuring the Security and Stability of Supply Chain

In centralized procurement projects, we gave priority to public bidding, solicited suppliers from the society at large, and encouraged more potential suppliers to participate. For the procurement projects involving key fields of production and operation, such as science and technology, operation, etc., we adopted the mechanism of shortlisting main and standby suppliers or multiple suppliers to reduce the risk of interruption and supply chain bottleneck that may be caused by single suppliers.

Enhancing Risk Management of Supply Chain

- Systems related to supplier management were improved. We revised the *Detailed Rules for the Management of Improper Conduct of Centralized Procurement Suppliers of Agricultural Bank of China*, refining the identification standards and disposal procedures and measures for suppliers' improper conduct, and improving the standardization of improper conduct management.
- A "watch list" of suppliers involved in cases was created. We paid close attention to the judicial process of bribery cases, and took preventive measures against suppliers that might be involved in cases, so as to control performance risks.
- A mechanism for communication and interview with suppliers was established. We regularly communicated with successful bidders of important projects and suppliers with potential risks, urging them to perform their contracts in good faith, so as to prevent the risk of supply interruption.
- We continued to carry out supervision and inspection. We strengthened supervision and inspection of suppliers' performance, requiring problematic suppliers to rectify in a timely manner and strictly perform their contracts.

Consumer Interests Protection (Safety and Quality of Products and Services)

- We effectively assumed the primary responsibility of protecting the legitimate rights and interests of financial consumers, and adhered to the operation philosophy of customer-centered and the service philosophy of "Customers First and Always". We built a consumer protection system that covers the entire process of pre-event, in-event and post-event phases, deepened "the bank-wide management of consumer interests protection, and the bank-wide responsibility for consumer interests protection", fully implemented financial consumer protection requirements, and saw that the people have a growing sense of fulfillment, happiness, and security.
- We advanced consumer protection from the perspective of corporate governance. The Board of Directors and the Senior Management actively performed their duties, constantly strengthened the guidance and supervision of consumer interests protection, and continuously advanced the incorporation of consumer interests protection into corporate governance, corporate culture construction and business development strategy. In the first half of 2025, the Board of Directors and the Senior Management held several meetings to listen to reports on the implementation of consumer protection work, and studied and considered important issues such as annual work plan and regulatory evaluation of consumer protection, to ensure that the strategies, policies and objectives of consumer protection were effectively implemented.
- We strengthened supervision and review of products and services. The philosophy of consumer interests protection was incorporated into the whole process of our products and services and we continuously improved the review mechanism of consumer interests protection. We carried out consumer interests protection review in the design and development, pricing management, agreement formulation, marketing and publicity, and other aspects of products with priorities given to fields including suitability, information disclosure, compliance marketing and partner management, aiming to cover all scenarios and channels and prevent the occurrence of infringement of the legitimate rights and interests of consumers from the source. In the first half of 2025, the Bank revised the management measures and key points of review for consumer interests protection in accordance with the latest regulatory requirements and work practices, further optimized the review process and enhanced the standardization and effectiveness of the operation of the consumer protection review mechanism.
- We deeply conducted financial publicity. Following the philosophy of "consumer protection publicity goes wherever customers are", we carried out intensive publicity and education activities focusing on key businesses and target groups, such as the "3•15" financial consumers' rights and interests protection education and publicity and the Financial Literacy Publicity Tour. In the first half of 2025, we carried out more than 88 thousand intensive publicity and education activities and reached 964 million consumers. The "ABC Considerate Consumer Interests Protection" 3D Digital Exhibition Gallery was released on mobile banking. We continued to release publicity and education materials regarding financial policies and risk warnings on official WeChat accounts, official website, and consumer protection column of mobile banking, and carried out daily publicity and education activities.

Sustainability Information

- We continued to carry out consumer protection training for employees. We formulated the 2025 training plan for consumer protection, and constantly improved our tiered and comprehensive training system. In the first half of 2025, more than 5,000 training sessions were held through ABC E-Learning and special training courses, with over 0.34 million trainees.
- We provided loan modification options. The Bank revised the *Post-loan Management Operating Procedures for Personal Credit Business of Agricultural Bank of China*, specifying the applicable conditions and contents of modifications to customer loan contracts. Taking full account of the impact of objective factors such as extreme disasters and subjective factors such as changes in the borrowers' financial status on loan repayment, we allowed customers who meet the requirements of relevant regulations, upon mutual agreement and submission of relevant applications, to undergo an objective assessment based on the actual impact on their financial condition, and provided appropriate relief policy support or loan modification services. For permitted products, escalation options such as credit limit increase might be offered to eligible clients with good credit records. Customers were permitted to modify elements in the contract, such as repayment method, upon mutual agreement.
- We established sound complaint handling processes. The Bank established an independent internal complaint management division, whose main responsibilities include formulating complaint management systems, executing daily complaint management, guidance, assessment and due diligence supervision, and carrying out complaint data operation monitoring and statistical analysis. Consumers submitted complaints through the complaint channels published by the Bank. Upon receiving a complaint, the Bank promptly put forward to the relevant unit for handling. The complaint handling unit investigated and verified the complaint, made a handling decision within 15 days from the date of receipt, and notified the complainant. In complex cases, this period may be extended to 30 days, with a maximum handling period not exceeding 60 days. When notifying the complainant of the handling decision, the complaint handling unit would explain the verification of the complaint content, the relevant basis and reasons for the decision, as well as the remedial channels available to the complainant, including application for review, mediation, arbitration, litigation, etc.
- For details about the management of the Bank's debt collection and fair marketing systems, please refer to the *Key Points of Debt Collection Policy* and the *Key Points of Retail Marketing and Promotion Policy* published on the Bank's official website.

Data Security and Customer Privacy Protection

- Governance and management framework. The Bank established a data security governance structure covering the Board of Directors, the Senior Management, institutions at all levels and departments. The Board of Directors and the Senior Management performed their duties related to data security management in accordance with regulatory provisions and the Bank's policies, regularly listened to reports on data security and make major decisions and arrangements. Following the principle of "comprehensive coverage in both horizontal and vertical dimensions", the Bank established a data security management "matrix", implementing a tiered accountability system vertically and a business line-based management system horizontally. Each department of the Head Office is responsible for the data security management of its own business line, and organizes the implementation of data security management requirements and technical protection specifications. The leading department of each special field is responsible for promoting the implementation of data security management requirements within their domains. The integrated management of data security across the Group was continuously strengthened. All overseas entities and subsidiaries established their data security management mechanisms, and set up special departments or designated personnel to take charge of data security, and held data security work meetings covering overseas entities and subsidiaries.

- Policies and Rules System. The Bank attached great importance to data protection and established a data security protection mechanism that covers the entire life cycle of data. In accordance with the *Data Security Law of the People's Republic of China*, the *Measures for Data Security Management of Banking and Insurance Institutions*, and the *Basic Policy on Data Governance* of the Bank, we formulated the *Policies on Data Security* to consolidate the data security responsibility system, and issued supporting basic management standards for general protection, security assessment, and incident emergency response, as well as special rules on cross-bank and cross-border data transfers, data analysis, and external data introduction to prevent and control data security risks in key areas, safeguarding the bottom line of data security. The data security policy covered all business lines of domestic entities at all levels and all overseas entities and subsidiaries.
- We strengthened data security training. Specialized data security courses were continuously introduced for all employees and across various business lines. The courses covered data security laws and regulations, internal rules and regulations, and operating procedures for key scenarios, taking the form of recorded courses, specialized training sessions, short videos, and knowledge tests. The Bank provided data security education or training for service providers and contractors, and required service providers to effectively implement data security control measures.
- Customer Privacy Protection. The Bank continuously refined its privacy policy in accordance with regulatory requirements and business development needs, updated the rules for processing customers' personal information based on facts, enhanced the mechanisms for responding to customer rights and resolving disputes, and protected customers' personal information rights and interests in accordance with laws. We strictly implemented the *Personal Information Protection Law* and relevant regulatory requirements, and abided by the principle of legality, legitimacy, necessity, good faith, and integrity, consistency of powers and responsibilities, clear purpose, selection and consent, minimum necessity, security ensuring, subject participation, openness and transparency principles. We formulated personal information processing rules such as *Privacy Policy (Personal Version)* and the *Privacy Policy (Institution Version)*, and published them on online and offline channels such as official website, mobile banking, counters, and super counters. The privacy policy listed the personal information required to be processed by the core business functions of our main service channels, set out the rules for our processing and protection of customers' personal information, such as the purpose, method, scope of processing, and protection measures, and clearly presents the rights of customers in the processing activities of personal information and the way to exercise the relevant rights and so on. Besides, rules for handling personal information were also clearly communicated to customers through product or service agreements, authorization letters, etc., and customer authorization or consent was obtained in accordance with the law. Product or service agreements, authorization letters and privacy policy collectively constituted the complete privacy policy for the Bank's customer products and services.
- For the detailed policies and measures regarding the use of consumer data for secondary purposes, data protection of suppliers and partners, consumers' rights to access, correct and delete their data, response to data leakage, audit of information systems, and the collection, use and retention of customer information, please refer to the *Key Points of the Management Policy for Data Security and Customer Information Protection* published on the Bank's official website.

Employees

- We actively implemented the strategy of leveraging talent to empower the Bank. We actively promoted the construction of classified and hierarchical professional talent pools, and strengthened the cultivation of talents in these pools across various fields, with a focus on the “Five Priorities” of finance. We strove to cultivate a batch of customer managers in the new era with Mr. Rao Caifu as the model. We implemented the “Hundred, Thousand and Ten Thousand Talent Project” and the “Young Talent Development Project” in a coordinated manner, and held the Young and Middle-aged Cadre Training, the Executive Management Training (EMT) for targeted young cadres, onboarding training for newly appointed cadres, and Youth Talent Excellence Leadership Training. In the first half of 2025, level-specific and field-specific training was carried out for professional talents, customer managers, and young employees, and approximately 407 thousand employees across all levels and functions attended the training. We continued to improve “ABC E-Learning”, our online learning platform. In the first half of 2025, 966 premium online courses were launched and 69 thematic learning modules were created. In this manner, we promoted the supply of high-quality learning and training resources into online platform, making them accessible to foundation-level institutions and benefiting all employees. For details, please refer to the “Discussion and Analysis – Business Review – Human Resources Management and Institutional Management”.
- We listened to employees’ opinions. We solicited proposals from staff representatives of the fourth session on employees’ rights and interests, career development, humanistic care, mass work, human resources management, internal management, and reform and innovation. We conducted a survey on the implementation of the “Five Actions” for employee care in 2025, focusing on employee satisfaction, implementation of care measures, and employees’ new expectations. More than 0.3 million employees responded to the survey. Through various methods such as on-site interviews, questionnaires, and case studies, we gained an in-depth understanding of the needs and expectations of young employees. Interviews with young employees were conducted in more than 20 branches, and nearly 0.09 million young employees participated in the questionnaire survey. Youth Leagues at all levels submitted excellent youth work cases.
- Non-salary Benefits. In the first half of 2025, critical illness insurance benefits were paid for 649 persons, with an average compensation of RMB237.5 thousand per person. We provided psychological counseling services for 53.7 thousand person-times and psychological assessment services for 24.4 thousand person-times, and held more than 280 psychological knowledge lectures. A total of 6,384 cultural and sports activities were held in the Bank, with 457 thousand participants. We built 5,712 new Homes of Employees facilities, including 4,113 independent functional areas and 241 comprehensive functional areas. The independent functional areas consisted of small canteens, small reading rooms, small activity rooms, small bathrooms, transitional housing, noon break rooms, female employee care rooms, and recreation rooms. During the New Year’s Day and the Spring Festival, institutions at all levels paid visits to 13.6 thousand branch outlets.

Sustainable Development Governance

Anti-commercial Bribery and Anti-corruption

- We established and continuously improved rules system. We formulated relevant systems and normative documents such as the Bank's *Code of Conduct for Employees*, *Management Measures for Risk Prevention and Control of Criminal Cases*, *Centralized Procurement Management Measures*, and *Centralized Procurement Operating Procedures*, and specified anti-bribery and anti-corruption requirements in business processes. We formulated the *Measures for the Administration of Related Party Transactions*, the *Detailed Implementation Rules for the Administration of Related Party Transactions*, the *Measures for the Administration of the Behavior of Financial Market Business Transactions*, etc., and put the power under the constraints of the system. We strictly guarded against risks of bribery and corruption in key areas such as personnel appointment and removal, procurement, credit, and charity donations.
- We constantly improved the anti-corruption management mechanism. We improved the risk management system for criminal cases, continuously optimized the whole-process management mechanism for case information reporting, investigation and disposal, accountability and conclusion of cases, refined daily case management requirements, enriched the case management toolkit, and enhanced the whole-process and refined management of case risks.
- We continued to conduct special governance of case risks. Focusing on key areas such as employees' illegal participation in private lending and illegal fund-raising. We organized self-inspection and rectification as well as warning education, and accurately identified and effectively resolved potential risks.
- We strengthened case warning, training and education. We reviewed and summarized typical cases inside and outside the Bank, notified cases through multiple platforms and channels, and organized specialized anti-corruption training for all employees. We conveyed changes in new regulations and key points of case risk prevention and control in a timely manner, and disseminated risk alerts to branch outlets in an effort to enhance their awareness of the rule of law and compliance.

For details, please refer to the *Key Points of Anti-Bribery and Anti-Corruption Policy* published on the Bank's official website.

Whistleblower Protection

Our whistleblower protection system was improved constantly. The Bank ensured accessible reporting channels, allowing citizens, legal persons, or other organizations to report problems, put forward suggestions, opinions, or lodged complaints to the Bank through information network, letter, telephone, fax, visit, etc. We listened to employees' opinions, accepted employees' supervision, and strictly conducted confidentiality management for complaints, reports, and other matters received through complaint channels. We were committed to creating a fair, transparent, and harmonious work environment. We took solid steps to protect sensitive information such as whistleblowers and complained matters, and required that whistleblowers shall not be discriminated, suppressed, persecuted, or retaliated against. For details, please refer to the *Key Points of Whistleblowing Policy* published on the Bank's official website.

Internal Control

For details, please refer to the "Corporate Governance Report – Operation of Corporate Governance – Internal Control".

Anti-Money Laundering and Sanctions Risk Management

For details, please refer to the "Discussion and Analysis – Risk Management – Operational Risk – Anti-Money Laundering and Sanctions Risk Management".

Operation of Corporate Governance

During the reporting period, we continued to promote the modernization of corporate governance system and governance capacities to continuously improve the effectiveness of our corporate governance in strict compliance with the laws, regulations and regulatory requirements including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the *Law of the People's Republic of China on Commercial Banks*. We strengthened the institutional development, and actively advanced the revision of *Articles of Association of Agricultural Bank of China Limited*, *Rules of Procedure of the Shareholders' General Meeting of Agricultural Bank of China Limited* and *Rules of Procedure of the Board of Directors of Agricultural Bank of China Limited*. We improved the governance structure, and adjusted the composition of the Board of Directors and its relevant special committees.

During the reporting period, we fully complied with all the principles and code provisions of the *Corporate Governance Code* set out in Appendix C1 to the Hong Kong Listing Rules and most of the recommended best practices thereunder.

Shareholders' General Meetings

Item	Details
One Extraordinary General Meeting	Considered two proposals including the election of Mr. ZHANG Qi as an Independent Director at the 2025 First Extraordinary General Meeting of the Bank on 21 February 2025.
One Annual General Meeting	Considered twelve proposals including the 2024 work report of the Board of Directors, and listened to four reports including the 2024 work report of Independent Directors at the 2024 Annual General Meeting of the Bank on 27 June 2025.

The above shareholders' general meetings were convened and held in strict compliance with the relevant laws, regulations and listing rules of Shanghai and Hong Kong SAR. The Directors, Supervisors and Senior Management of the Bank attended the meetings and discussed with shareholders about matters they concerned. We published the poll results announcements and legal opinions on the above shareholders' general meetings in a timely manner in accordance with regulatory requirements. Such poll results announcements were published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) on 21 February and 27 June 2025, respectively, and on the website of the Shanghai Stock Exchange (www.sse.com.cn) as well as on the media designated by the Bank for information disclosure on 22 February and 28 June 2025, respectively.

Meetings of the Board of Directors

Item	Details
Number of regular meetings held	2
Number of extraordinary meetings held	4
Total number of meetings held	6
Date of the meetings	20 January, 14 February, 28 March, 29 April, 30 May, and 23 June 2025
Particulars of considering proposals or listening to reports	Considered 54 proposals including periodic reports, profit distribution plan, and the nomination of the candidates of the Director, and listened to 14 reports including the report on the management for information technology risk and business continuity for 2024, and the implementation of the "14th Five-Year Plan" and evaluation report on strategic risk for 2024.

Meetings of the Board of Supervisors

Item	Details
Number of regular meetings held	2
Total number of meetings held	2
Date of the meetings	28 March and 29 April 2025
Particulars of considering proposals or listening to reports	Considered 10 proposals including the 2024 annual report and its abstract, and listened to 12 reports including the comprehensive risk management report for 2024.

Internal Control

We continued to optimize internal control mechanisms, focused on proactive risk prevention and control, improved the Group's internal control management system, strengthened the coordination and collaboration of various types of inspections and supervision, and ensured thorough rectification of identified problems, thereby building a strong "firewall" for the internal control system. We deeply promoted programs to improve the quality and strive for excellence of compliance, actively cultivated the compliance culture of "compliance creates value" and firmly adhered to the philosophy of our compliance culture. We established risk labels and optimized monitoring models to enhance the foresight and effectiveness of risk prevention and control. We continued to promote the construction of internal control across rules, systems and processes in key business areas, to enhance the effectiveness of internal control measures. We deepened, strengthened and refined compliance reviews, and strictly assessed the risks of new businesses, new products, new models, and new systems. We fully implemented the *Rules on Compliance Management of Financial Institutions* and improved the Group's compliance management framework. We thoroughly implemented the three-year plan for digital and intelligent construction, promoted the intensive model of risk monitoring for internal control and compliance, and upgraded the four-in-one capabilities of prevention and control of risks involving criminal cases. We strengthened management of internal supervision, and promoted supervision, discipline enforcement, and accountability in an integrated manner to provide strong support for the Bank's high-quality development.

Internal Audit

During the reporting period, we adopted a risk-oriented approach to conduct risk management audits on key areas such as financial services for agriculture, rural areas and rural residents, and County Areas and rural revitalization, implementation of counter-cyclical adjustment policies, "Five Priorities" of finance, credit business, financial management, internal control and case prevention. We carried out special audits in areas such as real estate loans, foreign exchange business, business continuity management, data governance, anti-money laundering, and implemented audit on economic responsibilities of senior management. We carried out supervision of the rectification of problems identified during our internal and external audits to facilitate tackling such problems at the source. We continued to deepen the reform of the audit mechanism, promoted the reform of the regional responsibility system to achieve practical results, enhanced the development of professional cadre teams to a higher level, and improved the quality and efficiency of the development of digital and smart audit, to effectively improve the implementation of strategic decisions, prevention and control of case risks, improvement of basics of management and steady growth of various businesses across the Bank. We have attached great importance to and actively made use of various audit findings and audit recommendations to continuously improve risk management, internal control and corporate governance.

Progress of the Action of "Corporate Value and Return Enhancement"

In line with the requirements of the *Several Opinions on Strengthening Regulation, Preventing Risks and Promoting High-Quality Development of the Capital Market* by the State Council and the *Guidelines No. 10 for the Regulation of Listed Companies — Market Value Management* by the CSRC and in response to the initiative on "Corporate Value and Return Enhancement" of the Shanghai Stock Exchange, the Bank formulated *Market Value Management System and Valuation Enhancement Plan and Corporate Value and Return Enhancement Action*. We thoroughly practiced the "investor-centric" principle, adhered to our responsibilities and mission of serving agriculture, rural areas and rural residents as well as the real economy. We closely adhered to the work theme of preventing risk and promoting development, continuously improved work quality and efficiency, promoted high-quality development, and strived to create greater value for investors (for details, please refer to the Operation Overview). We insisted on a stable cash dividend policy, maintained a dividend ratio above 30% since listing, actively implemented the distribution of interim dividends, and provided holders of H shares with RMB dividends currency option to enhance the sense of gain and convenience for shareholders. We deepened the development of our sustainable management and information disclosure system, proactively engaged in multi-level and multi-channel investor communications, and addressed capital market concerns in a targeted manner, to enhance investors' value recognition. We continuously improved orderly-working corporate governance system with effective counterbalance, and focused on protecting the rights and interests of investors, particularly small and medium-sized investors. We will continue to follow up regulatory policies, and evaluate and implement other legal and compliant market value management measures as appropriate based on actual conditions.

Directors, Supervisors and Senior Management

Directors, Supervisors and Senior Management of the Bank

As at the date when the Board of Directors considered and approved the 2025 interim results announcement, the compositions of the Board of Directors, Board of Supervisors and Senior Management of the Bank were as follows:

The Board of Directors of the Bank consisted of 13 Directors, including three Executive Directors, namely Mr. GU Shu, Mr. WANG Zhiheng and Mr. LIN Li; four Non-executive Directors, namely Ms. ZHOU Ji, Mr. LI Wei, Mr. LIU Xiaopeng and Mr. ZHANG Qi (張奇); and six Independent Directors, namely Ms. LEUNG KO May Yee, Margaret, Mr. WU Liansheng, Mr. WANG Changyun, Mr. JU Jiandong, Ms. ZHUANG Yumin and Mr. ZHANG Qi (張琦).

The Board of Supervisors of the Bank consisted of six Supervisors, including one Supervisor Representing Shareholders, namely Ms. DENG Lijuan; two Supervisors Representing Employees, namely Mr. HUANG Tao and Mr. WANG Xuejun; and three External Supervisors, namely Ms. LIU Hongxia, Mr. XU Xianglin and Mr. WANG Xixin.

The Senior Management of the Bank consisted of eight members, namely Mr. WANG Zhiheng, Mr. LIN Li, Mr. LIU Hong, Mr. WANG Wenjin, Mr. MENG Fanjun, Mr. WANG Dajun, Mr. WU Gang and Ms. LIU Qing.

During the reporting period, none of the incumbent Directors, Supervisors or Senior Management of the Bank or who departed during the reporting period held or traded in any shares of the Bank, or held any share options of the Bank, or was granted restricted shares of the Bank.

Changes in Directors, Supervisors and Senior Management

Changes in Directors

On 6 September 2024, Ms. ZHUANG Yumin was elected as an Independent Director of the Bank at the 2024 Second Extraordinary General Meeting of the Bank. Her qualification was ratified by the NFRA on 15 January 2025.

On 21 February 2025, Mr. ZHANG Qi (張琦) was elected as an Independent Director of the Bank at the 2025 First Extraordinary General Meeting of the Bank. His qualification was ratified by the NFRA on 23 May 2025.

On 27 June 2025, Ms. WONG Pui Sze Priscilla was elected as an Independent Director of the Bank at the 2024 Annual General Meeting of the Bank. Her appointment is subject to the ratification of her qualification by the NFRA.

On 23 July 2025, Mr. XIAO Xiang resigned as a Non-executive director of the Bank due to reaching the age of retirement.

Changes in Senior Management Members

On 23 December 2024, Mr. WANG Wenjin was appointed as an Executive Vice President of the Bank by the Board of Directors. His qualification was ratified by the NFRA on 22 January 2025.

On 8 January 2025, Mr. XU Han resigned as an Executive Vice President of the Bank due to age.

On 14 February 2025, Mr. MENG Fanjun was appointed as an Executive Vice President of the Bank by the Board of Directors. His qualification was ratified by the NFRA on 28 February 2025.

On 23 June 2025, Mr. WANG Dajun was appointed as an Executive Vice President of the Bank by the Board of Directors. His qualification was ratified by the NFRA on 17 July 2025.

Changes in Personal Information of Directors and Supervisors

Ms. LEUNG KO May Yee, Margaret, an Independent Director of the Bank, has served as an independent director of Bank of China Limited since 1 August 2025.

Particulars of Ordinary Shares

Changes in Share Capital of Ordinary Shares

Details of Changes in Share Capital				Unit: Share	
	31 December 2024		Increase/ decrease during the reporting period	30 June 2025	
	Number of Shares	Percentage ² (%)		Number of Shares	Percentage ² (%)
I. Shares subject to restrictions on sales³	—	—	—	—	—
II. Shares not subject to restrictions on sales	349,983,033,873	100.00	—	349,983,033,873	100.00
1. RMB-denominated ordinary shares	319,244,210,777	91.22	—	319,244,210,777	91.22
2. Foreign-invested shares listed overseas ¹	30,738,823,096	8.78	—	30,738,823,096	8.78
III. Total number of shares	349,983,033,873	100.00	—	349,983,033,873	100.00
Notes: 1. "Foreign-invested shares listed overseas" refers to the H Shares as defined in the No. 5 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Report of Change in Shareholding (Revision 2022) of the CSRC. 2. Rounding errors may arise in the "Percentage" column of the table above as the figures are rounded to the nearest decimal number. 3. "Shares subject to restrictions on sales" refers to shares which are subject to restrictions on sales in accordance with laws, regulations or commitments. 4. Information in the table above was based on the share registration recorded in Shanghai Branch of China Securities Depository and Clearing Corporation Limited and Computershare Hong Kong Investor Services Limited.					

Details of Issuance and Listing of Securities

Issuance of Securities

For issuance of securities of the Bank during the reporting period, please refer to “Note 33 Debt Securities Issued to the Condensed Consolidated Interim Financial Statements” for details.

Employee Shares

The Bank had no employee shares.

Particulars of Holders of Ordinary Shares

Number of Shareholders and Particulars of Shareholding

As at 30 June 2025, the Bank had a total of 491,537 shareholders, including 472,184 holders of A Shares and 19,353 holders of H Shares.

Particulars of shareholdings of the top 10 shareholders of the Bank

(the shareholdings of holders of H Shares are based on the number of shares as set out in the registers of members of the Bank maintained by its H Share registrar)

Total number of shareholders

491,537 (as set out in the registers of holders of A Shares and H Shares as at 30 June 2025)

Particulars of shareholdings of the top 10 shareholders

(the information below is based on the registers of shareholders as at 30 June 2025)

Unit: Share

Name of shareholders	Nature of shareholders	Type of shares	Increase/decrease during the reporting period (+, -)	Shareholding percentage (%)	Total number of shares held	Number of shares held subject to restrictions on sales	Number of shares pledged, marked or locked-up
Huijin	State-owned	A Shares	–	40.14	140,488,809,651	–	None
MOF	State-owned	A Shares	–	35.29	123,515,185,240	–	None
HKSCC Nominees Limited	Overseas legal entity	H Shares	+8,141,747	8.73	30,557,861,160	–	Unknown
SSF	State-owned	A Shares	–	6.72	23,520,968,297	–	None
Hong Kong Securities Clearing Company Limited	Overseas legal entity	A Shares	-297,747,960	0.88	3,065,743,065	–	None
China National Tobacco Corporation	State-owned legal entity	A Shares	–	0.72	2,518,891,687	–	None
China Securities Finance Corporation Limited	State-owned legal entity	A Shares	–	0.53	1,842,751,177	–	None
Shanghai Haiyan Investment Management Company Limited	State-owned legal entity	A Shares	–	0.36	1,259,445,843	–	None
Central Huijin Asset Management Ltd.	State-owned legal entity	A Shares	–	0.36	1,255,434,700	–	None
Zhongwei Capital Holding Company Limited	State-owned legal entity	A Shares	–	0.22	755,667,506	–	None

- Notes:
1. The total number of shares held by HKSCC Nominees Limited represents the number of H Shares in aggregate held by it as a nominee on behalf of all institutional and individual investors registered with it as at 30 June 2025.
 2. The number of shares held by Hong Kong Securities Clearing Company Limited represents the A Shares (northbound shares of Shanghai-Hong Kong Stock Connect) held by it as a nominee designated by and on behalf of investors from Hong Kong SAR and overseas.
 3. Among the shareholders listed above, Huijin holds 100% equity of Central Huijin Asset Management Ltd. and 66.70% equity of China Securities Finance Corporation Limited; HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited, and China National Tobacco Corporation is the de facto controller of Shanghai Haiyan Investment Management Company Limited and Zhongwei Capital Holding Company Limited. Save as mentioned above, the Bank is not aware of any related party relationship between the shareholders above, or whether they are parties acting in concert.
 4. Among the above shareholders, save as the transfer of voting rights of 9,797,058,826 A Shares held by the SSF to the MOF according to the share subscription agreement dated 21 April 2010 and the Approval on the Proposed Transfer of State-owned Shares of the Agricultural Bank of China issued by the MOF on 5 May 2010, the Bank is not aware of the existence of the consigned, accepted consignment of, or waived voting rights by other shareholders.
 5. None of the top 10 shareholders were engaged in the business of margin trading and securities leading or refinancing, among which HKSCC Nominees Limited held the H Shares as a nominee and it was not engaged in the business of margin trading and securities lending or refinancing.
 6. None of the Bank's shares were subject to restrictions on sales. The top 10 shareholders are the same as the previous period.

Particulars of Substantial Shareholders

Change in Substantial Shareholders and De Facto Controller

During the reporting period, the Bank's substantial shareholders and controlling shareholders remained unchanged. The Bank had no de facto controller.

Interests and Short Positions Held by Substantial Shareholders and Other Persons¹

Unit: Share

Name	Capacity	Interests and short positions	Nature	Percentage of issued class shares (%)	Percentage of total issued shares (%)
Huijin	Beneficial owner	140,488,809,651 (A Shares)	Long position	44.01	40.14
	Interest of controlled entity	3,098,185,877 (A Shares)	Long position	0.97	0.89
MOF	Beneficial owner/nominee ²	133,312,244,066 (A Shares) ³	Long position	41.76	38.09
SSF	Beneficial owner	23,520,968,297 (A Shares)	Long position	7.37	6.72
Ping An Insurance (Group) Company of China, Ltd.	Interest of controlled entity	4,946,466,317 (H Shares) ⁴	Long position	16.09	1.41
Ping An Life Insurance Company of China, Ltd.	Beneficial owner	4,035,023,000 (H Shares) ⁴	Long position	13.12	1.15
Ping An Asset Management Co., Ltd.	Investment Manager	4,919,077,000 (H Shares)	Long position	16.00	1.41
Qatar Investment Authority	Interest of controlled entity	2,448,859,255 (H Shares) ⁵	Long position	7.97	0.70
Qatar Holding LLC	Beneficial owner	2,408,696,255 (H Shares) ⁵	Long position	7.84	0.69
BlackRock, Inc.	Interest of controlled entity	1,842,298,065 (H Shares) ⁶	Long position	5.99	0.53
		51,997,000 (H Shares)	Short position	0.17	0.01

- Notes:
- As at 30 June 2025, the Bank received notifications from the above persons regarding their interests or short positions in the shares and underlying shares of the Bank. Such interests or short positions were recorded in the register required to be kept pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong.
 - 9,797,058,826 A Shares are held by the SSF, but the voting rights of these shares were transferred to the MOF according to the share subscription agreement dated 21 April 2010 and the Approval on the Proposed Transfer of State-owned Shares of the Agricultural Bank of China issued by the MOF on 5 May 2010.
 - According to the register of members of the Bank as at 30 June 2025, the MOF held 123,515,185,240 A Shares of the Bank, representing 38.69% of the issued A Shares and 35.29% of the total issued shares of the Bank.
 - Ping An Insurance (Group) Company of China, Ltd. is deemed to be interested in 4,946,466,317 H Shares in aggregate, directly or indirectly held by its controlled corporations, namely Ping An Life Insurance Company of China, Ltd., Ping An Property & Casualty Insurance Company of China, Ltd. and China Ping An Insurance Overseas (Holdings) Limited.
 - Qatar Investment Authority is deemed to be interested in 2,448,859,255 H Shares in aggregate, held by Qatar Holding LLC and QSMA1 LLC, both of which are the wholly-owned subsidiaries of Qatar Investment Authority.
 - BlackRock, Inc. is deemed to be interested in 1,842,298,065 H Shares in aggregate, directly or indirectly held by BlackRock Investment Management, LLC and BlackRock Financial Management, Inc., both of which are the wholly-owned subsidiaries of BlackRock, Inc.

Particulars of Preference Shares

Issuance and Listing of Preference Shares

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

Number of Holders of Preference Shares¹ and Particulars of Shareholdings

As at 30 June 2025, the Bank had a total of 41 holders of the preference shares “農行優1”.

Particulars of Shareholding of the Top 10 Holders of Preference Shares “農行優1” (Stock Code: 360001)
(the information below is based on the registers of shareholders as at 30 June 2025) Unit: Share

Name of shareholders ¹	Nature of shareholders ²	Type of shares	Increase/decrease during the reporting period ³ (+, -)	Total number of shares held	Shareholding percentage ⁴ (%)	Number of shares pledged or locked-up
Sun Life Everbright Asset Management Co., Ltd.	Others	Domestic preference shares	+11,487,000	53,400,000	13.35	None
China Merchants Fund Management Co., Ltd.	Others	Domestic preference shares	–	49,000,000	12.25	None
Bank of Communications Schroder Asset Management Co., Ltd.	Others	Domestic preference shares	-1,520,000	32,580,000	8.15	None
PICC Life Insurance Company Limited	Others	Domestic preference shares	–	30,000,000	7.50	None
Ping An Life Insurance Company of China, Ltd.	Others	Domestic preference shares	–	30,000,000	7.50	None
New China Life Insurance Company Ltd.	Others	Domestic preference shares	–	25,000,000	6.25	None
CITIC-Prudential Life Insurance Company Limited	Others	Domestic preference shares	–	22,440,000	5.61	None
Shanghai Everbright Securities Asset Management Co., Ltd.	Others	Domestic preference shares	–	22,100,000	5.53	None
Hwabao Trust Co., Ltd.	Others	Domestic preference shares	+6,000,000	16,440,000	4.11	None
SDIC Taikang Trust Co., Ltd.	Others	Domestic preference shares	–	12,000,000	3.00	None

- Notes:
- Huijin is the controlling shareholder of New China Life Insurance Company Ltd. Save as mentioned above, the Bank is not aware of any related party relationship between the above holders of preference shares, and between the above holders of preference shares and the top 10 holders of ordinary shares, or whether they are parties acting in concert.
 - As stipulated in the No. 3 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of Interim Report (Revision 2025), “Particulars of holders of preference shares should indicate the entities which hold shares on behalf of the states and foreign shareholders”. Except for the entities which hold shares on behalf of the states and foreign shareholders, the nature of other holders of preference shares is categorized as “others”.
 - “Increase/decrease during the reporting period” refers to the change of shareholding due to secondary market transactions.
 - “Shareholding percentage” refers to the percentage of the number of “農行優1” held by the holders of preference shares to the total number of “農行優1” (i.e. 400 million shares).

¹ The number of the holders of preference shares was calculated by the number of qualified investors that hold the preference shares. When calculating the number of qualified investors, an asset management institution that subscribes or purchases the preference shares through two or more products under its control will be counted as one.

As at 30 June 2025, the Bank had a total of 39 holders of the preference shares “農行優2”.

