宜宾市商业银行
Yibin City Commercial Bank

YIBIN CITY COMMERCIAL BANK CO., LTD*

宜賓市商業銀行股份有限公司*

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

(Stock Code: 2596)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

The board of directors (the "**Board**") of Yibin City Commercial Bank Co., Ltd* (the "**Bank**") is pleased to announce the unaudited consolidated interim results (the "**Interim Results**") of the Bank and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**") which were prepared in accordance with the International Financial Reporting Standards. The Board and the audit committee of the Board have reviewed and confirmed the Interim Results.

This interim results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Bank (www.ybccb.com). The interim report for the six months ended June 30, 2026 will be published and will be available on the above websites in due course.

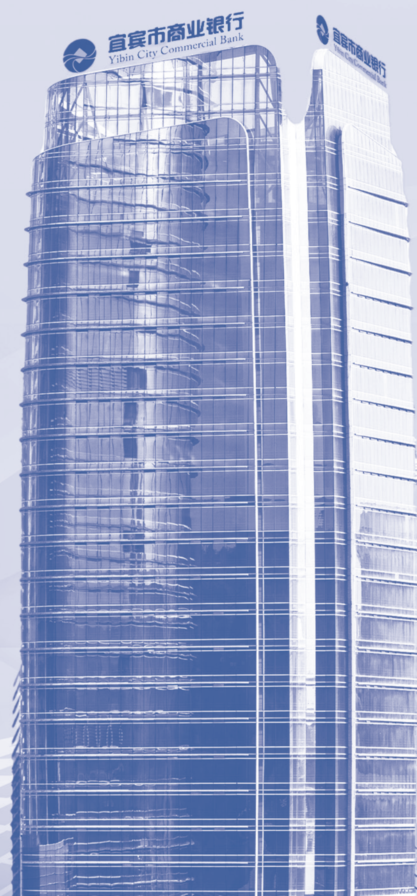
The Board of Directors of
Yibin City Commercial Bank Co., Ltd*

Sichuan, the PRC, August 27, 2026

As at the date of this announcement, the Board of the Bank comprises Mr. XUE Feng as executive director, Mr. ZHANG Xin, Ms. HUANG Chongying, Ms. TIAN Tian and Mr. ZHAO Gen as non-executive directors, and Mr. YAO Liming, Ms. YU Xiaoran, Mr. XING Huayu and Ms. ZHAO Jingmei as independent non-executive directors.

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

Contents



Definition

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

"Articles of Association" or "Articles of Association of the Bank"	the articles of association of the Bank (as amended, supplemented or otherwise modified from time to time)
"Bank" or "Yibin City Commercial Bank"	Yibin City Commercial Bank Co., Ltd* (宜賓市商業銀行股份有限公司*), a joint stock company established on December 27, 2006 in the PRC with limited liability pursuant to the relevant PRC laws and regulations, whose H Shares were listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2596) on January 13, 2025, and, if the context requires, includes its predecessors, branches and sub-branches, excluding subsidiaries
"Board" or "Board of Directors"	the board of Directors of the Bank
"Board of Supervisors"	the board of Supervisors of the Bank
"CBIRC"	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), a former regulatory authority formed via the merger of the CBRC and CIRC according to the Notice of the State Council regarding the Establishment of Organizations《國務院關於機構設置的通知》(Guo Fa [2018] No. 6) issued by the State Council on March 24, 2018 and replaced by the NFRA according to the Notice of the State Council regarding the Establishment of Organizations《國務院關於機構設置的通知》(Guo Fa [2023] No. 5) issued by the State Council on March 16, 2023, and, if the context requires, includes its predecessors, namely the CBRC and CIRC
"CBRC"	China Banking Regulatory Commission (中國銀行業監督管理委員會), which was merged with the CIRC to form the CBIRC according to the Notice of the State Council regarding the Establishment of Organizations《國務院關於機構設置的通知》(Guo Fa [2018] No. 6) issued by the State Council on March 24, 2018
"Corporate Governance Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Domestic Share(s)"	ordinary Shares issued by the Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB
"Domestic Shareholder(s)"	the holder(s) of Domestic Shares

"Group", "we" or "us"	the Bank together with our subsidiaries, and, if the context requires, includes our predecessors, branches and sub-branches
"H Shareholder(s)"	the holder(s) of H Shares
"H Share(s)"	overseas listed foreign Shares with a nominal value of RMB1.00 each in the share capital of the Bank, which were listed on the Main Board of the Hong Kong Stock Exchange on January 13, 2025 and subscribed for and traded in Hong Kong Dollars
"HK$" or "Hong Kong Dollars"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards and International Accounting Standards, which include the related standards, amendments and interpretations issued by the International Accounting Standards Board
"Latest Practicable Date"	August 27, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report
"Listing"	the listing of the H Shares on the Hong Kong Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
"MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"NFRA"	National Financial Regulatory Administration (國家金融監督管理總局), which was officially established on the basis of the CBIRC with incorporation of certain functions of the PBOC and the CSRC according to the Notice of the State Council regarding the Establishment of Organizations (《國務院關於機構設置的通知》) (Guo Fa [2023] No. 5) issued by the State Council on March 16, 2023, and, if the context requires, includes its predecessor, namely the CBIRC

Definition

"Neijiang Xinglong Rural Bank"	Neijiang Xinglong Rural Bank Co., Ltd. (內江興隆村鎮銀行股份有限公司), a company established on December 24, 2010 in the PRC with limited liability and a non-wholly owned subsidiary of the Bank
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"Reporting Period"	for the six months ended June 30, 2026
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Bank with a nominal value of RMB1.00 each
"Shareholder(s)"	the holder(s) of the Shares
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supervisor(s)"	the Supervisor(s) of the Bank
"systematically important bank(s)"	pursuant to the Guiding Opinions on Improving Regulation of Systematically Important Financial Institutions issued by the PBOC, CBIRC and CSRC《中國人民銀行、中國銀行保險監督管理委員會、中國證券監督管理委員會關於完善系統重要性金融機構監管的指導意見》, this refers to bank(s) that will cause significant adverse impact on the financial system and real economy and may even cause systemic risks if a major risk event occurs to them. These banks usually provide key services in the financial system and are difficult to replace and at the same time their business scale, structure and business operation are highly complex and have strong relevance to other financial institutions
"treasury share(s)"	has the meaning ascribed to it under the Listing Rules
"Yibin Xingyi Rural Bank"	Yibin Xingyi Rural Bank Co., Ltd. (宜賓興宜村鎮銀行有限責任公司), a company established on December 24, 2010 in the PRC with limited liability and a non-wholly owned subsidiary of the Bank
"%"	percentage

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

Company Profile

I. BASIC INFORMATION OF THE COMPANY

Registered Name in Chinese:	宜賓市商業銀行股份有限公司(abbreviated as “**宜賓銀行**”)
Registered Name in English:	YIBIN CITY COMMERCIAL BANK CO., LTD* (abbreviated as “**Yibin City Commercial Bank**”)
Legal Representative:	XUE Feng
Authorized Representatives:	XUE Feng, NGAI Wai Fung
Secretary to the Board of Directors:	TANG Lin
Joint Company Secretaries:	TANG Lin, NGAI Wai Fung
Registered Address of the Bank:	No. 1 Nuxue Street, Cuiping District, Yibin, Sichuan Province, the PRC
Principal Office Address of the Bank:	No. 9 Jinshajiang Avenue, Xuzhou District, Yibin, Sichuan Province, the PRC
Customer Service Hotline:	+86 (0831) 96578
Telephone:	+86 (0831) 5103546
Website of the Bank:	www.ybccb.com
Principal Place of Business in Hong Kong:	40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong
Websites for H Share Disclosure:	HKEXnews website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) Website of the Bank (www.ybccb.com)
Listing Place:	The Stock Exchange of Hong Kong Limited
Stock Abbreviation:	Yibin Bank
Stock Code:	2596

Company Profile

H Share Registrar:	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Hong Kong Legal Advisor:	Clifford Chance 27th Floor, Jardine House, One Connaught Place, Central, Hong Kong
Auditor:	Domestically: Pan-China Certified Public Accountants LLP No.1366, Qianjiang Road, Hangzhou, Zhejiang Province Overseas: Confucius International CPA Limited Rooms 1501-08, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong
Compliance Advisor:	Maxa Capital Limited Unit 2602, 26/F, Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong

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

II. BASIC INFORMATION OF THE COMPANY

Established on December 27, 2006 and headquartered in Yibin City, Sichuan Province, PRC, Yibin City Commercial Bank is a local corporate financial institution restructured from the former Yibin City Credit Cooperatives under the approval of the former CBRC Sichuan Office.

With registered address in No. 1 Nuxue Street, Cuiping District, Yibin, Sichuan Province, the PRC, the Bank's principal office address is No. 9 Jinshajiang Avenue, Xuzhou District, Yibin, Sichuan Province, the PRC. The Group has a total of 66 outlets, of which 42 are located in the districts and counties in Yibin City and 24 in Neijiang City. As at the end of the Reporting Period, the Bank had registered capital of RMB4.588 billion and total assets of RMB132.1 billion (calculated at the Group calibre), making it the largest bank in Yibin in terms of total assets. The total loans and advances to customers amounted to RMB76.4 billion and total deposits were RMB97.1 billion.

Financial Highlights

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, **2026**	2025
Interest income	**2,083.2**	1,987.2
Interest expense	**(984.4)**	(1,052.3)
Net interest income	**1,098.8**	934.9
Fee and commission income	**28.3**	28.6
Fee and commission expense	**(25.1)**	(19.0)
Net fee and commission income	**3.2**	9.6
Net gains arising from trading activities	**151.6**	66.6
Net gains arising from financial investment	**125.3**	129.7
Other operating (expenses)/income	**(5.2)**	27.2
Operating income	**1,373.7**	1,168.0
Operating expenses	**(374.1)**	(351.7)
Expected credit losses	**(596.2)**	(461.2)
Impairment losses	**(2.6)**	–
Profit before tax	**400.8**	355.1
Income tax expense	**(77.6)**	(64.3)
Net profit	**323.2**	290.8
Net profit attribute to:		
Equity attributable to Shareholders of the Bank	**315.2**	284.5
Non-controlling interests	**8.0**	6.3
Basic earnings per Share (expressed in RMB per Share)	**0.07**	0.07
Diluted earnings per Share (expressed in RMB per Share)	**0.07**	0.06

Financial Highlights

(Expressed in RMB million, unless otherwise stated)	June 30, 2026	December 31, 2025
Major indicators of assets/liabilities		
Total assets	**132,071.3**	123,523.8
Of which: loans and advances to customers, net	**72,876.9**	68,181.5
Total liabilities	**120,242.1**	111,981.5
Of which: customer deposits	**100,014.7**	91,851.9
Total equity	**11,829.2**	11,542.3
Of which: total equity attributable to Shareholders of the Bank	**11,547.3**	11,268.4

	Six months ended June 30,	
	2026	2025
Profitability indicators (%)		
Asset profit ratio(1)	**0.51**	0.52
Capital profit ratio(2)	**5.53**	5.84
Net interest spread(3)	**1.81**	1.65
Net interest margin(4)	**1.91**	1.80
Cost-to-income ratio(5)	**25.95**	28.92

	June 30, 2026	December 31, 2025
Capital adequacy indicators (%)		
Core tier-one capital adequacy ratio(6)	**12.42**	12.71
Tier-one capital adequacy ratio(7)	**12.45**	12.74
Capital adequacy ratio(8)	**13.61**	13.91
Assets quality indicators (%)		
Non-performing loan ratio(9)	**1.53**	1.65
Provision coverage ratio(10)	**325.19**	273.36
Provision to total loan ratio(11)	**4.98**	4.50
Other indicators (%)		
Loan to deposit ratio(12)	**78.63**	79.81

Notes:

(1) Calculated by dividing the net profit for a period by the average balance of total assets at the beginning and the end of that period (annualized).

(2) Calculated by dividing the net profit for a period by the average balance of total equity at the beginning and the end of that period (annualized).

(3) Represents the difference between the average yield on total interest-earning assets and the average cost on total interest-bearing liabilities (annualized).

(4) Calculated by dividing net interest income by the average balance of interest-earning assets (based on the daily average of the interest-earning assets) (annualized).

(5) Calculated by dividing total operating expenses (net of tax and surcharges) by operating income.

(6) Core tier-one capital adequacy ratio = (core tier-one capital – corresponding capital deductions)/risk-weighted assets*100%.

(7) Tier-one capital adequacy ratio = (tier-one capital – corresponding capital deductions)/risk-weighted assets*100%.

(8) Capital adequacy ratio = (total capital – corresponding capital deductions)/risk-weighted assets*100%.

(9) Non-performing loan ratio = total non-performing loans/total loans and advances to customers*100%.

(10) Provision coverage ratio = total provision for impairment losses on loans and advances to customers/total non-performing loans*100%.

(11) Provision to total loan ratio = total provision for impairment losses on loans and advances to customers/total loans and advances to customers*100%.

(12) Loan to deposit ratio = total loans and advances to customers/total deposits*100%.

Management Discussion and Analysis

ENVIRONMENT AND PROSPECT

In the first half of 2026, the global economic recovery remained under pressure. Faced with an increasingly complex and challenging domestic and external environment, China's economy forged ahead against headwinds and remained steadfast on the path of high-quality development. GDP growth remained stable in the first half of the year, key economic indicators performed well, investment enthusiasm in high-tech sectors continued to rise, and momentum in technological innovation gathered pace at an accelerated rate. The transition from old to new growth drivers accelerated, and the industrial structure continued to be optimized and upgraded. At the same time, the economy still faced difficulties and challenges, and the foundation for sustained and steady improvement still needs to be further consolidated.

Looking ahead to the second half of the year, downward pressure on the global economy persists, and policy adjustments and game related to tariffs will pose further challenges to the global economy. The uncertainty and instability of the external environment remain significant challenges for China's economic development. Nevertheless, China's stable economic foundation, numerous advantages, strong resilience, and vast potential will continue to counter various uncertainties with the certainty of high-quality development. 2026 marks the opening year of the "15th Five-Year Plan". A series of major strategic initiatives, major reform measures and major engineering projects will progressively be implemented and take effect. The effects of policies on expanding domestic demand, strengthening technology, promoting transformation and benefiting people's livelihoods will continue to be unleashed. Market demand potential will be further activated, the transition from old to new growth drivers will be further accelerated, and the development vitality of various market entities will be more fully stimulated. The development capacity of the Chengdu-Chongqing Dual City Economic Circle continues to be boosted, with construction of key projects continuing to be advanced, new quality productive forces being cultivated at an accelerated pace, the modern transport system being steadily improved, and people's livelihoods and well-being further enhanced. It is becoming an important growth pole and new source of momentum driving the country's high-quality development. Yibin City remains committed to focusing its economic development efforts on the real economy, taking the development of distinctive and competitive industries as well as strategic emerging industries as its principal direction, and steadily advancing the "Five Development Initiatives". As an important part of China's banking system, urban commercial banks, focusing on executing "five priorities" of finance, are accelerating their business transformation and firmly pursuing a path of distinctive and differentiated development, in order to make new and greater contributions to building a strong financial nation and fully building a strong modern socialist country through tangible results in high-quality development.

The Group will continue to implement the spirit of the 20th National Congress of the Communist Party of China and the successive plenary sessions of the 20th Central Committee of the Communist Party of China. Leveraging Yibin's strategic position within Sichuan Province and the Chengdu-Chongqing Dual City Economic Circle, the Group will firmly seize the opportunities for high-quality regional development, uphold the corporate value philosophy of "Yibin City Commercial Bank precisely supports small and micro enterprises and promotes national, provincial and municipal development", consistently align its development with the local economy, integrate deeply into the local development landscape, and continuously meet the diverse and differentiated financial needs of its customers. At the same time, the Group will continue to enhance its corporate governance efficiency, brand value and shareholder returns, and accelerate its development into a leading benchmark bank in Western China with strong regional influence, striving to deliver a strong response to the times by serving the high-quality development of the local region.

OVERALL BUSINESS REVIEW

In the first half of 2026, the Group recorded a total operating income of RMB1,373.7 million, representing an increase of 17.6% compared to RMB1,168.0 million in the first half of 2025. The Group's net profit increased by 11.1% from RMB290.8 million in the first half of 2025 to RMB323.2 million in the first half of 2026. As of June 30, 2026, the Group's total assets amounted to RMB132,071.3 million, representing an increase of 6.9% from the beginning of the year; the net loans and advances to customers amounted to RMB72,876.9 million, representing an increase of 6.9% from the beginning of the year; the non-performing loan (NPL) ratio was 1.53%, representing a decrease of 0.12 percentage points from the beginning of the year; the balances of customer deposits was RMB100,014.7 million, representing an increase of 8.9% from the beginning of the year.

(a) **Analysis of the consolidated statements of profit or loss**

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026	2025	Increase or decrease	Change in percentage (%)
Interest income	**2,083.2**	1,987.2	96.0	4.8
Interest expense	**(984.4)**	(1,052.3)	67.9	(6.5)
Net interest income	**1,098.8**	934.9	163.9	17.5
Fee and commission income	**28.3**	28.6	(0.3)	(1.0)
Fee and commission expenses	**(25.1)**	(19.0)	(6.1)	32.1
Net fee and commission income	**3.2**	9.6	(6.4)	(66.7)
Net gains arising from trading activities	**151.6**	66.6	85.0	127.6
Net gains arising from financial investment	**125.3**	129.7	(4.4)	(3.4)
Other operating (expenses)/income	**(5.2)**	27.2	(32.4)	(119.1)
Operating income	**1,373.7**	1,168.0	205.7	17.6
Operating expenses	**(374.1)**	(351.7)	(22.4)	6.4
Expected credit loss	**(596.2)**	(461.2)	(135.0)	29.3
Impairment losses	**(2.6)**	–	(2.6)	–
Profit before tax	**400.8**	355.1	45.7	12.9
Income tax expense	**(77.6)**	(64.3)	(13.3)	20.7
Net profit	**323.2**	290.8	32.4	11.1
Net profit attribute to:				
Equity attributable to Shareholders of the Bank	**315.2**	284.5	30.7	10.8
Non-controlling interests	**8.0**	6.3	1.7	27.0
Basic earnings per Share (expressed in RMB per Share)	**0.07**	0.07	–	–
Diluted earnings per Share (expressed in RMB per Share)	**0.07**	0.06	0.01	16.7

In the first half of 2026, the Group's profit before income tax amounted to RMB400.8 million, representing a year-on-year increase of 12.9%; net profit amounted to RMB323.2 million, representing a year-on-year increase of 11.1%, mainly due to the Group's enhanced marketing efforts targeting quality customers, proactive loan origination, reasonable adjustments to deposit rates quoted, and continued optimization of the asset and liability structure, which led to an increase in net interest income. In addition, interest rates in the bond market fluctuated downward, driving up the valuations of bonds across various maturities and resulting in a year-on-year increase in net gains arising from trading activities.

(i) Net interest income

Net interest income was the largest component of the Group's operating income, representing 80.0% of operating income in both the first half of 2026 and 2025. The following table sets forth the interest income, interest expense and net interest income for the periods indicated.

	Six months ended June 30,			
(Expressed in RMB million, unless otherwise stated)	**2026**	2025	Increase or decrease	Change in percentage (%)
Interest income	**2,083.2**	1,987.2	96.0	4.8
Interest expense	**(984.4)**	(1,052.3)	67.9	(6.5)
Net interest income	**1,098.8**	934.9	163.9	17.5

The following table sets forth the average balances of the Group's interest-earning assets and interest-bearing liabilities, the related interest income or expense, and the average yield or average cost for the periods indicated. The average balance of interest-earning assets and interest-bearing liabilities is the average of the daily balances.

(Expressed in RMB million, unless otherwise stated)	**Six months ended June 30, 2026** Average balance	**Interest income**	**Average yield (%)**	Six months ended June 30, 2025 Average balance	Interest income	Average yield (%)
Interest-earning asset						
Deposits with central bank[1]	**6,465.8**	**41.3**	**1.28**	5,811.0	37.9	1.30
Financial assets held under resale agreements, due from other banks and other financial institutions	**5,314.1**	**41.0**	**1.54**	4,729.8	38.0	1.61
Loans and advances to customers	**74,098.9**	**1,671.1**	**4.51**	62,583.2	1,538.3	4.92
Financial investments[2]	**29,101.4**	**329.8**	**2.27**	30,724.7	373.0	2.43
Total interest-earning assets	**114,980.2**	**2,083.2**	**3.62**	103,848.7	1,987.2	3.83

(Expressed in RMB million, unless otherwise stated)	**Six months ended June 30, 2026** Average balance	**Interest expense**	**Average cost (%)**	Six months ended June 30, 2025 Average balance	Interest expense	Average cost (%)
Interest-bearing liabilities						
Borrowings from central bank	**3,750.9**	**(27.5)**	**1.47**	2,150.7	(18.7)	1.74
Financial assets sold under repurchase agreement, due to other banks and other financial institutions	**7,741.8**	**(65.2)**	**1.68**	5,790.8	(56.5)	1.95
Customer deposits	**94,052.7**	**(863.1)**	**1.84**	87,058.0	(960.3)	2.21
Bonds issued[3]	**3,339.4**	**(28.6)**	**1.71**	1,643.0	(16.8)	2.05
Total interest – bearing liabilities	**108,884.8**	**(984.4)**	**1.81**	96,642.5	(1,052.3)	2.18
Net interest income		**1,098.8**			934.9	
Net interest spread			**1.81**			1.65
Net interest margin			**1.91**			1.80

Notes:

(1) Deposits with central bank primarily include statutory deposit reserves, surplus deposit reserves and fiscal deposit reserves.

(2) Financial investments include financial assets at fair value through other comprehensive income and financial assets measured at amortized cost.

(3) Bonds issued are interbank certificates of deposit.

Management Discussion and Analysis

The table below sets forth the changes in the Group's interest income and interest expense attributable to changes in volume and interest rate for the periods indicated. Changes in volume are measured by changes in the average balance, and changes in interest rate are measured by changes in the average interest rates.

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026 VS Six months ended June 30, 2025		
	Volume(1)	Interest Rate(2)	Net increase/ (decrease)(3)
Interest-earning assets			
Deposits with central bank	4.0	(0.6)	3.4
Financial assets held under resale agreements, due from other banks and other financial institutions	4.7	(1.7)	3.0
Loans and advances to customers	261.1	(128.3)	132.8
Financial investments	(18.6)	(24.6)	(43.2)
Changes in interest income	251.2	(155.2)	96.0
Interest-bearing liabilities			
Borrowings from central bank	11.7	(2.9)	8.8
Financial assets sold under repurchase agreement, due to other banks and other financial institutions	16.5	(7.8)	8.7
Customer deposits	63.9	(161.1)	(97.2)
Bonds issued	14.6	(2.8)	11.8
Changes in interest expense	106.7	(174.6)	(67.9)
Changes in net interest income	144.5	19.4	163.9

Notes:

(1) Volume refers to the difference between the average balance for the current period and the average balance for the corresponding period of the last year, multiplied by the average yield/cost.

(2) Interest rate refers to the difference between the average yield/cost for the current period and the average yield/cost for the corresponding period of the previous year, multiplied by the average balance for the corresponding period of the last year.

(3) Net increase/(decrease) refers to interest income/expense for the current period less interest income/expense for the corresponding period of the last year.

(ii) Interest income

The following table sets forth the principal components of interest income for the periods indicated.

	Six months ended June 30,			
	2026		2025	
(Expressed in RMB million, unless otherwise stated)	**Amount**	**% of total (%)**	Amount	% of total (%)
Loans and advances to customers	**1,671.1**	**80.2**	1,538.3	77.4
Financial investments	**329.8**	**15.8**	373.0	18.8
Financial assets held under resale agreements, due from other banks and other financial institutions	**41.0**	**2.0**	38.0	1.9
Deposits with central bank	**41.3**	**2.0**	37.9	1.9
Total	**2,083.2**	**100.0**	1,987.2	100.0

The Group's interest income increased by 4.8% from RMB1,987.2 million in the first half of 2025 to RMB2,083.2 million in the first half of 2026, primarily due to an increase in the average balance of interest-earning assets from RMB103,848.7 million in the first half of 2025 to RMB114,980.2 million in the first half of 2026, which was partially offset by a decrease in the average yield on interest-earning assets from 3.83% in the first half of 2025 to 3.62% in the first half of 2026. The increase in the average balance of interest-earning assets was mainly due to the increase in the average balances of loans and advances, financial assets held under resale agreements, due from other banks and other financial institutions, and deposits with the central bank, partially offset by the decrease in the average balance of financial investments. The decrease in the average yield on interest-earning assets was primarily attributed to the decline in the Loan Prime Rate (LPR) and the Group's greater effort of marketing to high-quality customers, leading to the decrease in the average yield on loans and advances, as well as financial investments.

(A) Interest income from loans and advances to customers

Interest income from loans and advances to customers represented 80.2% and 77.4% of total interest income in the first half of 2026 and 2025, respectively.

The following table sets forth the average balance, interest income and average yield of loans and advances to customers by product for the periods indicated.