Particulars of Shareholding of the Top 10 Holders of Preference Shares “農行優2” (Stock Code: 360009)

(the information below is based on the registers of shareholders as at 30 June 2025)

Unit: Share

Name of shareholders ¹	Nature of shareholders ²	Type of shares	Increase/decrease during the reporting period ³ (+, -)	Total number of shares held	Shareholding percentage ⁴ (%)	Number of shares pledged or locked-up
China National Tobacco Corporation	Others	Domestic preference shares	–	50,000,000	12.50	None
China Life Insurance Company Limited	Others	Domestic preference shares	–	50,000,000	12.50	None
New China Life Insurance Company Ltd.	Others	Domestic preference shares	–	29,000,000	7.25	None
Sun Life Everbright Asset Management Co., Ltd.	Others	Domestic preference shares	+5,155,000	25,000,000	6.25	None
China National Tobacco Corporation Yunnan Province Company	Others	Domestic preference shares	–	20,000,000	5.00	None
China National Tobacco Corporation Jiangsu Province Company (Jiangsu Tobacco Company)	Others	Domestic preference shares	–	20,000,000	5.00	None
China Mobile Communications Group Co., Ltd.	Others	Domestic preference shares	–	20,000,000	5.00	None
Shanghai Tobacco Group Co., Ltd.	Others	Domestic preference shares	–	15,700,000	3.93	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Others	Domestic preference shares	–	15,000,000	3.75	None
National Social Security Fund Portfolio 304	Others	Domestic preference shares	–	12,500,000	3.13	None

- Notes:
- Huijin is the controlling shareholder of New China Life Insurance Company Ltd., China National Tobacco Corporation Yunnan Province Company, China National Tobacco Corporation Jiangsu Province Company (Jiangsu Tobacco Company) and Shanghai Tobacco Group Co., Ltd. are the wholly-owned subsidiaries of China National Tobacco Corporation. China National Tobacco Corporation is the de facto controller of Shanghai Haiyan Investment Management Company Limited and Zhongwei Capital Holding Company Limited. Ping An Property & Casualty Insurance Company of China, Ltd. and Ping An Life Insurance Company of China, Ltd. are both controlled by Ping An Insurance (Group) Company of China, Ltd. Save as mentioned above, the Bank is not aware of any related party relationship between the above holders of preference shares, and between the above holders of preference shares and the top 10 holders of ordinary shares, or whether they are parties acting in concert.
 - As stipulated in the No. 3 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of Interim Report (Revision 2025), “Particulars of holders of preference shares should indicate the entities which hold shares on behalf of the states and foreign shareholders”. Except for the entities which hold shares on behalf of the states and foreign shareholders, the nature of other holders of preference shares is categorized as “others”.
 - “Increase/decrease during the reporting period” refers to the change of shareholding due to secondary market transactions.
 - “Shareholding percentage” refers to the percentage of the number of “農行優2” held by the holders of preference shares to the total number of “農行優2” (i.e. 400 million shares).

The preference shares “農行優1” and “農行優2” of the Bank are shares not subject to restrictions on sales, and the top 10 holders of preference shares “農行優1” and “農行優2” who are not subject to restrictions on sales are the same as the top 10 holders of preference shares.

Profit Distribution of Preference Shares

Dividends of our preference shares are paid in cash annually. When we resolve to cancel part or all of the dividends to holders of preference shares, such undistributed dividends of current period shall not be accumulated to subsequent dividend periods. The holders of our preference shares, upon receiving dividends at the agreed rate, shall not participate in the distribution of the remaining profit attributable to the holders of ordinary shares.

On 11 March 2025, we paid cash dividends of RMB4.84 (tax inclusive) per preference share or RMB1,936 million (tax inclusive) in aggregate (calculated at a coupon rate of 4.84%) to all holders of “農行優2” (stock code: 360009) whose names appeared on the register of members at the close of business on 10 March 2025.

On 29 August 2025, the Board of Directors of the Bank considered and approved the Dividend Payment Scheme of the First Tranche of the Preference Shares for the Year 2024-2025. On 5 November 2025, we will pay cash dividends of RMB4.12 (tax inclusive) per preference share or RMB1,648 million (tax inclusive) in aggregate (calculated at a coupon rate of 4.12%) to all holders of “農行優1” (stock code: 360001) whose names appear on the register of members at the close of business on 4 November 2025.

Please refer to our relevant announcements published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk) for details.

Redemption or Conversion of Preference Shares

During the reporting period, there was no redemption or conversion of the preference shares issued by the Bank.

Restoration of Voting Rights of Preference Shares

During the reporting period, there was no restoration of voting rights of the preference shares issued by the Bank.

Accounting Policies

In accordance with the *Accounting Standards for Enterprises No. 22 — Recognition and Measurement of Financial Instruments*, the *Accounting Standards for Enterprises No. 37 — Presentation of Financial Instruments* and the *Provisions on Differentiating Financial Liabilities and Equity Instruments and Related Accounting Treatment* issued by the MOF, as well as the *IFRS 9 — Financial Instruments* and the *IAS 32 — Financial Instruments: Presentation* issued by the International Accounting Standards Board, we are of the view that the terms of preference shares “農行優1” (stock code: 360001) and “農行優2” (stock code: 360009) can be accounted for as equity instruments.

Profit and Dividends Distribution

As approved at the 2024 Annual General Meeting, we distributed 2024 final cash dividends of RMB1.255 (tax inclusive) per ten shares, with a total amount of RMB43,923 million (tax inclusive), to ordinary shareholders whose names appeared on the registers of members of the Bank after close of the market on 16 July 2025. Including the 2024 interim dividends already paid, the annual cash dividends of RMB2.419 (tax inclusive) per ten shares with a total amount of RMB84,661 million (tax inclusive) were paid for the year of 2024.

The Board of Directors of the Bank proposed distribution of 2025 interim cash dividends of RMB1.195 (tax inclusive) per ten shares, with a total amount of RMB41,823 million (tax inclusive), to ordinary shareholders, accounting for 30% of the net profit attributable to equity holders of the Bank for the first half of 2025. The 2025 interim cash dividends distribution of the Bank will provide holders of H Shares with RMB dividends currency option, the holders of H Shares will be given the option to elect to receive the interim dividends for the H Shares entirely in RMB or Hong Kong dollars (partial election of currency option is only applicable to HKSCC Nominees Limited). The currency exchange rate between RMB and Hong Kong dollars will be the average of the reference exchange rates of RMB against Hong Kong dollars published by the China Foreign Exchange Trade System (CFETS) at 11:00 am each day during five working days preceding the date (excluding the date itself) on which the Bank dispatches the dividend currency election forms to holders of H Shares.

The 2025 interim profit distribution plan will be submitted for consideration and approval at the shareholders' general meeting in the second half of 2025. The Bank will pay the cash dividend within two months after the approval of the 2025 interim profit distribution plan by the shareholders' general meeting. For details regarding the record date, period for closure for register of members, expected payment date, tax and tax relief in relation to the distribution of 2025 interim cash dividends, please refer to the relevant announcements to be published by the Bank.

Formulation and Implementation of Cash Dividend Policy

We make profit distribution with a focus on providing reasonable return on investments by the investors, maintaining continuity and consistency of the profit distribution policy, as well as taking into account our long term interests, interests of all shareholders as a whole and our sustainable development. We may make dividends distribution by way of cash, shares or the combination of cash and shares. We prefer profit distribution in cash.

The formulation and implementation of our cash dividend policy comply with the Articles of Association and the resolutions of the shareholders' general meetings. The relevant decision-making procedure and mechanism are complete, and the distribution standards and proportion are clearly stated. Independent Directors have diligently fulfilled their duties, made their due efforts and expressed their opinions. The minority shareholders have opportunities to fully express their opinions and demands, and their legitimate rights and interests have been sufficiently protected.

Material Litigations and Arbitrations

During the reporting period, there was no litigation or arbitration with material impact on our operations.

As at 30 June 2025, the value of the claims of the pending litigation or arbitration in which the Bank was involved as a defendant, a respondent or a third party amounted to approximately RMB2,505 million. The management believes that the Bank has made full provision for potential losses arising from the aforesaid litigations or arbitrations, and they will not have material adverse impact on our financial position or operating results.

Major Asset Acquisition, Disposal and Merger by Absorption

During the reporting period, we did not carry out any major asset acquisition, disposal or merger by absorption.

Related Party Transactions

During the reporting period, we did not enter into any major related party transactions.

In the first half of 2025, we implemented standardized management of related party transactions strictly in compliance with the regulatory requirements of the NFRA and the CSRC, and the listing rules of Shanghai and Hong Kong. During the reporting period, our related party transactions were conducted on normal commercial terms and in accordance with laws and regulations. Our pricing for interest rates followed fair business principles, and no impairment of the interests of the Bank or the minority shareholders were identified.

In the first half of 2025, we conducted various connected transactions with connected persons (as defined in the Hong Kong Listing Rules) of the Bank in the ordinary course of business. Such transactions satisfied the applicable exemption conditions set out in Rule 14A.73 under the Hong Kong Listing Rules, and therefore were fully exempted from compliance with the requirements of shareholders' approval, annual review and all requirements in relation to disclosures.

For details of the related party transactions defined in accordance with the domestic laws and regulations as well as the accounting standards, please refer to "Note 43 Related Party Transactions to the Condensed Consolidated Interim Financial Statements".

Use of Proceeds

All the proceeds raised were used to replenish our capital to support the future development of our business as disclosed in the prospectus, offering documents and other documents.

Material Contracts and Their Performance

Material Custody, Contract and Lease

During the reporting period, we did not enter into any material custody, contracting or leasing arrangements on the assets of other companies, which were subject to disclosure or no other companies entered into any custody, contracting or leasing arrangements on our assets, which were subject to disclosure.

Material Guarantees

Provision of guarantees is one of our off-balance sheet businesses in our ordinary course of business. During the reporting period, we did not have any material guarantees required to be disclosed, except for the financial guarantee services within the business scope as approved by the PBOC and the NFRA.

External Guarantees

During the reporting period, the Bank did not enter into any guarantee contracts in violation of laws, administrative regulations or the external guarantee resolution procedures stipulated by the CSRC.

Material Equity Investments Obtained and Material Non-equity Investments in Progress

In 2020, the Bank signed the *Promoters' Agreement of the National Green Development Fund Co., Ltd.*, and proposed to invest RMB8.0 billion into the National Green Development Fund Co., Ltd. In May 2021, we paid for the first instalment in the amount of RMB0.8 billion. In November 2022, we paid for the second instalment in the amount of RMB1.0 billion for the first time. In July 2024, we paid for the second instalment in the amount of RMB1.0 billion for the second time. In June 2025, we paid for the third instalment in the amount of RMB2.0 billion.

In 2024, the Bank signed the *Promoters' Agreement of China Integrated Circuit Industry Investment Fund Phase III Co., Ltd.*, and proposed to invest RMB21.5 billion into the China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. In July 2024, we paid for the first instalment in the amount of RMB1.075 billion. In July 2025, we paid for the second instalment in the amount of RMB1.1825 billion.

Please refer to our relevant announcements published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange (www.hkexnews.hk) for details.

Commitments

During the reporting period, we did not have any commitments that had been duly fulfilled and completed. As at the end of the reporting period, we did not have any expired commitments that had not been duly fulfilled.

Penalties Imposed on the Bank and its Controlling Shareholders, Directors, Supervisors and Senior Management Members

During the reporting period, we were not under investigation in accordance with the law for suspected crimes, and the controlling shareholders, Directors, Supervisors and senior management members of the Bank were not subject to compulsory measures in accordance with the law for suspected crimes. The Bank or its controlling shareholders, Directors, Supervisors and senior management members have not been subject to any criminal punishment, nor have they been subject to any investigation by the CSRC or administrative punishment by the CSRC for suspected violation of laws or regulations, and have not been subject to any material administrative punishment by other competent authorities. None of the controlling shareholders, Directors, Supervisors and senior management members of the Bank has been subject to detention by the disciplinary inspection and supervision authorities for suspected serious violations of disciplines or laws, or duty-related crimes, which may affect their performance of duties. The Directors, Supervisors and senior management members of the Bank have not been subject to compulsory measures by other competent authorities due to suspected violation of laws and regulations, which may affect their performance of duties. Neither the Bank nor its controlling shareholders, Directors, Supervisors and senior management members were subject to administrative regulatory measures by the CSRC or disciplinary actions by any stock exchanges.

Misappropriation of the Bank's Funds by Controlling Shareholders and Other Related Parties for Non-operating Purposes

During the reporting period, there was no misappropriation of the Bank's funds by its controlling shareholders or other related parties for non-operating purposes.

Integrity of the Bank and Controlling Shareholders

There was no circumstance where we or our controlling shareholders have failed to fulfill obligations specified in an effective court judgment or repay any outstanding debt of a significant amount that matured.

Purchase, Sale or Redemption of the Bank's Shares

During the reporting period, neither the Bank nor its subsidiaries purchased, sold or redeemed any of its listed shares (including sale of treasury shares). As at the end of the reporting period, neither the Bank nor its subsidiaries held treasury shares.

Implementation of Share Incentive Plan

During the reporting period, we did not implement any share incentive schemes such as share appreciation rights scheme for the management or employee share ownership scheme.

Securities Transactions by Directors and Supervisors

The Bank has adopted a code of conduct for securities transactions by Directors and Supervisors with terms no less exacting than those set out in the *Model Code for Securities Transactions by Directors of Listed Issuers* in Appendix C3 to the Hong Kong Listing Rules. Each of the Directors and Supervisors of the Bank had confirmed that they had complied with such code of conduct throughout the reporting period.

Rights of Directors and Supervisors to Acquire Shares or Debentures

As at 30 June 2025, the Bank did not grant any rights to acquire shares or debentures to any Directors or Supervisors of the Bank, nor was any of such rights exercised by any Directors or Supervisors of the Bank. Neither the Bank nor its subsidiaries entered into any agreements or arrangements enabling the Directors or Supervisors to obtain benefits by acquiring shares or debentures of the Bank or any other corporations.

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

As at 30 June 2025, none of the Directors or Supervisors of the Bank had any interests or short positions in the shares, underlying shares or debentures of the Bank or any of its associated corporations (as defined in Part XV of the *Securities and Futures Ordinance of Hong Kong*) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the *Securities and Futures Ordinance of Hong Kong* (including interests and short positions deemed to be owned by them under such provisions of the *Securities and Futures Ordinance of Hong Kong*), or any interests or short positions which were required to be recorded in the register pursuant to Section 352 of the *Securities and Futures Ordinance of Hong Kong*, or any interests or short positions which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to the *Model Code for Securities Transactions by Directors of Listed Issuers* as set out in Appendix C3 to the Hong Kong Listing Rules. For the interests and short positions of substantial shareholders of the Bank and other persons, please refer to “Corporate Governance Report — Particulars of Ordinary Shares”.

Interim Review

The 2025 Interim Financial Report prepared by the Bank in accordance with the CASs and IFRS Accounting Standards was reviewed by KPMG Huazhen LLP and KPMG in accordance with the PRC and international standards on review engagements, respectively.

The interim report of the Bank has been considered and approved by the Board of Directors of the Bank and its Audit and Compliance Committee.

Issue and Redemption of Capital Bonds

For the details of issue and redemption of capital bonds of the Bank, please refer to “Discussion and Analysis — Capital Management — Management of Capital Financing”.



Interim Financial Information (Unaudited)

Report on Review of Interim Financial Information



To the Board of Directors of Agricultural Bank of China Limited

(Incorporated in the People's Republic of China with Limited Liability)

Introduction

We have reviewed the interim financial information set out on pages 100 to 226, which comprises the condensed consolidated interim statement of financial position of Agricultural Bank of China Limited (the "Bank") and its subsidiaries (collectively the "Group") as of 30 June 2025 and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and IAS 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 *Interim Financial Reporting*.

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information as at 30 June 2025 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
29 August 2025

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Interest income	6	598,005	644,048
Interest expense	6	(315,532)	(353,200)
Net interest income	6	282,473	290,848
Fee and commission income	7	58,097	53,683
Fee and commission expense	7	(6,656)	(6,947)
Net fee and commission income	7	51,441	46,736
Net trading gain	8	7,558	15,758
Net gain on financial investments	9	5,869	11,054
Net gain on derecognition of financial assets measured at amortized cost		15,088	4,300
Other operating income/(expense)	10	7,364	(1,556)
Operating income		369,793	367,140
Operating expenses	11	(111,725)	(108,679)
Credit impairment losses	12	(97,955)	(100,998)
Impairment losses on other assets		(14)	(33)
Operating profit		160,099	157,430
Share of results of associates and joint ventures		441	41
Profit before tax		160,540	157,471
Income tax expense	13	(20,597)	(20,977)
Profit for the period		139,943	136,494
Attributable to:			
Equity holders of the Bank		139,510	135,892
Non-controlling interests		433	602
		139,943	136,494
Earnings per share attributable to the ordinary equity holders of the Bank (expressed in RMB yuan per share)			
– Basic and diluted	15	0.37	0.37

The accompanying notes form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

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

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit for the period	139,943	136,494
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Fair value changes on debt instruments at fair value through other comprehensive income	(7,211)	26,529
Loss allowance on debt instruments at fair value through other comprehensive income	5,570	(6,069)
Income tax impact for fair value changes and loss allowance on debt instruments at fair value through other comprehensive income	474	(5,064)
Foreign currency translation differences	114	136
Others	(2,184)	(5,214)
Subtotal	(3,237)	10,318
Items that will not be reclassified subsequently to profit or loss:		
Fair value changes on other equity investments designated at fair value through other comprehensive income	4,509	269
Income tax impact for fair value changes on other equity investments designated at fair value through other comprehensive income	(1,126)	(61)
Others	13	28
Subtotal	3,396	236
Other comprehensive income, net of tax	159	10,554
Total comprehensive income for the period	140,102	147,048
Total comprehensive income attributable to:		
Equity holders of the Bank	140,426	147,982
Non-controlling interests	(324)	(934)
	140,102	147,048

The accompanying notes form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Cash and balances with central banks	16	3,362,831	2,134,452
Deposits with banks and other financial institutions	17	410,918	571,956
Precious metals		168,487	115,253
Placements with and loans to banks and other financial institutions	18	472,461	529,767
Derivative financial assets	19	42,680	65,920
Financial assets held under resale agreements	20	1,554,271	1,371,571
Loans and advances to customers	21	25,764,001	23,977,013
Financial investments	22		
Financial assets at fair value through profit or loss		521,158	513,306
Debt instrument investments at amortized cost		10,348,968	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income		3,570,257	3,430,164
Investment in associates and joint ventures	23	15,597	10,332
Property and equipment	24	150,313	154,484
Goodwill		1,381	1,381
Deferred tax assets	25	143,504	148,009
Other assets	26	329,051	308,894
Total assets		46,855,878	43,238,135
Liabilities			
Borrowings from central banks	27	942,778	847,324
Deposits from banks and other financial institutions	28	5,670,071	4,667,561
Placements from banks and other financial institutions	29	366,475	364,022
Financial liabilities at fair value through profit or loss	30	25,036	15,841
Derivative financial liabilities	19	52,939	58,146
Financial assets sold under repurchase agreements	31	1,066,458	615,725
Due to customers	32	31,900,486	30,305,357
Dividends payable	14	43,923	40,738
Debt securities issued	33	3,105,787	2,678,509
Deferred tax liabilities	25	632	309
Other liabilities	34	532,052	547,330
Total liabilities		43,706,637	40,140,862

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2025
(Amounts in millions of Renminbi, unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Equity			
Ordinary shares	35	349,983	349,983
Other equity instruments	36	465,000	500,000
Preference shares		80,000	80,000
Perpetual bonds		385,000	420,000
Capital reserve	37	173,415	173,419
Other comprehensive income	38	82,730	81,816
Surplus reserve	39	302,271	301,841
General reserve	40	570,192	532,991
Retained earnings		1,199,509	1,150,758
Equity attributable to equity holders of the Bank		3,143,100	3,090,808
Non-controlling interests		6,141	6,465
Total equity		3,149,241	3,097,273
Total equity and liabilities		46,855,878	43,238,135

Approved and authorized for issue by the Board of Directors on 29 August 2025.

Gu Shu

Chairman

Wang Zhiheng

Vice Chairman

The accompanying notes form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

		Total equity attributable to equity holders of the Bank									
	Notes	Ordinary shares	Other equity instruments	Capital reserve	Other comprehensive income	Surplus reserve	General reserve	Retained earnings	Subtotal	Non-controlling interests	Total
As at 31 December 2024 (Audited)											
		349,983	500,000	173,419	81,816	301,841	532,991	1,150,758	3,090,808	6,465	3,097,273
Profit for the period											
		-	-	-	-	-	-	139,510	139,510	433	139,943
Other comprehensive income											
		-	-	-	916	-	-	-	916	(757)	159
Total comprehensive income for the period											
		-	-	-	916	-	-	139,510	140,426	(324)	140,102
Capital contribution and reduction from equity holders											
	36	-	(35,000)	(4)	-	-	-	-	(35,004)	-	(35,004)
Appropriation to surplus reserve											
	39	-	-	-	-	430	-	(430)	-	-	-
Appropriation to general reserve											
	40	-	-	-	-	-	37,201	(37,201)	-	-	-
Dividends paid to ordinary equity holders											
	14	-	-	-	-	-	-	(43,923)	(43,923)	-	(43,923)
Dividends paid to other equity instruments holders											
	14	-	-	-	-	-	-	(9,207)	(9,207)	-	(9,207)
Other comprehensive income transferred to retained earnings											
		-	-	-	(2)	-	-	2	-	-	-
As at 30 June 2025 (Unaudited)											
		349,983	465,000	173,415	82,730	302,271	570,192	1,199,509	3,143,100	6,141	3,149,241
As at 31 December 2023 (Audited)											
		349,983	480,000	173,425	41,506	273,558	456,200	1,114,576	2,889,248	7,619	2,896,867
Profit for the period											
		-	-	-	-	-	-	135,892	135,892	602	136,494
Other comprehensive income											
		-	-	-	12,090	-	-	-	12,090	(1,536)	10,554
Total comprehensive income for the period											
		-	-	-	12,090	-	-	135,892	147,982	(934)	147,048
Capital contribution and reduction from equity holders											
	36	-	100,000	(2)	-	-	-	-	99,998	-	99,998
Appropriation to surplus reserve											
	39	-	-	-	-	389	-	(389)	-	-	-
Appropriation to general reserve											
	40	-	-	-	-	-	76,258	(76,258)	-	-	-
Dividends paid to ordinary equity holders											
	14	-	-	-	-	-	-	(80,811)	(80,811)	-	(80,811)
Dividends paid to other equity instruments holders											
	14	-	-	-	-	-	-	(6,639)	(6,639)	-	(6,639)
Other comprehensive income transferred to retained earnings											
		-	-	-	(23)	-	-	23	-	-	-
As at 30 June 2024 (Unaudited)											
		349,983	580,000	173,423	53,573	273,947	532,458	1,086,394	3,049,778	6,685	3,056,463
Profit for the period											
		-	-	-	-	-	-	146,191	146,191	(14)	146,177
Other comprehensive income											
		-	-	-	28,225	-	-	-	28,225	(66)	28,159
Total comprehensive income for the period											
		-	-	-	28,225	-	-	146,191	174,416	(80)	174,336
Capital contribution and reduction from equity holders											
	36	-	(80,000)	(4)	-	-	-	-	(80,004)	(6)	(80,010)
Appropriation to surplus reserve											
	39	-	-	-	-	27,894	-	(27,894)	-	-	-
Appropriation to general reserve											
	40	-	-	-	-	-	533	(533)	-	-	-
Dividends paid to ordinary equity holders											
	14	-	-	-	-	-	-	(40,738)	(40,738)	-	(40,738)
Dividends paid to other equity instruments holders											
	14	-	-	-	-	-	-	(12,644)	(12,644)	-	(12,644)
Dividends paid to other equity instruments holders of subsidiaries											
		-	-	-	-	-	-	-	-	(69)	(69)
Dividends paid to non-controlling equity holders											
		-	-	-	-	-	-	-	-	(65)	(65)
Other comprehensive income transferred to retained earnings											
		-	-	-	18	-	-	(18)	-	-	-
As at 31 December 2024 (Audited)											
		349,983	500,000	173,419	81,816	301,841	532,991	1,150,758	3,090,808	6,465	3,097,273

The accompanying notes form an integral part of this interim financial information.

Condensed Consolidated Interim Statement of Cash Flows

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

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
Profit before tax		160,540	157,471
Adjustments for:			
Amortization of intangible assets and other assets		2,124	1,871
Depreciation of property, equipment and right-of-use assets, and others		9,744	9,668
Credit impairment losses		97,955	100,998
Impairment losses on other assets		14	33
Interest income arising from investment securities		(182,115)	(176,700)
Interest expense on debt securities issued		36,058	35,107
Revaluation gain on financial instruments at fair value through profit or loss		(4,992)	(5,288)
Net gain on investment securities		(17,205)	(2,753)
Share of results of associates and joint ventures		(441)	(41)
Net gain on disposal and stocktake of property, equipment and other assets		(406)	(436)
Net foreign exchange gain		(3,033)	(5,405)
		98,243	114,525
Net changes in operating assets and operating liabilities:			
Net (increase)/decrease in balances with central banks, deposits with banks and other financial institutions		(227,768)	506,925
Net (increase)/decrease in placements with and loans to banks and other financial institutions		(20,945)	20,575
Net increase in financial assets held under resale agreements		(10,983)	(1,431)
Net increase in loans and advances to customers		(1,831,300)	(1,769,286)
Net increase/(decrease) in borrowings from central banks		97,478	(21,808)
Net increase in placements from banks and other financial institutions		3,352	16,854
Net increase in due to customers and deposits from banks and other financial institutions		2,632,234	1,571,988
Net increase in financial assets sold under repurchase agreements		448,485	13,628
Increase in other operating assets		(118,880)	(226,825)
(Decrease)/increase in other operating liabilities		(30,838)	118,684
Cash from operations		1,039,078	343,829
Income tax paid		(33,274)	(52,449)
Net cash from operating activities		1,005,804	291,380

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

		Six months ended 30 June	
	Notes	2025 (Unaudited)	2024 (Unaudited)
Cash flows from investing activities			
Cash received from disposal of investment securities		2,020,659	1,870,496
Cash received from investment income		196,495	173,095
Cash received from disposal of investment in associates and joint ventures		45	–
Cash received from disposal of property, equipment and other assets		2,151	1,281
Cash paid for purchase of investment securities		(2,589,702)	(3,522,355)
Increase in investment in associates and joint ventures		(4,900)	–
Cash paid for purchase of property, equipment and other assets		(8,330)	(6,812)
Net cash used in investing activities		(383,582)	(1,484,295)
Cash flows from financing activities			
Contribution from issues of other equity instruments		50,000	100,000
Cash payment for redemption of other equity instruments		(85,000)	–
Cash payments for transaction cost of other equity instruments issued and redeemed		(4)	(1)
Cash received from debt securities issued		2,249,575	2,013,500
Cash payments for transaction cost of debt securities issued		(7)	(17)
Repayments of debt securities issued		(1,800,851)	(1,707,404)
Cash payments for interest on debt securities issued		(57,504)	(57,375)
Cash payments for principal portion and interest portion of lease liability		(2,366)	(2,293)
Dividends paid		(49,945)	(87,450)
Net cash from financing activities		303,898	258,960
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents as at 1 January		1,846,612	2,512,725
Effect of exchange rate changes on cash and cash equivalents		7,576	(445)
Cash and cash equivalents as at 30 June	41	2,780,308	1,578,325
Net cash flows from operating activities include:			
Interest received		370,548	422,238
Interest paid		(314,367)	(316,105)

The accompanying notes form an integral part of this interim financial information.

Notes to the Condensed Consolidated Interim Financial Statements

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

1 GENERAL INFORMATION

Agricultural Bank of China Limited (the “Bank”) is the successor entity to the Agricultural Bank of China (the “Predecessor Entity”) which was a wholly state-owned commercial bank approved for setup by the People’s Bank of China (the “PBOC”) and founded on 23 February 1979 in the People’s Republic of China (the “PRC”). On 15 January 2009, the Bank was established after the completion of the financial restructuring of the Predecessor Entity. The Bank’s establishment was authorized by the PBOC. The Bank was listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited on 15 July 2010 and 16 July 2010, respectively.

The Bank operates under financial services certificate No. B0002H111000001 issued by the National Financial Regulatory Administration (the former “China Banking and Insurance Regulatory Commission”, the “NFRA”), and business license No. 911100001000054748 issued by Beijing Administration of Industry and Commerce. The registered office of the Bank is located at No. 69 Jianguomen Nei Avenue, Dongcheng District, Beijing, the PRC.

The principal activities of the Bank and its subsidiaries (collectively, the “Group”) include Renminbi (“RMB”) and foreign currency deposits, loans, clearing and settlement services, assets custodian services, fund management, financial leasing services, insurance services and other services as approved by relevant regulators, and the provision of related services by its overseas establishments as approved by the respective local regulators.

The head office and domestic branches of the Bank and its subsidiaries operating in Chinese mainland are referred to as the “Domestic Operations”. Branches and subsidiaries registered and operating outside Chinese mainland are referred to as the “Overseas Operations”.

2 BASIS OF PREPARATION

The unaudited interim financial information for the six months ended 30 June 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting, as well as with all applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3 MATERIAL ACCOUNTING POLICIES

The unaudited interim financial information has been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Except for those described below, the material accounting policies and methods of computation used in preparing the interim financial information are the same as those followed in the preparation of the Group’s annual financial information for the year ended 31 December 2024.

The interim financial information should be read in conjunction with the Group’s annual financial information for the year ended 31 December 2024.

3.1 Amendments effective in 2025 relevant to and adopted by the Group

In the current reporting period, the Group has adopted the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”), that are mandatorily effective for the current reporting period.

		Effective for annual periods beginning on or after	Notes
(1)	Amendments to IAS 21 Lack of Exchangeability	1 January 2025	(i)

- (i) Description of the amendments was disclosed in the Group’s annual financial information for the year ended 31 December 2024. The adoption of the amendments does not have a significant impact on the financial information of the Group.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

3 MATERIAL ACCOUNTING POLICIES (Continued)

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

The Group has not adopted the following standards and amendments that have been issued by the IASB but are not yet effective.

			Effective for annual periods beginning on or after	Notes
(1)	Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026	(i)
(2)	Annual Improvements to IFRS Accounting Standards	Volume 11	1 January 2026	(i)
(3)	Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026	(i)
(4)	IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027	(i)
(5)	IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027	(i)
(6)	Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The effective date has been deferred indefinitely	(i)

(i) Descriptions of these standards and amendments were disclosed in the Group's annual financial information for the year ended 31 December 2024. The Group anticipates that the adoption of these standards and amendments will not have a significant impact on the Group's financial information.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Notes to the Condensed Consolidated Interim Financial Statements

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

5 INVESTMENT IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND STRUCTURED ENTITIES

(1) Investment in subsidiaries

The followings are the principal subsidiaries of the Bank as at 30 June 2025:

Name of entity	Notes	Date of incorporation/ establishment	Place of incorporation/ establishment	Authorized capital	Percentage of equity interest (%)	Percentage of voting rights (%)	Principal activities
China Agricultural Finance Co., Ltd.		1 November 1988	Hong Kong, PRC	HKD588,790,000	100.00	100.00	Investment holding
ABC International Holdings Limited	(i)	11 November 2009	Hong Kong, PRC	HKD4,759,853,614	100.00	100.00	Investment holding
ABC Financial Leasing Co., Ltd.		29 September 2010	Shanghai, PRC	RMB9,500,000,000	100.00	100.00	Financial leasing
Agricultural Bank of China (UK) Limited	(ii)	29 November 2011	London, United Kingdom	USD100,000,002	100.00	100.00	Banking
ABC-CA Fund Management Co., Ltd.		18 March 2008	Shanghai, PRC	RMB1,750,000,001	51.67	51.67	Fund management
ABC Hexigten Rural Bank Limited Liability Company		12 August 2008	Inner Mongolia, PRC	RMB19,600,000	51.02	51.02	Banking
ABC Hubei Hanchuan Rural Bank Limited Liability Company	(iii)	12 August 2008	Hubei, PRC	RMB31,000,000	50.00	66.67	Banking
ABC Jixi Rural Bank Limited Liability Company		25 May 2010	Anhui, PRC	RMB29,400,000	56.02	56.02	Banking
ABC Ansai Rural Bank Limited Liability Company		30 March 2010	Shaanxi, PRC	RMB40,000,000	51.00	51.00	Banking
ABC Zhejiang Yongkang Rural Bank Limited Liability Company		20 April 2012	Zhejiang, PRC	RMB210,000,000	51.00	51.00	Banking
ABC Xiamen Tong'an Rural Bank Limited Liability Company		24 May 2012	Fujian, PRC	RMB150,000,000	51.00	51.00	Banking
ABC Life Insurance Co., Ltd.	(iv)	19 December 2005	Beijing, PRC	RMB2,949,916,475	51.00	51.00	Life insurance
Agricultural Bank of China (Luxembourg) Limited		26 November 2014	Luxembourg, Luxembourg	EUR20,000,000	100.00	100.00	Banking
Agricultural Bank of China (Moscow) Limited		23 December 2014	Moscow, Russia	RUB7,556,038,271	100.00	100.00	Banking
ABC Financial Asset Investment Co., Ltd.		1 August 2017	Beijing, PRC	RMB20,000,000,000	100.00	100.00	Debt-to-equity swap and related supporting services
Agricultural Bank of China Wealth Management Co., Ltd.		25 July 2019	Beijing, PRC	RMB12,000,000,000	100.00	100.00	Wealth management

For the six months ended 30 June 2025, there were no changes in the proportion of equity interest or voting rights the Bank held in its subsidiaries.

- (i) For the six months ended 30 June 2025, the Bank has invested HKD646 million in capital increase for ABC International Holdings Limited.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

5 INVESTMENT IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND STRUCTURED ENTITIES (Continued)

(1) Investment in subsidiaries (Continued)

- (ii) *Agricultural Bank of China (UK) Limited has been undertaking the dissolution procedures.*
- (iii) *Two of the three directors on the board of ABC Hubei Hanchuan Rural Bank Limited Liability Company were appointed by the Bank. The Bank concluded that it has effective control over and has included this entity in its consolidation scope.*
- (iv) *On 31 December 2012, the Bank acquired 51% of the issued share capital of Jiahe Life Insurance Co., Ltd. and renamed it as ABC Life Insurance Co., Ltd. ("ABC Life Insurance"). As at 31 December 2012, the Group recognized goodwill of RMB1,381 million as a result of this acquisition. During the year ended 31 December 2016, the Bank and other investors contributed additional capital totalling RMB3,761 million to ABC Life Insurance, comprising registered capital of RMB917 million and capital reserve of RMB2,844 million. After the capital injection, the proportion of equity interest and voting rights the Bank held in ABC Life Insurance remained at 51%.*

As at 30 June 2025, there was no objective evidence noted for any goodwill impairment.