	Six months ended June 30,					
	2026			2025		
(Expressed in RMB million, unless otherwise stated)	**Average balance**	**Interest income**	**Average yield (%)**	Average balance	Interest income	Average yield (%)
Corporate loans	**62,408.4**	**1,553.4**	**4.98**	53,267.4	1,417.5	5.32
Retail loans	**4,958.4**	**92.7**	**3.74**	4,737.5	97.4	4.11
Discounted and rediscounted bills	**6,732.1**	**25.0**	**0.74**	4,578.3	23.4	1.02
Total	**74,098.9**	**1,671.1**	**4.51**	62,583.2	1,538.3	4.92

The interest income from loans and advances to customers is the largest component of the Group's interest income, increasing by 8.6% from RMB1,538.3 million in the first half of 2025 to RMB1,671.1 million in the first half of 2026. The increase was primarily due to an increase of 18.4% in the average balance of loans and advances to customers from RMB62,583.2 million in the first half of 2025 to RMB74,098.9 million in the first half of 2026, which was partially offset by a decrease in the average yield on these assets from 4.92% in the first half of 2025 to 4.51% in the first half of 2026. The increase in the average balance of such assets was mainly attributable to the Group's firm adherence to its primary responsibility and core business and the orderly increase in financial supply through measures such as deepening cultivation of the regional market, supporting industrial cluster development, promoting retail transformation, serving urban construction and rural revitalization. The decrease in the average yield on these assets was mainly due to the decline in the Loan Prime Rate (LPR), as well as the Group's greater effort of marketing to high-quality customers, leading to the decrease in the average yield on loans and advances to customers.

(B) *Interest income from financial investments*

The interest income from financial investments decreased by 11.6% from RMB373.0 million in the first half of 2025 to RMB329.8 million in the first half of 2026, primarily due to the decrease of 5.3% in the average balance of financial investments from RMB30,724.7 million in the first half of 2025 to RMB29,101.4 million in the first half of 2026, as well as a decrease in the average yield on these assets from 2.43% in the first half of 2025 to 2.27% in the first half of 2026. The decrease in the average yield on these assets was primarily attributed to changes in market interest rates.

(C) *Interest income from financial assets held under resale agreements, due from other banks and other financial institutions*

The interest income from financial assets held under resale agreements, and due from other banks and other financial institutions increased by 7.9% from RMB38.0 million in the first half of 2025 to RMB41.0 million in the first half of 2026, primarily due to the increase of 12.4% in the average balance of financial assets held under resale agreements, and due from other banks and other financial institutions from RMB4,729.8 million in the first half of 2025 to RMB5,314.1 million in the first half of 2026. The increase in the average balance of these assets was mainly due to the Group's increased allocation of funds to placements with other banks and other financial institutions in accordance with its business operation needs.

(D) *Interest income from deposits with central bank*

The interest income from deposits with central bank increased by 9.0% from RMB37.9 million in the first half of 2025 to RMB41.3 million in the first half of 2026, primarily due to an increase in deposit volume. The amount of deposits with central bank increased year-on-year, resulting in a year-on-year increase in interest income from deposits with the central bank.

(iii) Interest expense

The following table sets forth the principal components of interest expense of the Group for the periods indicated.

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026 Amount	2026 % of total (%)	2025 Amount	2025 % of total (%)
Customer deposits	**863.1**	**87.7**	960.3	91.3
Bonds issued	**28.6**	**2.9**	16.8	1.6
Financial assets sold under repurchase agreement, due to other banks and other financial institutions	**65.2**	**6.6**	56.5	5.4
Borrowings from central bank	**27.5**	**2.8**	18.7	1.7
Total	**984.4**	**100.0**	1,052.3	100.0

(A) Interest expenses on customer deposits

The following table sets forth the average balance, interest expense and average cost for the components of customer deposits for the periods indicated.

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026 Average balance	2026 Interest expense	2026 Average cost (%)	2025 Average balance	2025 Interest expense	2025 Average cost (%)
Corporate deposits	**44,403.7**	**318.7**	**1.44**	42,633.6	378.1	1.77
Personal deposits	**49,649.0**	**544.4**	**2.19**	44,424.4	582.2	2.62
Total	**94,052.7**	**863.1**	**1.84**	87,058.0	960.3	2.21

The interest expenses on customer deposits decreased by 10.1% from RMB960.3 million in the first half of 2025 to RMB863.1 million in the first half of 2026, primarily due to the Group's lowering of its deposit rates quoted.

(B) *Interest expense on financial assets sold under repurchase agreements, due to other banks and other financial institutions*

The interest expense on financial assets sold under repurchase agreements, due to other banks and other financial institutions increased by 15.4% from RMB56.5 million in the first half of 2025 to RMB65.2 million in the first half of 2026, mainly due to the increase of 33.7% in the average balance of financial assets sold under repurchase agreements from RMB5,790.8 million in the first half of 2025 to RMB7,741.8 million in the first half of 2026, which was partially offset by a decrease in the average cost on these liabilities from 1.95% in the first half of 2025 to 1.68% in the first half of 2026. The increase in the average balance of these liabilities was primarily due to the Group's proactive increase in the scale of such liabilities in accordance with its liability structure adjustment needs. The decrease in the average cost on these liabilities was primarily attributable to the decline in market interest rates.

(C) *Interest expense on bonds issued*

The interest expense on bonds issued increased by 70.2% from RMB16.8 million in the first half of 2025 to RMB28.6 million in the first half of 2026, mainly due to the increase of 103.3% in the average balance of bonds issued from RMB1,643.0 million in the first half of 2025 to RMB3,339.4 million in the first half of 2026, which was partially offset by a decrease in the average cost on these liabilities from 2.05% in the first half of 2025 to 1.71% in the first half of 2026. The increase in the average balance of these liabilities was primarily due to the increase in the scale of interbank certificates of deposit issued. The decrease in the average cost on these liabilities was mainly as a result of a decrease in market interest rates.

(D) *Interest expense on borrowings from central bank*

The interest expense on borrowings from central bank increased by 47.1% from RMB18.7 million in the first half of 2025 to RMB27.5 million in the first half of 2026, mainly due to the increase of 74.4% in the average balance of borrowings from central bank from RMB2,150.7 million in the first half of 2025 to RMB3,750.9 million in the first half of 2026, as well as a decrease in the average cost on these liabilities from 1.74% in the first half of 2025 to 1.47% in the first half of 2026. The change in the average balance of these liabilities was primarily due to the increase in the relending quota and scope by the central bank in early 2026, resulting in an increase in the Group's relending balance in the first half of 2026. The decrease in the average cost on these liabilities was mainly as a result of the interest rate cut by the central bank.

(iv) Net interest spread and net interest margin

The net interest spread increased from 1.65% in the first half of 2025 to 1.81% in the first half of 2026, and the net interest margin increased from 1.80% in the first half of 2025 to 1.91% in the first half of 2026, primarily due to a decrease of 0.37 percentage point in the average cost on interest-bearing liabilities compared to the same period last year, as well as a decrease of 0.21 percentage point in the average yield on interest-earning assets compared to the same period last year. The decrease in the average yield on interest-bearing assets was primarily due to the decline in the Loan Prime Rate (LPR), the decrease in the average yield on loans and advances as the Group increased its efforts to market to high-quality clients, and changes in market interest rates, which resulted in a decrease in the average yield on financial investments. The decrease in the average cost of interest-bearing liabilities was mainly attributable to the Group's downward adjustments to its deposit rate quoted, which led to a decrease in the deposit cost rate, as well as the downward trend in market interest rates, and the decrease in the average interest rates of bonds issued and financial assets sold under repurchase agreement, due to other banks and other financial institutions.

(v) Non-interest income

(A) Net fee and commission income

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026	2025	Increase or decrease	Change in percentage (%)
Fee and commission income				
Commission income from settlement and agency services	**7.9**	7.3	0.6	8.2
Commission income from bank card services	**0.4**	0.7	(0.3)	(42.9)
Commission income from wealth management agency service	**4.0**	4.7	(0.7)	(14.9)
Other commission income[1]	**16.0**	15.9	0.1	0.6
Subtotal	**28.3**	28.6	(0.3)	(1.0)
Fee and commission expenses				
Commission expense from settlement and agency services	**(20.8)**	(17.5)	(3.3)	18.9
Other commission expense	**(4.3)**	(1.5)	(2.8)	186.7
Subtotal	**(25.1)**	(19.0)	(6.1)	32.1
Net fee and commission income	**3.2**	9.6	(6.4)	(66.7)

Note:

(1) Other commission income primarily consists of commission income from entrusted loans, guarantees, commitments and syndicated business.

The net fee and commission income decreased by 66.7% from RMB9.6 million in the first half of 2025 to RMB3.2 million in the first half of 2026, mainly due to the increase in fee and commission expenses.

The commission income from settlement and agency services increased by 8.2% from RMB7.3 million in the first half of 2025 to RMB7.9 million in the first half of 2026, primarily due to the growth in the Group's domestic letter of credit business and bank acceptance bill issuance business, which led to an increase in fee income from the relevant businesses.

The commission income from wealth management agency service decreased by 14.9% from RMB4.7 million in the first half of 2025 to RMB4.0 million in the first half of 2026, mainly due to the decrease in fee income recognized from the issuance of non-principal-guaranteed wealth management products.

The fee and commission expense increased by 32.1% from RMB19.0 million in the first half of 2025 to RMB25.1 million in the first half of 2026, mainly attributable to the maintenance of mobile payment platform Qianhuahua and the expansion of related scenarios.

(B) Net gains from financial investment

Net gains on financial investments include the net gains from the sale of financial assets, as well as gains from reclassification of other comprehensive income to profit or loss due to asset sales. Net gains on financial investments decreased by 3.4% from RMB129.7 million in the first half of 2025 to RMB125.3 million in the first half of 2026, remaining broadly stable.

(C) Net gains on trading activities

Net gains on trading activities increased by 127.6% from RMB66.6 million in the first half of 2025 to RMB151.6 million in the first half of 2026, primarily due to the impact of changes in bond valuations. In the first half of 2026, liquidity in the domestic money market remained accommodative, and the overall decline in yields to maturity across all maturities in the bond market as compared with the beginning of the year drove up the valuation of bond investments, resulting in a significant increase in fair value changes during the period as compared with the corresponding period.

(D) Other operating (expenses)/income

Other operating (expenses)/income mainly includes incidental income such as government subsidies and exchange gains, and deducts incidental expenses such as charitable donations. Other operating (expenses)/income decreased by 119.1% from RMB27.2 million in the first half of 2025 to RMB-5.2 million in the first half of 2026, primarily due to the decrease in the Group’s exchange gains as compared with the corresponding period last year.

(vi) Operating expenses

The operating expenses increased by 6.4% from RMB351.7 million in the first half of 2025 to RMB374.1 million in the first half of 2026, primarily due to an increase in staff costs and taxes and surcharges arising from our business expansion and others.

The following table sets forth the principal components of operating expenses for the periods indicated.

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026	2025	Increase or decrease	Change in percentage (%)
Staff costs	**209.1**	195.8	13.3	6.8
General and administrative expenses	**101.1**	100.8	0.3	0.3
Depreciation and expenses	**28.1**	26.9	1.2	4.5
Professional fees	**4.6**	2.4	2.2	91.7
Tax and surcharges	**17.6**	13.9	3.7	26.6
Auditors' remuneration				
– Audit service	**0.2**	1.3	(1.1)	(84.6)
– Non-audit service	**0.2**	0.2	0.0	0.0
Technical service fees	**13.2**	10.4	2.8	26.9
Total	**374.1**	351.7	22.4	6.4

(A) Staff costs

The staff costs increased by 6.8% from RMB195.8 million in the first half of 2025 to RMB209.1 million in the first half of 2026, mainly due to increased headcount resulting from business expansion, as well as adjustments to defined contribution benefits and others in accordance with relevant policies.

(B) Professional fees

The professional fees increased by 91.7% from RMB2.4 million in the first half of 2025 to RMB4.6 million in the first half of 2026, primarily due to the Group's enhanced compliance and strategic planning efforts, which resulted in additional expenses for legal and compliance matters and strategic consulting in connection with the "15th Five-Year Plan".

(C) Tax and surcharges

The tax and surcharges increased by 26.6% from RMB13.9 million in the first half of 2025 to RMB17.6 million in the first half of 2026, primarily due to the increase in the Group's taxable income, which led to an increase in VAT surcharges, as well as the increase in property tax paid in connection with the purchase of commercial properties.

(D) Technical service fees

The technical service fees increased by 26.9% from RMB10.4 million in the first half of 2025 to RMB13.2 million in the first half of 2026, primarily due to the continuous increase in information technology investment to enhance operational efficiency.

(vii) ***Expected credit impairment losses***

The following table sets forth the major components of our expected credit impairment losses for the periods indicated.

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026	2025	Increase or decrease	Change in percentage (%)
Loans and advances to customers at amortized cost	**586.2**	476.0	110.2	23.2
Loans and advances to customers – fair value through other comprehensive income	**(0.1)**	(0.5)	0.4	(80.0)
Off-balance-sheet items	**(18.5)**	(83.5)	65.0	(77.8)
Financial assets held under resale agreements, due from other banks and other financial institutions	**23.2**	64.1	(40.9)	(63.8)
Financial investments – amortized cost	**1.8**	21.8	(20.0)	(91.7)
Financial investments – fair value through other comprehensive income	**14.5**	(1.5)	16.0	(1,066.7)
Other financial assets	**(10.9)**	(15.2)	4.3	(28.3)
Total	**596.2**	461.2	135.0	29.3

The expected credit impairment losses increased by 29.3% from RMB461.2 million in the first half of 2025 to RMB596.2 million in the first half of 2026. The increase in expected credit impairment losses was mainly due to the Group's increased provision for loan impairment in response to changes in the size of loans and advances to customers.

(b) Analysis of consolidated statements of financial position

(i) Assets

As of June 30, 2026 and December 31, 2025, the Group's total assets amounted to RMB132,071.3 million and RMB123,523.8 million, respectively. The main components of total assets are (i) net loans and advances to customers; and (ii) net financial investments.

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

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026** Amount	% of total (%)	As of December 31, 2025 Amount	% of total (%)
Assets				
Gross loans and advances to customers	**76,353.0**	**57.8**	71,026.1	57.5
Accrued interest	**326.3**	**0.2**	354.0	0.3
Expected credit losses allowance	**(3,802.4)**	**(2.9)**	(3,198.6)	(2.6)
Net loans and advances to customers	**72,876.9**	**55.2**	68,181.5	55.2
Financial investments[1]	**41,898.0**	**31.7**	37,682.8	30.5
– Fair value through other comprehensive income	**21,646.1**	**16.4**	19,878.7	16.1
– Fair value through profit or loss	**9,883.8**	**7.5**	9,511.0	7.7
– Amortized cost	**10,368.1**	**7.9**	8,293.1	6.7
Financial assets held under resale agreements, due from other banks and other financial institutions	**7,023.5**	**5.3**	4,299.9	3.5
Cash and balances with central bank	**7,636.7**	**5.8**	10,817.6	8.8
Deferred tax assets	**1,619.7**	**1.2**	1,546.6	1.3
Property, plant and equipment	**579.7**	**0.4**	580.6	0.5
Right-of-use assets	**26.0**	**0.0**	27.0	0.0
Other assets[2]	**410.8**	**0.3**	387.8	0.3
Total assets	**132,071.3**	**100.0**	123,523.8	100.0

Notes:

(1) Financial investments consist of financial assets measured at amortized cost, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income.

(2) Other assets primarily consist of other receivables and prepayments, interest receivable, and foreclosed assets.

(A) Loans and advances to customers

As of June 30, 2026, the gross loans and advances to customers issued by the Group amounted to RMB76,353.0 million, representing an increase of 7.5% compared to December 31, 2025. The net loans and advances to customers accounted for 55.2% of the Group's total assets, remaining unchanged from December 31, 2025.

The table below sets forth loans and advances to customers by product as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026** Amount	% of total (%)	As of December 31, 2025 Amount	% of total (%)
Corporate loans	**66,402.6**	**87.0**	58,328.7	82.1
Retail loans	**5,201.4**	**6.8**	4,757.7	6.7
Discounted bills	**24.8**	**0.0**	18.5	0.0
Rediscounted bills	**4,724.2**	**6.2**	7,921.2	11.2
Gross loans and advances to customers	**76,353.0**	**100.0**	71,026.1	100.0

The loans and advances to customers constitute the largest component of the Group's total assets. The Group offers a variety of loan products, all of which are denominated in RMB.

The Group's corporate loans increased by 13.8% from RMB58,328.7 million as of December 31, 2025 to RMB66,402.6 million as of June 30, 2026. This growth was primarily driven by the Group's alignment with national policy directives, its focus on regional development, and its ongoing efforts to expand service areas while effectively managing risks. These initiatives strengthened support for the real economy, met the effective credit demands of corporate loan customers, and resulted in an increase in credit disbursement.

The Group's retail loans primarily include personal business loans, personal consumption loans, and residential mortgage loans. Retail loans of the Group increased by 9.3% from RMB4,757.7 million as of December 31, 2025 to RMB5,201.4 million as of June 30, 2026. This was mainly due to our active extension of personal consumption loans in line with the national policies to promote consumption.

Loans and advances by collateral type

The table below presents the breakdown of loans and advances to customers by collateral type as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026**		As of December 31, 2025	
	Amount	**% of total (%)**	Amount	% of total (%)
Collateralized loans	**19,315.9**	**27.0**	19,065.6	30.3
Pledged loans	**15,079.7**	**21.1**	15,025.6	23.8
Guaranteed loans	**34,632.8**	**48.4**	26,888.8	42.6
Unsecured loans	**2,575.6**	**3.5**	2,106.4	3.3
Gross corporate and retail loans	**71,604.0**	**100.0**	63,086.4	100.0

Guaranteed loans constitute the largest component of the Group's loans and advances to customers, accounting for 48.4% and 42.6% of the gross corporate and retail loans as of June 30, 2026 and December 31, 2025, respectively. The Group applies strict credit assessment standards when issuing guaranteed loans. The Bank accepts guarantees from guarantors based on comprehensive considerations such as scale, creditworthiness, and risk resilience.

The Group provides unsecured loans to customers with relatively higher credit ratings. As of June 30, 2026 and December 31, 2025, unsecured loans accounted for 3.5% and 3.3%, respectively, of the gross corporate and retail loans.

Movements of expected credit losses allowance on loans and advances to customers

(Expressed in RMB million, unless otherwise stated)	**June 30, 2026**	December 31, 2025
At the beginning of the year	**3,198.6**	2,626.2
Charge for the period/year	**586.2**	838.4
Amounts written-off and transferred	**(7.7)**	(376.6)
Recovery of loans and advances written-off	**25.3**	110.6
Movements due to other reasons	**–**	–
As of June 30, 2026/December 31, 2025	**3,802.4**	3,198.6

The expected credit losses allowance on loans and advances increased by 18.9% from RMB3,198.6 million as of December 31, 2025 to RMB3,802.4 million as of June 30, 2026, primarily due to the Group's increase of the provision for loan impairment according to the changes in the scale of loans and advances to customers.

(B) Financial investments

The Group's financial investments consist primarily of bonds investment and SPV investment. Our SPV investment mainly comprises our investment through asset management plans, funds and trust plans. The following table sets forth the components of the Group's financial investments as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026** Amount	**% of total (%)**	As of December 31, 2025 Amount	% of total (%)
Bonds investment	**39,095.7**	**93.3**	35,734.3	94.7
SPV investment				
– Asset management plans	**59.2**	**0.1**	59.4	0.2
– Funds	**2,710.2**	**6.5**	1,835.1	4.9
– Trust plans	**–**	**–**	19.4	0.1
Other financial investments	**32.9**	**0.1**	34.6	0.1
Net financial investments	**41,898.0**	**100.0**	37,682.8	100.0

The net financial investments increased by 11.2% from RMB37,682.8 million as of December 31, 2025 to RMB41,898.0 million as of June 30, 2026, primarily due to the Group's timely adjustment of its investment strategies and increase in itsbonds investments and fund investments according to liquidity adequacy and market changes as well as actual operational conditions. However, the increase was partially offset by a decrease in trust investments and other financial investments.

(ii) Liabilities

As of June 30, 2026 and December 31, 2025, the total liabilities amounted to RMB120,242.1 million and RMB111,981.5 million, respectively.

The following table sets forth the components of our total liabilities as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026** Amount	**% of total (%)**	As of December 31, 2025 Amount	% of total (%)
Liabilities				
Customer deposits	**100,014.7**	**83.2**	91,851.9	82.1
Financial assets sold under repurchase agreement, due to other banks and other financial institutions	**10,587.3**	**8.8**	11,350.9	10.1
Financial liabilities held for trading	**141.8**	**0.1**	57.1	0.1
Borrowings from central bank	**4,964.2**	**4.1**	3,191.6	2.9
Bonds issued	**3,296.1**	**2.7**	4,301.2	3.8
Taxes payable	**182.7**	**0.2**	252.3	0.2
Lease liabilities	**23.3**	**0.0**	24.8	0.0
Other liabilities[1]	**1,032.0**	**0.9**	951.7	0.8
Total liabilities	**120,242.1**	**100.0**	111,981.5	100.0

Note:

(1) Other liabilities consist primarily of accrued staff costs, tax payable, accrued liabilities.

(A) Customer deposits

The Group provides demand and time deposit products to corporate and retail customers. The table below sets forth the total customer deposits (excluding accrued interest) by product and customer type as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026** Amount	**% of total (%)**	As of December 31, 2025 Amount	% of total (%)
Corporate deposits				
– Demand	**19,474.7**	**20.1**	16,879.1	18.9
– Time	**26,311.8**	**27.0**	24,989.6	28.1
Subtotal	**45,786.5**	**47.1**	41,868.7	47.0
Personal deposits				
– Demand	**5,613.5**	**5.8**	5,927.0	6.7
– Time	**45,708.3**	**47.1**	41,200.8	46.3
Subtotal	**51,321.8**	**52.9**	47,127.8	53.0
Total customer deposits (excluding accrued interest)	**97,108.3**	**100.0**	88,996.5	100.0

Total customer deposits (excluding accrued interest) increased by 9.1% from RMB88,996.5 million as of December 31, 2025, to RMB97,108.3 million as of June 30, 2026. This growth was primarily driven by the Group's focus on serving key customer segments and industries, precise marketing strategies, leveraging the advantages of resource integration and product portfolio, accelerating the transformation and upgrading of branch networks, and advancing digital infrastructure, all of which enhanced customer acquisition capabilities and realized a steady growth in total deposits.

(B) Bonds issued

From January 1, 2026 to June 30, 2026, the Bank issued 12 interbank certificates of deposit, with an aggregate carrying amount of RMB1,810.0 million. The interbank certificates of deposit had maturities ranging from three months to one year, with effective interest rates ranging from 1.50% to 1.79%.

(iii) Shareholders' equity

The table below sets forth the changes in Shareholders' equity as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	As of June 30, 2026 Amount	% of total (%)	As of December 31, 2025 Amount	% of total (%)
Share capital	**4,588.4**	**38.8**	4,588.4	39.8
Capital reserve	**4,440.6**	**37.5**	4,440.6	38.5
Other comprehensive income	**148.2**	**1.3**	21.1	0.2
Surplus reserve	**236.5**	**2.0**	236.5	2.0
General reserve	**1,287.5**	**10.9**	1,287.5	11.2
Retained earnings	**846.1**	**7.1**	694.4	6.0
Non-controlling interests	**281.9**	**2.4**	273.8	2.3
Total equity	**11,829.2**	**100.0**	11,542.3	100.0

(c) Asset quality analysis

(i) Breakdown of loans under five-level classification system

The Group's NPLs are classified as substandard, doubtful and loss. As of June 30, 2026, the Group's NPLs amounted to RMB1,169.3 million. The following table sets forth the issued loans and advances under the loan classification system as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026** Amount	% of total (%)	As of December 31, 2025 Amount	% of total (%)
Normal	**74,597.3**	**97.70**	69,247.8	97.49
Special mention	**586.4**	**0.77**	608.2	0.86
Substandard	**424.7**	**0.56**	404.1	0.57
Doubtful	**28.7**	**0.04**	144.5	0.20
Loss	**715.9**	**0.93**	621.5	0.88
Gross loans and advances to customers	**76,353.0**	**100.00**	71,026.1	100.0
NPL ratio		**1.53**		1.65

The Group's NPL ratio was 1.53% as of June 30, 2026, representing a decrease of 0.12 percentage points from 1.65% as of December 31, 2025.