(2) Investment in associates

Name of entity	Notes	Date of establishment	Place of incorporation/ business	Authorized capital	Percentage of equity interest (%)	Percentage of voting rights (%)	Principal activities
Sino-Congolese Bank of Africa	(i)	2015	Brazzaville, Congo	XAF53,342,800,000	50.00	50.00	Bank
Shenzhen Yuanzhifuhai No.6 Investment Enterprise (Limited Partnership)	(ii)	2015	Guangdong, PRC	RMB313,000,000	31.95	14.29	Equity investment, investment management and investment advisory service
Beijing Guofa Aero Engine Industry Investment Fund Center (Limited Partnership)	(ii)	2018	Beijing, PRC	RMB6,343,200,000	15.61	11.11	Non-securities equity investment activities and related advisory services
Xinyuan (Beijing) Debt-to-Equity Special Equity Investment Center (Limited Partnership)	(ii)	2020	Beijing, PRC	RMB11,524,196,644.54	30.58	14.29	Equity investment
National Green Development Fund Co., Ltd.	(iii)	2020	Shanghai, PRC	RMB88,500,000,000	9.04	9.04	Equity investment, project investment and investment management
National Social Endowment Insurance Co., Ltd.	(iv)	2022	Beijing, PRC	RMB11,150,000,000	8.79	8.79	Insurance
BNP Paribas ABC Wealth Management Co., Ltd.	(iv)	2023	Shanghai, PRC	RMB1,000,000,000	49.00	49.00	Wealth management
China Integrated Circuit Industry Investment Fund Phase III Co., Ltd.	(v)	2024	Beijing, PRC	RMB344,000,000,000	6.25	6.25	Equity investment, investment management and asset management

Notes to the Condensed Consolidated Interim Financial Statements

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

5 INVESTMENT IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND STRUCTURED ENTITIES (Continued)

(2) Investment in associates (Continued)

- (i) On 28 May 2015, the Sino-Congolese Bank of Africa (La Banque Sino-Congolaise pour l'Afrique, hereinafter referred to as BSCA. Bank), established by the Bank and other investors with authorized capital denominated in Central African CFA franc ("XAF"), was granted the required banking license by the local regulatory authority. The Bank holds 50% equity interest and voting rights in BSCA. Bank, and has the right to participate in the financial and operational decisions of BSCA. Bank, but does not constitute control or joint control over those decisions.
- (ii) The Bank's wholly-owned subsidiary, ABC Financial Asset Investment Co., Ltd. and other investors invested in the above-mentioned enterprises. The Group has the right to participate in the financial and operational decisions of these enterprises, but does not constitute control or joint control over those decisions.
- (iii) The Bank was approved to participate in the investment in National Green Development Fund Co., Ltd. in 2021. The Bank holds 9.04% equity interest and has the right to participate in the financial and operational decisions, but does not constitute control or joint control over those decisions.
- (iv) The Bank's wholly-owned subsidiary, Agricultural Bank of China Wealth Management Co., Ltd. and other investors invested in the above-mentioned enterprises. The Group has the right to participate in the financial and operational decisions of these enterprises, but does not constitute control or joint control over those decisions.
- (v) The Bank was approved to participate in the investment in China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. in 2024. The Bank holds 6.25% equity interest and has the right to participate in the financial and operational decisions, but does not constitute control or joint control over those decisions.
- (vi) The interests of the Group in the above-mentioned associates do not have a significant impact on the Group.

(3) Investment in joint ventures

Name of entity	Date of establishment	Place of incorporation/ business	Authorized capital	Percentage of equity interest (%)	Percentage of voting rights (%)	Principal activities
Jiangsu Jiequansuihe State-owned Enterprise Mixed Ownership Reform Fund (Limited Partnership)	2018	Jiangsu, PRC	RMB1,000,000,000	69.00	28.57	Equity investment, debt-to-equity swap and related supporting services
Nongjin Gaotou (Hubei) Debt-to-Equity Investment Fund (Limited Partnership)	2018	Hubei, PRC	RMB500,000,000	74.00	33.33	Non-securities equity investment activities and related advisory services
Jiaxing Suihe New Silk Road Investment Fund (Limited Partnership)	2018	Zhejiang, PRC	RMB1,500,000,000	66.67	50.00	Industrial investment and equity investment
Inner Mongolia Mengxingzhuli Development Fund Investment Center (Limited Partnership)	2018	Inner Mongolia, PRC	RMB2,000,000,000	50.00	50.00	Equity investment, investment management and investment advisory service
Jiayuan Infrastructure Equity Investment (Tianjin) Fund (Limited Partnership)	2019	Tianjin, PRC	RMB3,500,000,000	20.00	20.00	Equity investment and investment management
Shaanxi Suihe Equity Investment Fund Partnership (Limited Partnership)	2019	Shaanxi, PRC	RMB1,000,000,000	50.00	50.00	Equity investment

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

5 INVESTMENT IN SUBSIDIARIES, ASSOCIATES, JOINT VENTURES AND STRUCTURED ENTITIES (Continued)

(3) Investment in joint ventures (Continued)

The wholly-owned subsidiary of the Bank, ABC Financial Asset Investment Co., Ltd. and other investors established the above-mentioned entities. According to the agreements, matters considered at the Meeting of Partners or investment decision-making committee shall be approved by the unanimous consent of all the partners or all the committee members. The Group constitutes joint control over the financial and operational decisions of these enterprises with the other investors.

The interests of the Group in the above-mentioned joint ventures do not have a significant impact on the Group.

(4) Structured entities

The consolidated structured entities of the Group have been disclosed in Note 44 Structured entities.

6 NET INTEREST INCOME

	Six months ended 30 June	
	2025	2024
Interest income		
Loans and advances to customers	378,600	413,628
Including: Corporate loans and advances	232,342	250,574
Personal loans	146,258	163,054
Financial investments		
Debt instrument investments at amortized cost	143,428	136,216
Other debt instrument investments at fair value through other comprehensive income	38,687	40,484
Balances with central banks	19,708	19,785
Placements with and loans to banks and other financial institutions	7,672	9,899
Financial assets held under resale agreements	6,142	12,443
Deposits with banks and other financial institutions	3,768	11,593
Subtotal	598,005	644,048
Interest expense		
Due to customers	(213,656)	(244,427)
Deposits from banks and other financial institutions	(42,502)	(47,922)
Debt securities issued	(36,058)	(35,107)
Borrowings from central banks	(8,181)	(13,459)
Financial assets sold under repurchase agreements	(7,640)	(3,163)
Placements from banks and other financial institutions	(7,495)	(9,122)
Subtotal	(315,532)	(353,200)
Net interest income	282,473	290,848

Notes to the Condensed Consolidated Interim Financial Statements

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

7 NET FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2025	2024
Fee and commission income		
Agency services	15,807	9,738
Electronic banking services	12,951	14,822
Consultancy and advisory services	10,998	11,230
Bank cards	8,268	8,398
Settlement and clearing services	6,729	6,288
Custodian and other fiduciary services	2,471	2,237
Credit commitment	683	754
Others	190	216
Subtotal	58,097	53,683
Fee and commission expense		
Bank cards	(4,061)	(4,433)
Electronic banking services	(1,522)	(1,510)
Settlement and clearing services	(728)	(709)
Others	(345)	(295)
Subtotal	(6,656)	(6,947)
Net fee and commission income	51,441	46,736

8 NET TRADING GAIN

	Note	Six months ended 30 June	
		2025	2024
Net gain on debt instruments held for trading		3,510	2,061
Net gain on precious metals	(1)	2,923	2,171
Net gain on foreign exchange rate derivatives		811	10,687
Net gain on interest rate derivatives		229	519
Others		85	320
Total		7,558	15,758

(1) Net gain on precious metals consists of net gain on precious metals and precious metal related derivative products.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

9 NET GAIN ON FINANCIAL INVESTMENTS

	Note	Six months ended 30 June	
		2025	2024
Net gain on debt instruments designated as at FVPL		21	23
Net gain on other debt instruments and equity investments measured at FVPL		4,050	9,079
Net loss on financial liabilities designated as at FVPL	(1)	(246)	(161)
Net gain on other debt instrument and other equity investments measured at FVOCI		2,117	2,754
Others		(73)	(641)
Total		5,869	11,054

(1) Net loss on financial liabilities designated as at FVPL consists of the payable amount upon the maturity of structured deposits designated at FVPL.

10 OTHER OPERATING INCOME/(EXPENSE)

	Six months ended 30 June	
	2025	2024
Insurance premium	3,073	2,059
Rental income	834	718
Gain on disposal of property and equipment	392	467
Government grant	509	678
Net gain/(loss) on foreign exchange	1,495	(6,112)
Others	1,061	634
Total	7,364	(1,556)

11 OPERATING EXPENSES

	Notes	Six months ended 30 June	
		2025	2024
Staff costs	(1)	67,533	65,691
General operating and administrative expenses		23,942	23,800
Depreciation and amortization		11,399	11,152
Tax and surcharges	(2)	3,859	3,843
Insurance benefits and claims		3,590	2,939
Others		1,402	1,254
Total		111,725	108,679

For the six months ended 30 June 2025, the Group's research and development expenses amounted to RMB2,632 million (six months ended 30 June 2024: RMB2,249 million).

Notes to the Condensed Consolidated Interim Financial Statements

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

11 OPERATING EXPENSES (Continued)

(1) Staff costs

	Six months ended 30 June	
	2025	2024
Short-term employee benefits		
Salaries, bonuses, allowances and subsidies	42,556	42,541
Housing funds	5,614	5,200
Social insurance	3,470	3,286
Including: Medical insurance	3,282	3,103
Maternity insurance	88	93
Employment injury insurance	100	90
Labor union fees and staff education expenses	1,492	1,484
Others	3,773	3,250
Subtotal	56,905	55,761
Defined contribution benefits	10,629	9,940
Early retirement benefits	(1)	(10)
Total	67,533	65,691

- (2) City maintenance and construction tax is calculated at 1%, 5% or 7% of VAT and consumption tax for the Group's Domestic Operations.

Education surcharge is calculated at 3%, while local education surcharge is calculated at 2% of VAT and consumption tax for the Group's Domestic Operations.

12 CREDIT IMPAIRMENT LOSSES

	Six months ended 30 June	
	2025	2024
Loans and advances to customers	97,417	98,632
Financial investments		
Debt instrument investments at amortized cost	5,320	13,450
Other debt instrument investments at fair value through other comprehensive income	13	1,020
Provision for guarantees and commitments	(2,233)	(8,771)
Placements with and loans to banks and other financial institutions	30	(1,243)
Deposits with banks and other financial institutions	(147)	(120)
Financial assets held under resale agreements	214	(2,577)
Others	(2,659)	607
Total	97,955	100,998

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

13 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
Current income tax		
— PRC Enterprise Income Tax	14,989	19,166
— Hong Kong SAR Income Tax	457	366
— Other jurisdictions Income Tax	247	143
Subtotal	15,693	19,675
Deferred tax (Note 25)	4,904	1,302
Total	20,597	20,977

Domestic and Overseas Branches Income Tax is calculated at 25% of the estimated taxable profit for the current and prior periods, and also includes supplementary PRC tax on Overseas Branches as determined in accordance with the relevant PRC income tax rules and regulations. Pre-tax deduction items of enterprise income tax are governed by the relevant tax regulations in Chinese mainland. Taxation arising in other jurisdictions (including Hong Kong SAR) is calculated at the rates prevailing in the relevant jurisdictions.

As at 30 June 2025, Pillar Two legislation has come into effect in countries where some of the Group's subsidiaries are located. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred. For the six months ended 30 June 2025, the impact of the top-up tax on the Group's current income tax expense is not material.

The tax charges for the six months ended 30 June 2025 and 30 June 2024 can be reconciled to the profit per the condensed consolidated interim income statement as follows:

	Note	Six months ended 30 June	
		2025	2024
Profit before tax		160,540	157,471
Tax calculated at applicable PRC statutory tax rate of 25%		40,135	39,368
Tax effect of income not taxable for tax purpose	(1)	(33,214)	(28,967)
Tax effect of costs, expenses, losses and others not deductible for tax purpose		15,506	11,745
Tax effect of perpetual bonds interest expense		(1,818)	(1,176)
Effect of different tax rates in other jurisdictions		(12)	7
Income tax expense		20,597	20,977

(1) Non-taxable income primarily includes interest income from PRC treasury bonds and municipal government bonds.

Notes to the Condensed Consolidated Interim Financial Statements

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

14 DIVIDENDS

	Notes	Six months ended 30 June	
		2025	2024
Dividends on ordinary shares declared and unpaid			
Final cash dividend related to 2024	(2)	43,923	–
Dividends on ordinary shares declared and paid			
Cash dividend related to 2023	(3)	–	80,811
		43,923	80,811
Dividends on preference shares declared and paid	(4)	1,936	1,936
Interest on perpetual bonds declared and paid	(5)	7,271	4,703

(1) Distribution of dividend on ordinary shares for 2025

On 29 August 2025, the Board of Directors of the Bank proposed distribution of interim cash dividends for 2025 of RMB1.195 (tax inclusive) for each ten shares for holders of ordinary shares with a total amount of RMB41,823 million (tax inclusive). The distribution plan will be submitted for consideration and approval at the shareholders' general meeting. The profit distribution plan will be included in the financial statements of the Bank and the Group after approval by the Bank's general meeting of shareholders.

(2) Distribution of dividend on ordinary shares for 2024

A cash dividend of RMB0.1164 (tax inclusive) per ordinary share related to mid 2024, amounting to RMB40,738 million (tax inclusive) in total was approved at the 2024 third extraordinary general meeting held on 29 November 2024.

The above dividend was recognized as distribution during the year ended 31 December 2024. The above dividend was distributed during the period ended 30 June 2025.

A final cash dividend of RMB0.1255 (tax inclusive) per ordinary share related to 2024, amounting to RMB43,923 million (tax inclusive) in total was approved at the 2024 general meeting held on 27 June 2025. Together with the interim cash dividend, the full-year cash dividend for 2024 was RMB0.2419 per ordinary share (tax inclusive), amounting to RMB84,661 million (tax inclusive) in total.

The above dividend was recognized as distribution during the period ended 30 June 2025.

(3) Distribution of dividend on ordinary shares for 2023

A cash dividend of RMB0.2309 (tax inclusive) per ordinary share related to 2023, amounting to RMB80,811 million (tax inclusive) in total was approved at the annual general meeting held on 21 May 2024.

The above dividend was recognized as distribution and distributed during the year ended 31 December 2024.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

14 DIVIDENDS (Continued)

(4) Distribution of dividend on preference shares

Distribution of dividend on preference shares for 2025

A cash dividend at the dividend rate of 4.84% per annum related to the second tranche of preference shares of 2024 to 2025 amounting to RMB1,936 million (tax inclusive) in total was approved at the Board of Directors' Meeting held on 14 February 2025 and distributed on 11 March 2025.

Distribution of dividend on preference shares for 2024

A cash dividend at the dividend rate of 4.84% per annum related to the second tranche of preference shares of 2023 to 2024 amounting to RMB1,936 million (tax inclusive) in total was approved at the Board of Directors' Meeting held on 31 January 2024 and distributed on 11 March 2024.

A cash dividend at the dividend rate of 5.32% per annum related to the first tranche of preference shares of 2023 to 2024 amounting to RMB2,128 million (tax inclusive) in total was approved at the Board of Directors' Meeting held on 30 August 2024 and distributed on 5 November 2024.

(5) Distribution of interest on perpetual bonds

Distribution of interest on perpetual bonds for 2025

An interest at the interest rate of 3.49% per annum related to 2022 undated additional tier 1 capital bonds (first tranche) of RMB50 billion amounting to RMB1,745 million in total was declared on 20 February 2025 and distributed on 22 February 2025.

An interest at the interest rate of 2.73% per annum related to 2024 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,092 million in total was declared on 4 March 2025 and distributed on 15 March 2025.

An interest at the interest rate of 3.48% per annum related to 2020 undated additional tier 1 capital bonds (first tranche) of RMB85 billion amounting to RMB2,958 million in total was declared on 2 April 2025 and distributed on 12 May 2025.

An interest at the interest rate of 2.46% per annum related to 2024 undated additional tier 1 capital bonds (second tranche) of RMB60 billion amounting to RMB1,476 million in total was declared on 20 May 2025 and distributed on 5 June 2025.

Notes to the Condensed Consolidated Interim Financial Statements

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

14 DIVIDENDS (Continued)

(5) *Distribution of interest on perpetual bonds (Continued)*

Distribution of interest on perpetual bonds for 2024

An interest at the interest rate of 3.49% per annum related to 2022 undated additional tier 1 capital bonds (first tranche) of RMB50 billion amounting to RMB1,745 million in total was declared on 20 February 2024 and distributed on 22 February 2024.

An interest at the interest rate of 3.48% per annum related to 2020 undated additional tier 1 capital bonds (first tranche) of RMB85 billion amounting to RMB2,958 million in total was declared on 10 May 2024 and distributed on 13 May 2024.

An interest at the interest rate of 4.39% per annum related to 2019 undated additional tier 1 capital bonds (first tranche) of RMB85 billion amounting to RMB3,732 million in total was declared on 8 August 2024 and distributed on 20 August 2024.

An interest at the interest rate of 4.50% per annum related to 2020 undated additional tier 1 capital bonds (second tranche) of RMB35 billion amounting to RMB1,575 million in total was declared on 14 August 2024 and distributed on 26 August 2024.

An interest at the interest rate of 3.21% per annum related to 2023 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,284 million in total was declared on 14 August 2024 and distributed on 28 August 2024.

An interest at the interest rate of 3.17% per annum related to 2022 undated additional tier 1 capital bonds (second tranche) of RMB30 billion amounting to RMB951 million in total was declared on 20 August 2024 and distributed on 5 September 2024.

An interest at the interest rate of 4.20% per annum related to 2019 undated additional tier 1 capital bonds (second tranche) of RMB35 billion amounting to RMB1,470 million in total was declared on 27 August 2024 and distributed on 5 September 2024.

An interest at the interest rate of 3.76% per annum related to 2021 undated additional tier 1 capital bonds (first tranche) of RMB40 billion amounting to RMB1,504 million in total was declared on 14 November 2024 and distributed on 16 November 2024.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

15 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is as follows:

	Six months ended 30 June	
	2025	2024
Earnings:		
Profit for the period attributable to equity holders of the Bank	139,510	135,892
Less: profit for the period attributable to other equity instruments holders of the Bank	(9,207)	(6,639)
Profit for the period attributable to ordinary equity holders of the Bank	130,303	129,253
Number of shares:		
Weighted average number of ordinary shares in issue (in millions)	349,983	349,983
Basic and diluted earnings per share (RMB yuan)	0.37	0.37

For the years ended 31 December 2015 and 31 December 2014, the Bank issued two non-cumulative preference shares, respectively, and the specific terms are included in Note 36 Other equity instruments.

As at 30 June 2025, the specific terms of the Bank's outstanding non-cumulative undated additional tier 1 capital bonds are included in Note 36 Other equity instruments.

For the purpose of calculating basic earnings per share for the six months ended 30 June 2025, cash dividends and interest of RMB9,207 million of preference shares and non-cumulative undated additional tier 1 capital bonds declared and distributed were deducted from the profit for the period attributable to ordinary equity holders of the Bank (six months ended 30 June 2024: cash dividends and interest of RMB6,639 million of preference shares and non-cumulative undated additional tier 1 capital bonds).

The conversion feature of preference shares is considered to fall within contingently issuable ordinary shares. The triggering events of conversion did not occur for the six months ended 30 June 2025 and 30 June 2024, and therefore the conversion feature of preference shares has no dilutive effect on earnings per share calculation.

Notes to the Condensed Consolidated Interim Financial Statements

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

16 CASH AND BALANCES WITH CENTRAL BANKS

	Notes	30 June 2025	31 December 2024
Cash		62,014	67,208
Mandatory reserve deposits with central banks	(1)	2,248,366	1,887,408
Surplus reserve deposits with central banks	(2)	874,967	46,885
Other deposits with central banks	(3)	176,421	131,855
Subtotal		3,361,768	2,133,356
Accrued interest		1,063	1,096
Total		3,362,831	2,134,452

- (1) The Group places mandatory reserve deposits with the PBOC and overseas regulatory bodies. These include RMB reserve deposits and foreign currency reserve deposits that are not available for use in the Group's daily operations.

As at 30 June 2025, the mandatory deposit reserve ratios of the domestic branches of the Bank in respect of customer deposits denominated in RMB and foreign currencies were consistent with the requirement of the PBOC. The mandatory reserve funds placed with the central bank of domestic subsidiaries of the Group are determined by the PBOC. The amounts of mandatory reserve deposits placed with the central banks of those countries or regions outside Chinese mainland are determined by local jurisdictions.

- (2) Surplus reserve deposits with central banks include funds for the purpose of cash settlement and other kinds of unrestricted deposits.
- (3) Other deposits with central banks primarily represent fiscal deposits and foreign exchange risk reserve placed with the PBOC that are not available for use in the Group's daily operations.

17 DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Deposits with:		
Domestic banks	348,700	518,355
Other domestic financial institutions	17,587	11,635
Overseas banks	43,522	40,621
Subtotal	409,809	570,611
Accrued interest	2,418	2,799
Allowance for impairment losses	(1,309)	(1,454)
Carrying amount	410,918	571,956

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

18 PLACEMENTS WITH AND LOANS TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Placements with and loans to:		
Domestic banks	102,065	161,157
Other domestic financial institutions	127,215	119,800
Overseas banks and other financial institutions	241,931	247,172
Subtotal	471,211	528,129
Accrued interest	3,126	3,491
Allowance for impairment losses	(1,876)	(1,853)
Carrying amount	472,461	529,767

19 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group primarily enters into foreign exchange rate, interest rate and precious metal derivative contracts related to trading, asset and liability management, and customer initiated transactions.

The contractual/notional amounts and fair values of the derivative financial instruments entered into by the Group are set out in the following tables. The contractual/notional amounts of derivative financial instruments provide a basis for comparison with fair values of instruments recognized in the consolidated interim statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The fair value of derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates or precious metal prices relative to their terms. The aggregated fair values of derivative financial assets and liabilities can fluctuate significantly in different periods.

Certain financial assets and financial liabilities of the Group are subject to enforceable master net arrangements or similar agreements. The agreement between the Group and the counterparty generally allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis. However, each party to the master netting arrangements or similar agreements will have the option to settle all such amounts on a net basis in the event of default of the other party. The Group did not offset these financial assets and financial liabilities on a net basis. As at 30 June 2025 and 31 December 2024, the Group did not hold any other financial assets or liabilities, other than derivatives, that are subject to master netting arrangements or similar agreements.

Notes to the Condensed Consolidated Interim Financial Statements

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

19 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (Continued)

	30 June 2025		
	Contractual/ notional amount	Fair value	
		Assets	Liabilities
Exchange rate derivatives			
Currency forwards and swaps, and cross – currency interest rate swaps	5,500,507	36,457	(28,480)
Currency options	391,978	1,810	(1,435)
Subtotal		38,267	(29,915)
Interest rate derivatives			
Interest rate swaps	658,599	2,717	(2,248)
Precious metal derivatives and others	229,236	1,696	(20,776)
Total		42,680	(52,939)

	31 December 2024		
	Contractual/ notional amount	Fair value	
		Assets	Liabilities
Exchange rate derivatives			
Currency forwards and swaps, and cross – currency interest rate swaps	3,858,877	59,145	(43,670)
Currency options	283,541	1,687	(2,428)
Subtotal		60,832	(46,098)
Interest rate derivatives			
Interest rate swaps	540,534	3,500	(2,551)
Precious metal derivatives and others	188,098	1,588	(9,497)
Total		65,920	(58,146)

Credit risk-weighted assets for derivative transaction counterparties represent the counterparty credit risk associated with derivative transactions and are calculated in accordance with the “Rules on Capital Management of Commercial Banks” issued by the NFRA which was effective from 1 January 2024, and are dependent on, among other factors, creditworthiness of customers and maturity characteristics of each type of contracts.

	30 June 2025	31 December 2024
Counterparty credit default risk-weighted assets	35,545	31,440
Credit value adjustment risk-weighted assets	11,235	9,485
Central counterparties credit risk-weighted assets	10,851	2,346
Total	57,631	43,271

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

19 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (Continued)

Fair value hedges

The following designated fair value hedging instruments are included in the derivative financial instruments disclosed above:

	30 June 2025		
	Contractual/ notional amount	Fair value	
		Assets	Liabilities
Interest rate swaps	62,427	917	(495)

	31 December 2024		
	Contractual/ notional amount	Fair value	
		Assets	Liabilities
Interest rate swaps	49,738	1,183	(199)

The Group uses interest rate swaps to hedge against changes arising from changes in interest rates in fair value of loans and advances to customers, debt instrument investments at amortized cost and other debt instrument investments at fair value through other comprehensive income.

The Group's net (losses)/gains on fair value hedges are as follow:

	Six months ended 30 June	
	2025	2024
Net (losses)/gains on		
— hedging instruments	(702)	255
— hedged items	669	(309)
Ineffective portion recognized in net trading gains	(33)	(54)

The following table shows maturity details with notional amount of hedging instruments disclosed above:

	Fair value hedges					
	Less than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
30 June 2025	129	549	11,427	43,028	7,294	62,427
31 December 2024	129	144	2,586	41,536	5,343	49,738

Notes to the Condensed Consolidated Interim Financial Statements

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

19 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (Continued)

Fair value hedges (Continued)

The following table sets out the details of the hedged items covered by the Group's fair value hedging strategies:

	30 June 2025				Line items in the statement of financial position
	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items		
	Assets	Liabilities	Assets	Liabilities	
Bonds	59,594	–	(2)	–	Debt instrument investments at amortized cost and other debt instrument investments at fair value through other comprehensive income
Loans	2,490	–	8	–	Loans and advances to customers
Total	62,084	–	6	–	

	31 December 2024				Line items in the statement of financial position
	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items		
	Assets	Liabilities	Assets	Liabilities	
Bonds	46,821	–	–	–	Other debt instrument investments at fair value through other comprehensive income
Loans	2,528	–	(45)	–	Loans and advances to customers
Total	49,349	–	(45)	–	

20 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	30 June 2025	31 December 2024
Analyzed by collateral type:		
Debt securities	1,481,926	1,302,198
Bills	74,500	71,150
Subtotal	1,556,426	1,373,348
Accrued interest	260	424
Allowance for impairment losses	(2,415)	(2,201)
Carrying amount	1,554,271	1,371,571

The collateral received in connection with financial assets held under resale agreements is disclosed in Note 45
Contingent liabilities and commitments – Collateral.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

21 LOANS AND ADVANCES TO CUSTOMERS

21.1 Analyzed by measurement basis

	Notes	30 June 2025	31 December 2024
Measured at amortized cost	(1)	23,729,003	22,159,675
Measured at fair value through other comprehensive income	(2)	2,034,998	1,817,338
Total		25,764,001	23,977,013

(1) Measured at amortized cost:

	30 June 2025	31 December 2024
Corporate loans and advances		
Loans and advances	15,321,650	14,208,469
Personal loans	9,319,754	8,830,444
Subtotal	24,641,404	23,038,913
Accrued interest	52,658	49,936
Allowance for impairment losses	(965,059)	(929,174)
Carrying amount of loans and advances to customers measured at amortized cost	23,729,003	22,159,675

(2) Measured at fair value through other comprehensive income:

	30 June 2025	31 December 2024
Corporate loans and advances		
Loans and advances	504,164	309,417
Discounted bills	1,530,834	1,507,921
Carrying amount of loans and advances to customers measured at fair value through other comprehensive income	2,034,998	1,817,338

Notes to the Condensed Consolidated Interim Financial Statements

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

21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

21.2 Analyzed by ECL assessment method

	30 June 2025			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
Gross loans and advances to customers measured at amortized cost	23,959,753	393,206	341,103	24,694,062
Allowance for impairment losses	(650,469)	(96,930)	(217,660)	(965,059)
Loans and advances to customers measured at amortized cost, net	23,309,284	296,276	123,443	23,729,003
Loans and advances to customers measured at fair value through other comprehensive income	2,027,571	7,255	172	2,034,998
Allowance for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(39,941)	(1,591)	(172)	(41,704)
	31 December 2024			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
Gross loans and advances to customers measured at amortized cost	22,349,632	417,224	321,993	23,088,849
Allowance for impairment losses	(625,897)	(97,859)	(205,418)	(929,174)
Loans and advances to customers measured at amortized cost, net	21,723,735	319,365	116,575	22,159,675
Loans and advances to customers measured at fair value through other comprehensive income	1,803,322	13,844	172	1,817,338
Allowance for impairment losses of loans and advances to customers measured at fair value through other comprehensive income	(33,430)	(2,529)	(93)	(36,052)

The expected credit loss ("ECL") for corporate loans and advances in Stage I and Stage II, as well as personal loans, were measured in accordance with the risk parameters modelling method. The ECL for corporate loans and advances in Stage III were calculated using the discounted cash flow method. For details, see Note 47.1 Credit risk.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

21.3 Analyzed by movements in loss allowance

The movements of loss allowance are mainly affected by:

- Transfers between stages due to loans and advances to customers experiencing significant increases (or decreases) in credit risk or becoming credit-impaired, and the corresponding transfer of the measurement basis of the loss allowance between 12 months and the entire lifetime ECL;
- Allowance for new loans and advances to customers recognized;
- Remeasurement includes the impact of changes in model assumptions, updates of model parameters, changes in probability of default and loss given default; changes in ECL due to transfer of loans and advances to customers between stages; changes in ECL due to unwinding of discount over time; changes in foreign exchange translations for assets denominated in foreign currencies and other movements;
- The reversal of allowances caused by repayment, transfer out and write-offs of loans and advances to customers.

The following table shows the impact of above factors on the allowance for impairment losses:

Corporate loans and advances	Six months ended 30 June 2025			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
1 January 2025	476,083	69,824	148,891	694,798
Transfer:				
Stage I to Stage II	(4,153)	4,153	—	—
Stage II to Stage III	—	(12,131)	12,131	—
Stage II to Stage I	9,112	(9,112)	—	—
Stage III to Stage II	—	4,816	(4,816)	—
Originated or purchased financial assets	93,825	—	—	93,825
Remeasurement	(25,893)	10,414	24,382	8,903
Repayment or transfer out	(48,795)	(8,305)	(10,770)	(67,870)
Write-offs	—	—	(22,124)	(22,124)
30 June 2025	500,179	59,659	147,694	707,532

Notes to the Condensed Consolidated Interim Financial Statements

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

21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

21.3 Analyzed by movements in loss allowance (Continued)

	Six months ended 30 June 2025			Total
	Stage I 12 months ECL	Stage II Lifetime ECL	Stage III	
Personal loans				
1 January 2025	183,244	30,564	56,620	270,428
Transfer:				
Stage I to Stage II	(4,271)	4,271	–	–
Stage II to Stage III	–	(14,789)	14,789	–
Stage II to Stage I	5,061	(5,061)	–	–
Stage III to Stage II	–	2,351	(2,351)	–
Originated or purchased financial assets	68,180	–	–	68,180
Remeasurement	(24,480)	26,193	37,150	38,863
Repayment or transfer out	(37,503)	(4,667)	(9,090)	(51,260)
Write-offs	–	–	(26,980)	(26,980)
30 June 2025	190,231	38,862	70,138	299,231
	Year ended 31 December 2024			Total
	Stage I 12 months ECL	Stage II Lifetime ECL	Stage III	
Corporate loans and advances				
1 January 2024	461,708	68,916	148,403	679,027
Transfer:				
Stage I to Stage II	(8,078)	8,078	–	–
Stage II to Stage III	–	(20,447)	20,447	–
Stage II to Stage I	9,878	(9,878)	–	–
Stage III to Stage II	–	16,138	(16,138)	–
Originated or purchased financial assets	127,386	–	–	127,386
Remeasurement	(27,500)	19,693	54,848	47,041
Repayment or transfer out	(87,311)	(12,676)	(18,873)	(118,860)
Write-offs	–	–	(39,796)	(39,796)
31 December 2024	476,083	69,824	148,891	694,798

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

21 LOANS AND ADVANCES TO CUSTOMERS (Continued)

21.3 Analyzed by movements in loss allowance (Continued)

	Year ended 31 December 2024			Total
	Stage I 12 months ECL	Stage II Lifetime ECL	Stage III	
Personal loans				
1 January 2024	171,622	25,807	37,462	234,891
Transfer:				
Stage I to Stage II	(5,519)	5,519	–	–
Stage II to Stage III	–	(19,073)	19,073	–
Stage II to Stage I	8,847	(8,847)	–	–
Stage III to Stage II	–	2,767	(2,767)	–
Originated or purchased financial assets	89,118	–	–	89,118
Remeasurement	(18,934)	33,114	65,904	80,084
Repayment or transfer out	(61,890)	(8,723)	(27,070)	(97,683)
Write-offs	–	–	(35,982)	(35,982)
31 December 2024	183,244	30,564	56,620	270,428

22 FINANCIAL INVESTMENTS

	Notes	30 June 2025	31 December 2024
Financial assets at fair value through profit or loss	22.1	521,158	513,306
Debt instrument investments at amortized cost	22.2	10,348,968	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income	22.3	3,570,257	3,430,164
Total		14,440,383	13,849,103

Notes to the Condensed Consolidated Interim Financial Statements

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

22 FINANCIAL INVESTMENTS (Continued)

22.1 Financial assets at fair value through profit or loss

	Notes	30 June 2025	31 December 2024
Financial assets held for trading	(1)	202,686	176,349
Financial assets designated at fair value through profit or loss	(2)	–	631
Other financial assets at fair value through profit or loss	(3)	318,472	336,326
Total		521,158	513,306
Analyzed as:			
Listed in Hong Kong		9,772	13,760
Listed outside Hong Kong	(i)	351,255	339,305
Unlisted		160,131	160,241
Total		521,158	513,306

(i) Debt securities traded on the China Domestic Inter-bank Bond Market are included in "Listed outside Hong Kong".

(1) Financial assets held for trading

	30 June 2025	31 December 2024
Debt securities issued by:		
Governments	9,157	9,975
Public sector and quasi-governments	41,298	37,473
Financial institutions	77,158	48,523
Corporates	31,546	35,468
Subtotal of debt securities	159,159	131,439
Precious metal contracts	22,396	20,967
Equity	6,634	7,174
Fund and others	14,497	16,769
Total	202,686	176,349

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

22 FINANCIAL INVESTMENTS (Continued)

22.1 Financial assets at fair value through profit or loss (Continued)

(2) Financial assets designated at fair value through profit or loss (ii)

	30 June 2025	31 December 2024
Debt securities issued by:		
Financial institutions	–	469
Corporates	–	162
Total	–	631

(ii) In order to eliminate or significantly reduce accounting mismatches, the Group designates certain debt securities as financial assets at fair value through profit or loss.

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

	30 June 2025	31 December 2024
Debt securities issued by:		
Public sector and quasi-governments	18,203	18,202
Financial institutions	146,277	163,561
Corporates	2,692	1,733
Subtotal of debt securities	167,172	183,496
Equity	108,743	108,844
Fund and others	42,557	43,986
Total	318,472	336,326

(iii) Other financial assets at fair value through profit or loss refer to financial assets that do not qualify for measurement at amortized cost or fair value through other comprehensive income and are not held for trading, including bond investments, equity interests, funds, trust plans and asset management products of the Group.

Notes to the Condensed Consolidated Interim Financial Statements

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

22 FINANCIAL INVESTMENTS (Continued)

22.2 Debt instrument investments at amortized cost

	Notes	30 June 2025	31 December 2024
Debt securities issued by:			
Governments		7,932,886	7,325,911
Public sector and quasi-governments		1,398,434	1,552,603
Financial institutions		366,806	407,880
Corporates		115,220	79,527
Subtotal of debt securities		9,813,346	9,365,921
Receivable from the MOF	(i)	290,891	290,891
Special government bond	(ii)	93,314	93,315
Others	(iii)	20,789	21,888
Subtotal		10,218,340	9,772,015
Accrued interest		159,513	157,187
Allowance for impairment losses		(28,885)	(23,569)
Debt instrument investments at amortized cost, net		10,348,968	9,905,633
Analyzed as:			
Listed in Hong Kong		19,804	29,607
Listed outside Hong Kong	(iv)	9,898,832	9,448,580
Unlisted		430,332	427,446
Total		10,348,968	9,905,633

- (i) The Group received a notice from the MOF in January 2020, clarifying that from 1 January 2020, the interest rate of the unpaid payments will be verified year by year based on the rate of return of the five-year treasury bond of the previous year.
- (ii) Special government bond refers to the non-transferable bond issued by the MOF in 1998 in the aggregated principal amount of RMB93.3 billion to the Predecessor Entity for capital replenishment. The bond will mature in 2028 and bears interest at a fixed rate of 2.25% per annum, starting from 1 December 2008.
- (iii) Other debt instrument investments at amortized cost are primarily related to investment in unconsolidated structured entities held by the Group (Note 44(2)).
- (iv) Debt securities traded on the China Domestic Inter-bank Bond Market are included in "Listed outside Hong Kong".

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

22 FINANCIAL INVESTMENTS (Continued)

22.2 Debt instrument investments at amortized cost (Continued)

(1) Analyzed by ECL assessment method

	30 June 2025			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
Gross debt instrument investments at amortized cost	10,375,566	603	1,684	10,377,853
Allowance for impairment losses	(27,675)	(13)	(1,197)	(28,885)
Debt instrument investments at amortized cost, net	10,347,891	590	487	10,348,968

	31 December 2024			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
Gross debt instrument investments at amortized cost	9,927,191	599	1,412	9,929,202
Allowance for impairment losses	(22,546)	(16)	(1,007)	(23,569)
Debt instrument investments at amortized cost, net	9,904,645	583	405	9,905,633

Debt instrument investments at amortized cost in Stage II and Stage III mainly included corporates bonds and other debt instrument investments of the Group.

Notes to the Condensed Consolidated Interim Financial Statements

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

22 FINANCIAL INVESTMENTS (Continued)

22.2 Debt instrument investments at amortized cost (Continued)

(2) Analyzed by movements in loss allowance (v)

	Six months ended 30 June 2025			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
1 January 2025	22,546	16	1,007	23,569
Originated or purchased financial assets	2,831	–	199	3,030
Remeasurement	3,448	(3)	(2)	3,443
Maturities or transfer out	(1,150)	–	(7)	(1,157)
30 June 2025	27,675	13	1,197	28,885

	Year ended 31 December 2024			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
1 January 2024	13,253	–	1,289	14,542
Transfer:				
Stage I to Stage II	(4)	4	–	–
Originated or purchased financial assets	3,876	–	–	3,876
Remeasurement	6,335	12	5	6,352
Maturities or transfer out	(914)	–	(287)	(1,201)
31 December 2024	22,546	16	1,007	23,569

- (v) As at 30 June 2025, the increases of the Group's loss allowance of debt instrument investments at amortized cost were mainly due to the remeasurement of remained debt instrument investments and the increase of debt instrument investments.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

22 FINANCIAL INVESTMENTS (Continued)

22.3 Other debt instrument and other equity investments at fair value through other comprehensive income

30 June 2025					
	Notes	Amortized cost of debt instruments/ cost of equity instruments	Fair value	Cumulative amount of change in fair value that is accrued to other comprehensive income	Cumulative amount of impairment
Other debt instrument investments	(1)	3,479,278	3,552,115	72,837	(4,801)
Other equity investments	(2)	11,209	18,142	6,933	N/A
Total		3,490,487	3,570,257	79,770	(4,801)

31 December 2024					
	Notes	Amortized cost of debt instruments/ cost of equity instruments	Fair value	Cumulative amount of change in fair value that is accrued to other comprehensive income	Cumulative amount of impairment
Other debt instrument investments	(1)	3,336,449	3,418,609	82,160	(4,916)
Other equity investments	(2)	9,118	11,555	2,437	N/A
Total		3,345,567	3,430,164	84,597	(4,916)

Notes to the Condensed Consolidated Interim Financial Statements

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

22 FINANCIAL INVESTMENTS (Continued)

22.3 Other debt instrument and other equity investments at fair value through other comprehensive income (Continued)

(1) Other debt instrument investments

(a) Analyzed by types of issuers

	Note	30 June 2025	31 December 2024
Debt securities:			
Governments		2,425,689	1,890,398
Public sector and quasi-governments		271,774	268,036
Financial institutions		682,877	1,116,984
Corporates		138,890	109,288
Subtotal of debt securities		3,519,230	3,384,706
Others	(i)	4,995	8,330
Subtotal		3,524,225	3,393,036
Accrued interest		27,890	25,573
Total		3,552,115	3,418,609
Analyzed as:			
Listed in Hong Kong		97,108	125,115
Listed outside Hong Kong		3,326,240	3,201,369
Unlisted		128,767	92,125
Total		3,552,115	3,418,609

(i) Others primarily include investments in unconsolidated structured entities held by the Group (Note 44(2)), such as trust plans and debt investment plans.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

22 FINANCIAL INVESTMENTS (Continued)

22.3 Other debt instrument and other equity investments at fair value through other comprehensive income (Continued)

(1) Other debt instrument investments (Continued)

(b) Analyzed by ECL assessment method

	30 June 2025			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
Carrying amount of other debt instrument investments at fair value through other comprehensive income	3,551,827	288	–	3,552,115
Allowance for impairment losses	(4,799)	(2)	–	(4,801)

	31 December 2024			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
Carrying amount of other debt instrument investments at fair value through other comprehensive income	3,418,021	588	–	3,418,609
Allowance for impairment losses	(4,906)	(10)	–	(4,916)

As at 30 June 2025 and 31 December 2024, other debt instrument investments at fair value through other comprehensive income in Stage II mainly included corporates bonds and financial institutions bonds of the Group. The Group did not held any other debt instrument investments at fair value through other comprehensive income in Stage III.

(c) Analyzed by movements in loss allowance (ii)

	Six months ended 30 June 2025			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
1 January 2025	4,906	10	–	4,916
Originated or purchased financial assets	622	–	–	622
Remeasurement	(21)	(7)	–	(28)
Maturities or transfer out	(708)	(1)	–	(709)
30 June 2025	4,799	2	–	4,801

Notes to the Condensed Consolidated Interim Financial Statements

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

22 FINANCIAL INVESTMENTS (Continued)

22.3 Other debt instrument and other equity investments at fair value through other comprehensive income (Continued)

(1) Other debt instrument investments (Continued)

(c) Analyzed by movements in loss allowance (ii) (Continued)

	Year ended 31 December 2024			Total
	Stage I	Stage II	Stage III	
	12 months ECL	Lifetime ECL		
1 January 2024	3,848	7	15	3,870
Originated or purchased financial assets	1,705	–	–	1,705
Remeasurement	34	4	–	38
Maturities or transfer out	(681)	(1)	–	(682)
Write-offs	–	–	(15)	(15)
31 December 2024	4,906	10	–	4,916

(ii) As at 30 June 2025, the decreases of the Group's loss allowance of other debt instrument investments at fair value through other comprehensive income were mainly due to maturities or transfer out of remained debt instrument investments and the remeasurement of remained debt instrument investments.

(2) Other equity investments

	30 June 2025	31 December 2024
Financial institutions	13,828	8,775
Other enterprises	4,314	2,780
Total	18,142	11,555

The Group designates certain non-trading equity investments as financial investments at fair value through other comprehensive income. For the six months ended 30 June 2025, dividend income from such equity investments of the Group was RMB148 million (six months ended 30 June 2024: RMB8 million). The value of disposed of such equity investments was RMB19 million (six months ended 30 June 2024: RMB612 million) and the cumulative gains transferred into retained earnings from other comprehensive income after disposal were RMB2 million (six months ended 30 June 2024: cumulative gains of RMB23 million).

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

23 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

	30 June 2025	31 December 2024
Investment in associates	13,261	8,288
Investment in joint ventures	2,425	2,133
Subtotal	15,686	10,421
Allowance for impairment losses – investment in associates	(89)	(89)
Carrying amount	15,597	10,332

The detail information of the investment in associates and joint ventures was disclosed in Note 5 Investment in subsidiaries, associates, joint ventures and structured entities.

24 PROPERTY AND EQUIPMENT

	Buildings	Machinery and equipment	Motor vehicles	Construction in progress	Total
Cost:					
1 January 2025	200,806	73,209	19,449	13,715	307,179
Additions	143	1,195	1,048	1,857	4,243
Transfers in/(out)	1,057	876	864	(2,797)	–
Other movements	(610)	(1,991)	(88)	(75)	(2,764)
30 June 2025	201,396	73,289	21,273	12,700	308,658
Accumulated depreciation:					
1 January 2025	(95,947)	(51,308)	(5,122)	–	(152,377)
Charge for the period	(3,715)	(3,551)	(514)	–	(7,780)
Other movements	472	1,613	37	–	2,122
30 June 2025	(99,190)	(53,246)	(5,599)	–	(158,035)
Allowance for impairment losses:					
1 January 2025	(256)	(6)	(22)	(34)	(318)
Other movements	8	–	–	–	8
30 June 2025	(248)	(6)	(22)	(34)	(310)
Carrying amount:					
1 January 2025	104,603	21,895	14,305	13,681	154,484
30 June 2025	101,958	20,037	15,652	12,666	150,313

Notes to the Condensed Consolidated Interim Financial Statements

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

24 PROPERTY AND EQUIPMENT (Continued)

	Buildings	Machinery and equipment	Motor vehicles	Construction in progress	Total
Cost:					
1 January 2024	198,006	73,344	16,452	12,386	300,188
Additions	2,680	5,746	3,187	6,412	18,025
Transfers in/(out)	2,977	2,039	–	(5,016)	–
Other movements	(2,857)	(7,920)	(190)	(67)	(11,034)
31 December 2024	200,806	73,209	19,449	13,715	307,179
Accumulated depreciation:					
1 January 2024	(89,514)	(49,003)	(4,588)	–	(143,105)
Charge for the year	(7,367)	(7,462)	(854)	–	(15,683)
Other movements	934	5,157	320	–	6,411
31 December 2024	(95,947)	(51,308)	(5,122)	–	(152,377)
Allowance for impairment losses:					
1 January 2024	(261)	(27)	(22)	(34)	(344)
Impairment loss	–	(0)	–	–	(0)
Other movements	5	21	–	–	26
31 December 2024	(256)	(6)	(22)	(34)	(318)
Carrying amount:					
1 January 2024	108,231	24,314	11,842	12,352	156,739
31 December 2024	104,603	21,895	14,305	13,681	154,484

According to the relevant laws and regulations, subsequent to the Bank's transformation into a joint stock company, the legal title of properties previously held by the Predecessor Entity are to be transferred to the Bank. As at 30 June 2025, the registration transfer process of these transferred properties and other certain properties has not been completed. Management believes that the incomplete registration transfer process does not affect the rights of the Bank as the legal successor to those assets or adversely affect the Bank's operation.

Notes to the Condensed Consolidated Interim Financial Statements

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

25 DEFERRED TAXATION

For the purpose of presentation in the condensed consolidated interim statement of financial position, certain deferred tax assets and liabilities have been offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following is the analysis of the deferred tax balances:

	30 June 2025	31 December 2024
Deferred tax assets	143,504	148,009
Deferred tax liabilities	(632)	(309)
Net	142,872	147,700

(1) The following are the movements and major deferred tax assets and liabilities recognized:

	Allowance for impairment losses	Accrued but unpaid staff cost	Early retirement benefits	Provision	Fair value changes of financial instruments	Others	Total
1 January 2025	152,019	18,944	101	8,917	(35,642)	3,361	147,700
Credit/(charge) to the consolidated statement of profit or loss	5,789	(3,629)	(13)	(1,431)	(5,005)	(615)	(4,904)
(Charge)/credit to other comprehensive income	–	–	–	–	(651)	727	76
30 June 2025	157,808	15,315	88	7,486	(41,298)	3,473	142,872

	Allowance for impairment losses	Accrued but unpaid staff cost	Early retirement benefits	Provision	Fair value changes of financial instruments	Others	Total
1 January 2024	151,050	16,714	134	10,919	(19,007)	926	160,736
Credit/(charge) to the consolidated statement of profit or loss	969	2,230	(33)	(2,002)	(1,061)	(709)	(606)
(Charge)/credit to other comprehensive income	–	–	–	–	(15,574)	3,144	(12,430)
31 December 2024	152,019	18,944	101	8,917	(35,642)	3,361	147,700

Notes to the Condensed Consolidated Interim Financial Statements

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

25 DEFERRED TAXATION (Continued)

- (2) Deferred tax assets/(liabilities) and related temporary differences, before offsetting qualifying amounts, are attributable to the following items:

	30 June 2025		31 December 2024	
	Deductible/ (taxable) temporary differences	Deferred tax assets/ (liabilities)	Deductible/ (taxable) temporary differences	Deferred tax assets/(liabilities)
Deferred tax assets				
Allowance for impairment losses	631,263	157,808	608,108	152,019
Fair value changes of financial instruments	99,709	24,922	90,239	22,556
Accrued but unpaid staff cost	61,261	15,315	75,777	18,944
Provision	29,942	7,486	35,669	8,917
Early retirement benefits	353	88	404	101
Others	24,518	6,125	24,035	6,007
Subtotal	847,046	211,744	834,232	208,544
Deferred tax liabilities				
Fair value changes of financial instruments	(265,101)	(66,220)	(233,013)	(58,198)
Others	(10,630)	(2,652)	(10,609)	(2,646)
Subtotal	(275,731)	(68,872)	(243,622)	(60,844)
Net	571,315	142,872	590,610	147,700

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

26 OTHER ASSETS

	Notes	30 June 2025	31 December 2024
Accounts receivable and temporary payments		257,508	247,297
Land use rights	(1)	18,021	18,479
Right-of-use assets	(2)	10,611	11,109
Intangible assets	(3)	10,542	10,626
Interest receivable		3,351	4,479
Long-term deferred expenses		3,019	3,211
Investment properties		2,207	2,247
Foreclosed assets		1,175	1,207
Insurance services receivable		249	301
Others		22,368	9,938
Total		329,051	308,894

(1) According to the relevant laws and regulations, subsequent to the Bank's transformation into a joint stock company, land use rights previously held by the Predecessor Entity are to be transferred to the Bank. As at 30 June 2025, the registration transfer process of certain land use rights has not been completed. Management believes that the incomplete registration transfer process does not affect the rights of the Bank as the legal successor to those land use rights.

(2) Right-of-use assets

	Buildings	Others	Total
Cost:			
1 January 2025	23,758	130	23,888
Additions	1,869	2	1,871
Other movements	(1,763)	(6)	(1,769)
30 June 2025	23,864	126	23,990
Accumulated depreciation:			
1 January 2025	(12,686)	(93)	(12,779)
Additions	(1,957)	(7)	(1,964)
Other movements	1,360	4	1,364
30 June 2025	(13,283)	(96)	(13,379)
Carrying amount:			
1 January 2025	11,072	37	11,109
30 June 2025	10,581	30	10,611

Notes to the Condensed Consolidated Interim Financial Statements

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

26 OTHER ASSETS (Continued)

(2) Right-of-use assets (Continued)

	Buildings	Others	Total
<i>Cost:</i>			
1 January 2024	22,941	135	23,076
Additions	3,960	12	3,972
Other movements	(3,143)	(17)	(3,160)
31 December 2024	23,758	130	23,888
<i>Accumulated depreciation:</i>			
1 January 2024	(11,488)	(86)	(11,574)
Additions	(3,877)	(21)	(3,898)
Other movements	2,679	14	2,693
31 December 2024	(12,686)	(93)	(12,779)
<i>Carrying amount:</i>			
1 January 2024	11,453	49	11,502
31 December 2024	11,072	37	11,109

- (3) For the six months ended 30 June 2025, the Group's capitalized research and development expenditure amounted to RMB1,031 million (six months ended 30 June 2024: RMB1,128 million), and the Group's capitalized research and development expenditure of the projects that had been closed and transferred to intangible assets amounted to RMB1,082 million (six months ended 30 June 2024: RMB416 million).

27 BORROWINGS FROM CENTRAL BANKS

	30 June 2025	31 December 2024
Borrowings from central banks	934,146	836,668
Accrued interest	8,632	10,656
Total	942,778	847,324

28 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
<i>Deposits from:</i>		
Domestic banks	1,012,854	301,737
Other domestic financial institutions	4,556,287	4,272,991
Overseas banks	4,945	4,399
Other overseas financial institutions	66,906	59,739
Subtotal	5,640,992	4,638,866
Accrued interest	29,079	28,695
Total	5,670,071	4,667,561

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

29 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025	31 December 2024
Placements from:		
Domestic banks and other financial institutions	146,962	112,502
Overseas banks and other financial institutions	217,203	248,311
Subtotal	364,165	360,813
Accrued interest	2,310	3,209
Total	366,475	364,022

30 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025	31 December 2024
Financial liabilities held for trading		
Precious metal contracts	24,079	15,254
Financial liabilities designated at fair value through profit or loss		
Liabilities of the controlled structured entities	957	587
Total	25,036	15,841

For the six months ended 30 June 2025 and the year ended 31 December 2024, there were no significant changes in the fair value of the Group's financial liabilities designated at fair value through profit or loss attributable to the changes in the Group's own credit risk.

31 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	30 June 2025	31 December 2024
Analyzed by type of collateral:		
Debt securities	1,059,215	611,013
Bills	3,805	3,522
Subtotal	1,063,020	614,535
Accrued interest	3,438	1,190
Total	1,066,458	615,725

The collateral pledged under repurchase agreements is disclosed in Note 45 Contingent liabilities and commitments – Collateral.

Notes to the Condensed Consolidated Interim Financial Statements

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

32 DUE TO CUSTOMERS

	Note	30 June 2025	31 December 2024
Demand deposits			
Corporate customers		5,342,228	5,233,764
Individual customers		7,215,531	6,942,779
Time deposits			
Corporate customers		5,121,136	4,989,108
Individual customers		12,942,696	11,760,561
Pledged deposits	(1)	587,003	708,129
Others		208,193	152,338
Subtotal		31,416,787	29,786,679
Accrued interest		483,699	518,678
Total		31,900,486	30,305,357

(1) Analyzed by activity to which pledged deposits are related to:

	30 June 2025	31 December 2024
Bank acceptance	232,544	405,425
Letters of credit	82,667	58,127
Letters of guarantee and guarantees	42,206	43,724
Trade finance	32,328	71,186
Others	197,258	129,667
Total	587,003	708,129

(2) As at 30 June 2025, due to customers measured at amortized cost of the Group amounted to RMB31,856,368 million (31 December 2024: RMB30,277,605 million); due to customers measured at fair value through profit or loss of the Group amounted to RMB44,118 million (31 December 2024: RMB27,752 million). As at 30 June 2025 and 31 December 2024, the difference between the fair value of the structured deposits designated at fair value through profit or loss issued by the Group and the contractual amount payable to the holders of these products upon maturity was not material.

33 DEBT SECURITIES ISSUED

	Notes	30 June 2025	31 December 2024
Bonds issued	(1)	840,811	680,217
Certificates of deposit issued	(2)	352,483	375,031
Other debt securities issued	(3)	1,900,744	1,610,049
Subtotal		3,094,038	2,665,297
Accrued interest		11,749	13,212
Total		3,105,787	2,678,509

As at 30 June 2025 and 31 December 2024, there was no default on the principal, interest or redemption related to any debt securities issued by the Group.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

33 DEBT SECURITIES ISSUED (Continued)

(1) Bonds issued

	Notes	30 June 2025	31 December 2024
2.40% CNY fixed rate Green Bonds maturing in October 2025	(i)	15,000	15,000
1.85% CNY fixed rate Green Bonds maturing in February 2028	(ii)	50,000	–
2.80% CNY fixed rate Green Bonds maturing in October 2027	(iii)	5,000	5,000
1.88% CNY fixed rate Green Bonds maturing in February 2030	(iv)	10,000	–
1.25% USD fixed rate Green Bonds maturing in January 2026	(v)	2,148	2,157
2.00% USD fixed rate Green Bonds maturing in January 2027	(vi)	2,148	2,157
SOFR+0.63% USD float rate Green Bonds maturing in November 2026	(vii)	2,148	2,157
3.10% Tier-two capital fixed rate bonds maturing in May 2030	(viii)	–	40,000
3.45% Tier-two capital fixed rate bonds maturing in June 2032	(ix)	40,000	40,000
3.03% Tier-two capital fixed rate bonds maturing in September 2032	(x)	50,000	50,000
3.49% Tier-two capital fixed rate bonds maturing in March 2033	(xi)	45,000	45,000
3.25% Tier-two capital fixed rate bonds maturing in September 2033	(xii)	30,000	30,000
3.45% Tier-two capital fixed rate bonds maturing in October 2033	(xiii)	30,000	30,000
2.76% Tier-two capital fixed rate bonds maturing in February 2034	(xiv)	35,000	35,000
2.32% Tier-two capital fixed rate bonds maturing in April 2034	(xv)	30,000	30,000
1.93% Tier-two capital fixed rate bonds maturing in June 2035	(xvi)	35,000	–
4.53% Tier-two capital fixed rate bonds maturing in March 2034	(xvii)	10,000	10,000
4.63% Tier-two capital fixed rate bonds maturing in April 2034	(xviii)	20,000	20,000
3.65% Tier-two capital fixed rate bonds maturing in June 2037	(xix)	20,000	20,000
3.34% Tier-two capital fixed rate bonds maturing in September 2037	(xx)	20,000	20,000
3.61% Tier-two capital fixed rate bonds maturing in March 2038	(xxi)	25,000	25,000
3.35% Tier-two capital fixed rate bonds maturing in September 2038	(xxii)	30,000	30,000
3.55% Tier-two capital fixed rate bonds maturing in October 2038	(xxiii)	30,000	30,000
2.80% Tier-two capital fixed rate bonds maturing in February 2039	(xxiv)	35,000	35,000
2.49% Tier-two capital fixed rate bonds maturing in April 2039	(xxv)	30,000	30,000

Notes to the Condensed Consolidated Interim Financial Statements

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

33 DEBT SECURITIES ISSUED (Continued)

(1) Bonds issued (Continued)

	Notes	30 June 2025	31 December 2024
2.10% Tier-two capital fixed rate bonds maturing in June 2040	(xxvi)	25,000	—
Medium term notes issued	(xxvii)	39,516	41,887
2.65% fixed rate financial bonds maturing in June 2026	(xxviii)	20,000	20,000
1.74% fixed rate financial bonds maturing in January 2028	(xxix)	30,000	—
1.65% fixed rate financial bonds maturing in May 2028	(xxx)	20,000	—
1.84% fixed rate financial bonds maturing in January 2030	(xxxi)	10,000	—
2.18% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2028	(xxxii)	35,000	35,000
1.83% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in June 2029	(xxxiii)	15,000	—
2.24% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2030	(xxxiv)	10,000	10,000
1.87% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in June 2031	(xxxv)	3,000	—
2.39% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in August 2035	(xxxvi)	5,000	5,000
2.06% fixed rate Total Loss-Absorbing Capacity non-capital bonds maturing in June 2036	(xxxvii)	12,000	—
2.80% fixed rate financial bonds maturing in November 2026	(xxxviii)	2,400	2,400
2.50% fixed rate financial bonds maturing in February 2027	(xxxix)	3,000	2,890
2.25% fixed rate financial bonds maturing in April 2027	(xl)	2,000	1,600
2.70% fixed rate corporate bonds maturing in April 2027	(xli)	1,300	1,300
2.40% fixed rate corporate bonds maturing in June 2027	(xlii)	2,700	2,700
2.75% fixed rate financial bonds maturing in March 2025	(xliii)	—	6,000
3.60% fixed rate capital replenishment bonds maturing in March 2030	(xliv)	—	1,500
3.67% fixed rate capital replenishment bonds maturing in March 2033	(xlv)	3,500	3,500
Total nominal value		840,860	680,248
Less: Unamortized issuance cost and discounts		(49)	(31)
Total		840,811	680,217

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

33 DEBT SECURITIES ISSUED (Continued)

(1) Bonds issued (Continued)

Pursuant to the approval by relevant regulatory authorities, the bonds issued by the Group are set out as below:

- (i) *The CNY green bonds issued in October 2022 have a maturity of 3 years, with a fixed coupon rate 2.40%, payable annually.*
- (ii) *The CNY green bonds issued in February 2025 have a maturity of 3 years, with a fixed coupon rate 1.85%, payable annually.*
- (iii) *The CNY green bonds issued in October 2022 have a maturity of 5 years, with a fixed coupon rate 2.80%, payable annually.*
- (iv) *The CNY green bonds issued in February 2025 have a maturity of 5 years, with a fixed coupon rate 1.88%, payable annually.*
- (v) *The USD green bonds issued in January 2021 have a maturity of 5 years, with a fixed coupon rate 1.25%, payable semi-annually.*
- (vi) *The USD green bonds issued in January 2022 have a maturity of 5 years, with a fixed coupon rate 2.00%, payable semi-annually.*
- (vii) *The USD green bonds issued in November 2023 have a maturity of 3 years, with a float coupon rate SOFR+0.63%, payable quarterly.*
- (viii) *The Tier-two capital bonds issued in April 2020 have a maturity of 10 years, with a fixed coupon rate of 3.10% payable annually. The Bank has an option to redeem part or all of the bonds at face value in May 2025 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements. The Bank redeemed all of the bonds at face value on 6 May 2025.*
- (ix) *The Tier-two capital bonds issued in June 2022 have a maturity of 10 years, with a fixed coupon rate of 3.45% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2027 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (x) *The Tier-two capital bonds issued in September 2022 have a maturity of 10 years, with a fixed coupon rate of 3.03% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2027 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xi) *The Tier-two capital bonds issued in March 2023 have a maturity of 10 years, with a fixed coupon rate of 3.49% payable annually. The Bank has an option to redeem part or all of the bonds at face value in March 2028 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*

Notes to the Condensed Consolidated Interim Financial Statements

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

33 DEBT SECURITIES ISSUED (Continued)

(1) Bonds issued (Continued)

- (xii) *The Tier-two capital bonds issued in September 2023 have a maturity of 10 years, with a fixed coupon rate of 3.25% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2028 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xiii) *The Tier-two capital bonds issued in October 2023 have a maturity of 10 years, with a fixed coupon rate of 3.45% payable annually. The Bank has an option to redeem part or all of the bonds at face value in October 2028 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xiv) *The Tier-two capital bonds issued in February 2024 have a maturity of 10 years, with a fixed coupon rate of 2.76% payable annually. The Bank has an option to redeem part or all of the bonds at face value in February 2029 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xv) *The Tier-two capital bonds issued in April 2024 have a maturity of 10 years, with a fixed coupon rate of 2.32% payable annually. The Bank has an option to redeem part or all of the bonds at face value in April 2029 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xvi) *The Tier-two capital bonds issued in June 2025 have a maturity of 10 years, with a fixed coupon rate of 1.93% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2030 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xvii) *The Tier-two capital bonds issued in March 2019 have a maturity of 15 years, with a fixed coupon rate of 4.53% payable annually. The Bank has an option to redeem part or all of the bonds at face value in March 2029 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xviii) *The Tier-two capital bonds issued in April 2019 have a maturity of 15 years, with a fixed coupon rate of 4.63% payable annually. The Bank has an option to redeem part or all of the bonds at face value in April 2029 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xix) *The Tier-two capital bonds issued in June 2022 have a maturity of 15 years, with a fixed coupon rate of 3.65% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2032 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

33 DEBT SECURITIES ISSUED (Continued)

(1) Bonds issued (Continued)

- (xx) *The Tier-two capital bonds issued in September 2022 have a maturity of 15 years, with a fixed coupon rate of 3.34% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2032 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xxi) *The Tier-two capital bonds issued in March 2023 have a maturity of 15 years, with a fixed coupon rate of 3.61% payable annually. The Bank has an option to redeem part or all of the bonds at face value in March 2033 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xxii) *The Tier-two capital bonds issued in September 2023 have a maturity of 15 years, with a fixed coupon rate of 3.35% payable annually. The Bank has an option to redeem part or all of the bonds at face value in September 2033 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xxiii) *The Tier-two capital bonds issued in October 2023 have a maturity of 15 years, with a fixed coupon rate of 3.55% payable annually. The Bank has an option to redeem part or all of the bonds at face value in October 2033 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xxiv) *The Tier-two capital bonds issued in February 2024 have a maturity of 15 years, with a fixed coupon rate of 2.80% payable annually. The Bank has an option to redeem part or all of the bonds at face value in February 2034 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xxv) *The Tier-two capital bonds issued in April 2024 have a maturity of 15 years, with a fixed coupon rate of 2.49% payable annually. The Bank has an option to redeem part or all of the bonds at face value in April 2034 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*
- (xxvi) *The Tier-two capital bonds issued in June 2025 have a maturity of 15 years, with a fixed coupon rate of 2.10% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2035 if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory recognition. These Tier-two capital bonds have the write-down feature of a Tier-two capital instrument and they are qualified as Tier-two Capital Instruments in accordance with the NFRA requirements.*

Notes to the Condensed Consolidated Interim Financial Statements

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

33 DEBT SECURITIES ISSUED (Continued)

(1) Bonds issued (Continued)

(xxvii) The medium term notes ("MTNs") were issued by the Overseas Operations of the Group and are measured at amortized cost. The details of MTNs issued were as follows:

30 June 2025			
	Maturity dates ranging from	Coupon rates (%)	Outstanding balance
Fixed rate RMB MTNs	September 2026 to July 2027	2.80-2.99	2,499
Fixed rate HKD MTNs	November 2025	4.75	1,368
Fixed rate USD MTNs	September 2025 to March 2027	1.20-2.25	18,468
Floating rate USD MTNs	August 2025 to April 2028	SOFR+48bps to SOFR+63bps	17,181
Total			39,516

31 December 2024			
	Maturity dates ranging from	Coupon rates (%)	Outstanding balance
Fixed rate RMB MTNs	January 2025 to July 2027	2.80-2.99	4,912
Fixed rate HKD MTNs	November 2025	4.75	1,389
Fixed rate USD MTNs	January 2025 to March 2027	1.20-2.25	25,522
Floating rate USD MTNs	August 2025 to April 2027	SOFR+48bps to SOFR+63bps	10,064
Total			41,887

(xxviii) The fixed rate financial bonds issued by ABC in June 2023 have a maturity of 3 years, with a fixed coupon rate 2.65%, payable annually.

(xxix) The fixed rate financial bonds issued by ABC in January 2025 have a maturity of 3 years, with a fixed coupon rate 1.74%, payable annually.

(xxx) The fixed rate financial bonds issued by ABC in May 2025 have a maturity of 3 years, with a fixed coupon rate 1.65%, payable annually.

(xxxi) The fixed rate financial bonds issued by ABC in January 2025 have a maturity of 5 years, with a fixed coupon rate 1.84%, payable annually.

(xxxii) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2024 have a maturity of 4 years, with a fixed coupon rate of 2.18% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2027 with the satisfaction of the regulatory requirements.

(xxxiii) The Total Loss-Absorbing Capacity non-capital bonds issued in June 2025 have a maturity of 4 years, with a fixed coupon rate of 1.83% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2028 with the satisfaction of the regulatory requirements.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

33 DEBT SECURITIES ISSUED (Continued)

(1) Bonds issued (Continued)

(xxxiv) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2024 have a maturity of 6 years, with a fixed coupon rate of 2.24% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2029 with the satisfaction of the regulatory requirements.

(xxxv) The Total Loss-Absorbing Capacity non-capital bonds issued in June 2025 have a maturity of 6 years, with a fixed coupon rate of 1.87% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2030 with the satisfaction of the regulatory requirements.

(xxxvi) The Total Loss-Absorbing Capacity non-capital bonds issued in August 2024 have a maturity of 11 years, with a fixed coupon rate of 2.39% payable annually. The Bank has an option to redeem part or all of the bonds at face value in August 2034 with the satisfaction of the regulatory requirements.

(xxxvii) The Total Loss-Absorbing Capacity non-capital bonds issued in June 2025 have a maturity of 11 years, with a fixed coupon rate of 2.06% payable annually. The Bank has an option to redeem part or all of the bonds at face value in June 2035 with the satisfaction of the regulatory requirements.

(xxxviii) The fixed rate financial bonds issued by ABC Financial Leasing Co., Ltd. in November 2023 have a maturity of 3 years, with a fixed coupon rate of 2.80%, payable annually.

(xxxix) The fixed rate financial bonds issued by ABC Financial Leasing Co., Ltd. in February 2024 have a maturity of 3 years, with a fixed coupon rate of 2.50%, payable annually.

(xl) The fixed rate financial bonds issued by ABC Financial Leasing Co., Ltd. in April 2024 have a maturity of 3 years, with a fixed coupon rate of 2.25%, payable annually.

(xli) The fixed rate corporate bonds issued by ABCI Investment Suzhou Corporation Limited in April 2024 have a maturity of 3 years, with a fixed coupon rate of 2.70%, payable annually.

(xlii) The fixed rate corporate bonds issued by ABCI China Investment Corporation Limited in June 2024 have a maturity of 3 years, with a fixed coupon rate of 2.40%, payable annually.

(xlili) The fixed rate financial bonds issued by ABC Financial Asset Investment Co., Ltd. in March 2020 have a maturity of 5 years, with a fixed coupon rate of 2.75%, payable annually. The bonds matured on 16 March 2025.

(xliv) The fixed rate capital replenishment bonds issued by ABC Life Insurance in March 2020 have a maturity of 10 years, with a fixed coupon rate of 3.60%, payable annually. ABC Life Insurance redeemed all of the bonds at face value on 30 March 2025.

(xlv) The fixed rate capital replenishment bonds issued by ABC Life Insurance in March 2023 have a maturity of 10 years, with a fixed coupon rate of 3.67%, payable annually. ABC Life Insurance has an option to redeem all of the bonds at face value in March 2028. If ABC Life Insurance does not exercise this option, the coupon rate of the bonds would increase to 4.67% per annum from 31 March 2028 onwards.

- (2) The certificates of deposit were issued by the Overseas Operations of the Group and were measured at amortized cost. As at 30 June 2025, the terms of the certificates of deposit ranged from 7 days to 11 years, with interest rates ranging from 0.00% to 5.50% per annum. (As at 31 December 2024, the terms of the certificates of deposit ranged from 9 days to 5 years, with interest rates ranging from 0.00% to 5.65% per annum.)

Notes to the Condensed Consolidated Interim Financial Statements

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

33 DEBT SECURITIES ISSUED (Continued)

(3) Other debt securities issued by the Group are commercial papers and interbank certificates of deposit.