(ii) Concentration of loans

(A) Concentration by industry and distribution of non-performing loans

(Expressed in RMB million, unless otherwise stated)	As of June 30, 2026 Loan amount	% of total (%)	Non-performing loan amount	Non-performing loan ratio (%)	As of December 31, 2025 Loan amount	% of total (%)	Non-performing loan amount	Non-performing loan ratio (%)
Corporate loans								
Wholesale and retail trade	**27,121.3**	**37.9**	**132.0**	**0.49**	19,975.7	31.7	64.8	0.32
Renting and business activities	**7,313.6**	**10.2**	**109.7**	**1.50**	6,610.7	10.5	29.9	0.45
Construction	**8,863.9**	**12.4**	**39.7**	**0.45**	9,035.8	14.3	220.3	2.44
Manufacturing	**5,327.6**	**7.4**	**162.7**	**3.05**	4,944.3	7.8	259.1	5.24
Agriculture, forestry, animal husbandry and fishery	**3,649.8**	**5.1**	**17.3**	**0.47**	3,420.2	5.4	13.3	0.39
Real estate	**2,959.7**	**4.1**	**57.7**	**1.95**	3,067.9	4.9	31.6	1.03
Scientific research, technology services, and geological prospecting	**246.4**	**0.3**	**14.3**	**5.80**	270.0	0.4	0.6	0.22
Transportation, warehousing and express service	**1,032.7**	**1.4**	**5.2**	**0.50**	1,069.5	1.7	6.4	0.60
Information transmission, computer service and software	**739.7**	**1.0**	**53.7**	**7.26**	589.2	0.9	30.5	5.18
Water, environment and public facilities management	**2,112.1**	**2.9**	**0.0**	**0.00**	2,214.4	3.5	0.0	0.00
Accommodation and catering	**539.2**	**0.8**	**16.6**	**3.08**	588.3	0.9	16.7	2.84
Education	**2,764.5**	**3.9**	**114.3**	**4.13**	2,987.7	4.7	114.8	3.84
Electricity, gas and water production and supply	**2,476.8**	**3.5**	**0.0**	**0.00**	2,345.9	3.7	0.0	0.00
Health, social security and social welfare	**310.9**	**0.4**	**16.0**	**5.15**	254.0	0.4	3.6	1.42
Residential services, repairs and other services	**117.5**	**0.2**	**0.0**	**0.00**	93.2	0.1	2.7	2.90
Culture, sport and entertainment	**310.7**	**0.4**	**0.0**	**0.00**	325.4	0.5	0.0	0.00
Mining	**313.6**	**0.4**	**1.0**	**0.32**	324.9	0.5	1.0	0.31
Financing	**202.6**	**0.3**	**182.6**	**90.13**	211.6	0.3	182.6	86.29
Retail loans	**5,201.4**	**7.4**	**246.5**	**4.74**	4,757.7	7.6	192.2	4.04
Total	**71,604.0**	**100.0**	**1,169.3**	**1.63**	63,086.4	100.0	1,170.1	1.85

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

Loans to borrowers in the wholesale and retail trade, renting and business activities, construction, and manufacturing industries constitute the largest component of the Group's corporate loan portfolio. As of June 30, 2026 and December 31, 2025, loans to these industries accounted for 73.2% and 69.5% of the total corporate loans, respectively.

As of June 30, 2026, the Group's NPLs of corporate loans were primarily concentrated in the wholesale and retail trade, manufacturing industries and financial industry.

(B) Borrower concentration

Loans to the top ten individual borrowers

The following table sets forth the balances of loans to the top ten individual borrowers (excluding group borrowers) as of June 30, 2026, prepared on a consolidated or combined basis, all of which are normal loans.

(Expressed in RMB million, unless otherwise stated)		As of June 30, 2026	
			Percentage of total loans
Customers	**Industries involved**	**Amount**	**(%)**
Borrower A	Wholesale and retail trade	**979.6**	**1.3**
Borrower B	Wholesale and retail trade	**979.6**	**1.3**
Borrower C	Construction	**859.9**	**1.1**
Borrower D	Construction	**795.0**	**1.0**
Borrower E	Renting and business activities	**734.6**	**1.0**
Borrower F	Renting and business activities	**721.9**	**0.9**
Borrower G	Manufacturing	**710.0**	**1.0**
Borrower H	Renting and business activities	**694.9**	**0.9**
Borrower I	Renting and business activities	**681.0**	**0.9**
Borrower J	Wholesale and retail trade	**639.9**	**0.8**
Total		**7,796.4**	**10.2**

(C) Non-performing loans by product type

The table below sets forth the loans and non-performing loans by product type as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	As of June 30, 2026 Loan amount	Non-performing loan amount	Non-performing loan ratio (%)	As of December 31, 2025 Loan amount	Non-performing loan amount	Non-performing loan ratio (%)
Corporate loans						
Working capital loans	**42,637.2**	**717.5**	**1.68**	35,405.1	801.8	2.26
Fixed asset loans	**21,088.1**	**151.8**	**0.72**	20,003.8	145.9	0.73
Others	**2,677.3**	**53.5**	**2.00**	2,919.8	30.2	1.03
Subtotal	**66,402.6**	**922.8**	**1.39**	58,328.7	977.9	1.68
Retail loans						
Personal business loans	**1,714.9**	**136.3**	**7.95**	1,790.0	94.5	5.28
Residential mortgage loans	**1,440.2**	**87.4**	**6.07**	1,571.0	79.5	5.06
Personal consumption loans	**2,046.3**	**22.8**	**1.11**	1,396.7	18.2	1.30
Subtotal	**5,201.4**	**246.5**	**4.74**	4,757.7	192.2	4.04
Total	**71,604.0**	**1,169.3**	**1.63**	63,086.4	1,170.1	1.85

The NPL ratio of the corporate loans decreased from 1.68% as of December 31, 2025 to 1.39% as of June 30, 2026, mainly due to the improvement in the asset quality of the corporate loans.

The NPL ratio of retail loans increased from 4.04% as of December 31, 2025 to 4.74% as of June 30, 2026, primarily due to the decline in the operating performance of certain small and micro enterprises and self-employed businesses.

(D) Loan aging schedule

The following table sets forth our loan aging schedule for loans and advances to customers as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026** Amount	**% of total (%)**	As of December 31, 2025 Amount	% of total (%)
Current loans	**75,199.0**	**98.4**	69,748.3	98.1
Loans past due for				
– Up to 90 days	**236.5**	**0.3**	411.7	0.6
– Over 90 days up to 1 year	**203.7**	**0.3**	117.2	0.2
– Over 1 year up to 3 years	**513.6**	**0.7**	678.7	1.0
– Over 3 years	**200.2**	**0.3**	70.2	0.1
Gross loans and advances to customers	**76,353.0**	**100.0**	71,026.1	100.0

(d) Segment information

(i) Summary of geographical segment information

When presenting data by geographical segments, operating income is allocated based on the place of registration of the institutions generating the income.

The operating income of the Group is in Sichuan Province, China.

(ii) Summary of business segments

The Group's principal operations: corporate banking business, retail banking business and financial market business. The table below presents the operating income of each major business segment of the Group for the periods presented.

(Expressed in RMB million, unless otherwise stated)	**For six months ended June 30, 2026** Amount	**% of total (%)**	For six months ended June 30, 2025 Amount	% of total (%)
Corporate banking business	**975.1**	**71.0**	840.0	71.9
Retail banking business	**239.9**	**17.5**	175.4	15.0
Financial market business	**158.8**	**11.5**	134.6	11.5
Others	**(0.1)**	**0.0**	18.0	1.6
Total	**1,373.7**	**100.0**	1,168.0	100.0

(e) Off-balance sheet commitments

Off-balance sheet commitments primarily consist of bank acceptances, letters of guarantees, letter of credit and capital expenditure commitments. The table below sets forth our contractual amounts of off-balance sheet commitments as of the dates indicated.

(Expressed in RMB million, unless otherwise stated)	As of June 30, 2026	As of December 31, 2025
Financial guarantees and credit related commitments		
Bank acceptances[(1)]	**7,490.7**	9,749.9
Letters of guarantees[(2)]	**70.7**	49.7
Letter of credit[(3)]	**127.0**	–
Subtotal	**7,688.4**	9,799.6
Capital expenditure commitments	**145.1**	72.7
Total	**7,833.5**	9,872.3

Notes:

(1) Bank acceptances refer to the Group's undertakings to pay bank bills drawn on our customers.

(2) The Group guarantees to third parties to guarantee the performance of its customers' contractual obligations.

(3) Letter of credit refers to the business under which the Group, upon application by the applicant for issuance, issues domestic letter of credit on its behalf and, upon receipt of documents complying with the terms of the letter of credit, makes payment at sight or undertakes to make payment on the maturity date specified in the letter of credit.

Off-balance sheet commitments decreased by 20.7% from RMB9,872.3 million as of December 31, 2025 to RMB7,833.5 million as of June 30, 2026. The decrease in off-balance sheet commitments was mainly due to changes in the settlement methods adopted by the upstream suppliers of the Group's bank acceptance bills customers, resulting in the decrease in the customer demand for the issuance of bank acceptance bills.

Management Discussion and Analysis

BUSINESS REVIEW

(a) Corporate banking business

The Group offers corporate customers a broad range of financial products and services, including loans, discounted bills, forfaiting, deposits and fee and commission-based products and services. As of June 30, 2026, the Group had issued corporate loans balance of RMB66,402.6 million to 2,539 corporate customers. For the first half of 2026 and the first half of 2025, the operating income from the Group's corporate banking business amounted to RMB975.1 million and RMB840.0 million, respectively, accounting for 71.0% and 71.9% of total operating income, respectively.

	Six months ended June 30,		
(Expressed in RMB million, unless otherwise stated)	**2026**	2025	Change in percentage (%)
Net interest income/(expenses) from external customers	**1,234.9**	1,047.0	17.9
Inter-segment net interest (expenses)/income	**(266.6)**	(223.9)	19.1
Net interest income	**968.3**	823.1	17.6
Net fee and commission income	**9.5**	11.1	(14.4)
Net gains arising from trading activities	**–**	–	–
Net gains arising from financial investments	**–**	–	–
Other operating (expenses)/income	**(2.6)**	5.8	(144.8)
Operating income	**975.1**	840.0	16.1
Operating expense	**(191.9)**	(215.0)	(10.7)
Expected credit losses	**(510.3)**	(356.7)	43.1
Impairment losses	**(1.3)**	–	–
Profit before tax	**271.6**	268.3	1.2

(i) *Corporate loans*

The Group provides loans to corporate customers to meet the capital needs of borrowers for the business cycle and the construction, purchase, and renovation of fixed assets. As of June 30, 2026, the Group's total corporate loans amounted to RMB66,402.6 million, accounting for 87.0% of the Group's gross loans and advances to customers.

(ii) *Discounted bills*

The Group purchases bank and commercial acceptance bills at the agreed prices from corporate customers to fund their working capital needs. These discounted bills generally have a remaining maturity of less than six months. The Group may rediscount these bills to PBOC or other financial institutions. As of June 30, 2026, the Group had a balance of RMB4,749.0 million of discounted bills.

(iii) *Corporate deposits*

The Group accepts time and current deposits from corporate customers in Renminbi. The terms of corporate time deposits generally range from three months to five years. As of June 30, 2026, the Group's total corporate deposits amounted to RMB45,786.5 million, accounting for 47.1% of total customer deposits (excluding accrued interest).

(iv) *Inclusive finance business*

During the Reporting Period, the Bank strictly implemented regulatory requirements and promoted the financial services for small and micro enterprises with a focus on "stabilizing credit extension, optimizing structure, enhancing quality and ensuring sustainability", Relying on the financing coordination mechanism for small and micro enterprises, the Bank regularly conducted visits to industrial parks, reached out beyond its branches and engaged closely with enterprises to identify potential financing needs of business entities, optimize the supply of credit products and provide more tailored and efficient financial services. As of June 30, 2026, the balance of the Bank's loans to small and micro enterprises amounted to RMB44,472.76 million, the number of micro and small enterprises customers was 4,853 and the balance of inclusive loans to small and micro enterprise amounted to RMB11,731.37 million with 4,614 customers, representing an increase of 7.79% from the beginning of the year.

(v) *Fee and commission-based products and services*

The Group offers corporate customers a wide range of fee and commission-based products and services, primarily including bank acceptance, entrusted loans, letters of guarantee, letter of credit, settlement and clearing services, mobile payment services, agency services and wealth management services.

(A) Bank acceptance

The Group provides bank acceptance services to corporate clients. The bank acceptance service refers to the issuance of a bill by a drawer with the approval of a bank, according to which, the bank guarantees to pay a pre-determined amount to the payee or the holder of the bill unconditionally on a specified date.

(B) *Entrusted loans*

The Group issues entrusted loans to its designated borrowers in accordance with the loan purpose, principal amount and interest rate determined by the corporate clients. It also monitors the use of the loans and assists in loan recovery. The default risk of the loans is borne by the Group's corporate clients.

(C) *Letters of guarantees*

The Group provides letters of guarantees to corporate clients for non-financing purposes, including bidding and performance.

(D) *Letter of credit*

The Group issues domestic letter of credit on behalf of applicants upon their application and, upon receipt of documents complying with the terms of the letter of credit, makes payment at sight or undertakes to make payment on the maturity date specified in the letter of credit.

(E) *Settlement and clearing services*

The Group provides settlement services to corporate clients, including fund remittance and transfer, drafts, cheques and other negotiable instruments.

(F) *Mobile payment services*

The Group utilizes the mobile payment platform, "Qianhuahua", providing convenient collection services to merchants across various sectors, including catering, supermarkets and transportation.

(G) *Agency services*

The Group provides agency fee-collection services to corporate clients (including enterprises and public institutions), including collection agency business and sales agency business. The Group agency services are conducive to maintaining close relationships with clients and enhancing brand awareness.

Collection agency business: The Group assists in the collection of gas bills, water bills, social insurance premiums and bus IC card recharge fees on behalf of gas companies, water supply companies and local government institutions, respectively. The Group's collection agency services secure stable corporate deposit intake and strengthen linkage with the retail business.

Sales agency business: The Group sells insurance products to its customers as an agent through its collaboration with leading insurance companies to provide customers with diversified financial product needs.

(H) *Wealth management services*

In accordance with relevant PRC laws and regulations, the Group offers wealth management products with flexible terms according to client's needs and risk tolerance. As of June 30, 2026, we have served a cumulative total of 115 corporate wealth management clients.

(b) Retail banking business

The Group provides a variety of products and services to retail customers, including loans, deposits, bank cards, and fee and commission-based products and services. As of June 30, 2026, the Group extended retail loans totaling RMB5,201.4 million to 25,978 retail loan customers. The following table sets forth the financial performance of the Group's retail banking business for the periods indicated.

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026	2025	Change in percentage (%)
Net interest income/(expenses) from external customers	**(451.7)**	(484.8)	(6.8)
Inter-segment net interest (expenses)/income	**693.1**	653.1	6.1
Net interest income	**241.4**	168.4	43.3
Net fee and commission income	**0.5**	4.0	(87.5)
Net gains arising from trading activities	**–**	–	–
Net gains arising from financial investments	**–**	–	–
Other operating (expenses)/income	**(2.0)**	3.0	(166.7)
Operating income	**239.9**	175.4	36.8
Operating expense	**(139.0)**	(109.2)	27.3
Expected credit losses	**(46.4)**	(20.1)	130.8
Impairment losses	**(1.0)**	–	–
Profit before income tax	**53.5**	46.1	16.1

(i) Retail loans

Retail loans consist primarily of personal business loans, personal consumption loans and residential mortgage loans. As of June 30, 2026 and December 31, 2025, the Group's total retail loans amounted to RMB5,201.4 million and RMB4,757.7 million, respectively, accounting for 6.8% and 6.7% of total loans and advances to customers, respectively.

(ii) Personal deposits

The Group offers a variety of time deposits and current deposits denominated in RMB to retail banking customers. The term of the Group's time deposits does not exceed six years. As of June 30, 2026 and December 31, 2025, the total amount of the Group's personal deposits was RMB51,321.8 million and RMB47,127.8 million, respectively, accounting for 52.9% and 53.0% of the total customer deposits (excluding accrued interest), respectively. To better attract and retain the Group's high-end non-institutional customers and capitalize on the market demand brought about by the liberalization of interest rates in China, the Group offers large-denomination certificates of deposit to, among others, individual customers with savings deposits exceeding RMB200,000.

(iii) Bank card services

The Group issues RMB debit cards to retail banking customers who have opened deposit accounts with the Bank. The services provided include deposit and withdrawal, consumption, transfer and remittance, and wealth management. As a member of China UnionPay, the Group's debit cards are accepted via the China UnionPay network both in China and around the world. To expand the service scope and enhance brand awareness, the Group issued debit cards with the function of a bus IC card, providing a convenient travel solution for residents in Yibin City. At the same time, in cooperation with local government agencies, the Group launched the "Ruyi Social Security IC Card", a two-in-one card, in Yibin City. In addition to the general functions of a debit card, it also provides cardholders with social security services such as social security information inquiry, medical insurance settlement, and social security contribution. As of June 30, 2026, the Group had issued 1,156,208 debit cards in total.

(iv) Fee and commission-based products and services

The Group offers a variety of fee and commission-based products and services to retail customers, mainly including wealth management services, agency services, transfer and remittance services, etc. Regarding fee and commission-based products and services, the Group generally determines the prices of such products and services according to the government-guided prices. The Group also adjusts the Group's prices by referring to the current market conditions and service costs.

(A) Wealth management services

The Group has launched non-principal-guaranteed wealth management products, mainly providing wealth management products and services to retail banking customers. As of June 30, 2026, the Group had served a cumulative total of 34,049 individual wealth management customers.

(B) Other fee and commission-based products and services

The Group also provides other fee and commission-based products and services to retail customers, such as transfer and remittance, collection services, and bank drafts.

(c) Financial market business

The Group's financial market business mainly includes monetary market transactions, investments in securities and other financial assets. The Group actively adapted to the complex and ever-changing economic and financial landscape, aiming to optimize the asset-liability structure and boost returns. It seized investment opportunities, timely adjusted investment strategies, and conducted various financial market businesses in a compliant and prudent way. In the first half of 2026 and the first half of 2025, the operating income from the Group's financial market business was RMB158.8 million and RMB134.6 million, respectively, accounting for 11.5% and 11.5% of the total operating income respectively. The following table shows the financial performance of the Group's financial market business during the periods presented.

(Expressed in RMB million, unless otherwise stated)	Six months ended June 30, 2026	2025	Change in percentage (%)
Net interest income/(expenses) from external customers	**315.6**	372.7	(15.3)
Inter-segment net interest (expenses)/income	**(426.5)**	(429.3)	(0.7)
Net interest income	**(110.9)**	(56.6)	95.9
Net fee and commission income	**(6.8)**	(5.5)	23.6
Net gains arising from trading activities	**151.6**	66.6	127.6
Net gains arising from financial investments	**125.3**	129.7	(3.4)
Other operating (expenses)/income	**(0.4)**	0.4	(200.0)
Operating income	**158.8**	134.6	18.0
Operating expense	**(33.7)**	(20.9)	61.2
Expected credit losses	**(39.5)**	(84.3)	(53.1)
Impairment losses	**(0.2)**	–	–
Profit before income tax	**85.4**	29.4	190.5

(i) Monetary market transactions

Monetary market transactions are important means of managing liquidity. The Group also earns interest income through monetary market transactions. Monetary market transactions mainly include (i) interbank deposits with other domestic banks and non-bank financial institutions; (ii) interbank lending; and (iii) interbank repo and reverse repo transactions.

(A) Interbank deposits

The Group accepts deposits from banks and other financial institutions and deposits funds in other financial institutions to adjust its asset and liability structure. As of June 30, 2026 and December 31, 2025, the Group's balance of deposits from banks and other financial institutions totaled RMB2,502.6 million and RMB1,473.2 million, respectively, and the Group's balance of deposits with banks and other financial institutions totaled RMB3,904.4 million and RMB1,408.0 million, respectively.

(B) Interbank placements

As of June 30, 2026 and December 31, 2025, the Group's balance of placements with banks and other financial institutions totaled RMB2,946.7 million and RMB1,516.7 million, respectively, and the Group's balance of placements from banks and other financial institutions totaled RMB2,380.0 million and RMB2,970.0 million, respectively.

(C) Interbank repo and reverse repo transactions

The securities involved in the Group's repo and reverse repo transactions are mainly RMB-denominated bonds. As of June 30, 2026 and December 31, 2025, the total amount of the Group's financial assets held under resale agreements was RMB503.0 million and RMB1,690.6 million, respectively, and the total amount of the Group's financial assets sold under repurchase agreements was RMB5,681.5 million and RMB6,902.2 million, respectively.

(ii) Investments in securities and other financial assets

(A) Securities investment by business model and characteristics of cash flow of assets of the Group

(Expressed in RMB million, unless otherwise stated)	**As of June 30, 2026** Amount	**% of total (%)**	As of December 31, 2025 Amount	% of total (%)
Financial assets at fair value through profit or loss	**9,883.8**	**23.6**	9,511.0	25.2
Financial assets at fair value through other comprehensive income	**21,646.1**	**51.7**	19,878.7	52.8
Financial assets at amortised cost	**10,368.1**	**24.7**	8,293.1	22.0
Total	**41,898.0**	**100.0**	37,682.8	100.0

(B) Holding of government bonds

As of June 30, 2026, the balance of face value of government bonds held by the Group amounted to RMB12,785.8 million. The table below sets forth the top 10 government bonds with the highest face value held by the Group as of June 30, 2026.

Name of the bond	Carrying amount (RMB in millions)	Annual interest rate (%)	Maturity date
25 Jiangxi bond 05	620.0	2.12	February 24, 2045
26 Inner Mongolia bond 06	460.0	2.20	April 23, 2041
26 Shandong bond 03	340.0	2.38	January 06, 2041
22 Henan bond 26	340.0	3.29	April 28, 2037
26 Shandong bond 36	300.0	2.24	April 15, 2041
25 Zhejiang bond 38	300.0	1.58	July 22, 2030
25 Shandong bond 64	300.0	1.68	July 18, 2032
24 Tianjin bond 83	280.0	2.32	October 10, 2034
26 Hubei bond 40	230.0	2.20	May 13, 2041
26 Shandong bond 07	230.0	2.38	January 06, 2041
Total	3,400.0		

(C) *Holding of financial bonds*

As of June 30, 2026, the balance of face value of the financial bonds (mainly the financial bonds issued by policy-oriented banks, banks and other financial institutions in China) held by the Group amounted to RMB17,255.0 million. The table below sets out the 10 financial bonds with the highest face value held by the Group as of June 30, 2026.

Name of the bond	Carrying amount (RMB in millions)	Annual interest rate (%)	Maturity date
24 ADBC bond 20	1,080.0	2.30	July 04, 2034
25 CDB 10	1,050.0	1.80	April 02, 2035
21 ADBC bond 05	1,000.0	3.52	May 24, 2031
22 EIBC bond 11	930.0	2.90	August 19, 2032
22 ADBC bond 05	880.0	3.06	June 06, 2032
25 CDB 18	700.0	1.79	October 22, 2030
26 CDB 03	680.0	1.69	March 11, 2031
25 CDB 15	550.0	1.65	June 18, 2035
25 CDB 05	500.0	1.57	January 03, 2035
25 Huijin MTN001	420.0	1.88	February 24, 2030
Total	7,790.0		

(d) Distribution network

(i) Physical outlets

As of June 30, 2026, the Group had a total of 66 business outlets. Among them, 39 business outlets were operated by the Bank itself, and the remaining outlets were operated by the Group's subsidiaries in their own names.

The Group has steadily advanced the optimization of business outlets and the upgrading of channels, continuously enhancing the competitiveness of its outlets. On the one hand, focusing on cost reduction and efficiency improvement, the Group has continuously optimized the layout of its outlets to cut operating costs. Meanwhile, it has quickened the pace of transformation and upgrading, actively explored a characteristic development path for the outlets, and promoted differentiated operation. On the other hand, focusing on technological empowerment, the Group has widely equipped its outlets with intelligent counters. It has continuously enhanced the functionality of mobile banking, online banking, and WeChat banking, strengthened online service support, developed digital application scenarios, and promoted the in-depth integration of consumption and finance.

(ii) E-banking services

(A) Self-service banking

The Group offers customers convenient self-service banking services via self-service equipment at relatively low operating costs. The self-service equipment is placed in business outlets, self-service areas, and public places like hospitals and schools. The Group's self-service equipment consists of CRSs (Cash Recycling Systems), which offer customers 7*24 self-service financial services, such as account inquiries, cash deposit and withdrawal, transfer and remittance, and utility bill payments, effectively reducing the Group's operating costs. As of June 30, 2026, the Group had 139 CRSs. In addition, the Group has installed intelligent devices in its business outlets. These intelligent devices have greatly improved the efficiency of business processing at the outlets and provided customers with convenient and efficient financial services. As of June 30, 2026, the Group had 133 non-cash intelligent devices and 24 cash intelligent devices.

(B) Online banking

The Group provides customers with 24-hour online banking services through its official website. The Group's corporate online banking products and services mainly include transfer and remittance, account inquiry, electronic remittance, order payment, electronic tax payment, wealth management services, bank reconciliation, and current deposits. The Group's retail online banking services mainly include account management, transfer and remittance, time and current account deposits, wealth management services, loan services, and convenience services. As of June 30, 2026, the Group had nearly 100,000 online banking customers.

(C) Mobile banking

The Group provides mobile banking services to customers, mainly including account inquiry and management, transfer and remittance, conversion between time and current deposits, wealth management services, water bills and gas bills payment services, loan services, and other professional services. As of June 30, 2026, the Group had 258,780 mobile banking customers.

(D) WeChat banking

The Group's customers can obtain information about the Group's products, services, and promotions through the WeChat official account. They can also manage their accounts, inquire about the locations of the Group's business outlets, and make appointments for counter services through the WeChat official account. As of June 30, 2026, the Group had 527,529 subscribers to the WeChat official account.

(e) Information about subsidiaries

(i) Rural banks

As of June 30, 2026, the Group had established two rural banks, namely Yibin Xingyi Rural Bank and Neijiang Xinglong Rural Bank.

As of June 30, 2026, these rural banks had total assets of RMB9,472.5 million, total deposits of RMB8,253.9 million and total loans of RMB5,565.9 million. In six months ended June 30, 2026 and 2025, the operating income of these rural banks was RMB110.5 million and RMB98.6 million, accounting for 8.0% and 8.4% of the Group's operating income, respectively.

The Group's rural banks provide a variety of financial products and services to local corporate and retail customers. These include commercial and consumer loans, bill discounting, customer deposits, as well as fee-based and commission-based products and services such as settlement services, remittance services, and bank card services.

(f) Information technology system operation and security

In the first half of 2026, the Bank's information technology focused on the goal of safe and stable operation of production systems and proactively advanced various tasks including cybersecurity guarantee of the whole Bank, system operation safety and business development support. First, the Bank promptly summarized and analyzed production incidents and problems, including but not limited to retrospective reviews of the causes, impacts and handling processes of incidents, thereby continuously enhancing incident handling capabilities and full-process management. The Bank carried out production system emergency drills as planned and conducted site-level disaster recovery switchover drills for eight important information systems, including the payment system, so as to continuously improve its emergency response capabilities. The Bank conducted regular inspections of data center infrastructure and information system operating environments on an ongoing basis, combining daily checks with third-party inspections to ensure the safe and stable operation of information systems. Second, the Bank engaged third-party security firms to conduct periodic penetration tests and vulnerability scans on its Internet information systems, continuously enhancing the security protection capabilities of Internet systems. Meanwhile, the Bank introduced a third-party professional monitoring platform to conduct automated monitoring of online banking and the portal website, with monitoring mainly covering availability, Trojans, phishing, web vulnerabilities, page tampering, sensitive content, performance testing and counterfeit monitoring, so as to continuously strengthen the security of Internet information systems. Third, the Bank deepened the application of artificial intelligence ("AI") in its systems, deployed new financial ecosystem scenarios, facilitated the full release of the effectiveness of new systems, and supported the comprehensive enhancement of the quality and efficiency of the Bank's business.

RISK MANAGEMENT

(a) Risk management of the Bank

The Bank is committed to building a comprehensive risk management system to eliminate the impacts of various uncertainties on the Bank's achievement of strategic and operational goals. The Bank's comprehensive risk management work is implemented through a hierarchical management approach. The Board of Directors, as the highest decision-making body for risk management, is responsible for establishing and maintaining a fully effective comprehensive risk management system. By establishing a sound risk management system, implementing the risk management process in each management link, and cultivating a good risk management culture, the Bank aims to achieve the overall goal of risk management. The main components of the Bank's comprehensive risk management include credit risk, market risk, operational risk, liquidity risk, reputational risk, legal and compliance risk, information technology risk, anti-money laundering and counter-terrorist financing management.

(i) Credit risk management

The Bank has established and continuously improved a comprehensive credit risk management system to identify, measure, monitor, mitigate, and control risks arising in the credit business process. The Bank improves its overall credit risk management capabilities via multiple measures, such as optimizing the credit investment structure, upgrading the credit management system, strengthening the credit review and supervision, recovering and resolving non-performing loans and training credit staff. During the Reporting Period, the Bank focused on strengthening credit risk management in the following aspects:

1. Adhering to policy guidance and optimizing the credit investment structure. The Bank closely monitors domestic and international economic conditions, regulatory requirements and changes in local industrial policies, formulates annual credit policies, gradually refines industry-specific credit policies, and issues credit policy guidelines for key industries such as power batteries, the digital economy and photovoltaics.

2. Strictly implementing the pre-loan review and credit approval work system. In line with the business development needs, the Bank implemented a hierarchical authorization review and approval system for credit business. In accordance with the requirement of separating loan approval from loan granting, a risk review center was independently established to carry out and guide the credit business risk review work of the Bank. The credit business risk review focuses on credit risk. Based on relevant information such as customer basic information, project details, collateral information submitted by operating institutions, the Bank strengthens credit risk review in terms of the completeness and effectiveness of credit documentation, the customer's qualification as a subject, creditworthiness, financing purpose, repayment ability, etc.

3. Establishing a risk early-warning mechanism. The Bank relies on its risk early-warning system and, in conjunction with the data and information collected through daily monitoring and post-loan inspections, implements a dual early-warning mechanism combining "automated system monitoring + manual assessment". By leveraging big data technologies, the Bank captures key risk factors, such as customer fund flows, related-party transactions and litigation, and generates automatic early-warnings. In response to the early-warning signals issued by the system, the Bank promptly conducts quantitative and qualitative analyses to accurately identify the category, degree, cause and development trends of loan risks, and takes targeted measures in accordance with the prescribed procedures and requirements to promptly prevent, control and resolve loan risks.

4. Actively promoting the disposal of non-performing loans. Based on the actual circumstances of various non-performing loans, the Bank has adopted effective measures such as negotiation for recovery, judicial disposal and write-offs to step up the disposal of non-performing loans and set up a liability determination mechanism for non-performing asset disposal.

5. Strengthening the development of the credit team and enhancing employees' compliance awareness and professional capabilities. The Bank annually formulates training plans for various business lines, with a strong focus on providing training and guidance to credit line personnel. This enhances the professional competence and risk compliance awareness of all credit line employees, fostering a robust corporate risk control culture.

(ii) Market risk management

Market risk refers to the risk of losses to the Bank's on-balance-sheet or off-balance-sheet business due to adverse changes in market prices, namely interest rates, exchange rates, stock prices, and commodity prices. The primary market risk faced by the Bank is interest rate risk. Among these, the trading book interest rate risk refers to the risk of losses due to adverse changes in the interest rates of financial instruments in the trading book. The interest rate risk in the banking book refers to the risk of economic value and overall income losses in the banking book due to adverse changes in interest rate levels, term structure, etc., mainly including gap risk and basis risk. The Bank's market risk management system covers the Board of Directors, senior management, the comprehensive risk management committee under the senior management, and various business departments, including the risk management department, planning and finance department, internal audit department, and other departments responsible for related business risk management.

The Bank has established fundamental systems for market risk and banking book interest rate risk management that align with its operations in accordance with the Market Risk Management Guidelines for Commercial Banks (《商業銀行市場風險管理指引》), the Guidelines for Internal Control of Commercial Banks (《商業銀行內部控制指引》), and the Guidelines for the Management of Interest Rate Risk in the Banking Book of Commercial Banks (《商業銀行銀行賬簿利率風險管理指引》). In the first half of 2026, the Bank remained highly attentive to market developments, further enhanced its market risk management framework, implemented stringent market risk limit management, and continuously monitored trading limits, stop-loss limits, and risk limits. The Bank took proactive measures to ensure early warning and effective risk mitigation while categorizing and managing trading and banking book accounts to continuously enhance market risk management efficiency.

(iii) Operational risk management

Operational risk refers to the risk of loss resulting from deficiencies in internal procedures, employees, information technology systems, or external events. Operational risk events are incidents arising from operational risks that lead to actual or expected losses, including risks related to internal and external fraud, employment practices, workplace safety, damage to physical assets, customers, products and operations, as well as errors or failures in information technology systems.

The Bank integrates operational risk into its comprehensive risk management framework. The Board of Directors assumes ultimate responsibility for operational risk management, is responsible for the approval of the Bank's operational risk management strategy and overall policies. Senior management is responsible for implementing operational risk management and ensuring the effective functioning of the operational risk management framework. In the first half of 2026, the Bank continuously strengthened operational risk management and enhanced its risk control capabilities centered on "institutional improvement, cultural leadership, and all-staff prevention and control"

1. Adhering to the principle of "internal control first, system-driven approach", the Bank, focusing on important businesses and management areas, deeply analyzed weak links of risk control, conducted continuous post-evaluation and refinement on standardized policies and operational procedures, constantly reviewed and improved its regulation systems to ensure timely and comprehensive updates. The current effective policies cover all key areas and critical processes.

2. Continuously deepening the compliance culture, the Bank has built a comprehensive compliance education and training system covering all business lines and all levels, which combines the head office's compliance lecture halls with internal compliance education and training at branches. The Bank continuously runs a compliance column, focusing on enhancing all employees' compliance awareness and business operation capability, and further strengthening compliance culture building.

3. Focusing efforts on supervision and inspections, accountability and other measures, the Bank ensured the effective implementation of its policies by conducting quarterly inspections covering key areas and important management aspects, including credit extension, wealth management business, counter operations and accounting settlement, interbank business and self-service equipment management, personnel management, office and business premises management, and seal management, while rectifying issues as they were identified and taking immediate corrective actions to promptly close risk gaps.

4. Strengthening personnel management through root-cause governance, the Bank conducted screening of employees for abnormal behaviors, utilizing multiple channels and perspectives to assess employees' daily performance during the work period. Additionally, rigid job constraints were enforced, including the separation of incompatible roles and control of critical positions, alongside strict adherence to job rotation policies.

(iv) Liquidity risk management

Liquidity risk refers to the risk of being unable to obtain sufficient funds at a reasonable cost in a timely manner to meet debt obligations. It is primarily influenced by external factors such as macroeconomic policies, changes in financial markets, and the competitive landscape of the banking industry, as well as internal factors such as the maturity structure of assets and liabilities, the stability of deposits, and financing capabilities. In extreme cases, insufficient liquidity may lead to solvency risks for commercial banks. The Bank's liquidity risk management objective is to establish and continuously improve liquidity risk management strategies, policies, and procedures, clarify the organizational structure and departmental responsibilities, fully identify, effectively measure, and continuously monitor the Bank's liquidity risk, effectively prevent and control liquidity risk, and achieve a coordinated balance among operational safety, liquidity, and profitability.

The Bank has established an effective liquidity management framework, decision-making processes, and systems. The Board of the Bank is ultimately responsible for liquidity risk management, reviewing and approving policies, strategies, procedures, and liquidity risk limits related to the Bank's liquidity management based on risk appetite, and regularly receiving liquidity risk reports on significant changes and potential shifts in the Bank's liquidity risk. The asset and liability management committee under senior management is responsible for implementing liquidity risk management strategies, policies, and procedures. The planning and finance department is responsible for the daily management of liquidity risk, with relevant business departments collaborating to form a well-coordinated and efficiently operating organizational structure for liquidity risk management.

In the first half of 2026, the Bank adhered to the liquidity risk management principles of "unified management, safety and stability, forward-looking management, and comprehensive coverage", strengthening proactive and forward-looking liquidity management. By effectively integrating the Bank's various business activities with liquidity management, the Bank maintained liquidity stability through the following measures:

1. Strictly implementing the liquidity risk management policies and preferences set by the Board of Directors, the Bank balanced the relationship among safety, liquidity, and profitability.

2. Strengthening the foundations of daily position management, the Bank implemented high-frequency monitoring of reserve funds and large capital flows. For critical periods such as holidays, the Bank made accurate position forecasts and arrangements, strictly adhering to the bottom line of avoiding payment risks.

3. Conducting quarterly liquidity risk stress tests, the Bank promptly assessed its ability to withstand liquidity risk pressures and its risk mitigation capabilities.

4. Enhancing liquidity risk monitoring, management, and early warning analysis. While rigorously implementing regulatory requirements, the Bank closely monitored various indicators and limits based on its actual conditions. It conducted identification, assessment, and measurement tasks to promptly identify risks and proactively deploy prevention, control, and risk mitigation measures.

(v) *Reputational risk management*

Reputational risk refers to the risk of negative evaluations by stakeholders due to the Bank's operations, management, other actions, or external events. The primary objective of the Bank's reputational risk management is to establish a proactive, reasonable, and effective reputational risk management mechanism to identify, monitor, control, and resolve reputational risks, thereby building and maintaining a positive image of the Bank and promoting its sustained, stable, and healthy development.

The Board of the Bank bears ultimate responsibility for reputational risk management. It is responsible for formulating reputational risk management strategies and overall objectives aligned with the Bank's strategic goals, overseeing senior management's fulfillment of reputational risk management responsibilities, regularly listening to reports on reputational risk management. Senior management, in accordance with the reputational risk management strategies set by the Board, establishes and improves reputational risk management systems tailored to the Bank, improving the reputational risk management mechanisms with clear responsibilities, collaborative division of labor, and participation from all relevant parties. In the first half of 2026, the Bank continued to refine its reputational risk management systems and mechanisms, consistently enhancing its reputational risk management capabilities.

1. Strengthening the group's reputational risk management and mechanism development, the Bank guided its subsidiaries in formulating reputational risk management systems, thereby expanding the coverage of reputational risk management.

2. Implementing measures such as "24/7 monitoring, prevention before issues arise, strengthened guidance and control", the Bank strengthened the proactive nature of its reputational risk management.

3. Enhancing public sentiment monitoring, the Bank conducted real-time monitoring of public sentiment across all platforms regarding issues of concern to customers and the media, such as business performance, product reputation, customer complaints, and key events. It ensured compliant information disclosure, continuously improving the comprehensiveness and transparency of such disclosures.

4. Diligently advancing consumer rights protection initiatives, the Bank continuously improved its consumer protection systems and strengthened complaint management to promptly address reasonable consumer demands.

5. Strengthening employee training on reputational risk awareness, the Bank strictly adhered to the compliance bottom line and enhanced service quality.

(vi) Legal and compliance risk management

Legal and compliance risk refers to the risk of facing legal sanctions, regulatory penalties, significant financial losses, or reputational damage due to non-compliance with laws, regulations, regulatory requirements, rules, standards, as well as the Bank's internal rules and regulations and normative documents. The objective of the Bank's legal and compliance risk management is to establish and improve a compliance risk management system, enabling effective identification, prevention, and management of compliance risks, promoting the development of a comprehensive risk management framework, and ensuring lawful and compliant operations. The Bank has integrated legal and compliance risk management into its corporate culture development and comprehensive risk management framework, establishing a well-structured compliance risk management system that operates from top to bottom. In the first half of 2026, the Bank adopted a management philosophy of "managing risks, strengthening internal controls, and promoting development" to drive continuous enhancement of compliance management:

1. Issuing the Opinions on Case Prevention and Compliance Work in 2026 (《2026 年案防合規工作的意見》), the Bank, in light of the internal and external environment it faced and its annual key tasks, deepened the implementation of various measures for legal affairs and compliance management throughout the year.

2. Extending compliance officers to grassroots branches, the Bank assigned them functions including frontline risk investigation, policy communication, employee abnormal behavior monitoring, and closed-loop feedback on issues, thereby extending risk supervision to the grassroots level.

3. Continuing to advance legal study and examination initiatives, the Bank organized compliance lecture halls, compliance columns, and case warning activities, and reinforced the bottom line of learning and complying with rules among all employees.

4. Conducting regular legal reviews focusing on key businesses and important systems, the Bank ensured that legal and compliance requirements were embedded in institutional building and business development. At the same time, the Bank formulated relevant regulations on the management of cooperation with lawyers, further standardized legal affairs cooperation, and strengthened the line of defense against integrity risks in legal services. The Bank continued to strengthen legal support and safeguards for daily operations and management activities, and actively carried out publicity and education activities on the rule of law, with a focus on enhancing its ability to govern the Bank in accordance with the law.

(vii) Information technology risk management

Information technology (IT) risk refers to potential threats arising from the application of information technology, such as business interruptions, data breaches, or system failures caused by natural factors, system defects, management loopholes, or human errors. These risks may lead to financial losses, reputational damage, or compliance issues. The Bank's objective in IT risk management is to establish an effective management mechanism to identify, assess, measure, monitor, and control IT risks, thereby ensuring the Bank's safe, continuous, and stable operations. By enhancing the level of information technology utilization, the Bank aims to strengthen its core competitiveness and support sustainable development.

IT risk is integrated into the Bank's bank-wide risk management framework. An information technology risk management organizational structure has been established, consisting of the Board of Directors, senior management, and the information technology management committee and executive team established under them. In the first half of 2026, the Bank steadily advanced its digital transformation and continued to improve its IT risk management system in accordance with various regulatory requirements for special initiatives:

1. Continuously improving the development of IT risk management systems. The Bank has consistently developed and refined management systems, processes and implementation rules across key risk areas, including IT governance, IT risk management, information security, information system development and operation maintenance, business continuity management and IT audits, thereby continuously strengthening its IT risk management system.

2. Strengthening fundamental capabilities in information security management. The Bank has consistently reinforced IT risk source management, enhanced system construction and network and data security prevention and control, and improved software and hardware security protection capabilities.

3. Continuously conducting technology risk assessment and monitoring. The Bank has regularly conducted specialized IT risk assessments and comprehensive risk evaluations, effectively identified IT risk points, and consistently strengthened problem analysis and corrective actions.

4. Strengthening business continuity management and implementing multi-scenario stress tests and practical drills. The Bank has continuously optimized the business continuity management system across all business lines and expanded the coverage of emergency drills. In accordance with regulatory requirements, the Bank has newly conducted multi-scenario business continuity stress tests, improved the end-to-end management of contingency plan formulation, practical drills, and post-drill review and optimization, and established a normalized and long-term emergency response and control mechanism.

(viii) Anti-money laundering and counter-terrorist financing management

The Bank strictly complies with the PRC Anti-money Laundering Law (《中華人民共和國反洗錢法》), the Administrative Measures for the Supervision and Administration of Anti-Money Laundering and Counter-Terrorist Financing of Financial Institutions (《金融機構反洗錢和反恐怖融資監督管理辦法》), the Administrative Measures for the Financial Institutions' Report of Large-Sum and Doubtful Transactions (《金融機構大額和可疑交易報告管理辦法》), the Administrative Measures for Customer Due Diligence and the Retention of Customer Identification Information and Transaction Records for Anti-Money Laundering of Financial Institutions (《金融機構客戶盡職調查和客戶身份資料反洗錢及交易記錄保存管理辦法》), and other relevant laws and regulations. Based on these requirements, the Bank has formulated relevant policies, including the Internal Control Regulations on Anti-Money Laundering of Yibin City Commercial Bank (《宜賓市商業銀行反洗錢內部控制管理規定》), the Measures for the Management of Money Laundering, Terrorist Financing, and Proliferation Financing Risks of Yibin City Commercial Bank (《宜賓市商業銀行洗錢和恐怖融資及擴散融資風險管理辦法》), the Operational Procedures for Customer Due Diligence, Customer Identification Information and Transaction Record Retention of Yibin City Commercial Bank (《宜賓市商業銀行客戶盡職調查和客戶身份資料及交易記錄保存操作規程》), the Measures for the Risk Classification Management of Customer Money Laundering and Terrorist Financing Risks of Yibin City Commercial Bank (《宜賓市商業銀行客戶洗錢和恐怖融資風險等級分類管理辦法》), and the Measures for the Self-Assessment Management of Money Laundering and Terrorist Financing Risks of Yibin City Commercial Bank (《宜賓市商業銀行洗錢和恐怖融資風險自評估管理辦法》), as well as other relevant policies, thereby establishing the Bank's anti-money laundering management framework.

The Board of Directors, senior management, departments of the head office, and branches of the Bank strictly adhere to the responsibilities defined in the Measures for the Management of Money Laundering, Terrorist Financing, and Proliferation Financing Risks of Yibin City Commercial Bank, ensuring that anti-money laundering duties are implemented at every level with rigorous accountability. Within their scope of authority, the Board of the Bank assumes ultimate responsibility for money laundering risk management, and senior management is accountable for the implementation of money laundering risk management measures. The head office has established a Leading Group for Anti-Money Laundering, which serves as the leading and coordinating body for the Bank's anti-money laundering efforts. The Leading Group's office is located within the accounting management department, which handles its daily operations and takes the lead in managing the Bank's anti-money laundering activities. Under the accounting management department, an Anti-money Laundering Monitoring Center has been established, staffed with dedicated personnel responsible for specific anti-money laundering tasks. Branches and first-tier sub-branches have also set up their own leading groups for anti-money laundering, and designated anti-money laundering officers to handle specific anti-money laundering work within their respective institutions.

In the first half of 2026, the Bank diligently fulfilled its responsibilities in anti-money laundering and counter-terrorist financing, continually enhancing its money laundering risk management capabilities.

1. Based on the latest regulatory requirements on anti-money laundering and the Bank's actual circumstances, the Bank revised two operational procedures and completed the initial self-assessment of the Bank's money laundering risks.

2. The Bank actively organized and implemented anti-money laundering training programs. Utilizing a blend of online and offline learning methods, it regularly conducted targeted training sessions on anti-money laundering aimed at enhancing employees' awareness of anti-money laundering compliance, improving their professional skills, and strengthening their ability to perform effectively in their roles.

3. The Bank strengthened enforcement of its policies through off-site inspections. Utilizing its anti-money laundering monitoring system, it conducted unscheduled checks on customer due diligence, customer risk grading, and other relevant matters, continually improving its internal control level and capacity to prevent and control money laundering risks, thereby maintaining stability in the economic and financial order. It also fully conducted anti-money laundering investigations and data monitoring and analysis, continuously strengthening the governance of customer identity information and effectively preventing money laundering crimes.

4. The Bank carried out anti-money laundering awareness campaigns through various channels. It expanded the reach of these campaigns to further boost public awareness and engagement in anti-money laundering efforts, thereby creating a positive social environment that supports anti-money laundering efforts.

(ix) Internal audit

The Bank's internal audit is risk-oriented and includes independent and objective supervision, assessment and consultancy. It reviews, assesses and supervises the improvement of business operations, risk management, internal control and compliance and effectiveness of corporate governance of the Bank through systemized and standardized methods in order to promote the sound development of the Bank and the realization of the strategic targets of the Board.

The objective of the Bank's internal audit is to promote the implementation of national economic and financial laws and regulations, guidelines and policies, rules of regulatory authorities and various rules and regulations of the Bank, and to offer opinions and make suggestions on risk management, internal control and compliance and effectiveness of corporate governance of the Bank within the Bank's risk management framework so that risks can be controlled at an acceptable level. The internal audit is also aimed at the continuous improvement of the Bank's business operation and management, and the enhancement of values.

The Group's internal audit mainly consists of an internal audit organizational system and an internal audit policy system at both the Group and subsidiary levels. A relatively independent and vertically managed internal audit organization has been established under the organizational system, with audit supervision covering all businesses and organizations of the Group. The independent and vertical internal audit management system at the group level consists of the Board of Directors of the Bank, the Audit Committee under the Board of Directors, the internal audit department and the audit staff, which are responsible for the corresponding responsibilities at the group level. The internal audit department centrally manages the Group's audit work. The independent and vertical internal audit management system of subsidiary rural banks consists of the board of directors of the rural banks, the committees under the board of directors, the internal audit department and the audit staff. The internal audit department of rural banks is subject to the dual management of the internal audit department of the group companies and the board of directors of the rural banks.

The Bank's internal audit is independent from its business operation, risk management and internal control and compliance, and does not bear the responsibility of designing and operating the business system, fulfilling operational functions, preparing financial statements, or initiating or approving business affairs. It focuses on evaluating the effectiveness of functions such as business operation, risk management, internal control and compliance and overseeing the effective rectification of identified issues, thereby ensuring the independence and effectiveness of audit.

The Bank's internal audit functions through a variety of methods, including on-site audits, off-site audits, scheduled audits, unscheduled audits, pre-notice audits, ad-hoc audits, comprehensive audits, special audits, and audit investigations, and focuses on audit supervision inspection, risk management review, case risk investigation, audit supervision evaluation, and audit supervision rectification, and other audit tasks. As a result, it achieved its annual work targets of promoting the standardization of operation and management activities, effectively preventing operational risks, ensuring the authenticity and effectiveness of internal control evaluation, and facilitating the timely correction of violations.

Through auditing projects including the implementation of major national policies and measures audit, internal control and risk management audit, financial expense management audit, and economic responsibility audit, the Bank's internal audit conducts audit and evaluation of the Bank's operation management, business practices, as well as the performance of duties of key positions; the Bank strengthened the audits and supervision of the business practices and daily operations of its employees through various audit practices to prevent operational risks and ethical risks. The Bank also enhanced the implementation of rules and regulations and fully performed its audit functions of identifying and correcting errors and deviations and identifying deficiencies and remedying omissions.

(b) Risk management of the subsidiaries

As an independent legal entity, each subsidiary has established risk management and internal control systems in accordance with the applicable regulatory requirements. The Bank participates in formulating the risk management policies and strategies of each subsidiary through the boards of directors and management teams of the subsidiaries. The management personnel shall be recommended by the Bank.

(i) Credit risk management

The subsidiaries of the Bank follow a prudent operation approach and continuously optimize asset quality through a variety of measures. These include enhancing whole-process credit management, standardizing business operating procedures, conducting early identification and warning of potential risks, and improving mechanisms for the disposal of non-performing assets.

(ii) Market risk management

The subsidiaries of the Bank effectively manage account interest rate risks by dynamically adjusting interest rates for various products and developing innovative products. At the same time, they continuously monitor and evaluate market risks to ensure that risks are controlled within acceptable limits, thereby ensuring stable business operations.

(iii) Operational risk management

The subsidiaries of the Bank have established an operational risk management system, implemented various requirements of regulatory authorities and the Bank, and formulated corresponding measures for operational risk prevention and control.

(iv) Liquidity risk management

The subsidiaries of the Bank manage liquidity risk by (i) establishing a reporting system for large fund movements and reasonably allocating funds to improve asset returns; (ii) closely monitoring movements in key liquidity indicators; (iii) adjusting the maturity profile of assets and liabilities; and (iv) conducting periodic liquidity stress tests.

(v) Reputational risk management

Each subsidiary establishes a clear framework with defined responsibilities in accordance with its own policies to ensure that accountability for reputational risk management is assigned to specific individuals. They implement a public opinion reporting mechanism to classify and manage reputation incidents, and apply graded controls based on the extent of public impact. Furthermore, they develop clear and well-defined emergency response plans concerning reputational risk incidents to ensure timely and effective handling of unforeseen events.

(vi) Legal and compliance risk management

Each subsidiary has established a relatively sound whole-process management system for legal and compliance matters, enabling them to effectively identify various legal and compliance risks in operation and management. They also ensure stable business operations through strengthening risk controls such as institutional building, policy control, compliance training, and resource support.

(vii) Information technology risk management

Each subsidiary has established relatively comprehensive procedures and policies for managing information technology risks and also developed business continuity management and emergency response plans to address the risks of operational disruptions.