- (i) *The commercial papers were issued by the Overseas Operations of the Group and were measured at amortized cost. As at 30 June 2025, the terms of the commercial papers ranged from 3 months to 9 months, with interest rates ranging from 4.28% to 4.52% per annum (As at 31 December 2024, the terms of the commercial papers ranged from three months to one year, with interest rates ranging from 4.42% to 5.45% per annum.)*
- (ii) *The interbank certificates of deposit were issued by the Bank's Head Office. As at 30 June 2025, the terms of the interbank certificates of deposit ranged from one month to one year, with interest rates ranging from 1.54% to 2.07% per annum (As at 31 December 2024, the terms of the interbank certificate of deposit ranged from one month to one year, with interest rates ranging from 1.60% to 2.34% per annum.)*

34 OTHER LIABILITIES

	Notes	30 June 2025	31 December 2024
Insurance liabilities		196,732	179,519
Clearing and settlement		152,999	156,786
Staff costs payable	(1)	72,031	87,803
Provision	(2)	29,942	35,669
Other payable		26,596	29,345
VAT and other taxes payable		11,280	9,414
Lease liabilities	(3)	10,375	10,809
Amount payable to the MOF		482	266
Income taxes payable		263	5,761
Others		31,352	31,958
Total		532,052	547,330

(1) Staff costs payable

	Notes	30 June 2025	31 December 2024
Short-term employee benefits	(i)	71,134	85,581
Defined contribution benefits	(ii)	544	1,818
Early retirement benefits	(iii)	353	404
Total		72,031	87,803

(i) Short-term employee benefits

	Note	Six months ended 30 June 2025			
		1 January	Accrual	Payment	30 June
Salaries, bonuses, allowances and subsidies	(a)	65,940	43,311	(58,485)	50,766
Housing funds	(a)	77	5,718	(5,725)	70
Social insurance including:	(a)	298	3,540	(3,598)	240
— Medical insurance		274	3,348	(3,399)	223
— Maternity insurance		12	90	(92)	10
— Employment injury insurance		12	102	(107)	7
Labor union fees and staff education expenses		11,297	1,501	(832)	11,966
Others		7,969	3,773	(3,650)	8,092
Total		85,581	57,843	(72,290)	71,134

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

34 OTHER LIABILITIES (Continued)

(1) Staff costs payable (Continued)

(i) Short-term employee benefits (Continued)

	Note	Year ended 31 December 2024			
		1 January	Accrual	Payment	31 December
Salaries, bonuses, allowances and subsidies	(a)	58,165	107,895	(100,120)	65,940
Housing funds	(a)	120	11,126	(11,169)	77
Social insurance including:	(a)	321	6,863	(6,886)	298
— Medical insurance		294	6,487	(6,507)	274
— Maternity insurance		15	183	(186)	12
— Employment injury insurance		12	193	(193)	12
Labor union fees and staff education expenses		11,123	3,766	(3,592)	11,297
Others		6,398	11,317	(9,746)	7,969
Total		76,127	140,967	(131,513)	85,581

(a) Salaries, bonuses, allowances and subsidies, housing funds and social insurance are timely distributed and paid in accordance with the relevant laws and regulations and the Group's policy.

(ii) Defined contribution benefits

	Six months ended 30 June 2025			
	1 January	Accrual	Payment	30 June
Basic pensions	551	6,766	(6,872)	445
Unemployment insurance	48	247	(258)	37
Annuity Scheme	1,219	3,803	(4,960)	62
Total	1,818	10,816	(12,090)	544

	Year ended 31 December 2024			
	1 January	Accrual	Payment	31 December
Basic pensions	607	13,071	(13,127)	551
Unemployment insurance	45	480	(477)	48
Annuity Scheme	1,285	8,511	(8,577)	1,219
Total	1,937	22,062	(22,181)	1,818

The defined contribution benefits are timely distributed and paid in accordance with the relevant laws and regulations and the Group's policy. There was no forfeited contribution available to reduce the contribution payable by the Group under the above schemes.

Notes to the Condensed Consolidated Interim Financial Statements

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

34 OTHER LIABILITIES (Continued)

(1) Staff costs payable (Continued)

(iii) Early retirement benefits

	Six months ended 30 June 2025			
	1 January	Reversal	Payment	30 June
Early retirement benefits	404	(1)	(50)	353

	Year ended 31 December 2024			
	1 January	Accrual	Payment	31 December
Early retirement benefits	537	13	(146)	404

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	30 June 2025	31 December 2024
Discount rate	1.40%	1.18%
Annual average medical expense growth rate	8.00%	8.00%
Annual subsidies growth rate	8.00%	8.00%
Normal retirement age		
– Male	60	60
– Female	55	55

Assumptions regarding future mortality experience are based on the China Life Insurance Mortality Table (published historical statistics in China).

Any difference arising from the actual result or changes in assumptions may affect the amount of expense recognized in the consolidated interim income statement.

(2) Provision

	30 June 2025	31 December 2024
Loan commitments and financial guarantee contracts	19,962	22,185
Litigation provision	4,828	5,228
Others	5,152	8,256
Total	29,942	35,669

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

34 OTHER LIABILITIES (Continued)

(3) Lease liabilities

The table below summarizes the maturity analysis of lease liabilities:

	30 June 2025	31 December 2024
Less than 1 year	4,010	3,915
1 – 5 years	6,294	6,669
Over 5 years	784	1,088
Total undiscounted lease liabilities	11,088	11,672
Lease liabilities	10,375	10,809

35 ORDINARY SHARES

	30 June 2025	
	Number of shares (millions)	Nominal value
Domestic listed A shares, par value RMB1.00 per share	319,244	319,244
Overseas listed H shares, par value RMB1.00 per share	30,739	30,739
Total	349,983	349,983

	31 December 2024	
	Number of shares (millions)	Nominal value
Domestic listed A shares, par value RMB1.00 per share	319,244	319,244
Overseas listed H shares, par value RMB1.00 per share	30,739	30,739
Total	349,983	349,983

(1) A shares refer to the ordinary shares listed in Chinese mainland. They are offered and traded in RMB. H shares refer to the ordinary shares listed in Hong Kong SAR. Their par value is denominated in RMB when they were initially offered and are currently traded in HKD.

(2) As at 30 June 2025 and 31 December 2024, the Bank's A shares and H shares were not subject to lock-up restriction.

Notes to the Condensed Consolidated Interim Financial Statements

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

36 OTHER EQUITY INSTRUMENTS

(1) Preference shares

Preference shares	Notes	Dividend rate	Issued price (RMB yuan)	Issued number of shares (millions)	Issued nominal value (millions)	Maturity date	Conversion
First tranche	(a)	6.00% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	No conversion during the period
Second tranche	(b)	5.50% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	No conversion during the period
Total					80,000		

The Bank was authorized to issue no more than 800 million preference shares of RMB100 each, pursuant to the approval by its ordinary equity holders in the general meeting and relevant regulatory authorities.

- (a) The first tranche of 400 million preference shares was issued at par in November 2014. The first tranche of preference shares bears a dividend rate of 6.00% per annum; dividends are non-cumulative and where payable, are paid annually, for the first five years from issuance. The dividend rate will be re-priced every five years thereafter with reference to the five-year PRC treasury bonds yield plus a fixed premium of 2.29%. During the second dividend period beginning from 5 November 2019, the base rate and fixed premium are 3.03% and 2.29%, respectively, and the coupon rate is 5.32%. The dividend is paid annually. During the third dividend period beginning from 5 November 2024, the base rate and fixed premium is 1.83% and 2.29%, respectively, and the coupon rate is 4.12%. The dividend is paid annually.
- (b) The second tranche of 400 million preference shares was issued at par in March 2015. The second tranche of preference shares bears a dividend rate of 5.50% per annum; dividends are non-cumulative and where payable, are paid annually, for the first five years from issuance. The dividend rate will be re-priced every five years thereafter with reference to the five-year PRC treasury bonds yield plus a fixed premium of 2.24%. During the second dividend period beginning from 11 March 2020, the base rate and fixed premium is 2.60% and 2.24%, respectively, and the coupon rate is 4.84%. The dividend is paid annually. During the third dividend period beginning from 11 March 2025, the base rate and fixed premium is 1.53% and 2.24%, respectively, and the coupon rate is 3.77%. The dividend is paid annually.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

36 OTHER EQUITY INSTRUMENTS (Continued)

(1) Preference shares (Continued)

As authorized by the ordinary equity holders in the annual general meeting, the Board of Directors has the sole discretion to declare and distribute dividends on preference shares. The Bank shall not distribute any dividends to its ordinary equity holders before it declares such dividends to preference shareholders for the relevant period. The distribution of preference shares dividend is at the Bank's discretion and is non-cumulative. Preference shareholders are not entitled to participate in the distribution of retained earnings except for the dividends stated above.

The Bank has a redemption option when specified conditions as stipulated in the offering documents are met, subject to regulatory approval, whereas preference shareholders have no right to request the Bank to redeem the preference shares.

Upon liquidation, the claims of preference shareholders have priority over ordinary equity holders on the residual assets of the Bank, but are subordinated to those of depositors, general creditors, Tier-two Capital Instruments holders or any other subordinated debt holders with equivalent rights.

Upon occurrence of the triggering events as stipulated in paragraph 2(1) of the Guidance of the NFRA on Amendments to Commercial Banks' Innovation on Capital Instruments (NFRA No. 42 [2019]) and subject to regulatory approval, the first tranche of preference shares and the second tranche of preference shares shall be mandatorily converted into ordinary A shares of the Bank at the conversion price agreed, partially or entirely. The initial conversion price of the preference shares issued by the Bank was RMB2.43 per share. In June 2018, the Bank has issued 25,189 million ordinary A shares to specific investors. The conversion price of the preference shares will be adjusted where certain events occur including bonus issues, rights issue, capitalization of reserves and new issuances of ordinary shares, subject to terms and formulas provided in the offering documents, to maintain the relative interests between preference shareholders and ordinary equity holders. Upon completion of the private placement of ordinary shares by the Bank, the mandatory conversion price of the first tranche of preference shares and the second tranche of preference shares issued by the Bank will be adjusted from RMB2.43 per share to RMB2.46 per share.

These preference shares are classified as equity instruments, and presented as equity in the condensed consolidated interim statement of financial position, and are qualified as Additional Tier-one Capital Instruments in accordance with the NFRA requirements.

The balance of the preference shares issued by the Bank, net of direct issuance expenses, was RMB79,899 million as at 30 June 2025 (31 December 2024: RMB79,899 million).

Notes to the Condensed Consolidated Interim Financial Statements

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

36 OTHER EQUITY INSTRUMENTS (Continued)

(2) Perpetual bonds

Perpetual bonds	Notes	Interest rate	Issued price (RMB yuan)	Issued number of shares (millions)	Issued nominal value (millions)	Maturity date	Conversion	31 December 2024 (millions)	30 June 2025 (millions)
Undated additional tier 1 capital bonds in 2020-first tranche	(a)(i)	3.48% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	850	85,000	No maturity date	Not Applicable	85,000	–
Undated additional tier 1 capital bonds in 2020-second tranche	(a)(ii)	4.50% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	350	35,000	No maturity date	Not Applicable	35,000	35,000
Undated additional tier 1 capital bonds in 2021-first tranche	(b)(i)	3.76% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	40,000
Undated additional tier 1 capital bonds in 2022-first tranche	(b)(ii)	3.49% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	500	50,000	No maturity date	Not Applicable	50,000	50,000
Undated additional tier 1 capital bonds in 2022-second tranche	(b)(iii)	3.17% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	300	30,000	No maturity date	Not Applicable	30,000	30,000
Undated additional tier 1 capital bonds in 2023-first tranche	(c)(i)	3.21% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	40,000
Undated additional tier 1 capital bonds in 2024-first tranche	(c)(ii)	2.73% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	40,000
Undated additional tier 1 capital bonds in 2024-second tranche	(c)(iii)	2.46% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	600	60,000	No maturity date	Not Applicable	60,000	60,000
Undated additional tier 1 capital bonds in 2024-third tranche	(c)(iv)	2.29% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	400	40,000	No maturity date	Not Applicable	40,000	40,000
Undated additional tier 1 capital bonds in 2025-first tranche	(d)(i)	2.00% per annum for the first 5 years after issuance, and re-priced every 5 years as stated below	100	500	50,000	No maturity date	Not Applicable	–	50,000
Total								420,000	385,000

Perpetual bonds, as shown in the condensed consolidated interim statement of financial position, are undated additional tier 1 capital bonds issued by the Bank.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

36 OTHER EQUITY INSTRUMENTS (Continued)

(2) Perpetual bonds (Continued)

- (a) With the approval from the annual general meeting and regulatory authorities in 2020, the Bank was granted to issue undated additional tier 1 capital bonds of an amount no more than RMB120 billion.
- (i) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB85 billion in the national interbank bond market on 8 May 2020, and the issuance was completed on 12 May 2020. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.48%. The Bank has exercised the redemption right and redeemed the undated additional tier 1 capital bonds at face value on 12 May 2025.
- (ii) The Bank issued undated additional tier 1 capital bonds (second tranche) with the amount of RMB35 billion in the national interbank bond market on 20 August 2020, and the issuance was completed on 24 August 2020. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 4.50%.
- (b) With the approval from the annual general meeting and regulatory authorities in 2021, the Bank was granted to issue undated additional tier 1 capital bonds of an amount no more than RMB120 billion.
- (i) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB40 billion in the national interbank bond market on 12 November 2021, and the issuance was completed on 16 November 2021. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.76%.
- (ii) The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB50 billion in the national interbank bond market on 18 February 2022, and the issuance was completed on 22 February 2022. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.49%.
- (iii) The Bank issued undated additional tier 1 capital bonds (second tranche) with the amount of RMB30 billion in the national interbank bond market on 1 September 2022, and the issuance was completed on 5 September 2022. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.17%.

Notes to the Condensed Consolidated Interim Financial Statements

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

36 OTHER EQUITY INSTRUMENTS (Continued)

(2) Perpetual bonds (Continued)

- (c) *With the approval from the annual general meeting and regulatory authorities in 2023, the Bank was granted to issue undated additional tier 1 capital bonds of an amount no more than RMB200 billion.*
- (i) *The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB40 billion in the national interbank bond market on 24 August 2023, and the issuance was completed on 28 August 2023. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 3.21%.*
- (ii) *The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB40 billion in the national interbank bond market on 13 March 2024, and the issuance was completed on 15 March 2024. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.73%.*
- (iii) *The Bank issued undated additional tier 1 capital bonds (second tranche) with the amount of RMB60 billion in the national interbank bond market on 3 June 2024, and the issuance was completed on 5 June 2024. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.46%.*
- (iv) *The Bank issued undated additional tier 1 capital bonds (third tranche) with the amount of RMB40 billion in the national interbank bond market on 26 November 2024, and the issuance was completed on 28 November 2024. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.29%.*
- (d) *With the approval from the general meeting and regulatory authorities in 2025, the Bank was granted to issue capital instruments and total loss-absorbing capacity non-capital bonds of an amount no more than RMB520 billion or equivalent in foreign currencies.*
- (i) *The Bank issued undated additional tier 1 capital bonds (first tranche) with the amount of RMB50 billion in the national interbank bond market on 27 May 2025, and the issuance was completed on 29 May 2025. The denomination of the Bonds is RMB100 each. The Bonds do not have any step-up mechanism or any other incentive to redeem. The distribution rate of the Bonds will be adjusted at defined intervals and determined by a benchmark rate plus a fixed spread, with a distribution rate adjustment period every 5 years, and the annual coupon rate for the first five years is 2.00%.*

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

36 OTHER EQUITY INSTRUMENTS (Continued)

(2) Perpetual bonds (Continued)

The duration of the Perpetual bonds is the same as the continuing operation of the Bank. Subject to the satisfaction of the redemption conditions and having obtained the prior recognition of the NFRA, the Bank may redeem the Bonds in whole or in part on each distribution payment date from the fifth anniversary since the issuance date of the Bonds. Upon the occurrence of a trigger event for write-downs, with the approval of the NFRA and without the need for the consent of the holders of the Bonds, the Bank has the right to write down all or part of the aggregate amount of the Bonds then issued and outstanding. The claims of the holders of the Bonds will be subordinated to the claims of depositors, general creditors and subordinated indebtedness that ranks senior to the Bonds; and shall rank in priority to all classes of shares held by shareholders and will rank pari passu with the claims in respect of any other additional tier 1 capital instruments of the Bank that rank pari passu with the Bonds.

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

The net proceeds from the issuance of the Perpetual bonds were used to replenish the Bank's additional tier 1 capital.

The balance of the undated additional tier 1 capital bonds issued by the Bank, net of direct issuance expenses, was RMB384,985 million as at 30 June 2025 (31 December 2024: RMB419,977 million).

37 CAPITAL RESERVE

The capital reserve mainly represents the premium related to ordinary shares publicly issued by the Bank in 2010 and private placement of ordinary shares to the specific shareholders in 2018. Share premium was recorded in the capital reserve after deducting direct issuance expenses, which consisted primarily of underwriting fees and professional fees.

Notes to the Condensed Consolidated Interim Financial Statements

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

38 OTHER COMPREHENSIVE INCOME

	Six months ended 30 June 2025		
	Gross carrying amount	Tax effect	Net effect
31 December 2024	107,903	(26,087)	81,816
Fair value changes on debt instruments at fair value through other comprehensive income:			
— Amount of losses recognized directly in other comprehensive income	(5,641)	1,436	(4,205)
— Amount removed from other comprehensive income and recognized in profit or loss	(1,840)	460	(1,380)
Loss allowance on debt instruments at fair value through other comprehensive income	5,538	(1,354)	4,184
Fair value changes on other equity investments at fair value through other comprehensive income:			
— Amount of gains recognized directly in other comprehensive income	4,409	(1,102)	3,307
— Transferred to retained earnings	(2)	—	(2)
Foreign currency translation reserve	113	—	113
Others	(1,471)	368	(1,103)
30 June 2025	109,009	(26,279)	82,730

	Year ended 31 December 2024		
	Gross carrying amount	Tax effect	Net effect
31 December 2023	54,514	(13,008)	41,506
Fair value changes on debt instruments at fair value through other comprehensive income:			
— Amount of gains recognized directly in other comprehensive income	55,432	(13,765)	41,667
— Amount removed from other comprehensive income and recognized in profit or loss	(2,841)	710	(2,131)
Loss allowance on debt instruments at fair value through other comprehensive income	6,036	(1,452)	4,584
Fair value changes on other equity investments at fair value through other comprehensive income:			
— Amount of gains recognized directly in other comprehensive income	641	(159)	482
— Transferred to retained earnings	(5)	—	(5)
Foreign currency translation reserve	469	—	469
Others	(6,343)	1,587	(4,756)
31 December 2024	107,903	(26,087)	81,816

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

39 SURPLUS RESERVE

Under PRC Law, the Bank is required to transfer 10% of its net profit determined under the PRC GAAP to a non-distributable statutory surplus reserve. Appropriation to the statutory surplus reserve may cease when the balance of this reserve has reached 50% of share capital. In addition, certain subsidiaries and overseas branches also appropriated surplus reserves in accordance with local requirements.

Subject to the approval of the ordinary equity holders, the statutory surplus reserves can be used for replenishing accumulated losses or increasing the Bank's ordinary share capital. The statutory surplus reserves amount used to increase the ordinary share capital is limited to a level where the balance of the statutory surplus reserves after such capitalization is not less than 25% of the ordinary share capital.

40 GENERAL RESERVE

Pursuant to Caijin [2012] No. 20 "Requirements on Impairment Allowance for Financial Institutions" (the "Requirement") issued by the MOF, effective on 1 July 2012, in addition to impairment allowance, the Bank establishes a general reserve within ordinary equity holders' equity through the appropriation of profit to address unidentified potential losses. The general reserve should not be less than 1.5% of the aggregate amount of risk assets as defined by the Requirement. The general reserve includes regulatory reserve appropriated by the Bank's overseas branches pursuant to local regulatory requirements.

Pursuant to relevant PRC domestic regulatory requirements, some domestic subsidiaries of the Bank are required to appropriate certain amounts of their net profit as general reserves.

For the six months ended 30 June 2025, the Group transferred RMB37,201 million (six months ended 30 June 2024: RMB76,258 million) to the general reserve pursuant to the regulatory requirements in the PRC and overseas jurisdictions. Of this amount, RMB37,268 million (six months ended 30 June 2024: RMB75,629 million) related to the appropriation proposed for the year ended 31 December 2024 which was approved at the annual general meeting held on 27 June 2025.

Notes to the Condensed Consolidated Interim Financial Statements

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

41 CASH AND CASH EQUIVALENTS

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents include the following balances with an original maturity of three months or less:

	30 June 2025	30 June 2024
Cash	62,014	63,797
Balance with central banks	874,967	592,995
Deposits with banks and other financial institutions	208,505	89,117
Placements with and loans to banks and other financial institutions	109,007	101,846
Financial assets held under resale agreements	1,525,815	730,570
Total	2,780,308	1,578,325

42 OPERATING SEGMENTS

Operating segments are identified on the basis of internal organizational structure, management requirements and internal management reporting rules of the Group that are regularly reviewed by the Board and relevant management committees, which constitute the chief operating decision makers, for the purposes of allocating resources to segments and assessing their performance. The Group's chief operating decision makers review three different sets of financial information based on (i) geographical locations, (ii) business activities and (iii) County Area and Urban Area banking business.

The measurement of segment assets and liabilities, as well as segment revenue, expense and results are based on the Group's accounting policies. There is no difference between the accounting policies used in the preparation of the interim financial information and those used in preparing the operating segment information.

Transactions between segments are conducted under normal commercial terms and conditions. Internal charges and transfer pricing are determined with reference to market rates and have been reflected in the performance of each segment.

Segment revenue, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical operating segments

The details of the geographical operating segments are as follows:

Head Office	
Yangtze River Delta:	Shanghai, Jiangsu, Zhejiang, Ningbo
Pearl River Delta:	Guangdong, Shenzhen, Fujian, Xiamen
Bohai Rim:	Beijing, Tianjin, Hebei, Shandong, Qingdao
Central China:	Shanxi, Hubei, Henan, Hunan, Jiangxi, Hainan, Anhui
Western China:	Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang (including Xinjiang Production and Construction Corps Branch), Tibet, Inner Mongolia, Guangxi
Northeastern China:	Liaoning, Heilongjiang, Jilin, Dalian
Overseas and Others:	Subsidiaries and overseas branches

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

42 OPERATING SEGMENTS (Continued)

Geographical operating segments (Continued)

	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and Others	Eliminations	Consolidated total
For the six months ended 30 June 2025										
External interest income	208,630	93,934	56,825	49,400	64,789	85,671	10,661	28,095	-	598,005
External interest expense	(60,116)	(61,186)	(38,621)	(43,199)	(39,450)	(39,839)	(12,785)	(20,336)	-	(315,532)
Inter-segment net interest (expense)/income	(206,172)	47,653	32,784	46,134	36,030	29,161	14,647	(237)	-	-
Net interest income	(57,658)	80,401	50,988	52,335	61,369	74,993	12,523	7,522	-	282,473
Fee and commission income	26,219	9,304	5,044	4,580	5,473	5,744	740	993	-	58,097
Fee and commission expense	(2,536)	(918)	(708)	(701)	(1,019)	(917)	(226)	369	-	(6,656)
Net fee and commission income	23,683	8,386	4,336	3,879	4,454	4,827	514	1,362	-	51,441
Net trading gain/(loss)	12,424	98	43	37	151	(42)	20	(5,173)	-	7,558
Net gain/(loss) on financial investments	3,216	(9)	(81)	1,524	(17)	(43)	(32)	1,311	-	5,869
Net gain on derecognition of financial assets measured at amortized cost	15,088	-	-	-	-	-	-	-	-	15,088
Other operating (expense)/income	(5,271)	256	266	169	107	601	65	11,171	-	7,364
Operating income	(8,518)	89,132	55,552	57,944	66,064	80,336	13,090	16,193	-	369,793
Operating expenses	(8,105)	(18,728)	(13,314)	(14,458)	(19,173)	(25,763)	(6,445)	(5,739)	-	(111,725)
Credit impairment losses	(5,638)	(15,841)	(22,234)	(6,514)	(16,148)	(28,215)	(2,908)	(457)	-	(97,955)
Impairment losses on other assets	-	-	-	-	-	-	(14)	-	-	(14)
Operating (loss)/profit	(22,261)	54,563	20,004	36,972	30,743	26,358	3,723	9,997	-	160,099
Share of results of associates and joint ventures	121	-	-	-	-	-	-	320	-	441
(Loss)/profit before tax	(22,140)	54,563	20,004	36,972	30,743	26,358	3,723	10,317	-	160,540
Income tax expense										(20,597)
Profit for the period										139,943
Depreciation and amortization included in operating expenses	2,300	1,626	1,187	1,631	1,778	2,222	558	97	-	11,399
Capital expenditure	1,313	384	782	830	413	427	28	1,863	-	6,040
As at 30 June 2025										
Segment assets	11,089,430	9,348,951	6,020,273	7,665,827	6,774,815	7,990,857	1,998,890	1,478,092	(5,667,193)	46,699,942
Including: Investment in associates and joint ventures	6,404	-	-	-	-	-	-	9,193	-	15,597
Unallocated assets										155,936
Total assets										46,855,878
Including: Non-current assets (1)	26,282	29,478	17,584	27,484	26,066	41,793	8,879	34,125	-	211,691
Segment liabilities	(7,737,057)	(9,431,842)	(6,091,761)	(7,712,219)	(6,842,698)	(8,107,448)	(2,013,830)	(1,436,055)	5,667,168	(43,705,742)
Unallocated liabilities										(895)
Total liabilities										(43,706,637)
Loan commitments and financial guarantee contracts	134,362	763,303	580,115	464,519	453,861	375,311	97,835	124,463	-	2,993,769

(1) Non-current assets include property and equipment, investment properties, right-of-use assets, land use rights, intangible assets and other long-term assets.

Notes to the Condensed Consolidated Interim Financial Statements

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

42 OPERATING SEGMENTS (Continued)

Geographical operating segments (Continued)

	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and Others	Eliminations	Consolidated total
For the six months ended 30 June 2024										
External interest income	219,690	103,730	65,790	55,230	68,889	92,121	11,682	26,916	-	644,048
External interest expense	(55,998)	(73,338)	(45,868)	(50,804)	(44,085)	(45,948)	(13,378)	(23,781)	-	(353,200)
Inter-segment net interest (expense)/income	(229,193)	53,359	35,354	50,509	38,985	34,983	15,159	844	-	-
Net interest (expense)/income	(65,501)	83,751	55,276	54,935	63,789	81,156	13,463	3,979	-	290,848
Fee and commission income	21,620	9,093	5,828	4,670	5,501	5,614	782	575	-	53,683
Fee and commission expense	(2,359)	(1,023)	(823)	(731)	(1,044)	(1,051)	(214)	298	-	(6,947)
Net fee and commission income	19,261	8,070	5,005	3,939	4,457	4,563	568	873	-	46,736
Net trading gain	11,572	105	77	46	63	65	23	3,807	-	15,758
Net gain/(loss) on financial investments	7,264	40	(82)	128	79	(694)	(25)	4,344	-	11,054
Net gain on derecognition of financial assets measured at amortized cost	4,263	-	-	-	-	-	-	37	-	4,300
Other operating (expense)/income	(4,396)	502	374	301	228	675	64	696	-	(1,556)
Operating income	(27,537)	92,468	60,650	59,349	68,616	85,765	14,093	13,736	-	367,140
Operating expenses	(9,026)	(19,315)	(12,841)	(13,771)	(18,139)	(24,818)	(6,179)	(4,590)	-	(108,679)
Credit impairment (losses)/reversal	(16,537)	(17,743)	(15,419)	(11,174)	(14,656)	(24,729)	(1,843)	1,103	-	(100,998)
Impairment losses on other assets	-	-	-	-	-	(19)	(14)	-	-	(33)
Operating (loss)/profit	(53,100)	55,410	32,390	34,404	35,821	36,199	6,057	10,249	-	157,430
Share of results of associates and joint ventures	135	-	-	-	-	-	-	(94)	-	41
(Loss)/profit before tax	(52,965)	55,410	32,390	34,404	35,821	36,199	6,057	10,155	-	157,471
Income tax expense										(20,977)
Profit for the period										136,494
Depreciation and amortization included in operating expenses	1,908	1,646	1,192	1,690	1,803	2,199	592	122	-	11,152
Capital expenditure	2,818	347	320	416	486	1,120	94	443	-	6,044
As at 31 December 2024										
Segment assets	8,977,880	8,768,577	6,026,055	7,290,704	6,359,444	7,760,397	1,923,391	1,494,791	(5,511,113)	43,090,126
Including: Investment in associates and joint ventures	4,323	-	-	-	-	-	-	6,009	-	10,332
Unallocated assets										148,009
Total assets										43,238,135
Including: Non-current assets (1)	25,049	29,998	18,351	28,481	27,376	42,956	9,368	30,290	-	211,869
Segment liabilities	(5,858,397)	(8,787,161)	(6,074,550)	(7,314,968)	(6,405,138)	(7,847,114)	(1,938,570)	(1,419,980)	5,511,086	(40,134,792)
Unallocated liabilities										(6,070)
Total liabilities										(40,140,862)
Loan commitments and financial guarantee contracts	96,771	704,451	539,770	509,058	420,872	372,972	98,763	131,694	-	2,874,351

(1) Non-current assets include property and equipment, investment properties, right-of-use assets, land use rights, intangible assets and other long-term assets.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

42 OPERATING SEGMENTS (Continued)

Business operating segments

The details of the business operating segments are as follows:

Corporate banking

The corporate banking segment provides financial products and services to corporations, government agencies and financial institutions. The range of products and services includes corporate loans and advances, trade finance, corporate deposit, corporate wealth management services and other types of corporate intermediary services.

Personal banking

The personal banking segment provides financial products and services to individual customers. The range of products and services includes personal loans, personal deposit, card business, personal wealth management services and other types of personal intermediary services.

Treasury operations

The Group's treasury operations conduct money market and repurchase transactions, debt instrument investments, precious metal transactions and derivative transactions for its own accounts or on behalf of customers.

Others

Others comprise components of the Group that are not attributable to any of the above segments, along with certain assets, liabilities, income or expenses of the Head Office that could not be allocated on a reasonable basis.

Notes to the Condensed Consolidated Interim Financial Statements

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

42 OPERATING SEGMENTS (Continued)

Business operating segments (Continued)

	Corporate banking	Personal banking	Treasury operations	Others	Consolidated total
For the six months ended 30 June 2025					
External interest income	231,808	146,227	215,232	4,738	598,005
External interest expense	(89,297)	(133,903)	(89,731)	(2,601)	(315,532)
Inter-segment net interest (expense)/income	(27,434)	150,414	(122,980)	-	-
Net interest income	115,077	162,738	2,521	2,137	282,473
Fee and commission income	25,632	30,353	447	1,665	58,097
Fee and commission expense	(3,118)	(3,262)	(24)	(252)	(6,656)
Net fee and commission income	22,514	27,091	423	1,413	51,441
Net trading gain	-	-	7,387	171	7,558
Net (loss)/gain on financial investments	(328)	-	2,257	3,940	5,869
Net gain on derecognition of financial assets measured at amortized cost	-	-	15,088	-	15,088
Other operating income	797	452	1,727	4,388	7,364
Operating income	138,060	190,281	29,403	12,049	369,793
Operating expenses	(33,562)	(56,762)	(15,079)	(6,322)	(111,725)
Credit impairment losses	(27,529)	(65,014)	(5,382)	(30)	(97,955)
Impairment losses on other assets	(14)	-	-	-	(14)
Operating profit	76,955	68,505	8,942	5,697	160,099
Share of results of associates and joint ventures	-	-	-	441	441
Profit before tax	76,955	68,505	8,942	6,138	160,540
Income tax expense					(20,597)
Profit for the period					139,943
Depreciation and amortization included in operating expenses	2,964	5,981	2,299	155	11,399
Capital expenditure	878	2,252	1,047	1,863	6,040
As at 30 June 2025					
Segment assets	16,764,464	9,206,032	20,171,813	557,633	46,699,942
Including: Investment in associates and joint ventures	-	-	-	15,597	15,597
Unallocated assets					155,936
Total assets					46,855,878
Segment liabilities	(11,464,693)	(20,648,519)	(11,097,491)	(495,039)	(43,705,742)
Unallocated liabilities					(895)
Total liabilities					(43,706,637)
Loan commitments and financial guarantee contracts	2,043,847	949,922	-	-	2,993,769

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

42 OPERATING SEGMENTS (Continued)

Business operating segments (Continued)

	Corporate banking	Personal banking	Treasury operations	Others	Consolidated total
For the six months ended 30 June 2024					
External interest income	250,554	163,007	225,945	4,542	644,048
External interest expense	(110,220)	(140,772)	(99,324)	(2,884)	(353,200)
Inter-segment net interest (expense)/income	(10,221)	158,409	(148,188)	–	–
Net interest income	130,113	180,644	(21,567)	1,658	290,848
Fee and commission income	25,646	25,927	550	1,560	53,683
Fee and commission expense	(3,389)	(3,234)	(22)	(302)	(6,947)
Net fee and commission income	22,257	22,693	528	1,258	46,736
Net trading gain	–	–	15,354	404	15,758
Net (loss)/gain on financial investments	(792)	(9)	7,597	4,258	11,054
Net gain on derecognition of financial assets measured at amortized cost	–	–	4,285	15	4,300
Other operating income/(expense)	545	441	(6,012)	3,470	(1,556)
Operating income	152,123	203,769	185	11,063	367,140
Operating expenses	(35,366)	(56,634)	(11,266)	(5,413)	(108,679)
Credit impairment losses	(32,984)	(57,484)	(10,333)	(197)	(100,998)
Impairment losses on other assets	(33)	–	–	–	(33)
Operating profit	83,740	89,651	(21,414)	5,453	157,430
Share of results of associates and joint ventures	–	–	–	41	41
Profit before tax	83,740	89,651	(21,414)	5,494	157,471
Income tax expense					(20,977)
Profit for the period					136,494
Depreciation and amortization included in operating expenses	2,979	5,920	2,085	168	11,152
Capital expenditure	1,263	3,062	1,276	443	6,044
As at 31 December 2024					
Segment assets	15,499,878	8,739,885	18,317,472	532,891	43,090,126
Including: Investment in associates and joint ventures	–	–	–	10,332	10,332
Unallocated assets					148,009
Total assets					43,238,135
Segment liabilities	(11,344,305)	(19,238,312)	(9,081,221)	(470,954)	(40,134,792)
Unallocated liabilities					(6,070)
Total liabilities					(40,140,862)
Loan commitments and financial guarantee contracts	1,972,767	901,584	–	–	2,874,351

Notes to the Condensed Consolidated Interim Financial Statements

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

42 OPERATING SEGMENTS (Continued)

County Area and Urban Area segments

The Group's operating segments organized by County Area and Urban Area banking business are set out as follows:

County Area banking business

The Group's County Area banking business provides a broad range of financial products and services to customers in designated County Area, through its operating branches in the counties or county-level cities throughout the PRC. The products and services mainly comprise loans, deposits, bank cards, and other types of intermediary services.