(viii) Anti-money laundering and counter-terrorist financing management

Each subsidiary has established a comprehensive management system and procedures for anti-money laundering and counter-terrorist financing in compliance with the Anti-Money Laundering Law of the People's Republic of China and the regulations issued by the PBOC, encompassing customer identification, the retention of identity information and transaction records, anti-money laundering publicity and training, as well as the management of large-sum transactions and suspicious transaction reports. Each subsidiary, in its capacity as an independent legal entity, separately reports suspicious transactions to the China Anti-Money Laundering Monitoring and Analysis Center in accordance with relevant regulatory requirements.

(ix) Internal audit

The internal audit department of each subsidiary is staffed with dedicated auditors who exercise audit supervision independently. By employing systematic and standardized methods, they review, evaluate and supervise the improvements in their own business operations, risk management, internal control and compliance, and corporate governance effectiveness, thereby promoting the sound operation and value enhancement of the respective subsidiaries.

CAPITAL ADEQUACY RATIO ANALYSIS

The Group calculated the capital adequacy ratio as at June 30, 2026 in accordance with the Measures for the Administration of Capital of Commercial Banks issued by the NFRA, which came into effect on January 1, 2024. Commercial banks in China (excluding systemically important banks) are required to maintain: (i) capital adequacy ratios equal to or above 10.5% and 10.5% as at June 30, 2026 and December 31, 2025, respectively; (ii) tier-one capital adequacy ratios equal to or above 8.5% and 8.5% as at June 30, 2026 and December 31, 2025, respectively; and (iii) core tier-one capital adequacy ratios equal to or above 7.5% and 7.5% as at June 30, 2026 and December 31, 2025, respectively.

The table below presents the relevant information about the Group's capital adequacy ratio as at the dates indicated.

(Expressed in RMB million, unless otherwise stated)	**June 30, 2026**	December 31, 2025
Core Tier-one Capital	**11,752.8**	11,465.0
Core Tier-one Capital deductions	**(488.6)**	(435.8)
Net Core Tier-one Capital	**11,264.2**	11,029.2
Other Tier-one Capital	**27.3**	26.2
Net Tier-one Capital	**11,291.5**	11,055.4
Tier-two Capital	**1,051.3**	1,020.2
Net Capital	**12,342.8**	12,075.6
Total risk-weighted assets	**90,698.5**	86,788.8
Core Tier-one Capital adequacy ratio	**12.42%**	12.71%
Tier-one Capital adequacy ratio	**12.45%**	12.74%
Capital adequacy ratio	**13.61%**	13.91%

MAJOR ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Bank had no major acquisitions or disposals of subsidiaries, associates or joint ventures.

PLEDGE OF ASSETS

Please refer to "Note 36 to the Consolidated Financial Statements" in this interim report for details of the pledge of assets of the Bank as at June 30, 2026.

CONTINGENT LIABILITIES

Please refer to "Note 35 to the Consolidated Financial Statements" in this interim report for details of the contingent liabilities of the Bank as at June 30, 2026.

Changes in Share Capital and Particulars of Shareholders

SHARE CAPITAL AND ITS CHANGES OF THE BANK DURING THE REPORTING PERIOD

(I) Share Capital Structure Situation

As of June 30, 2026, the total number of Domestic Shareholders of the Bank was 431, among which there were 5 state-owned Shareholders, 32 legal person Shareholders and 394 individual Shareholders. The share capital of the Bank is as follows:

Type of Share Capital	Opening Balance (Shares)	Percentage of Total Share Capital (%)	Changes	Closing Balance (Shares)	Percentage of Total Share Capital (%)
State-owned Shares	2,239,030,856	48.80	0	2,239,030,856	48.80
Legal person Shares	1,648,406,947	35.93	-143,947	1,648,263,000	35.92
Including: State-owned Legal Person Shares	1,110,387,322	24.20	0	1,110,387,322	24.20
Individual Shares	12,562,197	0.27	143,947	12,706,144	0.28
H Shares	688,400,000	15.00	0	688,400,000	15.00
Total Share Capital	**4,588,400,000**	**100.00**	**0**	**4,588,400,000**	**100.00**

Changes in Share Capital and Particulars of Shareholders

PARTICULARS OF SHAREHOLDERS

(I) Shareholding details of the top ten Domestic Shareholders of the Bank

No.	Shareholder's Name	Number of Shares Held as at June 30, 2026 (Shares)	Percentage of Total Share Capital of the Bank as at June 30, 2026 (%)	Number of Pledged Shares (Shares)
1	Sichuan Yibin Wuliangye Group Co., Ltd. (四川省宜賓五糧液集團有限公司)	779,610,000	16.99	–
2	Yibin Municipal Finance Bureau (宜賓市財政局)	779,481,723	16.988	–
3	Yibin Cuiping District Finance Bureau (宜賓市翠屏區財政局)	779,220,000	16.98	–
4	Yibin Nanxi District Finance Bureau (宜賓市南溪區財政局)	660,699,908	14.40	–
5	Tianfeng Securities Co., Ltd. (天風證券股份有限公司)	194,580,442	4.24	–
6	Jiaxing Jiayuan Information Technology Co., Ltd. (嘉興嘉源信息科技有限公司)	137,969,543	3.01	–
7	Chengdu Xinan Stone Co., Ltd. (成都西南石材城有限公司)	137,214,000	2.99	–
8	Sichuan Hydropower Investment Operation Group Co., Ltd. (四川省水電投資經營集團有限公司)	128,759,400	2.81	–
9	Wuhan Tianying Investment Group Co., Ltd. (武漢天盈投資集團有限公司)	107,142,857	2.34	–
10	Chaoyu Group Co., Ltd. (超宇集團有限公司)	103,494,294	2.26	98,565,995
Total		**3,808,172,167**	**82.996**	

Changes in Share Capital and Particulars of Shareholders

(II) Interests and Short Positions of Substantial Shareholders and Other Persons Under Hong Kong Regulations

To the Bank's knowledge, as at June 30, 2026, the following persons (excluding the Bank's Directors, Supervisors and Chief Executive) had or were deemed or taken to have interests and/or short positions in the Shares or underlying Shares as recorded in the register of interests required to be kept by the Bank pursuant to Section 336 of Part XV of the SFO and which would be required to be disclosed to the Bank and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO; or, directly or indirectly, were interested in 5% or more of the nominal value of any class of the Bank's share capital carrying rights to vote in all circumstances at the Shareholders' general meetings of any other member of the Bank:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares Directly or Indirectly Held (Shares)[1]	Approximate Percentage of the Bank's Issued Shares (%)[2]	Approximate Percentage of the Relevant Class of the Bank's Shares (%)[2]
Sichuan Yibin Wuliangye Group Co., Ltd.	Beneficial owner	Domestic Shares	779,610,000	16.99	19.99
Yibin Development Holding Group Co., Ltd.	Interest in controlled corporation[3]	Domestic Shares	779,610,000	16.99	19.99
State-owned Assets Supervision and Administration Commission of Yibin	Interest in controlled corporation[3]	Domestic Shares	779,610,000	16.99	19.99
Yibin Municipal Finance Bureau	Beneficial owner	Domestic Shares	779,481,723	16.988	19.987
Yibin Cuiping District Finance Bureau	Beneficial owner	Domestic Shares	779,220,000	16.98	19.98
Yibin Nanxi District Finance Bureau	Beneficial owner	Domestic Shares	660,699,908	14.40	16.94
VISION BEST HOLDINGS LIMITED	Beneficial owner[4]	H Shares	50,064,000	1.09	7.27
Shenzhen Tinno Mobile Technology Corp.	Interest in controlled corporation[4]	H Shares	50,064,000	1.09	7.27
Tinno Technology Group Co., Ltd.	Interest in controlled corporation[4]	H Shares	50,064,000	1.09	7.27
Winsang Technologies Limited	Interest in controlled corporation[4]	H Shares	50,064,000	1.09	7.27
Mr. Lin Man Hung	Interest in controlled corporation[4]	H Shares	50,064,000	1.09	7.27
HONGKONG AO SHENG INTERNATIONAL TRADE LIMITED	Beneficial owner[5]	H Shares	81,583,000	1.78	11.85
Hainan Kanglicheng Trading Co., Ltd. (海南康利誠貿易有限公司)	Interest in controlled corporation[5]	H Shares	81,583,000	1.78	11.85
Chengdu Chengguangyu Trading Co., Ltd. (成都成廣宇商貿有限公司)	Interest in controlled corporation[5]	H Shares	81,583,000	1.78	11.85

Changes in Share Capital and Particulars of Shareholders

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares Directly or Indirectly Held (Shares)(1)	Approximate Percentage of the Bank's Issued Shares (%)(2)	Approximate Percentage of the Relevant Class of the Bank's Shares (%)(2)
Mr. Wang Jie	Interest in controlled corporation(5)	H Shares	81,583,000	1.78	11.85
Zhonghai Trust Co., Ltd.	Trustee(6)	H Shares	61,585,000	1.34	8.95
Bank of China Investment Management Co., Ltd.	Asset manager(7)	H Shares	56,266,000	1.23	8.17
Hangzhou Industrial & Commercial Trust Co., Ltd.	Trustee(8)	H Shares	108,547,000	2.37	15.77
Tibet Trust	Trustee(9)	H Shares	151,837,000	3.31	22.06
Hongkong Phoemay Investment Co., Limited	Beneficial owner	H Shares	81,627,000	1.78	11.86

(1) All the Shares held are long positions.

(2) As of June 30, 2026, the number of Domestic Shares of the Bank was 3,900,000,000, the number of H Shares was 688,400,000, and the total number of issued Shares was 4,588,400,000.

(3) Sichuan Yibin Wuliangye Group Co., Ltd. is wholly owned by Yibin Development Holding Group Co., Ltd., and Yibin Development Holding Group Co., Ltd. is held by the State-owned Assets Supervision Administration Commission of Yibin as to 90% interest. Therefore, pursuant to the SFO, the State-owned Assets Supervision and Administration Commission of Yibin and Yibin Development Holding Group Co., Ltd. are deemed to be interested in all the Shares held by Sichuan Yibin Wuliangye Group Co., Ltd.

(4) VISION BEST HOLDINGS LIMITED is wholly owned by Shenzhen Tinno Mobile Technology Corp., which is in turn wholly owned by Tinno Technology Group Co., Ltd. Tinno Technology Group Co., Ltd. is 45.13% owned by Winsang Technologies Limited, which in turn is 44.51% owned by Mr. Lin Man Hung. Pursuant to the SFO, each of Shenzhen Tinno Mobile Technology Corp., Tinno Technology Group Co., Ltd., Winsang Technologies Limited and Mr. Lin Man Hung is deemed to be interested in all the Shares held by VISION BEST HOLDINGS LIMITED.

(5) HONGKONG AO SHENG INTERNATIONAL TRADE LIMITED is wholly owned by Hainan Kanglicheng Trading Co., Ltd., which is wholly owned by Chengdu Chengguangyu Trading Co., Ltd., which in turn is wholly owned by Mr. Wang Jie. Pursuant to the SFO, each of Hainan Kanglicheng Trading Co., Ltd., Chengdu Chengguangyu Trading Co., Ltd. and Mr. Wang Jie is deemed to have an interest in all the Shares held by HONGKONG AO SHENG INTERNATIONAL TRADE LIMITED.

(6) As the trustee of Zhonghai Trust Co., Ltd. - Overseas Investment Series No. 31 QDII Single Trust Scheme, Zhonghai Trust Co., Ltd. (as a Qualified Domestic Institutional Investor) subscribes for and holds the relevant offered Shares on behalf of the trust investor.

(7) As the asset manager of Bank of China Investment Management – Zhonggang Investment No. 1 QDII Single Asset Management Plan, Bank of China Investment Management Co., Ltd. holds Shares of the listed corporation through the QDII asset management plan to achieve the investment plans of the fund investors.

(8) Hangzhou Industrial & Commercial Trust Co., Ltd. is the trustee of Hangzhou Xinqi Hang No. 1 Collective Fund Trust Project.

(9) Tibet Trust is the trustee of Zhuoao No. 8 Collective Fund Trust Plan.

Save as disclosed above, as at June 30, 2026, the Bank is not aware of any other person, other than the Bank's Directors, Supervisors and Chief Executive, who had interests or short positions in the Shares and underlying Shares of the Bank, which were required to be kept in the register of interests recorded by the Bank pursuant to Section 336 of Part XV of the SFO, and which would be required to be disclosed to the Bank and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO.

(III) Substantial Shareholders

According to the PRC regulatory requirements, the Bank has 6 substantial Shareholders:

1. Shareholders holding more than 5% of Shares: Sichuan Yibin Wuliangye Group Co., Ltd., Yibin Municipal Finance Bureau, Yibin Cuiping District Finance Bureau, and Yibin Nanxi District Finance Bureau.

   During the Reporting Period, there was no change in the shareholding of more than 5% of Shares by Shareholders.

2. Shareholders holding less than 5% of Shares but having significant influence on the Bank (appointing Directors or senior management to the Bank): Jiaxing Jiayuan Information Technology Co., Ltd. (嘉興嘉源信息科技有限公司).

3. Shareholders holding less than 5% of Shares but having significant influence on the Bank (influencing the finance and business management decisions of the Bank through agreements or other means): LIANG Youtao. See section "Directors, Senior Management, Employees and Organizations" in the 2025 annual report of the Bank for details.

(IV) Particulars of Controlling Shareholder and De Facto Controller

The Bank does not have a controlling Shareholder or de facto controller.

Directors, Supervisors, Senior Management Members and Employees

I. DIRECTORS AND SENIOR MANAGEMENT MEMBERS

(I) Directors

As of the Latest Practicable Date, the Board of Directors comprises 9 Directors including 1 executive Director namely XUE Feng, 4 non-executive Directors namely ZHANG Xin, HUANG Chongying, TIAN Tian and ZHAO Gen, 4 independent non-executive Directors namely YAO Liming, YU Xiaoran, XING Huayu and ZHAO Jingmei.

(II) Senior Management Members

As of the Latest Practicable Date, the Bank comprises 8 Senior Management Members namely GUO Hua, GONG Yuchi, LIANG Youtao, YUAN Kui, TANG Xudong, TANG Lin, YU Kui and PU Bin.

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS

(I) Changes in Directors

XIAO Yufeng, a non-executive Director, tendered her resignation to the Board of Directors on August 15, 2025 due to work arrangements, and resigned as a non-executive Director of the Bank, a member of the Board's Strategy and Asset and Liability Management Committee, a member of the Nomination and Remuneration Committee and a member of the Risk Management Committee on February 9, 2026, with effect from February 9, 2026.

At the 2025 Second Extraordinary General Meeting held on September 12, 2025, ZHANG Xin was elected as a non-executive Director. His qualification to serve as a Director was approved on February 9, 2026, and his term of office commenced on February 9, 2026 and will expire upon the expiry of the term of the fourth session of the Board of Directors.

At the 2025 Second Extraordinary General Meeting held on September 12, 2025, HUANG Chongying was elected as a non-executive Director. Her qualification to serve as a Director was approved on February 9, 2026, and her term of office commenced on February 9, 2026 and will expire upon the expiry of the term of the fourth session of the Board of Directors.

XU Yong, an executive Director, tendered his resignation to the Board of Directors on February 10, 2026 upon reaching retirement age, and resigned as an executive Director of the Bank, a member of the Strategy and Asset and Liability Management Committee, a member of the Related Party Transactions Control Committee and the chairman of the Consumer Rights and Interests Protection Committee, with effect from that date.

Directors, Supervisors, Senior Management Members and Employees

At the 2025 Annual General Meeting held on June 25, 2026, an election was held to elect the members of the fifth session of the Board. The list of members of the Board of Directors is set out below:

(i) XUE Feng and GUO Hua are the executive Directors;

(ii) ZHANG Xin, HUANG Chongying, LIU Kelin, LUO Xixiao and ZHANG Fan are the non-executive Directors;

(iii) YAO Liming, YU Xiaoran, XING Huayu, ZHAO Jingmei and ZHONG Chaohong are the independent non-executive Directors;

(iv) TIAN Yongchun is the employee Director.

Given that the qualifications of GUO Hua, LIU Kelin, LUO Xixiao, ZHANG Fan, ZHONG Chaohong and TIAN Yongchun to serve as Directors are still subject to approval by the national financial regulatory authority, pending approval of their qualifications, the number of Directors of the fifth session of the Board who are eligible to perform their duties does not meet the statutory requirements. Accordingly, the fourth session of the Board, the Chairman and Senior Management will continue to perform the relevant duties pending approval of the aforesaid qualifications of the Directors. The fifth session of the Board will be established on the date when the number of Directors whose qualifications to serve as Directors have been approved reaches two-thirds of the total number of Directors, with a term of office of three years. The qualifications of the newly elected Directors to serve as Directors are subject to approval by the national financial regulatory authority, and their terms of office will commence on the date on which their qualifications to serve as Directors are approved and expire upon the expiry of the term of the fifth session of the Board.

(II) Changes in Supervisors

At the 2025 Third Extraordinary General Meeting held on October 27, 2025, resolutions relating to the abolition of the Board of Supervisors and amendment to the Articles of Association were considered and approved. On January 4, 2026, the Sichuan Regulatory Bureau of National Financial Regulatory Administration approved the revised Articles of Association. Given that the amended Articles of Association have been approved and become effective, the Board of Supervisors was abolished in accordance with the law with effect from the date of such approval. Concurrently, the Supervisory Committee and Nomination Committee under the Board of Supervisors were also abolished, and the members of the Board of Supervisors ceased to serve as Supervisors or as members of the committees under the Board of Supervisors. The corporate governance policies relating to the Board of Supervisors were repealed, and the Audit Committee of the Board assumed the relevant duties of the Board of Supervisors.

(III) Changes in Senior Management Members

The Board of Directors has considered and approved the resolution on the appointment of GUO Hua as the president of the Bank, at the Board of Directors' Meeting held on October 30, 2025. GUO Hua performed the duties of the president on an acting basis prior to the approval of his qualification to serve as the president of the Bank by the national financial regulatory institution. His qualification as the president was approved on January 12, 2026. The Bank appointed GUO Hua as the president on January 13, 2026.

III. CHANGES IN THE INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Save as disclosed in this interim report, there is no change in the information of Directors, Supervisors and Chief Executive that shall be disclosed according to Rule 13.51B(1) of the Listing Rules from the Reporting Period to the Latest Practicable Date.

IV. THE INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE BANK AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2026, none of the Directors, Supervisors and Chief Executive of the Bank had any interests and/or short positions in the Shares, underlying Shares and debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Bank and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or interests and/or short positions which were required, pursuant to Section 352 of the SFO, to be registered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Bank and the Hong Kong Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors).

V. EMPLOYEE, EMPLOYEE REMUNERATION POLICY AND EMPLOYEE TRAINING PROGRAM

(I) Employee Composition

As of June 30, 2026, the Group had 1,101 employees. The following table sets forth the number of full-time employees by function as of the same date:

Function	Number of employees	% of total (%)
Retail banking	357	32.43
Corporate banking	671	60.94
Treasury operations	54	4.90
Others	19	1.73

Directors, Supervisors, Senior Management Members and Employees

The following table sets forth the number of full-time employees by age as of June 30, 2026:

Age	Number of employees	% of total (%)
Aged 30 or below	206	18.71
Aged 31-40	532	48.32
Aged 41-50	238	21.62
Aged over 50	125	11.35

The following table sets forth the number of full-time employees by education level as of June 30, 2026:

Education level	Number of employees	% of total (%)
Master's degree and above	144	13.08
Bachelor's degree	827	75.11
Associate degree and below	130	11.81

The following table sets forth the number of full-time employees by gender as of June 30, 2026:

Gender	Number of employees	% of total (%)
Male	477	43.32
Female	624	56.68

The Group respects each person's gender, religion, ethnicity and others. The Group gives each job applicant an equal opportunity, treats people with disabilities equally, and treats employees with different backgrounds equally. The Group considers that the gender ratio of its employees (including senior management) is relatively balanced at present, and expects to continue to maintain a reasonable level of gender diversity at the employees (including senior management) level. The Group provides employees with diversified training in marketing and risk control, counter services, compliance education and policies and regulations to enhance employees' professional ethics and skills, and continually reinforce the awareness of risks, rules and bottom lines among senior management and employees. The Group prioritizes employees' growth and development and provides job rotation programs to cultivate the comprehensive qualities of employees.

In accordance with regulatory requirements and the Articles of Association, the salaries of the employees of the Group are composed of basic salary, performance-based compensation, welfare income and others. The Group has established a performance-based and value contribution-oriented differentiated performance pay assessment management system covering the whole Bank. The Group contributes to social insurance and other employee benefits for the employees in accordance with applicable PRC laws, regulations and regulatory rules.

(II) Employee Remuneration

The Group conducts performance evaluations of employees annually to provide feedback on performance. Remuneration for the Group's full-time employees typically consists of a base salary and a discretionary bonus. The Group determines employee discretionary bonuses at the end of each year based on employee performance and its results of operations.

The Group's full-time employees participate in various employee benefit plans, such as pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, housing provident funds and corporate annuity funds. In addition, the Group also provides supplementary medical insurance to its employees.

According to the relevant regulations, the premiums and welfare benefit contributions borne by the Group are calculated regularly on a certain percentage of the remuneration cost and paid to the relevant labor and social welfare authorities. The Group cannot withdraw or utilize its fund contribution made to the defined contribution schemes under any circumstance.

(III) Employee Training Program

The Bank adheres to the strategic concept of "talent-driven development" and focuses on the future demand for human resources in reform and development, as well as the new requirements for the quality of employees in current business operation. With the goal of enhancing the overall quality of employees, the Bank carries out comprehensive training through both online and offline training, focusing on building a training system that covers employees from all business lines. Firstly, the Bank continuously improves the employee training management mechanism and builds a comprehensive training and development system that covers all employees with different levels and categories, promoting talent development in line with strategic goals. Secondly, by coordinating online training resources, the Bank strengthens basic, routine, and regular training across various business lines such as new employee training, counter business, credit business, retail business, risk management, compliance management, information technology, and comprehensive management. It also enhances the application of training results and post-training evaluation to effectively improve the effectiveness of training. Thirdly, through "inviting experts in" and "sending employees out" and other methods, the Bank implements diversified training programs such as new employee induction training, professional skills training, management cadre training, and outbound study and exchange, and focuses on improving business capabilities and management qualities, strengthens practical guidance and effectiveness evaluation, and strives to enhance employees' performance ability and comprehensive literacy, contributing to the cultivation of high-quality and professional financial talents.

Important Events

CORPORATE GOVERNANCE

The Bank is committed to high-level corporate governance and continuously enhances the transparency of corporate governance to safeguard Shareholders' interests and increase corporate value. During the Reporting Period, the Bank maintained a sound overall corporate governance.

The Bank has established a relatively comprehensive corporate governance structure in accordance with the PRC laws and regulations, the Listing Rules, and the Articles of Association. The Shareholders' general meeting is the highest organ of authority of the Bank. The Board of Directors is accountable to the Shareholders' general meeting, and bears ultimate responsibility for the operation and management of the Bank. It is responsible for formulating business development strategies and overseeing their implementation, deciding on business plans and investment proposals, formulating profit distribution plans, and deciding matters such as the establishment of internal management bodies. The Board of Directors has established committees to perform specific functions, including the Strategy and Asset and Liability Management Committee, Related Party Transactions Control Committee, Nomination and Remuneration Committee, Risk Management Committee, Internal Control and Compliance Committee, Audit Committee, and Consumer Rights and Interests Protection Committee. The senior management conducts business management activities in accordance with the Articles of Association and the authorization of the Board of Directors. It is accountable to the Board of Directors, is subject to the supervision of the Audit Committee, actively implements the resolutions of the Shareholders' general meeting and the Board of Directors, and reports information on the Bank's business management in a timely, accurate, and complete manner.

The Bank applies Part 2 of the Corporate Governance Code and the Corporate Governance Guidelines for Banking and Insurance Institutions (the "**Guidelines**") issued by the former CBIRC to its governance structure and policies. The Articles of Association, the Rules of Procedure for the Shareholders' general meeting, the Board of Directors, and its committees all fully reflect the Corporate Governance Code and the Guidelines. The Bank's Shareholders' general meeting, Board of Directors and senior management perform their respective duties, forming a sound corporate governance structure. The Bank closely monitors business operations to ensure compliance with the relevant provisions of applicable laws, regulations, codes, guidelines, and the Bank's internal policies.

During the Reporting Period, the Bank has fully complied with all applicable code provisions set out in the Corporate Governance Code. The Directors are not aware of any information indicating that the Bank has not complied with the code provisions set out in the Corporate Governance Code. The Bank has also strictly complied with applicable laws and regulations and the provisions of the Listing Rules regarding the management of inside information.

The Bank will continue to strengthen corporate governance to ensure compliance with the requirements of the Corporate Governance Code and the Guidelines, and to meet the higher expectations of Shareholders and potential investors.

SECURITIES TRANSACTIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS

The Bank has adopted the Model Code as the code for regulating securities transactions by its Directors, Supervisors and senior management members.

The Bank has conducted specific inquiries of all Directors, Supervisors and senior management members and confirmed that they have complied with the Model Code during the Reporting Period.

DIVIDEND DISTRIBUTION

Pursuant to the 2025 Profit Distribution Plan, which was considered and approved at the 2025 annual general meeting held on June 25, 2026, the Bank distributed a cash Final Dividend (the "**Final Dividend**") for the year ended December 31, 2025 to Shareholders whose names appear on the Bank's register of members on July 7, 2026. The Final Dividend of RMB0.0356 per share (tax inclusive) was distributed on August 25, 2026 with the total amount of RMB163.35 million (tax inclusive). For details, please refer to the circular dated June 4, 2026 and the announcement dated June 25, 2026 issued by the Bank.

The Board of Directors proposed not to distribute the interim dividend for the six months ended June 30, 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, the Bank and any of its subsidiaries have not purchased, sold, or redeemed any listed securities of the Bank (including sale of treasury shares).

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

LEGAL PROCEEDINGS

From time to time, in the ordinary course of business, the Bank may be involved in various claims and litigations, mainly relating to contractual disputes on financial loans, other contractual disputes or disputes on bond transactions initiated by the Bank against borrowers, guarantors and bond issuers. From the Reporting Period up to the Latest Practicable Date, the Bank was not a defendant or co-defendant in any material pending litigation.

Important Events

PENALTIES IMPOSED ON THE BANK AND ITS DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS

During the Reporting Period, neither the Bank nor any of its Directors, Supervisors or senior management members was subject to any inspection, administrative penalty or notices of criticism by CSRC, public censures by the Hong Kong Stock Exchange, or any penalty with a material impact on the operation of the Bank imposed by other regulatory authorities.

MATERIAL CONTRACTS AND THE FULFILLMENT

During the Reporting Period, the Bank had no material contracts or their performance.

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

As of the end of the Reporting Period, the Bank had no material investments required to be disclosed under paragraph 32(4A) of Appendix D2 to the Listing Rules.

During the Reporting Period, the Bank had no material acquisitions and disposals of subsidiaries, associates or joint ventures.

FUTURE PLANS TO MAKE MATERIAL INVESTMENTS OR ACQUIRE CAPITAL ASSETS

During the Reporting Period, the Bank had no plans to make material investments or acquire capital assets.

REVIEW OF THE INTERIM RESULTS

The Bank's 2026 interim financial information (unaudited) prepared in conformity with IFRS has been reviewed by Confucius International CPA Limited with unqualified review report being issued.

The Bank's 2026 interim report and the 2026 interim financial information (unaudited) have been reviewed by the audit committee of the Board of Directors and the Board of Directors of the Bank.

SUBSEQUENT EVENTS

Save as disclosed in this interim report, as of the Latest Practicable Date, the Group did not have any material event.

Review Report on Interim Financial Information

PAN-CHINA
天健國際會計師事務所有限公司
Confucius International CPA Limited Certified Public Accountants

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TO THE MEMBERS OF YIBIN CITY COMMERCIAL BANK CO., LTD
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial statements of Yibin City Commercial Bank Co., Ltd (the "Bank") and its subsidiaries (the "Group") set out on pages 76 to 160, which comprise the condensed consolidated interim statement of financial position as at 30 June, 2026, 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 selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). A review of these 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 Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Confucius International CPA Limited
Certified Public Accountants
Ma Yui Man
Practising Certificate Number: P08024
Hong Kong,
August 27, 2026

Interim Financial Information

Condensed Consolidated Interim Statement of Comprehensive Income

For the Six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

	Note	Six months ended 30 June,	
		2026	2025
		(Unaudited)	(Unaudited)
Interest income		**2,083,208**	1,987,215
Interest expense		**(984,419)**	(1,052,304)
Net interest income	5	**1,098,789**	934,911
Fee and commission income		**28,316**	28,553
Fee and commission expense		**(25,107)**	(18,975)
Net fee and commission income	6	**3,209**	9,578
Net gains on trading activities	7	**151,590**	66,550
Net gains on financial investments	8	**125,312**	129,716
Other operating (expense)/income	9	**(5,240)**	27,190
Operating income		**1,373,660**	1,167,945
Operating expenses	10	**(374,079)**	(351,704)
Expected credit losses	11	**(596,248)**	(461,205)
Impairment losses	23	**(2,574)**	–
Profit before income tax		**400,759**	355,036
Income tax expense	12	**(77,568)**	(64,256)
Net profit		**323,191**	290,780
Net profit attribute to:			
Equity attributable to shareholders of the Bank		**315,173**	284,500
Non-controlling interests		**8,018**	6,280
Earnings per Share (expressed in RMB per Share)	13		
Basic earnings per Share		**0.07**	0.07
Diluted earnings per Share		**0.07**	0.06

Condensed Consolidated Interim Statement of Comprehensive Income

For the Six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

	Note	Six months ended 30 June, 2026 (Unaudited)	2025 (Unaudited)
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income		**155,052**	(138,899)
Credit impairment losses for financial assets at fair value through other comprehensive income (Note 16(a), 18(b))		**14,424**	(2,051)
Impact on income tax on changes in fair value and credit impairment provision of financial assets at fair value through other comprehensive income (Note 22)		**(42,369)**	35,235
Items that will not be reclassified to profit or loss:			
Changes in remeasurement of defined benefit plans		**–**	(294)
Impact on income tax on changes in remeasurement of defined benefit plans		**–**	74
Other comprehensive income for the period, net of tax		**127,107**	(105,935)
Total comprehensive income		**450,298**	184,845
Total comprehensive income attributable to:			
Equity attributable to shareholders of the Bank		**442,304**	178,615
Non-controlling interests		**7,994**	6,230

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

Interim Financial Information

Condensed Consolidated Interim Statement of Financial Position

30 June, 2026 (In RMB thousands, unless otherwise stated)

	Note	**30 June, 2026 (Unaudited)**	31 December, 2025 (Audited)
Assets			
Cash and balances with central Bank	14	**7,636,730**	10,817,647
Financial assets held under resale agreements, due from other banks and other financial institutions	15	**7,023,521**	4,299,939
Loans and advances to customers	16	**72,876,890**	68,181,533
Financial investments			
– Fair value through profit or loss	17	**9,883,828**	9,511,000
– Fair value through other comprehensive income	18	**21,646,120**	19,878,725
– Amortised cost	19	**10,368,128**	8,293,079
Property, plant and equipment	20	**579,719**	580,600
Right-of-use assets	21	**26,023**	27,002
Deferred tax assets	22	**1,619,693**	1,546,580
Other assets	23	**410,666**	387,649
Total assets		**132,071,318**	123,523,754
LIABILITIES			
Borrowings from central Bank	24	**4,964,200**	3,191,599
Financial assets sold under repurchase agreements, due to other banks and financial institutions	25	**10,587,314**	11,350,863
Financial liabilities at fair value through profit or loss	26	**141,777**	57,127
Customer deposits	27	**100,014,719**	91,851,860
Debt securities issued	28	**3,296,140**	4,301,189
Taxes payable	29	**182,698**	252,337
Lease liabilities	21	**23,287**	24,829
Other liabilities	30	**1,031,943**	951,661
Total liabilities		**120,242,078**	111,981,465

Condensed Consolidated Interim Statement of Financial Position

30 June, 2026 (In RMB thousands, unless otherwise stated)

	Note	**30 June, 2026 (Unaudited)**	31 December, 2025 (Audited)
EQUITY			
Share capital	31	**4,588,400**	4,588,400
Capital reserve	31	**4,440,581**	4,440,581
Other comprehensive income	32	**148,210**	21,079
Surplus reserve	32	**236,453**	236,453
General reserve	32	**1,287,506**	1,287,506
Retained earnings		**846,183**	694,357
Equity attributable to shareholders of the Bank		**11,547,333**	11,268,376
Non-controlling interests		**281,907**	273,913
Total equity		**11,829,240**	11,542,289
Total liabilities and equity		**132,071,318**	123,523,754

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

The condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on August 27, 2026 and are signed on its behalf by:

DIRECTOR

CHIEF FINANCIAL OFFICER

Interim Financial Information

Condensed Consolidated Interim Statement of Changes in Equity

For the Six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

	Equity attributable to shareholders of the Bank							
			Other reserves					
	Share capital (Note 31)	Capital reserve (Note 31)	Surplus reserve (Note 32)	General reserve (Note 32)	Other comprehensive income (Note 32)	Retained earnings	Non-controlling interests	Total
Balance at 1 January, 2026 (Audited)	**4,588,400**	**4,440,581**	**236,453**	**1,287,506**	**21,079**	**694,357**	**273,913**	**11,542,289**
Profit for the period	-	-	-	-	-	315,173	8,018	323,191
Other comprehensive income	-	-	-	-	127,131	-	(24)	127,107
Total comprehensive income for the period	-	-	-	-	127,131	315,173	7,994	450,298
Transfer to surplus reserve (Note 32)	-	-	-	-	-	-	-	-
Transfer to general reserve (Note 32)	-	-	-	-	-	-	-	-
Cash dividends (Note 33)	-	-	-	-	-	(163,347)	-	(163,347)
Balance at 30 June, 2026 (Unaudited)	**4,588,400**	**4,440,581**	**236,453**	**1,287,506**	**148,210**	**846,183**	**281,907**	**11,829,240**

Condensed Consolidated Interim Statement of Changes in Equity

For the Six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

	Equity attributable to shareholders of the Bank							
			Other reserves					
	Share capital (Note 31)	Capital reserve (Note 31)	Surplus reserve (Note 32)	General reserve (Note 32)	Other comprehensive income (Note 32)	Retained earnings	Non-controlling interests	Total
Balance at 1 January, 2025 (Audited)	3,900,000	3,512,784	180,105	1,239,400	397,415	467,893	274,692	9,972,289
Profit for the period	–	–	–	–	–	284,500	6,280	290,780
Other comprehensive income	–	–	–	–	(105,885)	–	(50)	(105,935)
Total comprehensive income for the period	–	–	–	–	(105,885)	284,500	6,230	184,845
Transfer to surplus reserve (Note 32)	–	–	–	–	–	–	–	–
Transfer to general reserve (Note 32)	–	–	–	–	–	–	–	–
Cash dividends (Note 33)	–	–	–	–	–	(229,420)	–	(229,420)
Balance at 30 June, 2025 (Unaudited)	3,900,000	3,512,784	180,105	1,239,400	291,530	522,973	280,922	9,927,714

	Equity attributable to shareholders of the Bank							
			Other reserves					
	Share capital (Note 31)	Capital reserve (Note 31)	Surplus reserve (Note 32)	General reserve (Note 32)	Other comprehensive income (Note 32)	Retained earnings	Non-controlling interests	Total
Balance at 1 January, 2025 (Audited)	3,900,000	3,512,784	180,105	1,239,400	397,415	467,893	274,692	9,972,289
Profit for the period	–	–	–	–	–	560,338	(789)	559,549
Other comprehensive income	–	–	–	–	(376,336)	–	10	(376,326)
Total comprehensive income for the period	–	–	–	–	(376,336)	560,338	(779)	183,223
shareholder's deemed contribution (Note 31)	688,400	927,797	–	–	–	–	–	1,616,197
Transfer to surplus reserve (Note 32)	–	–	56,348	–	–	(56,348)	–	–
Transfer to general reserve (Note 32)	–	–	–	48,106	–	(48,106)	–	–
Cash dividends (Note 33)	–	–	–	–	–	(229,420)	–	(229,420)
Balance at 31 December, 2025 (Audited)	4,588,400	4,440,581	236,453	1,287,506	21,079	694,357	273,913	11,542,289

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

Interim Financial Information

Condensed Consolidated Interim Statement of Cash Flows

For the Six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

	Six months ended 30 June,	
	2026	2025
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	**400,759**	355,036
Profit before income tax adjustments for:		
Depreciation and amortisation	**30,054**	28,728
Impairment losses	**2,574**	–
Expected credit losses	**596,248**	461,205
Net gains on disposal of property, plant and equipment and foreclosed assets	**1**	–
Net gains arising from financial investments	**(125,312)**	(129,716)
Changes in fair value of financial assets at fair value through profit or loss	**(47,891)**	26,122
Interest income from financial investments	**(329,783)**	(372,955)
Interest expenses on debt securities	**28,646**	16,764
Other benefits	**–**	(17,676)
Subtotal	**555,296**	367,508
Net change in operating assets:		
Net increase in balances with central Bank	**(367,175)**	(236,137)
Net increase in loans and advances to customers	**(5,309,393)**	(5,049,396)
Net increase in other operating assets	**(2,711,326)**	(1,567,636)
Subtotal	**(8,387,894)**	(6,853,169)
Net change in operating liabilities:		
Net increase/(decrease) in borrowings from central Bank	**1,761,813**	(143,997)
Net decrease in due to banks and other financial institutions	**(781,242)**	(4,598,788)
Net increase in customer deposits	**8,111,858**	7,417,664
Net increase in other liabilities	**33,794**	465,455
Subtotal	**9,126,223**	3,140,334
Income tax paid	**(257,311)**	(240,923)
Net cash generated from/(used in) operating activities	**1,036,314**	(3,586,250)

Interim Financial Information

Condensed Consolidated Interim Statement of Cash Flows

For the Six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

	Six months ended 30 June,	
	2026	2025
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Proceeds from disposal of property, equipment and other long-term assets	**354**	–
Purchase of property, equipment and other long-term assets	**(31,817)**	(18,965)
Interest income from financial investments	**377,232**	405,261
Purchase of investment securities	**(14,993,985)**	(10,455,101)
Proceeds from sale and redemption of investments	**11,382,742**	11,236,088
Net cash generated from/(used in) investing activities	**(3,265,474)**	1,167,283
Cash flows from financing activities:		
Proceeds from issuance of shares	**–**	1,663,487
Proceeds from issuance of debt securities	**1,810,000**	–
Repayment for debt securities issued	**(2,820,000)**	(700,000)
Decrease in other cash flow related to financing activities	**(29,610)**	(10,950)
Net cash (used in)/generated form financing activities	**(1,039,610)**	952,537
Net decrease in cash and cash equivalents	**(3,268,770)**	(1,466,430)
Cash and cash equivalents at the beginning of the period	**9,682,229**	6,925,632
Cash and cash equivalents at the end of the period (Note 37)	**6,413,459**	5,459,202

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

1 GENERAL INFORMATION

This bank is a joint-stock city commercial Bank headquartered in Yibin City, Sichuan Province, the PRC, and was incorporated on 27 December 2006. The Bank's predecessor was Yibin City Credit Cooperatives, which was established in 2000. As approved by the former China Banking and Insurance Regulatory Commission ("CBIRC") Sichuan Office, the Bank was jointly established by the shareholders of Yibin City Credit Cooperatives (including 44 non-individual shareholders and 386 individual shareholders). At the time of establishment, the registered capital of the Bank was RMB106,879,775, comprising 106,879,775 Domestic Unlisted Shares with a par value of RMB1.00 each. The Bank conducted a global offering of 688,400,000 H shares on 13 January 2025, with a par value of RMB1.00 per share, as of 30 June 2026, the registered capital of the Bank was RMB4,588,400,000.

The approved business scope of the Bank and its subsidiaries, Yibin Xingyi Rural Bank Co., Ltd. (宜賓興宜村鎮銀行有限責任公司, "Xingyi Bank") and Neijiang Xinglong Rural Bank Co., Ltd. (內江興隆村鎮銀行股份有限公司, "Xinglong Bank") (collectively referred to as the "Group") consists of deposit taking; granting of short-term, medium-term and long-term loans; handling domestic and overseas settlement; handling bill acceptance and discounting; issuing financial bonds; acting as agent to issue, settle and underwrite government bonds; trading of government bonds; engaging in inter-bank placement; Bank cards business; providing letter of credit services and guarantee; acting as agent on inward and outward payments, acting as insurance agent; providing safe-box service, and other businesses as approved by the banking regulatory authorities and other regulatory authorities (certain projects are subject to additional approval of authorities).

2 SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with the International Accounting Standard 34 ("IAS 34") Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December, 2025.

2.2 Material accounting policies

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to IFRSs, the accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated interim financial statements for the year ended 31 December, 2025.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(a) *Standards, amendments and interpretations effective on 1 January, 2026*

The Group has adopted the following newly effective standards and amendments as of 1 January, 2026. The Group has not early – adopted any standards and amendments that have been issued but are not yet effective.

		Valid date
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January, 2026

For the six months ended 30 June, 2026, the adoption of the above amendments does not have a significant impact on the operation results, comprehensive income and financial position of the Group.

(b) *Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group:*

		Valid date
IFRS 18	Presentation and Disclosure in Financial Statements	1 January, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January, 2027
Amendments to IFRS 21	Translation to a Hyperinflationary Presentation Currency	1 January, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely

2 SUMMARY OF ACCOUNTING POLICIES *(Continued)*

2.2 Material accounting policies *(Continued)*

(b) Standards, amendments and interpretations that are not yet effective and have not been early adopted by the Group: *(Continued)*

International Financial Reporting Standard 18 will replace the current International Accounting Standard 1, Presentation of Financial Statements, by introducing new requirements to enhance the comparability of financial performance among similar entities and provide more relevant and transparent information for statement users. Although the standard does not address the principles of recognition and measurement of financial statement items, it will have a comprehensive impact on presentation and disclosure, particularly in disclosures related to operating segments and the provision of management-defined performance indicators in financial statements.

The Group is currently assessing the impact of the adoption of the above-mentioned new standards and amendments on its financial reporting. Apart from such impacts, the Group currently expects that the adoption of the above-mentioned new standards and amendments is unlikely to have a significant impact on the Group's financial statements in terms of operating results, financial position and comprehensive income.

3 FINANCIAL RISK MANAGEMENT

Overview

The Group's business activities are exposed to a variety of financial risks and those activities involve analysis, evaluation, acceptance and management of risks or combination of risks to a certain extent. Managing risks are core to the financial business, and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and to control the limits with reliable information systems and updated information. The Group regularly reviews its risk management policies and systems to reflect changes in markets and products, ensuring best practice.

The Board of Directors of the Group is the highest authority for the Bank's overall risk management, responsible for reviewing and approving risk management strategies and measures, supervising risk management and internal control system, and evaluating overall risks based on monitoring information and risk reports from senior management. The senior management of the Group is responsible for overall risk management and internal control, the formulation and implementation of risk management procedures, and periodically reporting to the Board of Directors.

The Group is subject to a number of financial risks, primarily including credit risk, market risk and liquidity risk.

This section describes the Group's position with respect to the above risk exposures, and the Group's objectives, policies and procedures in managing those risk exposures, as well as the Group's capital management.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk

The Group is exposed to credit risk, which is the risk of loses that a customer or counterparty will be unable to or unwilling to meet their debt obligations, including default risk arising from a borrower's failure to repay its debt when it falls due and downgrading risk arising from a deterioration in a borrower's credit quality. Credit risk increases when the counterparties are in the similar geographical or industry segments. Credit exposures arise principally from loans and advances to customers, security investments and due from banks and other financial institutions. There are also credit risk exposures in off-balance sheet financial arrangements such as Bank acceptances and guarantees.

Exposure to credit risk is managed through regular analysis of the ability of borrowers to meet interest and principal repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

The Group implements the Measures for Management of Bad Debt Verification of Financial Enterprises issued by Ministry of Finance. When the Group determines that a loan has no reasonable prospect of recovery after the Group has taken all necessary actions and necessary proceedings, the loan is written off. If in a subsequent period the loan written off is recovered, the amount recovered will be recognised in expected credit losses.

3.1.1 Credit risk measurement

(a) Credit business

In compliance with the 'Measures for the Classification of Financial Assets Risk of Commercial Banks' issued by the former China Banking and Insurance Regulatory Commission (CBIRC) and the People's Bank of China (PBOC), the Group has established risk management system for loan classification and implemented a five-level loan classification management system. Loans are classified into five categories based on their risk levels, namely pass, special-mention, sub-standard, doubtful and loss, the latter three of which are regarded as impaired loans and advances. The primary factors considered in impairment assessment for loans include probability of loan repayment and recoverability of principal and interest, which reflect borrowers' repayment ability, repayment record and intention, profitability, guarantees or collateral and legal responsibility of repayment.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.1 Credit risk measurement *(Continued)*

(a) Credit business (Continued)

The five categories into which the Group classifies its loans and advances to customers are set out below:

Pass: The borrower can fulfil the contracts, and there is no objective evidence to suspect that the principal, interest and earnings cannot be repaid in full and on time.

Special mention: The borrower has the ability to make payments for the principal, interest and earnings, although there are potential factors that could have negative impact on their ability to fulfil the contracts.

Sub-standard: The borrower is unable to repay the principal, interest, or earnings in full, or the financial asset has incurred credit impairment.

Doubtful: The borrower is unable to repay the principal, interest, or earnings in full, and the financial asset has incurred significant credit impairment.

Loss: After taking all possible measures, only limited amount or none of the financial asset could be recovered.

Risk Management Department coordinates the classification of loans. The classification of loans is performed monthly and adjusted timely. The classification of loans is monitored through credit management system.

(b) Financial market business

The Group manages the asset quality of financial assets held under resale agreements, due from banks and other financial institutions considering the size, financial position and the external credit rating of banks and financial institutions. The head office monitors and reviews the credit risk of financial assets held under resale agreements, due from banks and other financial institutions by reviewing counterparties periodically. Limits are placed on different counterparties. For debt securities and other financial market business, the Group manages the credit risk exposures by setting limits to the external ratings of its investments.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.2 Risk limit control and mitigation policies

(a) Credit business

The Group takes the same credit risk management control procedure for on and off-balance sheet risk exposures. The risk control procedure of the Group's credit risk includes the following: credit policy stipulating, loan investigation, risk assessment, collateral assessment, examination and approval of credit loans, draw-down, post-loan management, management on non-performing loans, due diligence on non-performing loans.

The Group has established a mechanism of risk warning for credit business, mainly including single customer credit risk and systematic risk. Unified credit authorisation management is implemented for customers. Once the maximum exposure of credit limit of a single customer is determined, the customer's exposure limit should not exceed its credit limit in the Group at any time before it obtains new credit limit.

The Group takes action to strengthen controls over credit risk in relation to related party customers. The committee of related party transactions is set up under the Board of Directors to manage controls on related party transaction.

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is taking collateral, which is a common practice.

Except for few customers with excellent credit quality, the Group requires the borrowers to provide credit enhancements for loans. The type of credit enhancements mainly includes collateral, pledge and guarantee. The Group sets up internal valuation team or employs qualified valuation companies to value the collaterals. The detailed collateral type and amount is determined by credit risk of counterparty or customers.

(b) Financial market business

The Financial Markets Department implements centralized management of financial market operations, with a hierarchical authorization system in place.

The Group invests financial products with hierarchical authorisation under the guidelines of Board of Directors. The Group sets stop-loss point based on analysis of trend of macroeconomic situation and monetary policy.

The traders regularly review and monitor the changes of market interest and report the market value of financial products to Risk Management Department and Risk Management Committee. If there is any volatility of interest rate in the market or any significant credit risk encountered to debtors, the business department responsible for security investment will report to Risk Management Committee. Risk Management Committee convenes a meeting to propose a written processing decision. The debt trader will react according to the decision.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.3 Collateral and guarantee

The Group has a range of policies and practices intended to mitigate credit risk. The most common practice is to accept collaterals and pledges. The Group formulates Management Measures for Collateral and Pledges on the specific classes of collaterals and pledges, which specified the maximum loan-to-value ratio. The collateralized and pledged loan shall be handled by business department in accordance with the rules, and the follow-up management of the collaterals and pledges is carried out by the relevant business department. The principal types of collateral for corporate loans and personal loans are as follows:

Type of Collateral	Maximum loan-to-value ratio
Collaterals	
Real estate – residential	70.00%
Real estate – commercial	50.00%
Machineries	50.00%
Means of transportation	30.00%-50.00%

Type of Pledge	Maximum loan-to-value ratio
Pledges	
Bank acceptance bills	90.00%
Certificates of deposit	90.00%
Treasury bonds	90.00%
Inventories	50.00%-90.00%

Mortgage loans to retail customers are generally collateralised by residential properties. Other loans are collateralised according to the nature of the loans. For loans guaranteed by a third party guarantor, the Group will assess the credit rating, financial condition, credit history and ability to meet obligations of the guarantor.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.4 Policies for ECL allowance

In accordance with IFRS 9, the Group classified the financial instruments into three stages. The key definitions of the three stages are summarised below:

Stage 1: includes financial instruments without significant increases in credit risk since initial recognition.

Stage 2: includes financial instruments that have had significant increase in credit risk since initial recognition but they are not considered to be credit-impaired.

Stage 3: includes credit-impaired financial instruments.

The loss allowance for the financial instruments at Stage 1 is determined at the amount of the ECL on the financial instrument over the next 12 months. The loss allowance for the financial instruments at Stage 2 and Stage 3 is determined at the amount of the ECL on the financial instrument within the entire remaining lifetime period.

Various factors, such as five-category classification, number of overdue days, will be taken into account when the credit risk increases significantly during assessment. Movements between stages are permitted based on changes in credit risk. However, financial instruments classified as Stage 3 are not permitted to be directly transferred back to Stage 1. For corporate portfolio, a minimum observation period of six months is required before such instruments may be reclassified to Stage 2. Where a financial instrument classified in Stage 1 is assessed to have experienced a significant increase in credit risk, it is transferred to Stage 2 accordingly.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.4 Policies for ECL allowance *(Continued)*

(a) Financial assets with significant increase in credit risk

When triggering one or more of the following quantitative or qualitative criteria, the Group determines that the credit risk of financial instruments has increased significantly:

- The maximum overdue period for principal or interest in corporate loans, letters of credit, bank acceptance bills, and guarantees ranges from 11 days (inclusive) to 90 days (inclusive).

- The maximum overdue period for principal or interest on retail loans ranges from 16 days (inclusive) to 90 days (inclusive).

- Any financial asset classified as “Special Mention” under the internal risk classification system.

- Financial assets that were classified in Stage 3 in the previous period, and have met the criteria for migration back, including at least six months of timely repayment of principal and interest and an expectation of continued normal repayment.

- For treasury operations, debt investments, bill discounting and forfaiting, where past due has occurred and the maximum number of days past due for principal or interest is between 1 day (inclusive) and 30 days (inclusive).