Urban Area banking business

The Group's Urban Area banking business comprises all banking activities outside of the County Area banking business, overseas branches and subsidiaries.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

42 OPERATING SEGMENTS (Continued)

County Area and Urban Area segments (Continued)

	County Area banking business	Urban Area banking business	Eliminations	Consolidated total
For the six months ended 30 June 2025				
External interest income	157,536	440,469	–	598,005
External interest expense	(95,451)	(220,081)	–	(315,532)
Inter-segment net interest income/(expense)	98,767	(98,767)	–	–
Net interest income	160,852	121,621	–	282,473
Fee and commission income	22,380	35,717	–	58,097
Fee and commission expense	(2,830)	(3,826)	–	(6,656)
Net fee and commission income	19,550	31,891	–	51,441
Net trading gain	304	7,254	–	7,558
Net gain on financial investments	70	5,799	–	5,869
Net gain on derecognition of financial assets measured at amortized cost	–	15,088	–	15,088
Other operating income	2,232	5,132	–	7,364
Operating income	183,008	186,785	–	369,793
Operating expenses	(50,427)	(61,298)	–	(111,725)
Credit impairment losses	(41,450)	(56,505)	–	(97,955)
Impairment losses on other assets	(13)	(1)	–	(14)
Operating profit	91,118	68,981	–	160,099
Share of results of associates and joint ventures	–	441	–	441
Profit before tax	91,118	69,422	–	160,540
Income tax expense				(20,597)
Profit for the period				139,943
Depreciation and amortization included in operating expenses	4,763	6,636	–	11,399
Capital expenditure	580	5,460	–	6,040
As at 30 June 2025				
Segment assets	15,686,193	31,186,992	(173,243)	46,699,942
Including: Investment in associates and joint ventures	–	15,597	–	15,597
Unallocated assets				155,936
Total assets				46,855,878
Segment liabilities	(14,597,477)	(29,281,508)	173,243	(43,705,742)
Unallocated liabilities				(895)
Total liabilities				(43,706,637)
Loan commitments and financial guarantee contracts	939,913	2,053,856	–	2,993,769

Notes to the Condensed Consolidated Interim Financial Statements

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

42 OPERATING SEGMENTS (Continued)

County Area and Urban Area segments (Continued)

	County Area banking business	Urban Area banking business	Eliminations	Consolidated total
For the six months ended 30 June 2024				
External interest income	166,802	477,246	–	644,048
External interest expense	(102,569)	(250,631)	–	(353,200)
Inter-segment net interest income/(expense)	96,003	(96,003)	–	–
Net interest income	160,236	130,612	–	290,848
Fee and commission income	21,982	31,701	–	53,683
Fee and commission expense	(2,935)	(4,012)	–	(6,947)
Net fee and commission income	19,047	27,689	–	46,736
Net trading gain	427	15,331	–	15,758
Net gain on financial investments	159	10,895	–	11,054
Net gain on derecognition of financial assets measured at amortized cost	–	4,300	–	4,300
Other operating income/(expense)	3,043	(4,599)	–	(1,556)
Operating income	182,912	184,228	–	367,140
Operating expenses	(49,530)	(59,149)	–	(108,679)
Credit impairment losses	(35,929)	(65,069)	–	(100,998)
Impairment losses on other assets	(27)	(6)	–	(33)
Operating profit	97,426	60,004	–	157,430
Share of results of associates and joint ventures	–	41	–	41
Profit before tax	97,426	60,045	–	157,471
Income tax expense				(20,977)
Profit for the period				136,494
Depreciation and amortization included in operating expenses	4,594	6,558	–	11,152
Capital expenditure	428	5,616	–	6,044
As at 31 December 2024				
Segment assets	14,756,722	28,866,082	(532,678)	43,090,126
Including: Investment in associates and joint ventures	–	10,332	–	10,332
Unallocated assets				148,009
Total assets				43,238,135
Segment liabilities	(13,735,194)	(26,932,276)	532,678	(40,134,792)
Unallocated liabilities				(6,070)
Total liabilities				(40,140,862)
Loan commitments and financial guarantee contracts	781,291	2,093,060	–	2,874,351

Notes to the Condensed Consolidated Interim Financial Statements

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

43 RELATED PARTY TRANSACTIONS

(1) The Group and the MOF

As at 30 June 2025, the MOF directly owned 35.29% (31 December 2024: 35.29%) of the ordinary shares of the Bank.

The MOF is a Chinese government ministry, primarily responsible for managing state fiscal revenue and expenditures, and establishing and enforcing taxation policies. It reports to the Chinese State Council.

The Group enters into transactions with the MOF in its ordinary course of business under normal commercial terms. Details of the major balances and transactions are as follows:

	30 June 2025		31 December 2024	
	Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Assets				
Treasury bonds and special government bond	3,673,692	25.44%	3,023,971	21.84%
Receivable from the MOF	351,029	2.43%	348,136	2.51%
Liabilities				
Due to customers	4,245	0.01%	3,414	0.01%
Other liabilities				
– Amount payable to the MOF	482	0.09%	266	0.05%

	Six months ended 30 June			
	2025		2024	
	Amount	Ratio to similar transactions	Amount	Ratio to similar transactions
Interest income	39,514	6.61%	32,051	4.98%
Interest expense	(56)	0.02%	(34)	0.01%
Fee and commission income	957	1.65%	707	1.32%
Net trading gain	37	0.49%	76	0.48%

Interest rate ranges for transactions with the MOF during the period are as follows:

	Six months ended 30 June	
	2025 %	2024 %
Treasury bonds and receivable from the MOF	0.00-9.00	0.00-9.00
Due to customers	0.0001-3.075	0.0001-3.96

The Group's redemption commitment for treasury bonds underwriting is disclosed in Note 45 Contingent liabilities and commitments.

Notes to the Condensed Consolidated Interim Financial Statements

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

43 RELATED PARTY TRANSACTIONS (Continued)

(2) The Group and Huijin

Central Huijin Investment Ltd. (“Huijin”) is a wholly state-owned company through state investment in accordance with the Company Law of the PRC, which is incorporated with authorized capital of RMB828,209 million in Beijing, PRC. The State Council has authorized Huijin to make equity investments in major state-owned financial institutions to preserve and increase the value of these state-owned financial assets. Huijin can exercise rights and shall assume obligations on major state-owned financial institutions as an investor on behalf of the state to the extent of its capital contribution. Huijin does not engage in other commercial activities nor intervene in the daily business operations of major state-owned financial institutions which are controlled by Huijin.

As at 30 June 2025, Huijin directly owned 40.14% (31 December 2024: 40.14%) of the ordinary shares of the Bank.

Transactions with Huijin

The Group enters into transactions with Huijin in its ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	30 June 2025		31 December 2024	
	Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Assets				
Loans and advances to customers	57,597	0.22%	61,634	0.26%
Financial investments	54,843	0.38%	51,922	0.37%
Liabilities				
Due to customers	40,285	0.13%	34,257	0.11%

	Six months ended 30 June			
	2025	Ratio to similar transactions	2024	Ratio to similar transactions
	Amount		Amount	
Interest income	1,361	0.23%	1,686	0.26%
Interest expense	(229)	0.07%	(126)	0.04%
Net trading gain	11	0.15%	0	0.00%

Interest rate ranges for transactions with Huijin during the period are as follows:

	Six months ended 30 June	
	2025	2024
	%	%
Loans and advances to customers	2.25-2.35	2.70
Financial investments	1.76-4.20	2.08-4.20
Due to customers	0.35-1.60	0.20-1.90

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(2) The Group and Huijin (Continued)

Transactions with companies under Huijin

Huijin has equity interests in certain other banks and financial institutions under the direction of the Central Government. The Group enters into transactions with these banks and financial institutions in the ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	30 June 2025		31 December 2024	
	Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Assets				
Deposits with banks and other financial institutions	212,551	51.73%	265,209	46.37%
Placements with and loans to banks and other financial institutions	195,360	41.35%	106,782	20.16%
Derivative financial assets	3,716	8.71%	10,604	16.09%
Financial assets held under resale agreements	195,633	12.59%	119,950	8.75%
Loans and advances to customers	50,655	0.20%	36,024	0.15%
Financial investments	932,672	6.46%	1,171,357	8.46%
Liabilities				
Deposits from banks and other financial institutions	166,379	2.93%	138,487	2.97%
Placements from banks and other financial institutions	118,492	32.33%	114,657	31.50%
Derivative financial liabilities	4,571	8.63%	9,277	15.95%
Financial assets sold under repurchase agreements	18,470	1.73%	27,533	4.47%
Due to customers	4,927	0.02%	910	0.00%
Equity				
Other equity instruments	—	—	1,913	0.38%
Off-balance sheet items				
Letters of guarantee and guarantees	2,040	0.48%	379	0.09%

	Six months ended 30 June			
	2025		2024	
	Amount	Ratio to similar transactions	Amount	Ratio to similar transactions
Interest income	9,697	1.62%	10,308	1.60%
Interest expense	(2,504)	0.79%	(1,884)	0.53%
Net trading (loss)/gain	(292)	N/A	4,060	25.76%
Net gain on financial investments	2,127	36.24%	2,195	19.86%

Notes to the Condensed Consolidated Interim Financial Statements

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

43 RELATED PARTY TRANSACTIONS (Continued)

(2) The Group and Huijin (Continued)

Transactions with companies under Huijin (Continued)

Interest rate ranges for transactions with companies under Huijin during the period are as follows:

	Six months ended 30 June	
	2025 %	2024 %
Deposits with banks and other financial institutions	-0.45-3.25	-0.45-3.25
Placements with and loans to banks and other financial institutions	0.56-5.73	0.00-6.52
Derivative financial assets	-0.002-5.20	-0.43-3.69
Financial assets held under resale agreements	1.40-2.35	1.98-2.60
Loans and advances to customers	0.00-5.00	0.00-5.10
Financial investments	0.00-6.15	0.00-6.01
Deposits from banks and other financial institutions	0.00-5.30	0.01-5.30
Placements from banks and other financial institutions	0.23-5.72	0.18-6.09
Derivative financial liabilities	0.02-5.20	1.85-3.69
Financial assets sold under repurchase agreements	1.81-4.45	2.60
Due to customers	0.00-3.25	0.09-3.25
Other equity instruments	—	4.84

(3) The Group and National Council for Social Security Fund of the People's Republic of China

As at 30 June 2025, the Bank's shares held by National Council for Social Security Fund of the People's Republic of China (the "SSF") accounted for 6.72% of the Bank's total share capital (31 December 2024: 6.72%). The Group enters into transactions with the SSF in the ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	30 June 2025		31 December 2024	
	Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Assets				
Financial assets held under resale agreements	36,028	2.32%	33,960	2.48%
Liabilities				
Due to customers	149,451	0.47%	161,547	0.53%
Equity				
Other equity instruments	1,250	0.27%	1,250	0.25%

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(3) The Group and National Council for Social Security Fund of the People's Republic of China (Continued)

	Six months ended 30 June			
	2025		2024	
	Amount	Ratio to similar transactions	Amount	Ratio to similar transactions
Interest income	5	0.00%	5	0.00%
Interest expense	(2,687)	0.85%	(2,775)	0.79%

Interest rate ranges for transactions with SSF during the period are as follows:

	Six months ended 30 June	
	2025 %	2024 %
Financial assets held under resale agreements	1.50-2.15	2.30-2.55
Due to customers	2.00-4.20	2.85-4.26
Other equity instruments	3.77	4.84

(4) The Group and other government related entities

Other than disclosed above, a significant portion of the Group's banking transactions are entered into with government authorities, agencies, affiliates and other State controlled entities. These transactions are entered into under normal commercial terms and conditions and mainly include provision of credit and guarantee, deposits, foreign exchange transactions, derivative transactions, agency services, underwriting and distribution of bonds issued by government agencies, purchase, sales and redemption of investment securities issued by government agencies.

Management considers that these transactions are activities conducted in the ordinary course of business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the customers are government authorities, agencies, affiliates and other State controlled entities.

Notes to the Condensed Consolidated Interim Financial Statements

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

43 RELATED PARTY TRANSACTIONS (Continued)

(5) The Bank and its subsidiaries

The Bank had the following balances and transactions with its subsidiaries in its ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	30 June 2025		31 December 2024	
	Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Assets				
Placements with and loans to banks and other financial institutions	84,051	17.79%	84,334	15.92%
Loans and advances to customers	4,615	0.02%	4,844	0.02%
Financial investments	611	0.00%	1,121	0.01%
Deposits with banks and other financial institutions	76	0.02%	51	0.01%
Other assets	617	0.19%	469	0.15%
Liabilities				
Deposits from banks and other financial institutions	19,231	0.34%	12,256	0.26%
Placements from banks and other financial institutions	820	0.22%	823	0.23%
Due to customers	2,335	0.01%	2,798	0.01%
Other liabilities	461	0.09%	510	0.09%
Off-balance sheet items				
Letters of guarantee and guarantees	–	–	146	0.04%
Non-principal guaranteed wealth management products issued by the Group	105	0.01%	35	0.00%

	Six months ended 30 June			
	2025	Ratio to similar transactions	2024	Ratio to similar transactions
	Amount		Amount	
Interest income	751	0.13%	786	0.12%
Fee and commission income	1,215	2.09%	1,405	2.62%
Other operating income	93	1.26%	82	N/A
Net gain on financial investments	–	–	9	0.08%
Interest expense	(86)	0.03%	(87)	0.02%
Fee and commission expense	(531)	7.98%	(459)	6.61%
Operating expense	(51)	0.05%	(262)	0.24%

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(5) The Bank and its subsidiaries (Continued)

Interest rate ranges for transactions with its subsidiaries during the period are as follows:

	Six months ended 30 June	
	2025 %	2024 %
Placements with and loans to banks and other financial institutions	1.62-4.64	1.62-7.31
Loans and advances to customers	2.39-3.30	3.95-4.65
Financial investments	2.80	0.00-2.80
Deposits with banks and other financial institutions	0.02	0.02
Deposits from banks and other financial institutions	0.00-4.46	0.00-3.20
Placements from banks and other financial institutions	0.00	0.00
Due to customers	0.10-4.29	0.20-6.33

(6) The Group and its associates and joint ventures

The Group had the following balances and transactions with its associates and joint ventures in its ordinary course of business. These balances and transactions are priced based on market prices and conducted under normal commercial terms. Details of the major balances and transactions are as follows:

	30 June 2025		31 December 2024	
	Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Assets				
Loans and advances to customers	—	—	985	0.00%
Liabilities				
Deposits from banks and other financial institutions	16	0.00%	27	0.00%
Due to customers	3	0.00%	3	0.00%

	Six months ended 30 June			
	2025		2024	
	Amount	Ratio to similar transactions	Amount	Ratio to similar transactions
Interest income	—	—	9	0.00%
Interest expense	0	0.00%	0	0.00%

Notes to the Condensed Consolidated Interim Financial Statements

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

43 RELATED PARTY TRANSACTIONS (Continued)

(6) The Group and its associates and joint ventures (Continued)

Interest rate ranges for transactions with its associates and joint ventures during the period are as follows:

	Six months ended 30 June	
	2025 %	2024 %
Loans and advances to customers	N/A	3.45
Deposits from banks and other financial institutions	0.00-4.40	0.0001-4.38
Due to customers	0.05	N/A

(7) Key management personnel and related natural persons transactions

Key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of the Group. Key management personnel of the Group, their close relatives, and entities that are controlled, jointly controlled, or significantly influenced by either the key management personnel of the Group or their close relatives, are considered as related parties of the Group. The Group enters into banking transactions with above related parties in the normal course of business. As at 30 June 2025, the balance of loans and advances to the above related parties is RMB12.00 million (31 December 2024: RMB12.10 million).

The Bank issued loans and credit card business to related natural persons (as defined in the Administrative Measures on Information Disclosure of Listed Companies issued by the China Securities Regulatory Commission (the "CSRC")). As at 30 June 2025, the balance of such loans amounted to RMB12.00 million (31 December 2024: RMB12.26 million).

(8) The Group and the Annuity Scheme

The Group had the following balances and transactions with the Annuity Scheme set up by the Bank apart from the obligation for defined contribution to the Annuity Scheme:

	30 June 2025		31 December 2024	
	Balance	Ratio to similar transactions	Balance	Ratio to similar transactions
Liabilities				
Deposits from Annuity Scheme	973	0.00%	959	0.00%
Equity				
Other equity instruments	7,500	1.61%	7,500	1.50%

	Six months ended 30 June			
	2025		2024	
	Amount	Ratio to similar transactions	Amount	Ratio to similar transactions
Interest expense	(14)	0.00%	(48)	0.01%

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

43 RELATED PARTY TRANSACTIONS (Continued)

(8) The Group and the Annuity Scheme (Continued)

Interest rate ranges for transactions with the Annuity Scheme during the period are as follows:

	Six months ended 30 June	
	2025 %	2024 %
Deposits from Annuity Scheme	1.90-3.00	3.00-4.80
Other equity instruments	3.77-5.32	4.84-5.32

(9) Proportion of transactions with related parties other than key management personnel

Related party transactions with subsidiaries have been offset in the process of preparing interim financial information. When calculating the proportion of related party transactions, related party transactions do not include related party transactions with subsidiaries.

Transaction balance

	30 June 2025		31 December 2024	
	Related party transactions	Proportion	Related party transactions	Proportion
Deposits with banks and other financial institutions	212,551	51.73%	265,209	46.37%
Placements with and loans to banks and other financial institutions	195,360	41.35%	106,782	20.16%
Derivative financial assets	3,716	8.71%	10,604	16.09%
Financial assets held under resale agreements	231,661	14.91%	153,910	11.22%
Loans and advances to customers	108,252	0.42%	98,643	0.41%
Financial investments	5,012,236	34.71%	4,595,386	33.18%
Deposits from banks and other financial institutions	166,395	2.93%	138,514	2.97%
Placements from banks and other financial institutions	118,492	32.33%	114,657	31.50%
Derivative financial liabilities	4,571	8.63%	9,277	15.95%
Financial assets sold under repurchase agreements	18,470	1.73%	27,533	4.47%
Due to customers	199,884	0.63%	201,090	0.66%
Other liabilities	482	0.09%	266	0.05%
Other equity instruments	8,750	1.88%	10,663	2.13%
Letters of guarantee and guarantees	2,040	0.48%	379	0.09%

Notes to the Condensed Consolidated Interim Financial Statements

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

43 RELATED PARTY TRANSACTIONS (Continued)

(9) Proportion of transactions with related parties other than key management personnel (Continued)

Transaction amount

	Six months ended 30 June			
	2025		2024	
	Related party transactions	Proportion	Related party transactions	Proportion
Interest income	50,577	8.46%	44,059	6.84%
Interest expense	(5,490)	1.73%	(4,867)	1.38%
Net trading (loss)/gain	(244)	N/A	4,136	26.24%
Net gain on financial investments	2,127	36.24%	2,195	19.86%
Fee and commission income	957	1.65%	707	1.32%

44 STRUCTURED ENTITIES

(1) Consolidated structured entities

Structured entities consolidated by the Group include certain asset management plans, funds and securitization products issued, managed and/or invested by the Group. The Group controls these entities because the Group has power over, is exposed to, or has rights to, variable returns from its involvement with these entities and has the ability to use its power over these entities to affect the amount of the Group's returns.

(2) Unconsolidated structured entities

Unconsolidated structured entities sponsored and managed by the Group

Unconsolidated structured entities sponsored and managed by the Group mainly include non principal guaranteed WMPs, which are not subject to any guarantee by the Group of the principal invested or interest to be paid. The WMPs invest in a range of assets, most typically money market instruments, debt securities and non-standardized debt assets. As the manager of these WMPs, the Group, on behalf of the investors in these WMPs, invests the funds raised from investors to the assets as described in the investment plan related to each WMP and distributes profits to investors based on product performance.

As at 30 June 2025, the total assets invested by these non-principal guaranteed WMPs amounted to RMB1,914,776 million (31 December 2024: RMB2,068,000 million) and the corresponding outstanding WMPs issued by the Group amounted to RMB1,760,321 million (31 December 2024: RMB1,985,401 million). For the six months ended 30 June 2025, the Group's interest in these WMPs included net fee and commission income of RMB8,313 million (six months ended 30 June 2024: RMB2,148 million). The Group enters into placements and repo transactions at market interest rates with these WMPs, and the outstanding balance of these transactions represented the Group's maximum exposure to the WMPs. These transactions did not occur for the six months ended 30 June 2025 and for the six months ended 30 June 2024. And there was no outstanding balance for the above-mentioned transactions at 30 June 2025 and 31 December 2024. The Group was under no obligation to enter into these transactions.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

44 STRUCTURED ENTITIES (Continued)

(2) Unconsolidated structured entities (Continued)

Unconsolidated structured entities sponsored and managed by the Group (Continued)

There were no contractual liquidity arrangements, guarantees or other commitments between the Group and any third parties that could increase the level of the Group's risk from WMPs disclosed above during the period ended 30 June 2025 and the year ended 31 December 2024. The Group was not required to absorb any losses incurred by WMPs.

In addition, other unconsolidated structured entities sponsored and managed by the Group included funds, asset management plans and asset-backed securities. As at 30 June 2025, the total assets of these products amounted to RMB299,485 million (31 December 2024: RMB295,296 million). For the six months ended 30 June 2025, the Group's interest in these products mainly included net fee and commission income of RMB492 million (six months ended 30 June 2024: RMB500 million).

Other unconsolidated structured entities held by the Group

The Group invests in other unconsolidated structured entities which are sponsored and managed by other entities for investment return, and records trading gains or losses and interest income therefrom. These unconsolidated structured entities primarily include asset management plans, WMPs, funds, trust plans, asset-backed securities and debt investment plans, etc. As at 30 June 2025, the related carrying amount of investments and the maximum exposure by the Group to these other unconsolidated structured entities was RMB67,659 million (31 December 2024: RMB77,636 million), included under the financial assets at fair value through profit or loss, debt instrument investments at amortized cost and other debt instrument and other equity investments at fair value through other comprehensive income categories in the condensed consolidated interim statement of financial position. The information on the size of total assets of these unconsolidated structured entities was not readily available in the public domain.

45 CONTINGENT LIABILITIES AND COMMITMENTS

Legal proceedings and others

The Bank and its subsidiaries are involved as demandants/defendants in certain lawsuits arising from their normal business operations. As at 30 June 2025, provisions of RMB4,828 million were made by the Group (31 December 2024: RMB5,228 million) based on court judgments or advice of legal counsel, and included in Note 34 Other liabilities. Management of the Group believes that the final result of these lawsuits will not have a material impact on the financial position or operations of the Group.

Capital commitments

	30 June 2025	31 December 2024
Contracted but not provided for	2,880	4,079

Notes to the Condensed Consolidated Interim Financial Statements

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

45 CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

Loan commitments and financial guarantee contracts

	30 June 2025	31 December 2024
Loan commitments		
– With an original maturity of less than 1 year	18,587	10,249
– With an original maturity of 1 year or above	200,812	233,504
Subtotal	219,399	243,753
Bank acceptances	1,133,638	1,127,316
Credit card commitments	933,967	883,311
Letters of guarantee and guarantees	426,848	399,920
Letters of credit	279,917	220,051
Total	2,993,769	2,874,351

Loan commitments and financial guarantee contracts include credit cards and general credit facility limits granted to customers. These general credit facilities may be drawn in the form of loans or through the issuance of letters of credit, letters of guarantee and guarantees or bank acceptances.

Credit risk-weighted assets for credit commitments

Credit risk-weighted assets for credit commitments represent the counterparty credit risk associated with credit commitments and are calculated in accordance with the “Rules on Capital Management of Commercial Banks” issued by the NFRA which was effective on 1 January 2024 and are dependent on, among other factors, creditworthiness of counterparties and maturity characteristics of each type of contracts.

	30 June 2025	31 December 2024
Credit risk-weighted assets for credit commitments	1,503,007	1,524,062

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

45 CONTINGENT LIABILITIES AND COMMITMENTS (Continued)

Collateral

Assets as collateral

At the end of each reporting period, the carrying amounts of assets pledged as collateral under repurchase agreements are as follows:

	30 June 2025	31 December 2024
Debt securities	1,088,662	632,614
Bills	3,813	3,524
Total	1,092,475	636,138

As at 30 June 2025, the financial assets sold under repurchase agreements (disclosed in Note 31 Financial assets sold under repurchase agreements) by the Group amounted to RMB1,066,458 million (31 December 2024: RMB615,725 million). Repurchase agreements are primarily due within 1 year from the effective dates of these agreements.

Financial assets sold under repurchase agreements included certain transactions under which the title of the pledged securities has been transferred to counterparties. These transactions have been disclosed in Note 46 Transferred financial assets.

In addition, debt securities and deposits with banks and other financial institutions pledged in accordance with regulatory requirements as collateral for derivative transactions or borrowings from central banks etc. by the Group as at 30 June 2025 amounted to RMB1,319,784 million in total (31 December 2024: RMB1,318,868 million).

Collateral accepted

The Group received debt securities and bills as collateral in connection with the securities lending transactions and the purchase of assets under resale agreements (Note 20 Financial assets held under resale agreements). As at 30 June 2025, the Group did not hold any collateral that can be resold or re-pledged (31 December 2024: the Group has accepted collateral that can be resold or re-pledged with a fair value of RMB2,266 million and the Group did not resell or re-pledge any of these collateral accepted).

Redemption commitment for treasury bonds

The Group is entrusted by the MOF to underwrite certain treasury bonds. The investors of these treasury bonds have a right to redeem the bonds at any time prior to maturity and the Group is committed to honor such redemption requests. The redemption price is calculated as the nominal value of the bond plus payable interest in accordance with the terms of the related early redemption arrangement.

As at 30 June 2025, the nominal value of treasury bonds the Group was obligated to redeem prior to maturity was RMB50,947 million (31 December 2024: RMB46,052 million). The original maturities of these bonds vary from 3 to 5 years. Management of the Group expects the amount of redemption before the maturity dates of these bonds will not be material.

Commitment on securities underwriting

As at 30 June 2025, the Group did not have unexpired securities underwriting obligations (31 December 2024: Nil).

Notes to the Condensed Consolidated Interim Financial Statements

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

46 TRANSFERRED FINANCIAL ASSETS

The Group enters into transactions in the normal course of business whereby it transfers recognized financial assets to third parties or to structured entities. In some cases these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group retains substantially all the risks and rewards of these assets, the Group continues to recognize the transferred assets.

Securitization transactions

The Group enters into securitization transactions in the normal course of business by which it transfers loans to structured entities which issue asset-backed securities to investors. The Group assessed, among other factors, whether or not to derecognize the transferred assets by evaluating the extent to which it retains the risks and rewards of the assets and whether it has relinquished its control over these assets.

As at 30 June 2025, the balance of accumulative loans transferred by the Group before impairment allowance underlying the outstanding unexpired asset-backed securities was RMB139,805 million (31 December 2024: RMB122,382 million). RMB56,931 million of this balance (31 December 2024: RMB39,508 million) was in respect of non-performing loans and the Group concluded that these loans transferred were qualified for full derecognition. The remaining balance of RMB82,874 million (31 December 2024: RMB82,874 million) was in respect of performing loans and the Group concluded that it had continuing involvement in these assets. As at 30 June 2025, the Group continued to recognize assets of RMB7,256 million (31 December 2024: RMB7,887 million) under loans and advances to customers. The Group also recognized other assets and other liabilities of the same amount arising from such continuing involvement.

Transfer of non-performing loans

For the six months ended 30 June 2025, the Group transferred non-performing loans through disposal to third parties or issuing asset-backed securities, with gross loans balance of RMB20,082 million (six months ended 30 June 2024: RMB12,696 million). The Group concluded that these transferred assets were qualified for full derecognition.

Financial assets sold under repurchase agreements

The Group did not derecognize financial assets transferred as collateral in connection with repurchase agreements. As at 30 June 2025, the book value of the debt securities whereby legal title has been transferred to counterparties was RMB1,019,694 million (31 December 2024: RMB411,300 million), and these collateral pledged is disclosed in Note 45 Contingent liabilities and commitments – Collateral.

Securities lending transactions

For debt securities lent to counterparties under securities lending agreements, the counterparties are allowed to sell or repledge these securities in the absence of default by the Group, but have an obligation to return the securities at the maturity of the contract. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized them. As at 30 June 2025, the carrying amount of debt securities lent to counterparties was RMB12,920 million (31 December 2024: RMB27,790 million).

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT

Overview

The Group's primary risk management objective is to meet the requirements of stable operation from regulators, depositors and other stakeholders, as well as to maximize return for investors within an acceptable level of risk.

The Group has designed risk management policies, which address, among other things, the establishment of risk limits and controls to identify, analyze, monitor and report risks. Relevant and timely information used to conduct these risk management activities is provided through information systems maintained by the Group. The Group regularly reviews its risk management policies and systems to address changes in markets, products and emerging best practices.

The most significant types of risk to which the Group is exposed are credit risk, market risk and liquidity risk. Market risk includes foreign exchange rate risk, interest rate risk and other price risk.

Risk management framework

The Board of Directors of the Group is responsible for formulating the Group's risk appetite, reviewing and approving the Group's major risk management policies and procedures.

Senior Management of the Group is responsible for the implementation of risk management, including implementing risk appetite and risk management strategies, formulating risk management policies and procedures, and establishing a risk management organizational structure to manage the Group's major risks.

47.1 Credit risk

Credit risk management

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations when due. Credit risk can also arise from operational failures that result in an unauthorized or inappropriate loans and advances, commitment or investment. The Group's major credit risks arise from loans and advances, treasury operations and off-balance sheet related credit risk exposures.

The Group's credit risk management and governance structure comprise the Board of Directors and its Risk Management and Consumer Protection Committee, Senior Management and its Risk Management and Internal Control Committee, Credit Approval Committee and Asset Disposal Committee, Credit Management Department, Credit Approval Department and related front-office customer departments. The Group's credit risk management function operates under centralized management and authorization under a range of specified limits.

The Group performs standardized credit management procedures, including credit due diligence and proposal submission, credit underwriting review, loan disbursement, post-lending monitoring and non-performing loan management. The Group enhances its credit risk management by strictly complying with its credit management procedures; strengthening customer investigation, credit rating, lending approval and post-lending monitoring measures; enhancing risk mitigation effect of loans through collateral; accelerating disposal process of non-performing loans and continuously upgrading the credit management system.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include: (1) ceasing enforcement activity, and (2) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Credit risk management (Continued)

During the reporting period, the Group continued to improve the comprehensive risk management system to ensure effective risk management. The Group strengthened credit risk management in key areas and asset quality control and accelerated the disposal of non-performing loans to ensure the stability of assets quality.

Apart from the credit risk exposures on credit-related assets, the credit risk arising from treasury operation business is managed by selecting counterparties with acceptable credit quality, balancing credit risk and return, referencing to both internal and external credit rating information where available and applying appropriate limits subject to different level of management authority, and timely reviewing and adjusting those limits in credit system. In addition, the Group also provides loan commitments and financial guarantee services to customers which may require the Group to make payments on behalf of customers upon their failure to perform under the terms of the related contract. Risks arising from loan commitments and financial guarantees are similar to those associated with loans and advances. These transactions are, therefore, subject to the same risk management policies and procedures.

Measurement of ECL

The Group applies the ECL model to calculate loss allowances for its debt financial instruments measured at amortized cost and FVOCI, as well as loan commitments and financial guarantee contracts.

Methods applied by the Group in assessing the expected credit losses of its financial assets include risk parameters model and the discounted cash flow ("DCF") model. Retail credit assets and Stage I and Stage II wholesale credit assets are assessed using risk parameters, while Stage III wholesale credit assets are subject to the discounted cash flow method.

The Group assesses ECL in light of forward-looking information and uses models and assumptions in calculating the expected credit losses. These models and assumptions relate to the future macroeconomic conditions and the borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). In assessing the expected credit risks in accordance with accounting standards, the Group uses the judgements, assumptions and estimates where appropriate, including:

- Portfolio segmentation of credit risk exposures
- Parameters for measuring ECL
- Criteria for significant increase in credit risk and default definition
- Definition of credit-impaired financial assets
- Forward-looking information
- Estimation of future cash flows for Stage III wholesale credit assets

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Measurement of ECL (Continued)

Portfolio segmentation of credit risk exposures

For measurement of ECL, portfolio segmentation is based on similar credit risk characteristics. In performing the portfolio segmentation of credit assets, the Group considers product types, customer types, industry, customer size, risk mitigation method and market distribution. The Group retests and revises the rationality of portfolio segmentation of credit risk exposures every year.

Parameters for measuring ECL

According to whether there is a significant increase in credit risk and whether a financial asset has become credit-impaired, the Group recognizes an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime of the financial asset. The relevant parameters of ECL measurement include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group establishes its PD models, LGD models and EAD models based on the internal rating based system as currently used for its risk management purpose, in accordance with the requirements of IFRS 9, in light of quantitative analyzes of historical statistics (such as counterparty ratings, guarantee methods and collateral types, repayment methods, etc.) and forward-looking information.

The parameters are defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ("12 months PD"), or over the remaining lifetime ("Lifetime PD") of the obligation;
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months ("12 months EAD") or over the remaining lifetime ("Lifetime EAD");
- LGD represents the Group's expectation of the extent of loss on defaulted exposure. It varies depending on the type of counterparty, method of recourse and priority, and the availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

Criteria for significant increase in credit risk ("SICR") and default definition

The Group assesses whether the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each reporting date. For the purpose of staging assessment of its financial assets, the Group thoroughly considers various reasonable and supportable information that may reflect whether or not there has been a significant change in their credit risk, including forward-looking information. Key factors considered include regulatory and operating environments, internal and external credit ratings, solvency, viability as a going concern, terms of loan contracts, repayment behaviors, among others. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the reporting date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments. The definition of default refers to the failure to pay the debt as agreed in the contract, or other violations of the debt contract and have a significant impact on the normal debt repayment.

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Measurement of ECL (Continued)

Criteria for significant increase in credit risk ("SICR") and default definition (Continued)

The Group sets quantitative and qualitative criteria to determine whether the credit risk of a financial instrument has increased significantly since its initial recognition. The criteria includes changes in its credit risk classification, changes in the borrower's PD, overdue status and other factors. In particular, when the credit risk classification changes from Normal upon initial recognition to Special Mention, there has been SICR. When the wholesale clients' PD rises to a certain level, there has been a SICR. Criteria to determine SICR varied based on the original PD upon initial recognition. If the borrower's original PD is relatively low (for example, lower than 3%), there has been SICR when the credit grade falls at least 5 notches. When retail clients' PD exceeds a certain level, there has been SICR. According to IFRS 9, a backstop is applied and the financial instrument is considered to have experienced SICR if the borrower is more than 30 days past due on its contractual payments.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group recognizes a financial instrument as having low credit risk if its internal rating is consistent with the globally accepted definition for low credit risk (e.g. external "investment grade" rating).

Definition of credit-impaired financial assets

The criteria adopted by the Group to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives for relevant financial instruments, in addition to consideration of quantitative and qualitative indicators. In assessing whether a borrower has become credit-impaired, the Group mainly considers the following factors:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event in relation to interest or principal payment;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The borrower is overdue for more than 90 days in any principal, advances, interest or investment in bonds due to the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single discrete event.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Measurement of ECL (Continued)

Forward-looking information

The assessment of whether there has been a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the forward-looking information that affect the credit risk and ECL of various portfolio. Forward-looking information include Gross Domestic Product (GDP), Consumer Price Index (CPI) and Producer Price Index (PPI), etc.

The impact of these forward-looking information on the PDs and the LGDs varies from one portfolio to another. The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the correlation between these forward-looking information and the PDs and LGDs. The Group assesses and forecasts these forward-looking information at least every six months, calculates the best estimates for the future, and regularly reviews and assesses results.