- Counterparties, issuers, acceptors or issuing banks involved in treasury operations, debt investments, bill discounting and forfaiting with a domestic credit rating below AA- (inclusive) but above CCC.

- The current external credit rating (domestic or international) of the counterparty has been downgraded by more than one notch (inclusive) compared with that at initial recognition.

- Identified by the risk early warning system as Stage 2.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.4 Policies for ECL allowance *(Continued)*

(b) Definition of default and loss incurred

When a financial instrument meets one or more of the following conditions, the Group considers such financial asset as defaulted. The same set of criteria is consistent with the definition of loss incurred:

- For loans, letters of credit, bank acceptance bills and guarantee business, the maximum number of days past due for principal or interest is more than 90 days.

- Any financial asset classified as "Sub-standard", "Doubtful" or "Loss".

- Financial assets that were classified in Stage 3 in the previous period and have not met the criteria for upgrade, including at least six months of timely repayment and an expectation of continued normal repayment.

- For treasury operations, debt investments, bill discounting and forfaiting, where past due has occurred and the maximum number of days past due for principal or interest is more than 30 days.

- Counterparties, issuers, acceptors or issuing banks involved in the above businesses with a domestic credit rating of CCC or below (based on the most recent rating from rating agencies).

- Identified by the risk early warning system as Stage 3.

The above criteria apply to all financial instruments of the Group: The definition of default is consistently applied to the calculation of the Bank's ECL, including the probability of default (PD), exposure at default (EAD), and loss given default (LGD) modelling.

Where a financial instrument does not meet any default criteria for two consecutive repayment periods or six months (whichever is longer), the Group no longer considers such financial instruments as defaulted asset (i.e., upgrade). The Group determined the observation period based on analysis of the likelihood of re-default under various scenarios.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.4 Policies for ECL allowance *(Continued)*

(c) Expected credit loss: explanation of parameters, assumptions and estimation techniques

Depending on whether there is a significant increase in credit risk and whether the assets have been impaired, the Group will measure the ECL for different assets for 12 months or the entire life of the asset. ECL is the product of PD, EAD and LGD after term adjustment and discount. Related definitions are as follows:

Probability of default (PD) refers to the possibility that the borrower will not be able to fulfil his obligations in the next 12 months or throughout the remaining period of existence. The Group builds the migration matrix based on historical data to calculate the 12-month probability of default, and derives the default probability of the entire duration from the 12-month probability of default through the Markov chain model.

Loss given default (LGD) is the percentage of risk exposure loss at the time of default. The loss rate varies depending on the type of counterparty and the availability of collateral or other credit support.

Exposure at default (EAD) refers to the amount that the Group should pay when the default occurs in the next 12 months or throughout the remaining life.

The Group determines ECL on an individual exposure basis by estimating PD, LGD and EAD, multiplying these parameters, and applying duration adjustments and discounting (assuming no prepayment or earlier default). The ECL for each future period is then discounted back to the reporting date and aggregated. The discount rate used in the ECL calculation is the effective interest rate or its approximate value.

(d) Establishment of impairment model

The Group conducts forecasts regularly to establish three economic scenarios, optimistic, basic, and pessimistic. Basic scenario is defined as the most probable situation, which sets the benchmark for other scenarios. Optimistic and pessimistic scenarios are possible scenarios which are better and worse than basic scenario respectively.

The impairment models are developed using a top-down approach. The Group has established multiple models for corporate and retail portfolios, including regression models incorporating different macroeconomic indicators. PD is adjusted on a forward-looking basis using Wilson model outputs and historical default data for forward-looking measurement.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.4 Policies for ECL allowance *(Continued)*

(d) Establishment of impairment model (Continued)

(i) Forward-looking information included in ECL model

The measurement of ECL incorporates forward-looking information. The Group considers both internal and external economic development, industry trends and statistical analysis to determine the relationship between forward-looking information and PD and LGD. Such forward-looking information is reviewed and updated at least semi-annually to make the best estimate, and the results are reviewed and evaluated regularly.

The Group establishes alternative scenarios and their respective weightings based on external data. Through analysis of each major portfolio and the number of scenarios, the Group ensures the coverage of nonlinear characteristics. The Group reassesses the number and characteristics of scenarios semi-annually. On 31 December, 2025 and 30 June, 2026 the Group's three scenarios (basic, optimistic and pessimistic) can properly reflect the non-linear characteristics of each portfolio. The Group determines scenario weightings through statistical analysis and expert judgment, and also considers the possible range of outcomes represented by scenarios. The Group recognises the 12-month or lifetime ECL for financial instruments in stage 1, 2, and 3. The Group measures the weighted-average ECL allowance for 12-month (stage 1) and weighted-average ECL for life time (stage 2 and stage 3), which is calculated by multiplying the ECL under each scenario by their weightings respectively, rather than by weighting the parameters. On 31 December, 2025 and 30 June 2026, the weightings allocated to each economic scenario were 50% basic, 30% optimism and 20% pessimism.

Similar to other economic forecasts, the predicted value and their likelihood of occurrence have a high degree of inherent uncertainty. Therefore, actual results may differ significantly from estimates. The Group considers that these forecasts reflect the best estimate of future possible outcomes.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.4 Policies for ECL allowance *(Continued)*

(d) Establishment of impairment model (Continued)

(ii) Assumptions relating to economic indicators

The Group identifies key economic indicators affecting credit risk and expected credit losses for each asset portfolio through historical data analysis, and these economic indicators include Gross Domestic Product, Consumer Price Index, Broad Money Supply, Producer Price Index, Per Capita Consumption Expenditure of Urban Residents etc.

The impact of these economic indicators on the probability of default varies across different financial instruments. The impact of these economic indicators on the probability of default is determined through Wilson model analysis to understand the impact of historical changes on PD, EAD and LGD.

During the reporting period, the Group refined the key macroeconomic indicators in its expected credit loss model in response to changes in the macroeconomic environment. Key macroeconomic indicators (annualized) under the baseline scenario for assessing expected credit losses as of 30 June 2026, are as follows: actual CPI year-on-year growth rate was 1%, and the broad money supply (M2) year-on-year growth rate was 8.50%.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.5 Maximum exposure to credit risk before collateral held or other credit enhancements

	30 June, 2026	31 December, 2025
Assets		
Balances with central Bank	**7,508,191**	10,682,303
Financial assets held under resale agreements, due from other banks and other financial institutions	**7,023,521**	4,299,939
Loans and advances to customers	**72,876,890**	68,181,533
– Stage 1	**71,368,188**	65,979,786
– Stage 2	**1,059,788**	1,767,363
– Stage 3	**448,914**	434,384
Financial assets at fair value through profit or loss	**7,081,449**	7,581,929
Financial investments at fair value through other comprehensive income	**21,646,120**	19,878,725
Financial investments at amortised cost	**10,368,128**	8,293,079
Other financial assets	**66,196**	74,306
Subtotal	**126,570,495**	118,991,814
Credit risk exposures relating to off-balance sheet items are as follows:		
Bank acceptance	**7,490,726**	9,749,856
Letters of guarantee	**70,680**	49,734
Letter of credit	**127,000**	–
Subtotal	**7,688,406**	9,799,590
Total	**134,258,901**	128,791,404

The above table represents a base case scenario of the maximum credit risk exposure to the Group as at 30 June, 2026 and 31 December, 2025, without considering any related collateral or other credit enhancements. For on-balance sheet assets, the exposures above are based on net carrying amounts as reported in the statement of financial position. As shown above, as at 30 June, 2026 and 31 December, 2025, the total on-balance sheet exposure derived from loans and advances to customers were 57.58% and 57.30%, respectively.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.6 Loans and advances to customers

Loans and advances to customers are summarised as follows:

	As at 30 June, 2026			
	Corporate loans	**Personal loans**	**Forfaiting, discounted and rediscounted bills**	**Total**
Stage 1	**63,995,248**	**4,787,956**	**4,778,509**	**73,561,713**
Stage 2	**1,712,495**	**172,431**	**–**	**1,884,926**
Stage 3	**984,814**	**247,855**	**–**	**1,232,669**
Total	**66,692,557**	**5,208,242**	**4,778,509**	**76,679,308**
Less: ECL allowance	**(3,570,935)**	**(231,483)**	**–**	**(3,802,418)**
Net amount	**63,121,622**	**4,976,759**	**4,778,509**	**72,876,890**

	As at 31 December, 2025			
	Corporate loans	Personal loans	Discounted and rediscounted bills	Total
Stage 1	55,215,663	4,415,763	7,939,697	67,571,123
Stage 2	2,396,262	155,488	–	2,551,750
Stage 3	1,063,631	193,673	–	1,257,304
Total	58,675,556	4,764,924	7,939,697	71,380,177
Less: ECL allowance	(3,010,964)	(187,680)	–	(3,198,644)
Net amount	55,664,592	4,577,244	7,939,697	68,181,533

As of 30 June, 2026 and 31 December, 2025, the expected credit loss amounts recognized by the Group for discounted and re-discounted bills measured at fair value with changes recorded in other comprehensive income were RMB2,310 thousand and RMB2,391 thousand, respectively.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.6 Loans and advances to customers *(Continued)*

(a) Restructured loans and advances to customers

Restructuring activities include approving debtor repayment plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria which, in the judgment of local management, indicate that payment will most likely continue to be made. These policies are under regular review.

	As at 30 June, 2026	As at 31 December, 2025
Restructured loans and advances to customers	**103,354**	105,898

(b) Overdue loans and advances to customers by security and overdue date

	As at 30 June, 2026				
	Overdue up to 90 days	**Overdue 90 days- 1 year**	**Overdue 1-3 years**	**Overdue over 3 years**	**Total**
Collateralised loans	**106,180**	**138,472**	**268,170**	**185,047**	**697,869**
Pledged loans	**2,685**	**29**	**5,070**	**–**	**7,784**
Guaranteed loans	**51,488**	**32,164**	**228,463**	**7,900**	**320,015**
Unsecured loans	**76,135**	**33,046**	**11,939**	**7,238**	**128,358**
Total	**236,488**	**203,711**	**513,642**	**200,185**	**1,154,026**

	As at 31 December, 2025				
	Overdue up to 90 days	Overdue 90 days- 1 year	Overdue 1-3 years	Overdue over 3 years	Total
Collateralised loans	357,492	82,111	384,447	60,605	884,655
Pledged loans	49	4,680	390	–	5,119
Guaranteed loans	33,822	19,677	281,035	7,817	342,351
Unsecured loans	20,304	10,777	12,817	1,794	45,692
Total	411,667	117,245	678,689	70,216	1,277,817

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.6 Loans and advances to customers *(Continued)*

(c) Analysis of loans and advances to customers by industry

Concentration risks analysis for loans and advances to customers (gross) by economic sectors:

	As at 30 June, 2026		As at 31 December, 2025	
	Amount	**%**	Amount	%
Corporate loans				
Wholesale and retail trade	**27,121,516**	**40.84**	19,975,876	34.25
Construction	**8,863,927**	**13.35**	9,035,834	15.49
Manufacturing	**5,327,554**	**8.02**	4,944,298	8.48
Renting and business activities	**7,313,600**	**11.01**	6,610,701	11.33
Agriculture, forestry, animal husbandry and fishery	**3,649,766**	**5.50**	3,420,168	5.86
Water, environment and public facilities management	**2,112,088**	**3.18**	2,214,410	3.80
Education	**2,764,450**	**4.16**	2,987,690	5.12
Real estate	**2,959,733**	**4.46**	3,067,945	5.26
Electricity, heat, gas and water production and supply	**2,476,765**	**3.73**	2,345,870	4.02
Culture, sport and entertainment	**310,667**	**0.47**	325,417	0.56
Accommodation and catering	**539,157**	**0.81**	588,254	1.01
Transportation, warehousing and express service	**1,032,652**	**1.56**	1,069,469	1.83
Information transmission, software and information technology services	**739,732**	**1.11**	589,212	1.01
Scientific research and technology services	**246,397**	**0.37**	270,016	0.46
Health, social security and social welfare	**310,907**	**0.47**	253,955	0.44
Mining	**313,611**	**0.47**	324,851	0.56
Financing	**202,600**	**0.31**	211,600	0.36
Residential services, repairs and other services	**117,525**	**0.18**	93,150	0.16
Total corporate loans	**66,402,647**	**100.00**	58,328,716	100.00

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.6 Loans and advances to customers *(Continued)*

(c) Analysis of loans and advances to customers by industry (Continued)

Concentration risks analysis for loans and advances to customers (gross) by economic sectors *(Continued)*:

	As at 30 June, 2026		As at 31 December, 2025	
	Amount	**%**	Amount	%
Personal loans				
Personal business loans	**1,714,965**	**32.97**	1,789,991	37.62
Residential mortgage loans	**1,440,169**	**27.69**	1,571,009	33.02
Personal consumption loans	**2,046,263**	**39.34**	1,396,654	29.36
Total personal loans	**5,201,397**	**100.00**	4,757,654	100.00
Discounted bills	**24,798**	**0.52**	18,518	0.23
Rediscounted bills	**4,724,168**	**99.48**	7,921,179	99.77
Total amount of bill discounting and rediscounting	**4,748,966**	**100.00**	7,939,697	100.00
Total loans and advances to customers	**76,353,010**		71,026,067	

The concentration risks analysis of loans and advances to customers is analysed based on industry classification of the borrowers.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.6 Loans and advances to customers *(Continued)*

(d) Analysis of loans and advances to customers by geographical areas (excluding discounted and rediscounted bills)

	As at 30 June, 2026		As at 31 December, 2025	
	Amount	**%**	Amount	%
Sichuan	**69,876,635**	**97.59**	61,237,471	97.07
Others	**1,727,409**	**2.41**	1,848,899	2.93
Total loans and advances to customers	**71,604,044**	**100.00**	63,086,370	100.00

(e) Type of collateral analysis

Analysis for loans and advances to customers (excluding discounted and rediscounted) by type of collateral:

	As at 30 June, 2026	As at 31 December, 2025
Collateralised loans	**19,315,909**	19,065,548
Pledged loans	**15,079,706**	15,025,580
Guaranteed loans	**34,632,754**	26,888,819
Unsecured loans	**2,575,675**	2,106,423
Total	**71,604,044**	63,086,370

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.7 Investment securities

The following table shows the rating analysis of RMB securities investment by Dagong International Credit Evaluation Co., Ltd. on 30 June, 2026 and 31 December, 2025.

The rating results of investment securities as following:

As at 30 June, 2026

	Financial investments at amortised cost	Financial investments at fair value through other comprehensive income	Financial investments at fair value through profit or loss	Total
RMB securities (a)				
AA to AAA	–	692,179	222,921	915,100
A to AA-	–	–	–	–
A- and below	–	1,506	–	1,506
Unrated	10,368,128	20,952,435	6,858,528	38,179,091
Total	10,368,128	21,646,120	7,081,449	39,095,697

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.7 Investment securities *(Continued)*

As at 31 December, 2025

	Financial investments at amortised cost	Financial investments at fair value through other comprehensive income	Financial investments at fair value through profit or loss	Total
RMB securities (a)				
AA to AAA	–	682,446	237,018	919,464
A to AA-	–	–	–	–
A- and below	–	12,254	–	12,254
Unrated	8,273,692	19,184,025	7,344,911	34,802,628
Total	8,273,692	19,878,725	7,581,929	35,734,346

(a) The Group's unrated debt instrument investments comprise mainly of national debts and local government debts, financial debts issued by China Development Bank and policy banks, commercial Bank debts, interbank certificates of deposit, non-bank financial institutions bonds and corporate bonds.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.7 Investment securities (Continued)

Financial investments at amortised cost are summarised as follows:

	As at 30 June, 2026	As at 31 December, 2025
Stage 1	**10,372,739**	8,275,846
Issued by:		
Government – National	**488,485**	689,743
Government – Provincial	**7,283,662**	4,322,433
Financial institutions – China Development Bank and policy banks	**2,297,273**	2,292,927
Financial institutions – Others	**–**	232,474
Corporates	**303,319**	738,269
Less: ECL allowance	**(4,611)**	(2,154)
Total	**10,368,128**	8,273,692

Financial investments at fair value through other comprehensive income are summarised as follows:

	As at 30 June, 2026	As at 31 December, 2025
Stage 1	**20,952,435**	19,184,025
Issued by:		
Government – National	**703,741**	1,481,003
Government – Provincial	**3,780,095**	4,236,762
Financial institutions – China Development Bank and Policy banks	**9,569,663**	7,009,574
Financial institutions – Others	**5,999,821**	6,025,310
Corporates	**899,115**	431,376
Net amount	**20,952,435**	19,184,025

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Credit risk *(Continued)*

3.1.8 Foreclosed assets

Details of the Group's foreclosed assets acquired as a result of the debtor's default are set out in note 23(b).

3.1.9 Concentration risk analysis for financial assets with credit risk exposure

The Group's geographical risk is primarily concentrated in Sichuan Province, Mainland China.

3.2 Market risk

3.2.1 Overview

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates and prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads and equity prices. The Group separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are monitored by Risk Management Department and Financial Planning and Finance Department. Regular reports are submitted to the Board of Directors and senior management.

In accordance with the requirements of the National Financial Supervision and Administration Commission formerly the China Banking and Insurance Regulatory Commission, the Group categorises its business into either the trading book or the banking book. The trading book consists of positions in financial instruments held with trading intent or the intention to economically hedge other elements of the trading book or the banking book.The banking book consists of the financial instruments purchased with surplus funds and other financial instruments that are not captured in trading book.

3.2.2 Interest rate risk

The Group's interest rate risk mainly includes cash flow interest rate risk and fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fair value interest rate risk is the risk that the market value of a financial instrument will fluctuate due to changes in market interest rates.

The interest rate risk of the Group mainly comes from impact of interest rate changes on net interest income, which was caused by the mismatch of the interest-rate-sensitive assets and liabilities' maturity date or the re-pricing date. From 20 July 2013, commercial banks can independently determine the interest rate of RMB loans (except individual mortgage loans). From 24 October 2015, commercial banks can independently determine the interest rate of deposits. From 17 August 2019, the LPR system was officially announced. With the liberalization of interest rates, the interest rate volatility has gradually shifted from policy oriented to market oriented, and therefore faces more uncertainties.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Market risk *(Continued)*

3.2.2 Interest rate risk *(Continued)*

The Group has implemented a unified interest rate management policy to manage interest rate risk. The Group complies with relevant laws and regulations to determine price for deposits and loan products. The Group uses the PBOC's benchmark interest rate, capital cost, asset risk status and other indicators as the pricing benchmark, and takes into account customer needs and business operations, the prices of similar products in the industry and competitors, and the business relationship with the customers to determine the product price.

The Group regularly conducts sensitivity analysis on interest rates. The Group regularly analyses the interest rate gap between interest bearing assets and interest bearing liabilities in Bank accounts and transaction accounts, thereby guiding the development of business.

The Group pays close attention to the latest development of the government's economic policies, especially those that have a significant impact on market interest rates. The Group continuously monitors and conducts research on financial market conditions and macroeconomic conditions, thereby improving the ability to predict interest rate fluctuations. Based on the ever-changing trend of market interest rates, the Group dynamically adjusts the size and structure of assets to cope with changes in the market environment so as to match the maturity of assets and liabilities. For example, when predicting a downward trend in the bond market, the Group will keep bond assets at a low level to minimize the associated risks. The Group has formulated risk management policies for financial market operations.

The Group uses internal management system to monitor and manage the overall interest rate risk of the assets and liabilities under banking book. At the current stage, the Group manages the interest rate risk mainly through raising suggestion about the re-pricing date of assets and liabilities, setting market risk limit and other methods. The Group analyses the interest rate gap and assesses the difference between the interest-bearing assets and liabilities which would mature or re-price within certain time period, to provide instruction for the adjustment of interest-bearing assets and liabilities' re-pricing date. Meanwhile, the Group controls and manages interest risk by establishing the instruction and authorisation limit of investment portfolio. The Group's financial market management conducts real-time market value assessment to monitor the investment risk more accurately. In addition, the Group embranchments' interest rate risk for managing using the internal funding transfer-pricing system.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Foreign exchange risk

The proportion of funds currently exposed to foreign exchange risk within the Group is relatively low; therefore, the impact of exchange rate fluctuations on the Group as a whole remains within a manageable range.

3.4 Liquidity Risk

3.4.1 Overview

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend. The Group's objective in liquidity management is to ensure the availability of adequate funding to meet its needs to fund deposit withdrawals and other liabilities as they fall due and to ensure that it is able to meet its obligations to fund loan originations and commitments and to take advantage of new investment opportunities.

The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, matured deposits, loan draw downs, guarantees and cash deposit held as collateral. The Board of Directors sets the minimum proportion of funds to be made available to meet such calls and the minimum level of interbank and other borrowing facilities that should be in place to cover different levels of unexpected withdrawals. As at 30 June, 2026 and 31 December, 2025, 5% of the Bank's total RMB-denominated deposits must be deposited with the PBOC (Note 14), respectively. As at 30 June, 2026 and 31 December, 2025, 5% of Xinglong Bank and Xingyi Bank's total RMB-denominated deposits must be deposited with the PBOC, respectively.

3.4.2 Liquidity risk management process

The Board of Directors formulates the risk preference and the planning and finance department formulates the policies, strategies, procedures, limits and contingency plans related to the overall management of liquidity risk according to risk preference.

The Group applies information technology to enhance the capacity of liquidity risk management. The application of information technology monitors the liquidity metrics and exposure, which completes automatically liquidity risk assessment in a timely manner, and forms the follow-up fund utilization plan according to liquidity exposure. The Group modifies the assets and liabilities maturity structure by applying internal fund transfer pricing, while taking control of the limit of the liquidity risk by carrying out performance assessment. The Group pays constant attention to its liquidity risk management process, enhances and improves liquidity risk related policy timely, to achieve its goal in liquidity risk management.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair values of financial assets and liabilities

(a) Financial instruments not measured at fair value

The Group's financial assets and liabilities not measured at fair value mainly include cash and balances with central Bank, financial assets held under resale agreements, due from other banks and other financial institutions, loans and advances to customers, financial investments – amortised cost, other financial assets, borrowings from central Bank, financial assets sold under repurchase agreements, due to other banks and other financial institutions, customer deposits, lease liabilities, bonds issued and other financial liabilities. Except for the following financial assets and financial liabilities, other financial assets and financial liabilities not measured at fair value primarily bear interest based on market rates and have short durations. As a result, their carrying values approximate their fair values.

Majority of the loans and advances to customers are repriced at least annually to the market rate. Accordingly, their carrying values approximate the fair values.

The table below summarises the financial assets and liabilities that have difference between carrying amounts (include accrued interest) and fair value as at 30 June, 2026 and 31 December, 2025.

	As at 30 June, 2026				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial investments – amortised cost	**10,368,128**	**–**	**11,230,255**	**–**	**11,230,255**
Financial liabilities					
Bonds issued	**3,296,140**	**–**	**3,297,120**	**–**	**3,297,120**

	As at 31 December, 2025				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments – amortised cost	8,293,079	–	9,006,260	19,386	9,025,646
Financial liabilities					
Bonds issued	4,301,189	–	4,300,329	–	4,300,329

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair values of financial assets and liabilities *(Continued)*

(b) *Financial instruments not measured at fair value*

Financial assets – amortised cost

It is determined by the selling price quoted in the reference market for investment securities traded on active markets, which are subject to standard terms and conditions.

If not traded in active markets, investment securities 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.

Bonds issued

The fair value of fixed interest bearing debt securities issued is calculated using a discounted cash flow model which is based on a current observable yield curve for the bonds with similar remaining term to maturity.

Other than the above, the carrying values of those financial assets and liabilities not presented at their fair value on the statement of financial position are a reasonable approximation of their fair values. Fair value is measured using a discounted future cash flow model.

(c) *Fair value hierarchy*

IFRS 13 specifies the levels of valuation techniques based on the inputs of valuation techniques that are observable or not. The observable inputs reflect the market data obtained from independent sources. These two inputs lead to the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3 – Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs). The Group determines the fair value of the financial instrument by valuation techniques when it is difficult to obtain quotations from the open market.

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair values of financial assets and liabilities *(Continued)*

(c) Fair value hierarchy *(Continued)*

The main parameters of valuation techniques used in financial instruments include the bond price, interest rate, stock and equity price, volatility level, prepayment rates, and the credits spreads of counterparty. All of these parameters can be observed and obtained from the open market.

The measurement of the fair value of those equity investments held by the Group adopts unobservable parameters that may have significant impact on the valuations. Thus, the Group would better classify these financial instruments to the third level. Management evaluated the impact of macroeconomic factors and valuation from external valuations to assess the reasonableness of the fair value of level 3 financial instruments. The Group has established an internal control system to monitor the exposure of these financial instruments.

For certain unlisted equity (private equity), asset management plans and defaulted bonds held by the Group, the management obtains valuation quotation from counterparties or uses valuation techniques to determine the fair value, including discounted cash flow analysis, and market comparison approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have a significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Group as Level 3. As at 30 June, 2026 and 31 December, 2025, the Group's significant unobservable inputs include liquidity discounts, comparable company price-to-book ratio, recovery rate and book value per Share. Management determines whether to make necessary adjustments to the fair value for the Group's Level 3 financial instruments by assessing the impact of changes in macro-economic factors, and valuations by external valuation agencies. The Group has established internal control system to control the Group's exposure to such financial instruments.