As at 30 June 2025, the Group has assessed and forecasted the relevant forward-looking information, of which the forecast value of GDP growth rate under each scenario is as follows: 5.00% under base scenario, 5.47% under upside scenario, and 4.53% under downside scenario.

Based on statistical analysis and expert judgements, the Group determines the weightings of multiple scenarios and the corresponding forward-looking information forecast under each scenario. The weighting of base scenario is greater than the aggregated weightings of the other two scenarios. At 30 June 2025, the weightings of the Group's base, upside and downside scenarios have not changed from 31 December 2024. The Group uses the weighted 12 months ECL (Stage I) or weighted lifetime ECL (Stage II and Stage III) to measure relevant impairment allowances. These weighted credit losses are calculated by multiplying the expected credit loss under each scenario by the assigned scenario weighting.

Estimation of future cash flows for Stage III wholesale credit assets

The Group measures the ECL for Stage III wholesale credit assets using DCF method. Under DCF method, the loss allowance is calculated based on the estimation of future cash flows. At each measurement date, the Group projects the future cash inflows of relevant assets under different scenarios to estimate the probability weighted cash flow of each future period. The cash flows are discounted and aggregated to get the present value of the assets' future cash flows.

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements

The maximum exposure to credit risk represents the worst credit risk exposure at the end of each reporting period, without taking account of any collateral held or other credit enhancements. The credit risk exposure to the Group at the end of each reporting period primarily arises from credit and treasury operations. In addition, off-balance sheet items such as loan commitments, credit card commitments, bank acceptances, letters of guarantee and guarantees and letters of credit also include credit risks.

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Maximum exposure to credit risk without taking account of any collateral held or other credit enhancements (Continued)

A summary of the maximum exposure to credit risk as at the end of the reporting period is as follows:

	30 June 2025	31 December 2024
Balances with central banks	3,300,817	2,067,244
Deposits with banks and other financial institutions	410,918	571,956
Placements with and loans to banks and other financial institutions	472,461	529,767
Derivative financial assets	42,680	65,920
Financial assets held under resale agreements	1,554,271	1,371,571
Loans and advances to customers	25,764,001	23,977,013
Financial investments		
Financial assets at fair value through profit or loss	374,091	364,130
Debt instrument investments at amortized cost	10,348,968	9,905,633
Other debt instrument investments at fair value through other comprehensive income	3,552,115	3,418,609
Other financial assets	268,508	260,021
Subtotal	46,088,830	42,531,864
Loan commitments and financial guarantee contracts	2,973,807	2,852,166
Total	49,062,637	45,384,030

The Group has implemented specific policies and credit enhancement practices to mitigate credit risk exposure to an acceptable level. The most typical practice is obtaining guarantee deposits, collateral and guarantees. The amount and type of acceptable collateral are determined through the assessment of credit risk of borrowers or counterparties. The Group implements guidelines on the acceptability of specific classes of collateral and evaluation parameters.

The main types of collateral obtained are as follows:

- Mortgage loans to retail customers are generally collateralized by mortgages over residential properties;
- Other personal lending and corporate loans and advances are primarily collateralized by charges over land and properties or other assets of the borrowers; and
- Financial assets held under resale agreements transactions are primarily collateralized by debt securities and bills, etc.

The Group monitors the market value of collateral periodically and requests for additional collateral in accordance with the underlying agreement when necessary.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Loans and advances to customers

The below information does not include accrued interests of loans and advances to customers.

(1) *The composition of loans and advances to customers by geographical area is analyzed as follows:*

	30 June 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Corporate loans and advances				
Head Office	519,712	3.0	570,025	3.6
Yangtze River Delta	4,757,520	27.4	4,258,989	26.5
Pearl River Delta	2,397,728	13.8	2,208,655	13.8
Bohai Rim	2,343,342	13.5	2,142,403	13.4
Central China	2,724,519	15.7	2,479,386	15.5
Western China	3,697,759	21.3	3,481,138	21.7
Northeastern China	530,057	3.1	511,328	3.2
Overseas and Others	386,011	2.2	373,883	2.3
Subtotal	17,356,648	100.0	16,025,807	100.0
Personal loans				
Head Office	490,465	5.3	350,336	4.0
Yangtze River Delta	1,778,739	19.1	1,770,702	20.1
Pearl River Delta	1,725,426	18.5	1,686,622	19.1
Bohai Rim	1,264,556	13.6	1,212,201	13.7
Central China	1,684,296	18.1	1,593,044	18.0
Western China	2,076,896	22.2	1,942,783	22.0
Northeastern China	287,048	3.1	258,524	2.9
Overseas and Others	12,328	0.1	16,232	0.2
Subtotal	9,319,754	100.0	8,830,444	100.0
Gross loans and advances to customers	26,676,402		24,856,251	

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Loans and advances to customers (Continued)

(2) *The composition of loans and advances to customers by industry is analyzed as follows:*

	30 June 2025		31 December 2024	
	Amount	% of total	Amount	% of total
Corporate loans and advances				
Transportation, logistics and postal services	3,183,870	18.3	3,043,610	18.9
Manufacturing	3,088,179	17.8	2,694,054	16.8
Leasing and commercial services	2,570,571	14.8	2,380,813	14.9
Production and supply of power, heat, gas and water	1,811,961	10.4	1,677,005	10.5
Wholesale and retail	1,438,546	8.3	1,315,312	8.2
Water, environment and public utilities management	1,359,316	7.8	1,269,111	7.9
Finance	1,106,208	6.4	1,109,225	6.9
Real estate	930,279	5.4	913,134	5.7
Construction	687,190	4.0	569,371	3.6
Mining	346,104	2.0	308,667	1.9
Others	834,424	4.8	745,505	4.7
Subtotal	17,356,648	100.0	16,025,807	100.0
Personal loans				
Residential mortgage	4,935,433	52.9	4,984,594	56.4
Personal business	2,923,662	31.4	2,495,466	28.3
Personal consumption	550,339	5.9	491,414	5.6
Credit cards	910,159	9.8	858,811	9.7
Others	161	0.0	159	0.0
Subtotal	9,319,754	100.0	8,830,444	100.0
Gross loans and advances to customers	26,676,402		24,856,251	

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Loans and advances to customers (Continued)

- (3) *The composition of loans and advances to customers by contractual maturity and security type is analyzed as follows:*

	30 June 2025			
	Less than 1 year	1 – 5 years	Over 5 years	Total
Unsecured loans	5,094,273	3,635,215	3,018,282	11,747,770
Guaranteed loans	926,177	606,035	1,885,541	3,417,753
Loans secured by mortgages	1,758,379	960,517	6,285,792	9,004,688
Pledged loans	303,697	150,457	2,052,037	2,506,191
Total	8,082,526	5,352,224	13,241,652	26,676,402

	31 December 2024			
	Less than 1 year	1 – 5 years	Over 5 years	Total
Unsecured loans	4,009,848	3,799,571	2,687,228	10,496,647
Guaranteed loans	769,295	793,657	1,440,682	3,003,634
Loans secured by mortgages	1,208,521	1,498,825	6,195,934	8,903,280
Pledged loans	315,051	296,843	1,840,796	2,452,690
Total	6,302,715	6,388,896	12,164,640	24,856,251

- (4) *Overdue loans (i)*

	30 June 2025					Total
	Overdue 1 – 30 days	Overdue 31 – 90 days	Overdue 91 to 360 days	Overdue 361 days to 3 years	Overdue over 3 years	
Unsecured loans	14,787	15,636	43,076	12,799	7,603	93,901
Guaranteed loans	1,711	3,157	10,779	11,230	1,846	28,723
Loans secured by mortgages	34,794	32,313	65,466	51,825	7,396	191,794
Pledged loans	3,180	699	1,639	3,394	1,246	10,158
Total	54,472	51,805	120,960	79,248	18,091	324,576

	31 December 2024					Total
	Overdue 1 – 30 days	Overdue 31 – 90 days	Overdue 91 to 360 days	Overdue 361 days to 3 years	Overdue over 3 years	
Unsecured loans	13,503	14,159	34,888	10,253	3,639	76,442
Guaranteed loans	4,990	2,239	9,515	9,147	3,984	29,875
Loans secured by mortgages	29,180	33,911	63,894	42,927	8,871	178,783
Pledged loans	2,040	118	1,529	3,995	315	7,997
Total	49,713	50,427	109,826	66,322	16,809	293,097

- (i) *When either loan principal or interest is past due by one day (inclusive) in any period, the whole loan is classified as overdue loan.*

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Loans and advances to customers (Continued)

(5) Credit quality of loans and advances to customers

Within the credit-impaired loans and advances, the portions covered and not covered by collaterals held are as follows:

	30 June 2025	31 December 2024
Portion covered	211,937	202,304
Portion not covered	129,338	119,861
Total	341,275	322,165

(6) Modification of contractual cash flows

A modification or re-negotiation of a contract between the Group and a counterparty may result in a change to the contractual cash flows without resulting in the derecognition of the financial assets. Such restructuring activities include extended payment term arrangements, repayment schedule modifications and changes to the interest settlement method. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The gross carrying amount of the financial asset is recalculated and the related gain or loss is recognized in profit and loss. The gross carrying amount of the financial asset is determined based on the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate.

The Group monitors the subsequent performance of modified assets. If the Group determines that the credit risk has significantly improved after modified, the impairment allowance of these assets will be measured on the basis of 12 months ECL instead of the lifetime ECL.

(7) Rescheduled Loans

According to the Rules on Risk Classification of Financial Assets of Commercial Banks issued by the NFRA and the People's Bank of China, which came into force on 1 July 2023. Rescheduled loans refer to the loans provided by the Group in response to the financial difficulties of the borrower, aimed at facilitating the borrower in repaying debts, involving favourable adjustments to the loan contracts for the benefit the borrowers, or providing refinancing for the borrower's existing loans, including rollover or additional debt financing. Rescheduled loans and advances of the Group as at 30 June 2025 amounted to RMB126,201 million (31 December 2024: RMB105,510 million).

(8) Debt-for-equity swaps of bankruptcy reorganization

For the six months ended 30 June 2025, as a result of debt-for-equity swaps of bankruptcy reorganization, the Group recognized ordinary shares with a fair value of RMB486 million (six months ended 30 June 2024: RMB355 million). The loss associated with the debt-for-equity swaps of bankruptcy reorganization was not significant.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Debt instruments

Credit quality of debt instruments

- (1) Analysis of the expected credit loss stages of debt instrument investments at amortized cost and other debt instrument investments at fair value through other comprehensive income were disclosed in Note 22.2 and Note 22.3, respectively.
- (2) Debt instruments analyzed by credit rating

The Group adopts a credit rating approach to manage the credit risk of the debt instruments portfolio held. The Group classified the credit risk levels of financial assets measured by ECL into “Low” (credit risk in good condition), “Medium” (increased credit risk), and “High” (credit risk in severe condition), based on the quality of assets. The credit risk level is used for the purpose of the Group’s internal credit risk management. “Low” refers to assets with good credit quality. There is no sufficient reason to doubt that the assets are not expected to fulfill its contractual obligation to repay or if there are any other behaviors breaching the debt contracts that would significantly impact the repayment of debt according to contract terms. “Medium” refers to assets facing obvious negative factors impacting its repayment capacity, but not yet have non-repayment behaviors. “High” refers to non-repayment according to the debt contract terms, or other behaviors breaching the debt contracts and having significant impact on the repayment of debt according to contract terms.

The carrying amounts of debt instruments investments at amortized cost and other debt instrument investments at fair value through other comprehensive income analyzed by their credit rating as at the end of the reporting period are as follows (i):

Credit grade	Note	30 June 2025			Total
		Low	Medium	High	
Debt securities issued by:					
— Governments		10,422,891	—	—	10,422,891
— Public sector and quasi-governments		1,697,002	—	—	1,697,002
— Financial institutions		1,053,773	—	—	1,053,773
— Corporates	(ii)	256,680	—	—	256,680
Special government bond		95,137	—	—	95,137
Receivable from the MOF		351,029	—	—	351,029
Others		23,494	590	487	24,571
Total		13,900,006	590	487	13,901,083

Credit grade	Note	31 December 2024			Total
		Low	Medium	High	
Debt securities issued by:					
— Governments		9,278,676	—	—	9,278,676
— Public sector and quasi-governments		1,855,002	—	—	1,855,002
— Financial institutions		1,528,425	—	—	1,528,425
— Corporates	(ii)	190,453	303	—	190,756
Special government bond		94,097	—	—	94,097
Receivable from the MOF		348,136	—	—	348,136
Others		28,162	583	405	29,150
Total		13,322,951	886	405	13,324,242

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.1 Credit risk (Continued)

Debt instruments (Continued)

Credit quality of debt instruments (Continued)

(2) Debt instruments analyzed by credit rating (Continued)

- (i) *The ratings above were internal ratings obtained from the Group, financial assets at fair value through profit or loss were not included in the credit grade table as at 30 June 2025 and 31 December 2024.*
- (ii) *As at 30 June 2025, the ratings of super short-term commercial papers of the Group amounted to RMB23,314 million (31 December 2024: RMB5,577 million) included in corporate bonds above were based on issuer rating for this credit risk analysis.*

47.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset.

The Group's Assets and Liabilities Management Department manages its liquidity risk through:

- Optimizing asset and liability structure;
- Maintaining stability of deposit base;
- Making projections of future cash flows, and evaluating the appropriate liquid asset position;
- Maintaining an efficient internal funds transfer mechanism within the Group; and
- Performing stress testing on a regular basis.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.2 Liquidity risk (Continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities

The tables below summarize the maturity analysis of financial assets and financial liabilities by remaining contractual maturities based on the carrying amount at the end of each reporting period:

	30 June 2025								Total
	Past due	On demand	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Undated	
Cash and balances with central banks	-	936,981	-	1,063	14,111	-	-	2,410,676	3,362,831
Deposits with banks and other financial institutions	-	200,390	53,042	27,936	113,217	16,333	-	-	410,918
Placements with and loans to banks and other financial institutions	-	-	138,257	88,373	165,184	78,276	2,371	-	472,461
Derivative financial assets	-	-	6,829	7,018	25,549	2,862	422	-	42,680
Financial assets held under resale agreements	3,872	-	1,521,262	12,310	16,827	-	-	-	1,554,271
Loans and advances to customers	56,671	-	955,384	1,570,714	6,905,679	5,727,448	10,548,105	-	25,764,001
Financial assets at fair value through profit or loss	-	1,059	8,071	40,100	99,752	47,575	195,883	128,718	521,158
Debt instrument investments at amortized cost	487	-	159,869	336,492	715,635	2,831,429	6,305,056	-	10,348,968
Other debt instrument and other equity investments at fair value through other comprehensive income	-	-	152,987	258,409	758,725	1,648,495	733,499	18,142	3,570,257
Other financial assets	3,351	248,278	4,874	286	4,454	47	7,154	64	268,508
Total financial assets	64,381	1,386,708	3,000,575	2,342,701	8,819,133	10,352,465	17,792,490	2,557,600	46,316,053
Borrowings from central banks	-	(30)	(109,713)	(146,725)	(686,310)	-	-	-	(942,778)
Deposits from banks and other financial institutions	-	(2,249,636)	(376,841)	(962,272)	(1,209,593)	(844,217)	(27,512)	-	(5,670,071)
Placements from banks and other financial institutions	-	-	(129,922)	(125,076)	(101,299)	(7,591)	(2,587)	-	(366,475)
Financial liabilities at fair value through profit or loss	-	(24,462)	(285)	(46)	-	(243)	-	-	(25,036)
Derivative financial liabilities	-	-	(10,843)	(13,617)	(25,765)	(2,617)	(97)	-	(52,939)
Financial assets sold under repurchase agreements	-	-	(261,700)	(401,495)	(403,263)	-	-	-	(1,066,458)
Due to customers	-	(13,549,007)	(1,020,537)	(1,959,745)	(7,235,580)	(8,131,292)	(4,325)	-	(31,900,486)
Debt securities issued	-	-	(285,631)	(732,895)	(1,240,015)	(273,646)	(573,600)	-	(3,105,787)
Other financial liabilities	-	(171,750)	(4,396)	(982)	(4,421)	(10,346)	(19,753)	-	(211,648)
Total financial liabilities	-	(15,994,885)	(2,199,868)	(4,342,853)	(10,906,246)	(9,269,952)	(627,874)	-	(43,341,678)
Net position	64,381	(14,608,177)	800,707	(2,000,152)	(2,087,113)	1,082,513	17,164,616	2,557,600	2,974,375

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.2 Liquidity risk (Continued)

Analysis of the remaining contractual maturity of financial assets and financial liabilities (Continued)

	31 December 2024								Total
	Past due	On demand	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Undated	
Cash and balances with central banks	–	114,093	494	1,096	14,910	–	–	2,003,859	2,134,452
Deposits with banks and other financial institutions	–	151,891	47,228	117,934	238,139	16,764	–	–	571,956
Placements with and loans to banks and other financial institutions	–	–	220,778	58,203	179,070	70,084	1,632	–	529,767
Derivative financial assets	–	–	10,783	14,630	36,473	3,599	435	–	65,920
Financial assets held under resale agreements	3,872	–	1,348,884	11,744	7,071	–	–	–	1,371,571
Loans and advances to customers	54,585	–	1,032,708	1,505,023	4,796,794	5,413,569	11,174,334	–	23,977,013
Financial assets at fair value through profit or loss	–	1,648	3,442	26,079	93,780	41,497	218,445	128,415	513,306
Debt instrument investments at amortized cost	696	–	63,399	175,703	967,182	2,746,512	5,952,141	–	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income	–	–	203,038	288,408	874,749	1,347,570	704,844	11,555	3,430,164
Other financial assets	4,479	241,115	2,672	243	3,612	123	7,777	–	260,021
Total financial assets	63,632	508,747	2,933,426	2,199,063	7,211,780	9,639,718	18,059,608	2,143,829	42,759,803
Borrowings from central banks	–	(30)	(119,708)	(170,668)	(556,918)	–	–	–	(847,324)
Deposits from banks and other financial institutions	–	(2,481,038)	(219,913)	(740,743)	(661,272)	(539,686)	(24,909)	–	(4,667,561)
Placements from banks and other financial institutions	–	–	(129,452)	(147,003)	(75,755)	(9,515)	(2,297)	–	(364,022)
Financial liabilities at fair value through profit or loss	–	(15,254)	–	–	(362)	(225)	–	–	(15,841)
Derivative financial liabilities	–	–	(13,011)	(13,246)	(29,096)	(2,763)	(30)	–	(58,146)
Financial assets sold under repurchase agreements	–	–	(193,314)	(191,758)	(230,653)	–	–	–	(615,725)
Due to customers	–	(12,930,887)	(1,209,168)	(2,594,225)	(5,738,699)	(7,830,453)	(1,925)	–	(30,305,357)
Debt securities issued	–	–	(108,465)	(587,991)	(1,300,988)	(141,042)	(540,023)	–	(2,678,509)
Other financial liabilities	–	(184,076)	(2,566)	(780)	(3,491)	(10,449)	(20,640)	–	(222,002)
Total financial liabilities	–	(15,611,285)	(1,995,597)	(4,446,414)	(8,597,234)	(8,534,133)	(589,824)	–	(39,774,487)
Net position	63,632	(15,102,538)	937,829	(2,247,351)	(1,385,454)	1,105,585	17,469,784	2,143,829	2,985,316

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.2 Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows

Assets available to meet obligations related to the Group's liabilities and outstanding credit commitments primarily include cash and balances with central banks, deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions, financial assets at fair value through profit or loss, and financial assets held under resale agreements. In the normal course of business, the majority of customer deposits repayable on demand or on maturity are expected to be retained. In addition, the Group is able to sell the other debt instrument and other equity investments at fair value through other comprehensive income to repay matured liabilities, if necessary.

The tables below present the undiscounted cash flows of non-derivative financial assets and financial liabilities by remaining contractual maturities at the end of each reporting period:

	30 June 2025								
	Past due	On demand	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Undated	Total
Non-derivative financial assets									
Cash and balances with central banks	-	936,981	-	1,063	14,111	-	-	2,410,676	3,362,831
Deposits with banks and other financial institutions	-	201,006	53,198	28,201	114,729	17,156	-	-	414,290
Placements with and loans to banks and other financial institutions	-	-	138,890	89,059	168,663	85,428	2,904	-	484,944
Financial assets held under resale agreements	3,915	-	1,523,669	12,354	16,929	-	-	-	1,556,867
Loans and advances to customers	132,634	-	1,055,669	1,748,604	7,737,466	8,008,249	15,225,906	-	33,908,528
Financial assets at fair value through profit or loss	-	1,059	8,116	40,625	103,831	70,875	207,758	128,718	560,982
Debt instrument investments at amortized cost	2,034	-	161,661	351,736	881,311	3,729,159	7,407,562	-	12,533,463
Other debt instrument and other equity investments at fair value through other comprehensive income	-	-	153,825	262,633	800,870	1,782,253	849,682	18,142	3,867,405
Other financial assets	3,882	251,120	4,907	288	4,495	47	7,235	64	272,038
Total non-derivative financial assets	142,465	1,390,166	3,099,935	2,534,563	9,842,405	13,693,167	23,701,047	2,557,600	56,961,348
Non-derivative financial liabilities									
Borrowings from central banks	-	(30)	(109,868)	(147,287)	(695,630)	-	-	-	(952,815)
Deposits from banks and other financial institutions	-	(2,249,636)	(379,229)	(972,479)	(1,237,527)	(930,382)	(28,255)	-	(5,797,508)
Placements from banks and other financial institutions	-	-	(130,621)	(125,901)	(102,175)	(8,547)	(2,871)	-	(370,115)
Financial liabilities at fair value through profit or loss	-	(24,462)	(285)	(46)	-	(243)	-	-	(25,036)
Financial assets sold under repurchase agreements	-	-	(261,810)	(402,691)	(406,232)	-	-	-	(1,070,733)
Due to customers	-	(13,549,007)	(1,021,240)	(1,965,898)	(7,324,260)	(8,351,869)	(4,380)	-	(32,216,654)
Debt securities issued	-	-	(286,045)	(736,985)	(1,267,244)	(355,771)	(669,151)	-	(3,315,196)
Other financial liabilities	-	(171,751)	(4,396)	(985)	(4,470)	(10,769)	(19,955)	-	(212,326)
Total non-derivative financial liabilities	-	(15,994,886)	(2,193,494)	(4,352,272)	(11,037,538)	(9,657,581)	(724,612)	-	(43,960,383)
Net position	142,465	(14,604,720)	906,441	(1,817,709)	(1,195,133)	4,035,586	22,976,435	2,557,600	13,000,965

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.2 Liquidity risk (Continued)

Analysis of the undiscounted contractual cash flows (Continued)

	31 December 2024								
	Past due	On demand	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Undated	Total
Non-derivative financial assets									
Cash and balances with central banks	–	114,093	494	1,096	14,910	–	–	2,003,859	2,134,452
Deposits with banks and other financial institutions	–	152,281	47,400	118,586	240,602	17,842	–	–	576,711
Placements with and loans to banks and other financial institutions	–	–	221,734	58,857	182,456	77,057	1,732	–	541,836
Financial assets held under resale agreements	3,915	–	1,351,184	11,788	7,115	–	–	–	1,374,002
Loans and advances to customers	121,563	–	1,129,863	1,656,571	5,327,497	7,278,533	14,871,422	–	30,385,449
Financial assets at fair value through profit or loss	–	1,648	3,498	26,275	98,838	65,478	231,236	128,415	555,388
Debt instrument investments at amortized cost	1,379	–	65,622	190,054	1,135,894	3,630,725	7,036,406	–	12,060,080
Other debt instrument and other equity investments at fair value through other comprehensive income	–	–	207,349	303,249	957,652	1,544,911	818,087	11,555	3,842,803
Other financial assets	5,064	243,823	2,682	245	3,647	123	7,863	–	263,447
Total non-derivative financial assets	131,921	511,845	3,029,826	2,366,721	7,968,611	12,614,669	22,966,746	2,143,829	51,734,168
Non-derivative financial liabilities									
Borrowings from central banks	–	(30)	(119,829)	(171,345)	(564,558)	–	–	–	(855,762)
Deposits from banks and other financial institutions	–	(2,481,038)	(223,379)	(748,964)	(678,517)	(601,510)	(25,533)	–	(4,758,941)
Placements from banks and other financial institutions	–	–	(130,235)	(147,837)	(76,368)	(10,750)	(2,587)	–	(367,777)
Financial liabilities at fair value through profit or loss	–	(15,254)	–	–	(362)	(225)	–	–	(15,841)
Financial assets sold under repurchase agreements	–	–	(193,334)	(192,311)	(232,440)	–	–	–	(618,085)
Due to customers	–	(12,930,887)	(1,210,281)	(2,602,388)	(5,808,331)	(8,220,640)	(2,088)	–	(30,774,615)
Debt securities issued	–	–	(108,605)	(591,599)	(1,327,178)	(217,450)	(636,167)	–	(2,880,999)
Other financial liabilities	–	(184,076)	(2,567)	(783)	(3,544)	(10,909)	(20,887)	–	(222,766)
Total non-derivative financial liabilities	–	(15,611,285)	(1,988,230)	(4,455,227)	(8,691,298)	(9,061,484)	(687,262)	–	(40,494,786)
Net position	131,921	(15,099,440)	1,041,596	(2,088,506)	(722,687)	3,553,185	22,279,484	2,143,829	11,239,382

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.2 Liquidity risk (Continued)

Derivative cash flows

Derivatives settled on a net basis

The tables below present the undiscounted contractual cash flows of the Group's net derivative positions based on their remaining contractual maturities:

	30 June 2025					Total
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	
Derivatives settled on a net basis	(1,303)	(812)	(1,966)	(7)	0	(4,088)

	31 December 2024					Total
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	
Derivatives settled on a net basis	1,668	1,527	(7,244)	(43)	–	(4,092)

Derivatives settled on a gross basis

The tables below present the undiscounted contractual cash flows of the Group's gross derivative positions based on their remaining contractual maturities:

	30 June 2025					Total
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	
Derivatives settled on a gross basis						
— Cash inflow	838,115	567,255	2,456,260	60,129	639	3,922,398
— Cash outflow	(840,815)	(573,067)	(2,454,480)	(60,019)	(274)	(3,928,655)
Total	(2,700)	(5,812)	1,780	110	365	(6,257)

	31 December 2024					Total
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	
Derivatives settled on a gross basis						
— Cash inflow	795,257	551,217	1,401,479	95,497	5,584	2,849,034
— Cash outflow	(799,152)	(551,362)	(1,386,804)	(94,586)	(5,115)	(2,837,019)
Total	(3,895)	(145)	14,675	911	469	12,015

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.2 Liquidity risk (Continued)

Off-balance sheet items

The off-balance sheet items of the Group primarily include loan commitments, bank acceptances, credit card commitments, letters of guarantee and guarantees and letters of credit. The tables below summarize the amounts of credit commitments by remaining maturity. Financial guarantees are also included below at notional amounts and based on the earliest contractual maturity date.

	30 June 2025			
	Less than 1 year	1 – 5 years	Over 5 years	Total
Loan commitments	42,772	91,863	84,764	219,399
Bank acceptances	1,133,638	–	–	1,133,638
Credit card commitments	933,967	–	–	933,967
Letters of guarantee and guarantees	212,230	195,582	19,036	426,848
Letters of credit	276,880	3,037	–	279,917
Total	2,599,487	290,482	103,800	2,993,769

	31 December 2024			
	Less than 1 year	1 – 5 years	Over 5 years	Total
Loan commitments	41,341	91,032	111,380	243,753
Bank acceptances	1,127,316	–	–	1,127,316
Credit card commitments	883,311	–	–	883,311
Letters of guarantee and guarantees	206,900	170,985	22,035	399,920
Letters of credit	183,032	37,019	–	220,051
Total	2,441,900	299,036	133,415	2,874,351

47.3 Market risk

Market risk represents the potential loss arising from changes in market rates of interest and foreign exchange, as well as commodity and equity prices. Market risk arises from both the Group's proprietary positions and customer driven transactions, in both cases related to on- and off-balance sheet activities.

The Group is primarily exposed to interest rate risk through corporate, personal banking and treasury operations. Interest rate risk is inherent in many of the Group's businesses and this situation is common among large banks. It fundamentally arises through mismatches between the maturity and re-pricing dates of interest-earning assets and interest-bearing liabilities.

Foreign exchange rate risk is the potential loss related to changes in foreign exchange rates affecting the translation of foreign currency denominated assets and liabilities. The risk of loss results from movements in foreign currency exchange rates.

The Group is also exposed to commodity risk, primarily related to gold and other precious metals. The risk of loss results from movements in commodity price. The Group manages the risk related to gold price together with foreign exchange rate risk.

The Group has determined that the levels of market risk related to changes in equity prices and commodity prices other than gold, with respect to the related exposures in its trading and investment portfolios, are immaterial.

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.3 Market risk (Continued)

Segregation of Trading Book and Banking Book

In accordance with the requirements of the Rules on Capital Management of Commercial Banks (2023 No. 4 of the NFRA) issued by the NFRA, the Group manages market risk separately by segregation of trading book and banking book. The trading book is comprised of financial instruments, foreign currency and commodity positions held for trading or risk hedging. Any other positions are included in the banking book.

Market Risk Management for Trading Book

The Group manages market risk in the trading book through methodologies that include stress testing, Value at Risk (VaR), monitoring and management of established limits, sensitivity analysis, duration analysis and exposure analysis.

Based on changes in the external market and business operations, the Group formulates annual financial market business risk management strategy, and further clarifies the admission standards and specific management requirements to be followed for bond trading and derivatives trading. Meanwhile, the Group establishes market risk exposure limits for the trading book, measuring and monitoring the risk limits through the market risk management system.

The Bank has adopted an historical simulation method, with a confidence level of 99% based on holding period of 1 day and historical data for 250 days to calculate the VaR of the trading book, which includes the Head Office, domestic branches and overseas branches. Based on the differences between domestic and overseas markets, the Bank selected applicable parameters for model and risk factors in order to reflect the actual market risk levels. The Bank verified the accuracy and reliability of market risk measurement models through data analysis, parallel modeling, and back-testing of the market risk measurement models.

VaR Analysis for the Trading Book

Bank

Six months ended 30 June 2025					
	Note	At the end of the period	Average	Maximum	Minimum
Interest rate risk		89	105	237	58
Exchange rate risk	(1)	433	417	667	273
Commodity risk		61	64	92	12
Overall VaR		475	435	685	281

Six months ended 30 June 2024					
	Note	At the end of the period	Average	Maximum	Minimum
Interest rate risk		43	52	79	36
Exchange rate risk	(1)	484	400	516	282
Commodity risk		26	22	30	14
Overall VaR		482	395	508	277

(1) VaR related to gold is recognized as a component of foreign exchange rate risk.

The Bank calculates VaR for its trading book (excluding RMB foreign currency settlement contracts with customers under relevant regulations). The Bank conducts stress testing for its trading book quarterly. The specific areas subject to this testing include the major areas of exposure, such as bonds, interest rate derivatives, foreign exchange derivatives and precious metal. The stress testing uses a range of scenarios to assess the potential impact on profit and loss.

47 FINANCIAL RISK MANAGEMENT (Continued)

47.3 Market risk (Continued)

Market Risk Management for Banking Book

The Group manages market risk related to the banking book by consistently applying techniques across the Group that include exposure limit management, stress testing, scenario analysis and gap analysis.

Interest Rate Risk Management

Interest rate risk refers to the risk that the adverse changes in interest rate levels and maturity structures will cause the economic value of the banking book or overall income to suffer losses. The Group's book interest rate risk mainly comes from the mismatch of maturity or repricing periods of interest-sensitive assets and liabilities in the Group's book and the inconsistent changes in the benchmark interest rate on which assets and liabilities are based.

Since the People's Bank of China's Loan Prime Rate (LPR) reform, the Group has implemented relevant policies in accordance with regulatory requirements, promoted business system transformation, modified system loan contracts, improved internal and external interest rate pricing mechanisms, strengthened staff training for branches, comprehensively promoted LPR applications, and basically realized the entire system and the entire process of loan pricing application of LPR pricing. After the People's Bank of China reforms LPR, the connection between the benchmark interest rate on loans and the market interest rate will be closer, and the frequency and amplitude of volatility will increase relatively. To this end, the Group strengthened the monitoring and prejudgment of the external interest rate environment, adjusted internal and external pricing strategies in a timely manner, optimized the asset and liability product structure and maturity structure, and proactively adjusted the risk structure to reduce the economic value and overall impact of interest rate changes and the adverse impact of earnings. During the reporting period, the Group's interest rate risk level was generally stable, and all quota indicators were controlled within the scope of regulatory requirements and management objectives.

Foreign Exchange Rate Risk Management

Foreign exchange rate risk relates to the mismatch of foreign currency denominated assets and liabilities, and the potential loss related to changes in foreign exchange rates, which largely arises through operational activities.

The Group performs monitoring and sensitivity analysis of foreign exchange rate risk exposure, manages the mismatch of foreign currency denominated assets and liabilities to effectively manage foreign exchange rate risk exposure within acceptable limits.

Market Risk Exposure Limit Management

Market risk exposure limits of the Group are classified as either directive limits or indicative limits, including position limits, stop-loss limits, VaR limits, and stress testing limits.

The Group is committed to continuous improvement of its market risk exposure limit management. The Group establishes exposure limits reflecting its risk appetite and continuously refines the categorization of market risk exposure limits. Further, it regularly monitors, reports, refines, and implements improvements to the market risk exposure limit process.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.3 Market risk (Continued)

Foreign exchange rate risk

The Group primarily conducts its business activities in RMB, with certain transactions denominated in USD, HKD and, to a lesser extent, other currencies.

The composition of all financial assets and liabilities at the end of each reporting period analyzed by currency is as follows:

	30 June 2025				Total
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	
Cash and balances with central banks	3,233,238	60,310	13,565	55,718	3,362,831
Deposits with banks and other financial institutions	232,191	63,083	41,176	74,468	410,918
Placements with and loans to banks and other financial institutions	222,343	170,395	55,773	23,950	472,461
Derivative financial assets	32,734	6,787	1,799	1,360	42,680
Financial assets held under resale agreements	1,554,271	–	–	–	1,554,271
Loans and advances to customers	25,324,361	309,270	46,681	83,689	25,764,001
Financial assets at fair value through profit or loss	508,384	10,846	788	1,140	521,158
Debt instrument investments at amortized cost	10,206,093	108,326	24,911	9,638	10,348,968
Other debt instrument and other equity investments at fair value through other comprehensive income	3,231,713	273,439	2,411	62,694	3,570,257
Other financial assets	247,576	18,055	2,290	587	268,508
Total financial assets	44,792,904	1,020,511	189,394	313,244	46,316,053
Borrowings from central banks	(942,778)	–	–	–	(942,778)
Deposits from banks and other financial institutions	(5,577,769)	(64,356)	(26,705)	(1,241)	(5,670,071)
Placements from banks and other financial institutions	(95,823)	(202,130)	(50,164)	(18,358)	(366,475)
Financial liabilities at fair value through profit or loss	(24,236)	(86)	(714)	–	(25,036)
Derivative financial liabilities	(37,656)	(9,759)	(3,244)	(2,280)	(52,939)
Financial assets sold under repurchase agreements	(1,011,842)	(34,811)	–	(19,805)	(1,066,458)
Due to customers	(31,014,657)	(416,910)	(321,660)	(147,259)	(31,900,486)
Debt securities issued	(2,755,592)	(267,033)	(38,421)	(44,741)	(3,105,787)
Other financial liabilities	(160,925)	(42,665)	(5,503)	(2,555)	(211,648)
Total financial liabilities	(41,621,278)	(1,037,750)	(446,411)	(236,239)	(43,341,678)
Net on-balance sheet position	3,171,626	(17,239)	(257,017)	77,005	2,974,375
Net notional amount of derivatives	86,062	(73,699)	264,645	(73,784)	203,224
Loan commitments and financial guarantee contracts	2,689,549	243,912	19,143	41,165	2,993,769

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.3 Market risk (Continued)

Foreign exchange rate risk (Continued)

The composition of all financial assets and liabilities at the end of each reporting period analyzed by currency is as follows: (Continued)

	31 December 2024				Total
	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Other currencies (RMB equivalent)	
Cash and balances with central banks	2,016,139	74,140	7,127	37,046	2,134,452
Deposits with banks and other financial institutions	433,544	64,693	3,132	70,587	571,956
Placements with and loans to banks and other financial institutions	228,796	222,322	61,989	16,660	529,767
Derivative financial assets	56,054	3,971	3,039	2,856	65,920
Financial assets held under resale agreements	1,369,311	2,260	–	–	1,371,571
Loans and advances to customers	23,556,818	284,976	49,829	85,390	23,977,013
Financial assets at fair value through profit or loss	496,828	13,931	1,362	1,185	513,306
Debt instrument investments at amortized cost	9,789,420	90,346	18,260	7,607	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income	3,100,343	276,412	1,523	51,886	3,430,164
Other financial assets	208,316	47,315	2,838	1,552	260,021
Total financial assets	41,255,569	1,080,366	149,099	274,769	42,759,803
Borrowings from central banks	(847,324)	–	–	–	(847,324)
Deposits from banks and other financial institutions	(4,606,053)	(33,322)	(27,649)	(537)	(4,667,561)
Placements from banks and other financial institutions	(96,102)	(199,089)	(48,117)	(20,714)	(364,022)
Financial liabilities at fair value through profit or loss	(15,479)	–	(362)	–	(15,841)
Derivative financial liabilities	(50,083)	(4,348)	(1,776)	(1,939)	(58,146)
Financial assets sold under repurchase agreements	(587,496)	(13,782)	–	(14,447)	(615,725)
Due to customers	(29,576,531)	(364,160)	(196,540)	(168,126)	(30,305,357)
Debt securities issued	(2,344,644)	(257,582)	(39,011)	(37,272)	(2,678,509)
Other financial liabilities	(198,961)	(18,799)	(2,153)	(2,089)	(222,002)
Total financial liabilities	(38,322,673)	(891,082)	(315,608)	(245,124)	(39,774,487)
Net on-balance sheet position	2,932,896	189,284	(166,509)	29,645	2,985,316
Net notional amount of derivatives	238,761	(226,519)	197,711	(36,954)	172,999
Loan commitments and financial guarantee contracts	2,561,743	231,757	632	80,219	2,874,351

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.3 Market risk (Continued)

Foreign exchange rate risk (Continued)

The table below indicates the potential effect on profit before tax and other comprehensive income arising from a 5% appreciation or depreciation of RMB spot and forward foreign exchange rates against a basket of all other currencies on the net positions of foreign currency monetary assets and liabilities and derivative instruments in the consolidated interim statement of financial position of the Group.

	30 June 2025		31 December 2024	
	Profit before tax	Other comprehensive income	Profit before tax	Other comprehensive income
5% appreciation	3,650	88	519	238
5% depreciation	(3,650)	(88)	(519)	(238)

The effect on profit before tax and other comprehensive income is calculated based on the assumption that the Group's foreign currency sensitive exposures and foreign currency derivative instruments net position at the end of each reporting period remain unchanged. The Group mitigates its foreign exchange rate risk through active management of its foreign currency exposures and the appropriate use of derivative instruments, based on management expectation of future foreign currency exchange rate movements. Such analysis does not take into account the correlation effect of changes in different foreign currencies, nor any further actions that could be taken by management to mitigate the effect of foreign exchange differences. Therefore, the sensitivity analysis above may differ from actual results occurring through changes in foreign exchange rates.

Interest rate risk

The Group's interest rate risk arises from the mismatches between contractual maturities or re-pricing dates of interest-generating assets and interest-bearing liabilities, as well as the inconsistent variations in the benchmark interest rate on which the assets and liabilities are based. The Group's interest-generating assets and interest-bearing liabilities are primarily denominated in RMB. The PBOC stipulated the benchmark interest rate for RMB deposits. The deposit interest rate floating ceiling was removed by the PBOC with effect from 24 December 2015 for commercial banks. Since 16 August 2019, the PBOC established LPR to replace RMB benchmark interest rates for loan as a pricing benchmark of new loan whereby financial institutions are in a position to price their loans based on commercial and market factors.

The Group manages its interest rate risk by:

- Strengthen the pre-judgment of the situation and analyze the macroeconomic factors that may affect the LPR interest rate, the benchmark deposit interest rate and the market interest rate;
- Strengthen strategy transmission and optimize the repricing term structure of interest-earning assets and interest-bearing liabilities;
- Implement limit management to control the impact of interest rate changes on the economic value and overall income of banking books within the limits.

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.3 Market risk (Continued)

Interest rate risk (Continued)

The tables below summarize the contractual maturity or re-pricing date, whichever is earlier, of the Group's financial assets and financial liabilities at the end of each reporting period:

	30 June 2025						Total
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Non- interest bearing	
Cash and balances with central banks	3,093,680	–	14,111	–	–	255,040	3,362,831
Deposits with banks and other financial institutions	249,455	27,509	112,721	15,558	–	5,675	410,918
Placements with and loans to banks and other financial institutions	215,711	86,358	150,096	15,951	1,219	3,126	472,461
Derivative financial assets	–	–	–	–	–	42,680	42,680
Financial assets held under resale agreements	1,521,048	12,284	16,807	–	–	4,132	1,554,271
Loans and advances to customers	4,067,775	4,861,912	15,418,100	1,113,993	249,563	52,658	25,764,001
Financial assets at fair value through profit or loss	8,818	42,853	101,155	44,493	159,886	163,953	521,158
Debt instrument investments at amortized cost	151,837	317,704	673,262	2,801,737	6,245,152	159,276	10,348,968
Other debt instrument and other equity investments at fair value through other comprehensive income	172,622	320,325	745,198	1,558,808	727,272	46,032	3,570,257
Other financial assets	–	–	–	–	–	268,508	268,508
Total financial assets	9,480,946	5,668,945	17,231,450	5,550,540	7,383,092	1,001,080	46,316,053
Borrowings from central banks	(106,853)	(143,737)	(682,320)	–	–	(9,868)	(942,778)
Deposits from banks and other financial institutions	(2,623,240)	(956,180)	(1,201,964)	(832,108)	(27,500)	(29,079)	(5,670,071)
Placements from banks and other financial institutions	(129,914)	(126,152)	(101,902)	(4,790)	(1,407)	(2,310)	(366,475)
Financial liabilities at fair value through profit or loss	(285)	(46)	–	(243)	–	(24,462)	(25,036)
Derivative financial liabilities	–	–	–	–	–	(52,939)	(52,939)
Financial assets sold under repurchase agreements	(260,148)	(400,600)	(402,272)	–	–	(3,438)	(1,066,458)
Due to customers	(14,503,937)	(1,920,580)	(7,027,025)	(7,960,946)	(4,299)	(483,699)	(31,900,486)
Debt securities issued	(310,008)	(764,772)	(1,225,476)	(220,203)	(573,579)	(11,749)	(3,105,787)
Other financial liabilities	–	–	–	–	–	(211,648)	(211,648)
Total financial liabilities	(17,934,385)	(4,312,067)	(10,640,959)	(9,018,290)	(606,785)	(829,192)	(43,341,678)
Interest rate gap	(8,453,439)	1,356,878	6,590,491	(3,467,750)	6,776,307	171,888	2,974,375

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

47 FINANCIAL RISK MANAGEMENT (Continued)

47.3 Market risk (Continued)

Interest rate risk (Continued)

The tables below summarize the contractual maturity or re-pricing date, whichever is earlier, of the Group's financial assets and financial liabilities at the end of each reporting period: (Continued)

	31 December 2024						Total
	Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Non-interest bearing	
Cash and balances with central banks	1,911,637	–	14,910	–	–	207,905	2,134,452
Deposits with banks and other financial institutions	195,748	117,319	236,931	16,133	–	5,825	571,956
Placements with and loans to banks and other financial institutions	279,108	52,438	164,040	29,059	1,631	3,491	529,767
Derivative financial assets	–	–	–	–	–	65,920	65,920
Financial assets held under resale agreements	1,348,509	11,716	7,050	–	–	4,296	1,371,571
Loans and advances to customers	5,348,957	4,589,977	12,748,572	940,884	298,687	49,936	23,977,013
Financial assets at fair value through profit or loss	3,277	25,764	99,738	41,468	177,371	165,688	513,306
Debt instrument investments at amortized cost	57,480	143,914	932,207	2,719,950	5,895,133	156,949	9,905,633
Other debt instrument and other equity investments at fair value through other comprehensive income	219,425	326,842	865,002	1,279,338	702,429	37,128	3,430,164
Other financial assets	–	–	–	–	–	260,021	260,021
Total financial assets	9,364,141	5,267,970	15,068,450	5,026,832	7,075,251	957,159	42,759,803
Borrowings from central banks	(116,910)	(167,237)	(552,134)	–	–	(11,043)	(847,324)
Deposits from banks and other financial institutions	(2,696,125)	(735,647)	(654,109)	(528,085)	(24,900)	(28,695)	(4,667,561)
Placements from banks and other financial institutions	(128,355)	(146,007)	(74,670)	(9,493)	(2,288)	(3,209)	(364,022)
Financial liabilities at fair value through profit or loss	–	–	(362)	(225)	–	(15,254)	(15,841)
Derivative financial liabilities	–	–	–	–	–	(58,146)	(58,146)
Financial assets sold under repurchase agreements	(193,156)	(191,314)	(230,065)	–	–	(1,190)	(615,725)
Due to customers	(14,084,599)	(2,512,097)	(5,578,773)	(7,609,342)	(1,868)	(518,678)	(30,305,357)
Debt securities issued	(127,023)	(610,209)	(1,285,498)	(102,544)	(540,023)	(13,212)	(2,678,509)
Other financial liabilities	–	–	–	–	–	(222,002)	(222,002)
Total financial liabilities	(17,346,168)	(4,362,511)	(8,375,611)	(8,249,689)	(569,079)	(871,429)	(39,774,487)
Interest rate gap	(7,982,027)	905,459	6,692,839	(3,222,857)	6,506,172	85,730	2,985,316

The following table illustrates the potential pre-tax impact, of a parallel upward or downward shift of 100 basis points in relevant interest rate curves on the Group's net interest income and other comprehensive income for the next twelve months from the reporting date, based on the Group's positions of interest-earning assets and interest-bearing liabilities at the end of each reporting period. This analysis assumes that interest rates of all maturities move by the same amount, and does not reflect the potential impact of unparalleled yield curve movements.

The sensitivity analysis on net interest income is based on reasonably possible changes in interest rates with the assumption that the structure of financial assets and financial liabilities held at the period end remains unchanged, and does not take changes in customer behavior, basis risk or any prepayment options on debt securities into consideration.

Notes to the Condensed Consolidated Interim Financial Statements

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

47 FINANCIAL RISK MANAGEMENT (Continued)

47.3 Market risk (Continued)

Interest rate risk (Continued)

The sensitivity analysis on other comprehensive income reflects only the effect of changes in fair value of those financial instruments classified as other debt instrument investments and other equity investments at fair value through other comprehensive income held, whose fair value changes are recorded as an element of other comprehensive income.

	30 June 2025		31 December 2024	
	Net interest income	Other comprehensive income	Net interest income	Other comprehensive income
+100 basis points	(45,471)	(105,983)	(43,851)	(95,502)
–100 basis points	45,471	105,983	43,851	95,502

The assumptions do not reflect actions that might be taken under the Group's capital and interest rate risk management policy to mitigate changes to the Group's interest rate risk. Therefore the above analysis may differ from the actual situation.

In addition, the presentation of interest rate sensitivity above is for illustration purposes only, showing the potential impact on net interest income and other comprehensive income of the Group under different parallel yield curve movements, relative to their position at period-end, excluding the derivative positions.

47.4 Country Risk

Country risk represents the risk due to changes and incidents occurred in the politics, economy and society of a specific country or region, which results in the debtors in that country or region incapable of or unwilling to pay their debts owed to the Bank or otherwise leads to business losses or other losses to the Bank in that country or region.

According to the regulatory requirements of NFRA, the Bank managed country risk through tools and approaches such as country risk rating, limit approval, exposure analysis and stress testing. Meanwhile, we made adequate, reasonable and prudent provision for country risk in accordance with regulatory requirements.

47.5 Insurance risk

The Group engages in its insurance business primarily in Chinese mainland. Insurance risk refers to the financial impact resulting from the unexpected occurrence of insured events. These risks are actively managed by the Group through effective sales management, underwriting control, reinsurance management and claim management. Through effective sales management, the risk of mis-selling could be reduced and the accuracy of information used for underwriting is improved. Through underwriting control, risk of adverse selection could be reduced and moreover differential pricing policy based on the level of each kind of risk could be utilized. Through reinsurance, the Group's insurance capacity could be enhanced and targeted risks could be mitigated. Effective claims management is designed to ensure that insurance payments are controlled according to established criteria.

Uncertainty in the estimation of future benefit payments and premium receipts for long-term life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality. The Group conducts experience analysis of mortality rate and surrender rate, in order to improve its risk assessment and as a basis for reasonable estimates.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

48 CAPITAL MANAGEMENT

The Group's capital management objectives are as follows:

- maintain an adequate capital base to support the development of its business;
- support the Group's financial stability and profitable growth;
- allocate capital through an efficient and risk based approach to optimize risk-adjusted return to shareholders; and
- safeguard the long-term sustainability of the Group's franchise so that it can continue to provide sufficient shareholder returns and benefits for other stakeholders.

In April 2014, the NFRA officially approved the Group to adopt advanced capital management approach. Within the scope of the approval, the Internal Ratings-Based approach is adopted to Credit Risk-weighted Assets for both retail and non-retail risk exposures, and the Standardized approach for both Operational Risk-weighted Assets and Market Risk-weighted Assets. In January 2017, the NFRA has officially approved the Group to adopt the Internal Models approach to measure its Market Risk-weighted Assets for qualified risk exposures.

The Group calculates the capital adequacy ratio in accordance with "Rules on Capital Management of Commercial Banks" and its relevant provisions issued by the NFRA since 1 January 2024. Regulatory requirements for capital adequacy ratio of commercial banks includes, among other things, requirements for minimum capital, capital conservation buffer, additional capital surcharge for systemically important banks, countercyclical buffer and Pillar II capital as follows:

- minimum regulatory requirements for Common Equity Tier-one Capital Adequacy Ratio, Tier-one Capital Adequacy Ratio and Capital Adequacy Ratio are 5%, 6% and 8%, respectively;
- capital conservation buffer requires additional 2.5% of Common Equity Tier-one Capital Adequacy Ratio;
- additional capital surcharge for systemically important banks requires additional 1.5% of Common Equity Tier-one Capital Adequacy Ratio;
- should the regulators require countercyclical buffer under particular circumstances or regulators impose additional Pillar II capital requirements for specific banks, these requirements shall be met within the specified time limits.

Capital adequacy and the utilization of regulatory capital are closely monitored by the Group's management in accordance with the guidelines developed by the Basel Committee and relevant regulations promulgated by the NFRA. Required information related to capital levels and utilization is filed quarterly with the NFRA.

Notes to the Condensed Consolidated Interim Financial Statements

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

48 CAPITAL MANAGEMENT (Continued)

The Group's capital adequacy ratio calculated in accordance with the "Rules on Capital Management of Commercial Banks" issued by the NFRA as at reporting date is as follows:

	Notes	30 June 2025	31 December 2024
Common Equity Tier-one Capital Adequacy Ratio	(1)	11.11%	11.42%
Tier-one Capital Adequacy Ratio	(1)	13.04%	13.63%
Capital Adequacy Ratio	(1)	17.45%	18.19%
Common Equity Tier-one Capital	(2)	2,680,510	2,592,674
Deductible Items from Common Equity Tier-one Capital	(3)	(10,307)	(10,369)
Net Common Equity Tier-one Capital		2,670,203	2,582,305
Additional Tier-one Capital	(4)	464,558	499,559
Net Tier-one Capital		3,134,761	3,081,864
Tier-two Capital	(5)	1,059,633	1,030,789
Net Capital		4,194,394	4,112,653
Risk-weighted Assets	(6)	24,041,565	22,603,866

As of 30 June 2025, the Group's Common Equity Tier-one Capital Adequacy Ratio, Tier-one Capital Adequacy Ratio and Capital Adequacy Ratio all meet the requirements set forth in the Rules on Capital Management of Commercial Banks and other relevant regulations. For more information regarding capital, please refer to the Pillar 3 Disclosure Report for the First Half of 2025 published by the Bank on official website.

Pursuant to the "Rules on Capital Management of Commercial Banks":

- (1) The scope of consolidation related to the calculation of the Group's Capital Adequacy Ratios includes Domestic Institutions, Overseas Institutions and affiliated financial subsidiaries specified in the Regulation.

The Common Equity Tier-one Capital Adequacy Ratio is calculated as Net Common Equity Tier-one Capital divided by Risk-weighted Assets. The Tier-one Capital Adequacy Ratio is calculated as Net Tier-one Capital divided by Risk-weighted Assets. The Capital Adequacy Ratio is calculated as Net Capital divided by Risk-weighted Assets.

- (2) The Group's Common Equity Tier-one Capital includes: ordinary share capital, capital reserve (subject to regulatory limitations), surplus reserve, general reserve, retained earnings, cumulative comprehensive income, and non-controlling interests (to the extent permitted in the Common Equity Tier-one Capital under the Regulation).
- (3) The Group's Deductible Items from Common Equity Tier-one Capital include: other intangible assets (excluding land-use rights), and deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability).
- (4) The Group's Additional Tier-one Capital includes: Additional Tier-one capital instruments and related premium (to the extent allowed under the Regulation), and non-controlling interests (to the extent permitted in the Additional Tier-one Capital definition under the Regulation).
- (5) The Group's Tier-two Capital includes: Tier-two capital instruments and related premium (to the extent allowed under the Regulation), excessive allowance for impairment losses (to the extent allowed under the Regulation), and non-controlling interests (to the extent permitted in the Tier-two Capital definition under the Regulation).
- (6) Risk-weighted Assets include credit risk-weighted assets, market risk-weighted assets, operational risk-weighted assets and risk-weighted assets for switch between trading book and banking book.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

49 FAIR VALUE OF FINANCIAL INSTRUMENTS

The majority of the Group's assets and liabilities in the condensed consolidated interim statement of financial position are financial assets and financial liabilities. Fair value measurement of non-financial assets and non-financial liabilities do not have a material impact on the Group's financial position and operations, taken as a whole.

The Group does not have any financial assets or financial liabilities subject to non-recurring fair value measurements for the six months ended 30 June 2025 and the year ended 31 December 2024.

49.1 Valuation technique, input and process

The fair value of the Group's financial assets and financial liabilities are determined as follows:

- If traded in active markets, fair values of financial assets and financial liabilities with standard terms and conditions are determined with reference to quoted market bid prices and ask prices, respectively;
- If not traded in active markets, fair values of financial assets and financial liabilities are determined by using valuation techniques. These valuation techniques include the use of recent transaction prices of the same or similar instruments, discounted cash flow analysis and generally accepted pricing models.

The Group has established an independent valuation process for financial assets and financial liabilities. The Financial Accounting Department of head office establishes the valuation models for financial assets and financial liabilities of head office and its branches in China and independently implements the valuation on a regular basis; and the Risk Management Department is responsible for validating the valuation model, the Operations Department records the accounting for these items. Overseas branches and sub-branches designate departments or personnel that are independent from the front trading office to perform valuation in accordance with the local regulatory requirements and their own department settings.

The Board of Directors shall be responsible for establishing and improving the internal control system related to the valuation of financial instruments and approving valuation policies.

For the six months ended 30 June 2025, there were no significant changes in the valuation techniques or inputs used to determine fair value measurements.

49.2 Fair value hierarchy

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly; and
- Level 3: fair value measurements are not based on observable market data.

Notes to the Condensed Consolidated Interim Financial Statements

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

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

49.3 Financial assets and financial liabilities not measured at fair value in the condensed consolidated interim statement of financial position

The tables below summarize the carrying amounts and fair values of those financial assets and financial liabilities not measured in the condensed consolidated interim statement of financial position at their fair value. Financial assets and financial liabilities for which the carrying amounts approximate fair value, such as balances with central banks, deposits with banks and other financial institutions, placements with and loans to banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, receivable from the MOF, special government bond, borrowings from central banks, deposits and placements from banks and other financial institutions, due to customers, financial assets sold under repurchase agreements and certificates of deposit issued, interbank certificates of deposits issued and commercial papers issued are not included in the tables below.

	30 June 2025				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Debt instrument investments at amortized cost (excluding receivable from the MOF and special government bond)	9,902,802	10,613,685	59,197	10,509,359	45,129
Financial liabilities					
Bonds issued	850,123	879,774	37,051	842,723	–
	31 December 2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets					
Debt instrument investments at amortized cost (excluding receivable from the MOF and special government bond)	9,463,400	10,199,648	73,827	10,074,667	51,154
Financial liabilities					
Bonds issued	690,922	723,294	40,118	683,176	–

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

49.4 Financial assets and financial liabilities measured at fair value in the condensed consolidated interim statement of financial position

The tables below summarize the fair values of the financial assets and financial liabilities measured in the condensed consolidated interim statement of financial position at their fair value:

	30 June 2025			
	Level 1	Level 2	Level 3	Total
Derivative financial assets				
— Exchange rate derivatives	—	38,267	—	38,267
— Interest rate derivatives	—	2,717	—	2,717
— Precious metal derivatives and others	—	1,696	—	1,696
Subtotal	—	42,680	—	42,680
Loans and advances to customers				
— Discounted bills and forfeiting	—	2,034,998	—	2,034,998
Subtotal	—	2,034,998	—	2,034,998
Financial investments				
Financial assets at fair value through profit or loss				
— Held for trading				
Bonds	3,445	155,714	—	159,159
Precious metal contracts	—	22,396	—	22,396
Equity	6,634	—	—	6,634
Fund and others	3,108	11,389	—	14,497
— Other financial assets at fair value through profit or loss				
Bonds	1,949	163,205	2,018	167,172
Equity	8,453	3,014	97,276	108,743
Fund and others	—	20,310	22,247	42,557
Subtotal	23,589	376,028	121,541	521,158
Other debt instruments and other equity investments at fair value through other comprehensive income				
— Debt instruments				
Bonds	205,527	3,341,586	—	3,547,113
Others	—	4,982	20	5,002
— Equity instruments	9,573	45	8,524	18,142
Subtotal	215,100	3,346,613	8,544	3,570,257
Total assets	238,689	5,800,319	130,085	6,169,093

Notes to the Condensed Consolidated Interim Financial Statements

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

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

49.4 Financial assets and financial liabilities measured at fair value in the condensed consolidated interim statement of financial position (Continued)

The tables below summarize the fair values of the financial assets and financial liabilities measured in the condensed consolidated interim statement of financial position at their fair value: (Continued)

	30 June 2025			
	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Held for trading				
— Financial liabilities related to precious metals	—	(24,079)	—	(24,079)
Financial liabilities designated at fair value through profit or loss				
— Liabilities of the controlled structured entities	—	(383)	(574)	(957)
Subtotal	—	(24,462)	(574)	(25,036)
Derivative financial liabilities				
— Exchange rate derivatives	—	(29,915)	—	(29,915)
— Interest rate derivatives	—	(2,248)	—	(2,248)
— Precious metal derivatives and others	—	(20,776)	—	(20,776)
Subtotal	—	(52,939)	—	(52,939)
Due to customers				
Due to customers measured at fair value through profit or loss	—	(44,118)	—	(44,118)
Total liabilities	—	(121,519)	(574)	(122,093)

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

49.4 Financial assets and financial liabilities measured at fair value in the condensed consolidated interim statement of financial position (Continued)

The tables below summarize the fair values of the financial assets and financial liabilities measured in the condensed consolidated interim statement of financial position at their fair value: (Continued)

	31 December 2024			Total
	Level 1	Level 2	Level 3	
Derivative financial assets				
— Exchange rate derivatives	—	60,832	—	60,832
— Interest rate derivatives	—	3,500	—	3,500
— Precious metal derivatives and others	—	1,588	—	1,588
Subtotal	—	65,920	—	65,920
Loans and advances to customers				
— Discounted bills and forfeiting	—	1,817,338	—	1,817,338
Subtotal	—	1,817,338	—	1,817,338
Financial investments				
Financial assets at fair value through profit or loss				
— Held for trading				
Bonds	4,196	127,243	—	131,439
Precious metal contracts	—	20,967	—	20,967
Equity	7,174	—	—	7,174
Fund and others	2,384	14,385	—	16,769
— Other financial assets at fair value through profit or loss				
Bonds	2,212	178,611	2,673	183,496
Equity	7,640	3,337	97,867	108,844
Fund and others	—	20,628	23,358	43,986
— Financial assets designated at fair value through profit or loss				
Bonds	631	—	—	631
Subtotal	24,237	365,171	123,898	513,306
Other debt instruments and other equity investments at fair value through other comprehensive income				
— Debt instruments				
Bonds	237,583	3,172,686	—	3,410,269
Others	—	8,340	—	8,340
— Equity instruments	7,085	47	4,423	11,555
Subtotal	244,668	3,181,073	4,423	3,430,164
Total assets	268,905	5,429,502	128,321	5,826,728

Notes to the Condensed Consolidated Interim Financial Statements

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

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

49.4 Financial assets and financial liabilities measured at fair value in the condensed consolidated interim statement of financial position (Continued)

The tables below summarize the fair values of the financial assets and financial liabilities measured in the condensed consolidated interim statement of financial position at their fair value: (Continued)

	31 December 2024			
	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Held for trading				
— Financial liabilities related to precious metals	—	(15,254)	—	(15,254)
Financial liabilities designated at fair value through profit or loss				
— Liabilities of the controlled structured entities	—	—	(587)	(587)
Subtotal	—	(15,254)	(587)	(15,841)
Derivative financial liabilities				
— Exchange rate derivatives	—	(46,098)	—	(46,098)
— Interest rate derivatives	—	(2,551)	—	(2,551)
— Precious metal derivatives and others	—	(9,497)	—	(9,497)
Subtotal	—	(58,146)	—	(58,146)
Due to customers				
Due to customers measured at fair value through profit or loss	—	(27,752)	—	(27,752)
Total liabilities	—	(101,152)	(587)	(101,739)

Substantially all financial instruments classified within Level 2 of the fair value hierarchy are debt investments, currency forwards, currency swaps, interest rate swaps, currency options, precious metal contracts, and structured deposit measured at fair value. Fair value of debt investments denominated in RMB is determined based upon the valuation published by the China Central Depository & Clearing Co., Ltd. Fair value of debt investments denominated in foreign currencies is determined based upon the valuation results published by Bloomberg. The fair value of currency forwards, currency swaps, interest rate swaps, currency options and structured deposit measured at fair value are calculated by applying discounted cash flow analysis or the Black Scholes Pricing Model. The fair value of precious metal contracts that are related to the Group's trading activities is determined with reference to the relevant observable market parameters. All significant inputs are observable in the market.

Level 3 financial assets of the Group mainly represented unlisted equity investments. As not all of the inputs needed to estimate the fair value of these assets and liabilities are observable, the Group classified these investment products within Level 3 of the fair value measurement hierarchy. The significant unobservable inputs related to these assets and liabilities are those parameters relating to credit risk, liquidity and discount rate. Management has made assumptions on unobservable inputs based on observed indicators of impairment, significant changes in yield, external credit ratings and comparable credit spreads, but the fair value of these underlying assets and liabilities could be different from those disclosed.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

49.4 Financial assets and financial liabilities measured at fair value in the condensed consolidated interim statement of financial position (Continued)

The reconciliation of Level 3 classified financial assets and financial liabilities presented at fair value in the condensed consolidated interim statement of financial position is as follows:

	Six months ended 30 June 2025		
	Financial assets at fair value through profit or loss	Other debt instrument and other equity investments at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss
1 January 2025	123,898	4,423	(587)
Purchases	7,776	22	—
Settlements/disposals/transfer out of Level 3	(9,331)	—	—
Total (loss)/gain recognized in			
— Profit or loss	(802)	—	13
— Other comprehensive income	—	4,099	—
30 June 2025	121,541	8,544	(574)
Change in unrealized profit or loss for the period included in profit or loss for assets/ liabilities held at the end of the period	(905)	—	—

Notes to the Condensed Consolidated Interim Financial Statements

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

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

49.4 Financial assets and financial liabilities measured at fair value in the condensed consolidated interim statement of financial position (Continued)

	2024		
	Financial assets at fair value through profit or loss	Other debt instrument and other equity investments at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss
1 January 2024	122,485	4,398	(530)
Purchases	21,548	—	(1)
Settlements/disposals/transfer out of level 3	(21,184)	—	—
Total gain/(loss) recognized in			
— Profit or loss	1,049	—	(56)
— Other comprehensive income	—	25	—
31 December 2024	123,898	4,423	(587)
Change in unrealized profit or loss for the year included in profit or loss for assets/ liabilities held at the end of the year	179	—	—

In Level 3 of the fair value hierarchy, total gains or losses included in profit or loss for the period are presented in net gain on financial investments (Note 9) of the condensed consolidated interim income statement.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

50 EVENTS AFTER THE REPORTING PERIOD

50.1 Distribution of dividend on ordinary shares

Upon approval at the 2024 General Meeting, the Group distributed 2024 final cash dividend of RMB0.1255 (tax inclusive) per ordinary share, with a total amount of RMB43,923 million (tax inclusive), to shareholders of ordinary shares on our registers of members after close of the market on 16 July 2025.

50.2 Distribution of dividend on preference shares

On 29 August 2025, the Board of Directors of the Bank considered and approved the Dividend Payment Scheme of the First Tranche of the Preference Shares. On 5 November 2025, the Bank will pay cash dividends of RMB1,648 million (tax inclusive) in aggregate, calculated at a coupon rate of 4.12%.

50.3 Redemption of undated additional tier 1 capital bonds

The Bank issued undated additional tier 1 capital bonds (second tranche) with the amount of RMB35 billion in the national interbank bond market on 20 August 2020, and the issuance was completed on 24 August 2020. The denomination of the Bonds is RMB100 each. The Bank redeemed all bonds on 24 August 2025 at par value.

50.4 Distribution payment of undated additional tier 1 capital bonds

The Bank paid coupon on Agricultural Bank of China Limited 2020 undated additional tier 1 capital bonds (second tranche) on 24 August 2025. With the amount issued of RMB35 billion and the annual coupon rate of 4.50%, the total coupon payment is RMB1,575 million.

The Bank paid coupon on Agricultural Bank of China Limited 2023 undated additional tier 1 capital bonds (first tranche) on 28 August 2025. With the amount issued of RMB40 billion and the annual coupon rate of 3.21%, the total coupon payment is RMB1,284 million.

50.5 Tier 2 capital notes issued

On 24 July 2025, the Bank completed the public issuance of the "Agricultural Bank of China Limited 2025 Tier 2 Capital Notes (Series 2)" in the national interbank bond market. The total amount is RMB60 billion. The proceeds from this issuance of the Notes will be used to boost the Tier 2 capital of the Bank.

50.6 Significant equity investment

In 2024, the Bank entered into the Promoters' Agreement of China Integrated Circuit Industry Investment Fund Phase III Co., Ltd., and proposed to invest RMB21.5 billion into China Integrated Circuit Industry Investment Fund Phase III Co., Ltd. In July 2024, the Bank paid for the first instalment in the amount of RMB1.075 billion. In July 2025, the Bank paid for the second instalment in the amount of RMB1.1825 billion.

51 COMPARATIVES

Certain comparative figures in the notes have been adjusted to conform with changes in disclosures in current period.

Unreviewed Supplementary Financial Information

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

According to Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Banking (Disclosure) Rules, the Group discloses the following supplementary information:

1 LIQUIDITY COVERAGE RATIOS

	Three months ended	
	30 June 2025	31 March 2025
Average Liquidity Coverage Ratio	133.9%	132.6%

The liquidity coverage ratios were also in accordance with the Rules on Liquidity Risk Management of Commercial Banks issued by the NFRA and applicable calculation requirements, and based on the data determined under the PRC GAAP.

2 CURRENCY CONCENTRATIONS

	Equivalent in millions of RMB			Total
	USD	HKD	Other	
30 June 2025				
Spot assets	1,155,378	205,741	317,526	1,678,645
Spot liabilities	(1,144,873)	(444,119)	(242,691)	(1,831,683)
Forward purchases	2,693,595	413,625	173,609	3,280,829
Forward sales	(2,694,157)	(146,243)	(268,051)	(3,108,451)
Net options position	(114,047)	(2,737)	(4,995)	(121,779)
Net (short)/long position	(104,104)	26,267	(24,602)	(102,439)
Net structural position	(3,848)	1,591	(4,765)	(7,022)
31 December 2024				
Spot assets	1,210,566	152,261	292,792	1,655,619
Spot liabilities	(976,949)	(317,126)	(255,038)	(1,549,113)
Forward purchases	1,805,609	255,770	197,316	2,258,695
Forward sales	(1,984,656)	(58,742)	(253,434)	(2,296,832)
Net options position	(89,925)	683	(5,285)	(94,527)
Net (short)/long position	(35,355)	32,846	(23,649)	(26,158)
Net structural position	(3,687)	4,196	(4,626)	(4,117)

Unreviewed Supplementary Financial Information

For the six months ended 30 June 2025

(Amounts in millions of Renminbi, unless otherwise stated)

3 OVERDUE AND RESCHEDULED ASSETS

(1) Gross carrying amount of overdue loans and advances to customers

	30 June 2025	31 December 2024
Overdue		
Within 3 months	106,277	100,140
Between 3 and 6 months	56,496	48,045
Between 6 and 12 months	64,464	61,781
Over 12 months	97,339	83,131
Total	324,576	293,097
Percentage of overdue loans and advances to customers in total loans		
Within 3 months	0.40%	0.40%
Between 3 and 6 months	0.21%	0.19%
Between 6 and 12 months	0.24%	0.26%
Over 12 months	0.37%	0.33%
Total	1.22%	1.18%

(2) Rescheduled loans and advances to customers

	30 June 2025	31 December 2024
Total rescheduled loans and advances to customers	126,201	105,510
Including: rescheduled loans and advances to customers overdue for not more than 3 months	5,168	9,298
Percentage of rescheduled loans and advances to customers overdue for not more than 3 months in total loans	0.02%	0.04%

(3) Gross carrying amount of overdue placements with and loans to banks and other financial institutions

As at 30 June 2025 and 31 December 2024, the Group's gross carrying amounts of overdue placements with and loans to banks and other financial institutions were not significant.



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