As at 30 June, 2026 and 31 December, 2025, a 5% increase or decrease in the liquidity discounts, price-to-book ratio of comparable companies, recovery rate, and book value per share applied in valuation techniques would not have material impact on fair value measurement results.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair values of financial assets and liabilities *(Continued)*

(c) Fair value hierarchy (Continued)

Fair values of assets and liabilities are as below:

As at 30 June, 2026	Level 1	Level 2	Level 3	Total
Loans and advances to customers				
– fair value through other comprehensive income	–	4,778,509	–	4,778,509
Financial investments – fair value through profit or loss				
– Asset management plans	–	–	59,235	59,235
– Debt securities	–	7,081,449	–	7,081,449
– Wealth management products	–	–	–	–
– Unlisted stocks	–	–	32,953	32,953
– Funds	–	2,710,191	–	2,710,191
Financial investments – fair value through other comprehensive income				
– Debt securities	–	17,480,258	1,506	17,481,764
– Interbank certificates of deposit	–	4,164,356	–	4,164,356
Total	–	36,214,763	93,694	36,308,457

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3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair values of financial assets and liabilities *(Continued)*

(c) ***Fair value hierarchy*** *(Continued)*

As at 31 December, 2025	Level 1	Level 2	Level 3	Total
Loans and advances to customers				
– fair value through other comprehensive income	–	7,939,697	–	7,939,697
Financial investments – fair value through profit or loss				
– Asset management plans	–	–	59,423	59,423
– Debt securities	–	7,581,929	–	7,581,929
– Wealth management products	–	–	–	–
– Unlisted stocks	–	–	34,589	34,589
– Funds	–	1,835,059	–	1,835,059
Financial investments – fair value through other comprehensive income				
– Debt securities	–	15,684,931	12,254	15,697,185
– Interbank certificates of deposit	–	4,181,540	–	4,181,540
Total	–	37,223,156	106,266	37,329,422

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair values of financial assets and liabilities *(Continued)*

(c) *Fair value hierarchy* *(Continued)*

Specific valuation techniques used to value financial instruments include: Quoted market prices or dealer quotes for similar instruments. Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Movement of Level-3 valuation

	Financial investments
Balance at 1 January, 2026	**106,266**
Total gains or losses	
– Gains or losses	**(1,825)**
– Other comprehensive income	**(10,747)**
Increase of level 3	**–**
Decrease of level 3	**–**
Balance at 30 June, 2026	**93,694**

	Financial investments
Balance at 1 January, 2025	224,853
Total gains or losses	
– Gains or losses	(80,498)
– Other comprehensive income	(41,089)
Increase of level 3	–
Decrease of level 3	3,000
Balance at 31 December, 2025	106,266

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.6 Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are to comply with the capital requirements set by the regulators of the banking markets where the entities within the Group operate; to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for Shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the development of its business.

Capital adequacy ratio and the use of regulatory capital are monitored by the Group's management based on the NFRA issued guidelines for supervisory purposes. The required information is filed with the former CBIRC on a quarterly basis.

The Group calculated the capital adequacy ratio as at 30 June, 2026 and 31 December, 2025 in accordance with the Capital Adequacy Regulation for Commercial Banks issued by the NFRA, which has been applied from 1 January 2024. According to the regulation, the Group calculates credit risk-weighted assets using weighted-average method, market risk-weighted assets using simplified standard method, and operation risk-weighted assets using basic indicator method. As a second-tier commercial Bank, the Group's capital adequacy ratios are required to meet the lowest requirement of the National Financial Regulatory Administration, that is, the core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio should be no less than 7.50%, 8.50% and 10.50%, respectively.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.6 Capital management *(Continued)*

The capital adequacy ratio as at 30 June, 2026 and 31 December, 2025 is as follows:

	As at 30 June, 2026	As at 31 December, 2025
Core tier 1 capital	**11,752,851**	11,464,987
Core tier 1 capital deductions	**(488,608)**	(435,821)
Net core tier 1 capital	**11,264,243**	11,029,166
Other tier 1 capital	**27,403**	26,215
Net tier 1 capital	**11,291,646**	11,055,381
Tier 2 capital	**1,051,209**	1,020,236
Net capital	**12,342,855**	12,075,617
Total risk-weighted assets	**90,698,510**	86,788,828
Core tier 1 capital adequacy ratio	**12.42%**	12.71%
Tier 1 capital adequacy ratio	**12.45%**	12.74%
Capital adequacy ratio	**13.61%**	13.91%

3.7 Fiduciary activities

The capitals are provided by the principal, and the Bank issues loans on behalf of the principal, assists in supervising the use and assists in recovering the loans according to the borrower, purpose and amount determined by the principal.

	As at 30 June, 2026	As at 31 December, 2025
Entrusted loans	**20,988,501**	23,257,395

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the condensed interim financial information involves the use of significant accounting estimates, as well as judgments made by management in applying the Group's accounting policies.

The key sources of uncertainty relating to the significant judgments and estimates made by management when applying the Group's accounting policies in preparing this condensed interim financial information are the same as those adopted in the Group's 2025 annual financial statements.

5 NET INTEREST INCOME

	For the Six months ended 30 June,	
	2026	2025
Interest income		
Deposits with central Bank	**41,280**	37,883
Financial assets held under resale agreements, due from other banks and other financial institutions	**40,991**	37,977
Loans and advances to customers	**1,671,154**	1,538,400
Financial investments	**329,783**	372,955
Subtotal	**2,083,208**	1,987,215
Interest expense		
Borrowings from central Bank	**(27,451)**	(18,727)
Financial assets sold under repurchase agreements, due to other banks and other financial institutions	**(65,220)**	(56,525)
Customer deposits	**(863,102)**	(960,288)
Bonds issued	**(28,646)**	(16,764)
Subtotal	**(984,419)**	(1,052,304)
Net interest income	**1,098,789**	934,911

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

6 NET FEE AND COMMISSION INCOME

	For the Six months ended 30 June,	
	2026	2025
Fee and commission income		
Commission income from settlement and agency services	**7,909**	7,335
Commission income from Bank card services	**436**	738
Commission income from wealth management agency service (Note 34(a)(i))	**4,042**	4,636
Other commission income	**15,929**	15,844
Subtotal	**28,316**	28,553
Fee and commission expense		
Commission expense from settlement and agency services	**(20,754)**	(17,446)
Other commission expense	**(4,353)**	(1,529)
Subtotal	**(25,107)**	(18,975)
Net fee and commission income	**3,209**	9,578

7 NET GAINS/(LOSSES) ON TRADING ACTIVITIES

	For the Six months ended 30 June,	
	2026	2025
Debt securities	**127,948**	63,842
Funds	**25,465**	3,694
Asset management plans	**(187)**	(200)
Unlisted stocks	**(1,636)**	(786)
Total	**151,590**	66,550

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

8 NET GAINS ON FINANCIAL INVESTMENTS

	For the Six months ended 30 June,	
	2026	2025
Net gains arising from financial assets at amortised cost	**105,500**	–
Net gains arising from financial assets at fair value through other comprehensive income	**19,812**	129,716
Total	**125,312**	129,716

9 OTHER OPERATING (EXPENSES)/INCOME

	For the Six months ended 30 June,	
	2026	2025
Rental income	**3,719**	4,234
Net losses on disposal of property, plant and equipment	**(1)**	–
Government grants	**5,403**	8,030
Net exchange gains	**–**	17,676
Net amount of other miscellaneous items	**(14,361)**	(2,750)
Total	**(5,240)**	27,190

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

10 OPERATING EXPENSES

	For the Six months ended 30 June, 2026	2025
Staff costs (i)	**209,120**	195,803
General and administrative expenses	**101,084**	100,786
Professional fees	**4,636**	2,354
Auditors' remuneration		
– Audit service	**165**	1,251
– Non-audit service	**188**	214
Depreciation and expenses	**28,130**	26,936
Technical service fees	**13,196**	10,427
Tax and surcharges	**17,560**	13,933
Total	**374,079**	351,704

(i) Staff costs

	For the Six months ended 30 June, 2026	2025
Wages and salaries, bonus, allowance and subsidies	**143,653**	137,535
Staff welfare	**5,593**	5,831
Social security contributions	**26,061**	26,571
Labour union funds and employee education funds	**3,024**	3,070
Defined contribution benefits	**27,028**	23,054
Supplementary retirement benefits	**3,761**	(258)
Total	**209,120**	195,803

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

11 EXPECTED CREDIT LOSSES

	For the Six months ended 30 June,	
	2026	2025
Loans and advances to customers at amortised cost (Note 16(b))	**586,242**	475,983
Loans and advances to customers – fair value through other comprehensive income (Note 16(a))	**(81)**	(514)
Off-balance-sheet items	**(18,493)**	(83,495)
Financial assets held under resale agreements, due from other banks and other financial institutions (Note 15)	**23,233**	64,097
Financial investments – amortised cost (Note 19(c))	**1,808**	21,788
Financial investments – fair value through other comprehensive income (Note 18(b))	**14,505**	(1,537)
Other financial assets	**(10,966)**	(15,117)
Total	**596,248**	461,205

12 INCOME TAX EXPENSE

	For the Six months ended 30 June,	
	2026	2025
Current income tax	**193,050**	147,666
Deferred income tax (Note 22)	**(115,482)**	(83,410)
Total	**77,568**	64,256

Current income tax is calculated by the statutory tax rate of 25% based on the taxable income of estimated assessable profit of the Group for the respective year as stipulated in PRC tax laws.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

12 INCOME TAX EXPENSE *(Continued)*

The difference between the income tax expense and the amounts which would result from applying the enacted tax rate of 25% to profit before income tax can be reconciled as follows:

	For the Six months ended 30 June,	
	2026	2025
Profit before income tax	**400,759**	355,036
Tax calculated at a tax rate of 25%	**100,189**	88,759
Tax implications of tax – exempt income (a)	**(41,041)**	(50,506)
Tax effect of expenses that are not deductible for tax purposes (b)	**6,707**	6,208
Tax effect of recovery of loans that were deducted in previous years	**6,065**	6,990
Impact of unrecognized deferred tax assets on deductible temporary differences or tax losses	**2,940**	7,250
Prior period current tax adjustments	**2,708**	5,555
Income tax expense	**77,568**	64,256

(a) The Group's non-taxable income mainly represents income arising from government bonds and monetary funds which is non-taxable in accordance with the PRC tax laws.

(b) The Group's expenses that are not tax deductible for tax purposes mainly represent asset impairment losses that do not meet the requirements for pre-tax deduction under applicable income tax regulations, non-public welfare donation expenses, staff cost and entertainment expenses, which exceed the tax deductible limits pursuant to the PRC tax laws.

13 BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per Share

Basic earnings per Share are calculated by dividing the net profit for the period attributable to Shareholders of the Bank by the weighted average number of ordinary Shares in issue during the period.

	For the Six months ended 30 June,	
	2026	2025
Net profit attributable to Shareholders of the Bank (RMB'000)	**315,173**	284,500
Weighted average number of ordinary Shares issued (thousand Shares)	**4,588,400**	3,900,000
Basic earnings per Share (in RMB)	**0.07**	0.07

(b) Diluted earnings per Share

	For the Six months ended 30 June,	
	2026	2025
Net profit attributable to Shareholders of the Bank (RMB'000)	**315,173**	284,500
Weighted average number of ordinary Shares issued (thousand Shares)	**4,588,400**	3,900,000
Potentially diluted weighted average of common shares (thousand shares)	**–**	573,667
Diluted earnings per Share (in RMB)	**0.07**	0.06

For the six months ended 30 June, 2026, the Bank had no potential diluted ordinary shares, so diluted earnings per share were the same as basic earnings per share. For the six months ended 30 June, 2025, 688,400 thousand H shares of the Bank that have been issued are regarded as potentially diluted ordinary shares and are taken into account in the calculation of diluted earnings per share.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

14 CASH AND BALANCES WITH CENTRAL BANK

	As at 30 June, 2026	As at 31 December, 2025
Cash	**128,539**	135,344
Mandatory reserve deposits with central Bank	**4,909,454**	4,491,087
Surplus reserve deposits with central Bank	**2,589,704**	6,130,947
Fiscal deposits with central Bank	**6,119**	57,310
Accrued interest	**2,914**	2,959
Total	**7,636,730**	10,817,647

The Group is required to place mandatory reserve deposits with central Bank. The deposits are calculated based on the amount of deposits placed with the Group by its customers.

	As at 30 June, 2026 %	As at 31 December, 2025 %
Mandatory reserve rate for deposits denominated in RMB		
– The Bank	**5.00**	5.00
– Xinglong Bank and Xingyi Bank	**5.00**	5.00

Mandatory reserve deposits with central Bank are not available for use by the Group in its day-to-day operations.

Surplus reserve deposits are maintained with central Bank mainly for liquidity purpose.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

15 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS, DUE FROM OTHER BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June, 2026	As at 31 December, 2025
Deposits with domestic banks and other financial institutions	**3,904,387**	1,408,039
Placements with domestic banks and other financial institutions	**2,946,667**	1,516,667
Financial assets held under resale agreements	**503,026**	1,690,595
Accrued interest	**15,080**	7,044
Less: ECL allowance	**(345,639)**	(322,406)
Total	**7,023,521**	4,299,939

As at 30 June, 2026 and 31 December, 2025, the Group's collateral for financial assets held under resale agreements are all debt securities.

As at 30 June, 2026 and 31 December, 2025, the Group did not use financial assets held under resale agreements as pledged assets for repurchase agreements with other financial institutions. The collateral received by the Group under resale agreements is presented in Note 36.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS

(a) Analysis of loans and advances to customers by measurement category

	As at 30 June, 2026	As at 31 December, 2025
Loans and advances to customers at amortised cost		
– Corporate loans	**66,373,104**	58,328,716
– Personal loans	**5,201,397**	4,757,654
Accrued interest	**326,298**	354,110
Total loans and advances to customers at amortised cost	**71,900,799**	63,440,480
Less: ECL allowance	**(3,802,418)**	(3,198,644)
Net loans and advances to customers at amortised cost	**68,098,381**	60,241,836
Loans and advances to customers at fair value through other comprehensive income		
– Discounted bills	**24,798**	18,518
– Rediscounted bills	**4,724,168**	7,921,179
– Forfaiting	**29,543**	–
Net loans and advances to customers	**72,876,890**	68,181,533

The ECL allowance of loans and advances to customers at fair value through other comprehensive income of the Group are shown as follows, and were credited to other comprehensive income.

	As at 30 June, 2026	As at 31 December, 2025
ECL allowance of loans and advances to customers at fair value through other comprehensive income	**2,310**	2,391

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

16 LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(b) Movements of ECL allowance

Loans and advances to customers at amortised cost

Corporate Loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at 1 January, 2026	1,562,258	750,365	698,341	3,010,964
Financial assets transferred out or settled during the period	(315,515)	(281,566)	(201,352)	(798,433)
New financial assets originated or purchased	627,884	–	–	627,884
Remeasurement	303,270	380,369	26,742	710,381
Written-off and transferred	–	–	–	–
Recovery of loans and advances written-off	–	–	20,139	20,139
Changes of ECL arising from transfer of stages:				
– Transfer to Stage 1	10,362	(9,169)	(1,193)	–
– Transfer to Stage 2	(15,339)	15,339	–	–
– Transfer to Stage 3	(5,010)	(92,478)	97,488	–
Loss allowance as at 30 June, 2026	2,167,910	762,860	640,165	3,570,935

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16 LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(b) Movements of ECL allowance *(Continued)*

Loans and advances to customers at amortised cost *(Continued)*

Personal Loans	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance as at 1 January, 2026	29,079	34,022	124,579	187,680
Financial assets transferred out or settled during the period	(10,161)	(2,638)	(11,791)	(24,590)
New financial assets originated or purchased	18,860	–	–	18,860
Remeasurement	(4,370)	41,061	15,449	52,140
Written-off and transferred	–	–	(7,713)	(7,713)
Recovery of loans and advances written-off	–	–	5,106	5,106
Changes of ECL arising from transfer of stages:				
– Transfer to Stage 1	2,482	(2,281)	(201)	–
– Transfer to Stage 2	(9,355)	9,420	(65)	–
– Transfer to Stage 3	(920)	(17,306)	18,226	–
Loss allowance as at 30 June, 2026	25,615	62,278	143,590	231,483

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16 LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(b) Movements of ECL allowance *(Continued)*

Loans and advances to customers at amortised cost *(Continued)*

Corporate Loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at 1 January, 2025	1,427,251	352,731	714,457	2,494,439
Financial assets transferred out or settled during the period	(572,768)	(105,093)	(59,170)	(737,031)
New financial assets originated or purchased	809,715	–	–	809,715
Remeasurement	(1,827)	464,694	246,507	709,374
Written-off and transferred	–	–	(361,133)	(361,133)
Recovery of loans and advances written-off	–	–	95,600	95,600
Changes of ECL arising from transfer of stages:				
– Transfer to Stage 1	51,716	(51,716)	–	–
– Transfer to Stage 2	(130,656)	131,048	(392)	–
– Transfer to Stage 3	(21,173)	(41,299)	62,472	–
Loss allowance as at 31 December, 2025	1,562,258	750,365	698,341	3,010,964

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16 LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(b) Movements of ECL allowance *(Continued)*

Loans and advances to customers at amortised cost *(Continued)*

Personal Loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance as at 1 January, 2025	22,014	20,099	89,630	131,743
Financial assets transferred out or settled during the period	(13,705)	(9,111)	(32,757)	(55,573)
New financial assets originated or purchased	28,228	–	–	28,228
Remeasurement	2,441	20,293	60,989	83,723
Written-off and transferred	–	–	(15,484)	(15,484)
Recovery of loans and advances written-off	–	–	15,043	15,043
Changes of ECL arising from transfer of stages:				
– Transfer to Stage 1	1,502	(1,104)	(398)	–
– Transfer to Stage 2	(8,075)	8,298	(223)	–
– Transfer to Stage 3	(3,326)	(4,453)	7,779	–
Loss allowance as at 31 December, 2025	29,079	34,022	124,579	187,680

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

17 FINANCIAL INVESTMENTS – FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June, 2026	As at 31 December, 2025
Financial assets – fair value through profit or loss		
– Asset management plans	**59,235**	59,423
– Debt securities (a)	**7,081,449**	7,581,929
– Unlisted stocks	**32,953**	34,589
– Funds	**2,710,191**	1,835,059
Total	**9,883,828**	9,511,000

(a) Debt securities

	As at 30 June, 2026	As at 31 December, 2025
Governments	**393,707**	788,881
Financial institutions	**4,082,043**	5,061,051
Corporates	**2,507,113**	1,731,997
Interbank certificates of deposit	**98,586**	–
Total	**7,081,449**	7,581,929

(b) Debt securities analysed by listing location

	As at 30 June, 2026	As at 31 December, 2025
Listed in Hong Kong	**–**	–
Listed outside Hong Kong	**7,081,449**	7,581,929
Unlisted	**–**	–
Total	**7,081,449**	7,581,929

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

18 FINANCIAL INVESTMENTS – FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June, 2026	As at 31 December, 2025
Debt securities issued by:		
– Governments	**5,054,478**	6,258,393
– Financial institutions	**11,377,533**	8,811,121
– Corporates	**890,670**	429,799
Interbank certificates of deposit	**4,164,356**	4,181,540
Accrued interest	**159,083**	197,872
Total	**21,646,120**	19,878,725

(a) Debt securities analysed by listing location

	As at 30 June, 2026	As at 31 December, 2025
Listed in Hong Kong	**–**	–
Listed outside Hong Kong	**21,487,037**	19,663,899
Unlisted	**–**	16,954
Total	**21,487,037**	19,680,853

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18 FINANCIAL INVESTMENTS – FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

(b) Movements of ECL allowance

	12-month ECL for stage 1	Lifetime ECL for stage 2	Lifetime ECL for stage 3	Total
As at 1 January, 2026	**3,771**	**–**	**229,860**	**233,631**
Originated or purchased	**1,046**	**–**	**–**	**1,046**
Repayment and transfer out	**(1,263)**	**–**	**–**	**(1,263)**
Remeasurement	**3,975**	**–**	**10,747**	**14,722**
Net transfers in:				
– Stage 1	**–**	**–**	**–**	**–**
– Stage 2	**–**	**–**	**–**	**–**
– Stage 3	**–**	**–**	**–**	**–**
As at 30 June, 2026	**7,529**	**–**	**240,607**	**248,136**
As at 1 January, 2025	6,151	153	320,048	326,352
Originated or purchased	2,360	–	–	2,360
Repayment and transfer out	(4,505)	(153)	(6,108)	(10,766)
Remeasurement	(235)	–	(12,255)	(12,490)
Write-off and transfer out	–	–	(71,825)	(71,825)
Net transfers in:				
– Stage 1	–	–	–	–
– Stage 2	–	–	–	–
– Stage 3	–	–	–	–
As at 31 December, 2025	3,771	–	229,860	233,631

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

19 FINANCIAL INVESTMENTS – AMORTISED COST

	As at 30 June, 2026	As at 31 December, 2025
Debt securities (a)		
– Listed outside Hong Kong	**10,268,672**	8,161,664
Trust plans	**–**	20,000
Accrued interest	**104,067**	114,218
Less: ECL allowance (c)	**(4,611)**	(2,803)
Total	**10,368,128**	8,293,079

(a) Debt securities

	As at 30 June, 2026	As at 31 December, 2025
Issued by:		
– Governments	**7,712,121**	4,945,475
– Financial institutions	**2,260,248**	2,494,234
– Corporates	**296,303**	721,955
Total	**10,268,672**	8,161,664

The debt securities that the Group invested were all government bonds, provincial government debts, China Development Bank and policy Bank debts.

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19 FINANCIAL INVESTMENTS – AMORTISED COST *(Continued)*

(b) Debt securities analysed by listing location

	As at 30 June, 2026	As at 31 December, 2025
Listed in Hong Kong	**–**	–
Listed outside Hong Kong	**10,268,672**	8,161,664
Unlisted	**–**	–
Total	**10,268,672**	8,161,664

(c) Movements of ECL allowance:

	12-month ECL for stage 1	**Lifetime ECL for stage 2**	**Lifetime ECL for stage 3**	**Total**
As at 1 January, 2026	**2,803**	**–**	**–**	**2,803**
Originated or purchased	**766**	**–**	**–**	**766**
Repayment and transfer out	**(1,537)**	**–**	**–**	**(1,537)**
Remeasurement	**2,579**	**–**	**–**	**2,579**
Net transfers in:				
– Stage 1	**–**	**–**	**–**	**–**
– Stage 2	**–**	**–**	**–**	**–**
– Stage 3	**–**	**–**	**–**	**–**
As at 30 June, 2026	**4,611**	**–**	**–**	**4,611**
As at 1 January, 2025	3,561	5,652	–	9,213
Originated or purchased	124	–	–	124
Repayment and transfer out	(64)	(5,652)	–	(5,716)
Remeasurement	(818)	–	–	(818)
Net transfers in:				
– Stage 1	–	–	–	–
– Stage 2	–	–	–	–
– Stage 3	–	–	–	–
As at 31 December, 2025	2,803	–	–	2,803

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20 PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Construction in progress	Total
Cost						
As at 1 January, 2026	388,474	11,152	184,219	33,840	300,378	918,063
Addition	4,191	260	2,187	248	10,124	17,010
Disposal and transfer out	–	–	(1,056)	(658)	–	(1,714)
As at 30 June, 2026	392,665	11,412	185,350	33,430	310,502	933,359
Accumulated depreciation						
As at 1 January, 2026	(150,040)	(9,945)	(147,185)	(30,025)	–	(337,195)
Charge for the period	(10,069)	(307)	(6,719)	(795)	–	(17,890)
Disposal and transfer out	–	–	1,056	657	–	1,713
As at 30 June, 2026	(160,109)	(10,252)	(152,848)	(30,163)	–	(353,372)
Impairment losses						
As at 1 January, 2026	(268)	–	–	–	–	(268)
Charge for the period	–	–	–	–	–	–
Disposal and transfer out	–	–	–	–	–	–
As at 30 June, 2026	(268)	–	–	–	–	(268)
Net book value						
As at 30 June, 2026	232,288	1,160	32,502	3,267	310,502	579,719

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

20 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings	Motor vehicles	Electronic equipment	Office equipment	Construction in progress	Total
Cost						
As at 1 January, 2025	340,928	11,148	174,949	35,589	33,091	595,705
Addition	47,546	218	14,307	1,331	303,776	367,178
Disposal and transfer out	–	(214)	(5,037)	(3,080)	(36,489)	(44,820)
As at 31 December, 2025	388,474	11,152	184,219	33,840	300,378	918,063
Accumulated depreciation						
As at 1 January, 2025	(129,980)	(9,414)	(139,929)	(31,203)	–	(310,526)
Charge for the period	(20,060)	(740)	(12,293)	(1,902)	–	(34,995)
Disposal and transfer out	–	209	5,037	3,080	–	8,326
As at 31 December, 2025	(150,040)	(9,945)	(147,185)	(30,025)	–	(337,195)
Impairment losses						
As at 1 January, 2025	(268)	–	–	–	–	(268)
Charge for the period	–	–	–	–	–	–
Disposal and transfer out	–	–	–	–	–	–
As at 31 December, 2025	(268)	–	–	–	–	(268)
Net book value						
As at 31 December, 2025	238,166	1,207	37,034	3,815	300,378	580,600

As at 30 June, 2026 and 31 December, 2025, the net amount of buildings, for which registrations for the property ownership certificates had not been completed, were RMB3,841 thousand and RMB9,226 thousand respectively. However, such registration process does not have material effect on the rights of the Group to these assets. None of the land or property the Group owned is located in Hong Kong.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

21 LEASE

	Property	Total
Right-of-use assets		
Cost		
As at 1 January, 2026	**54,008**	**54,008**
Increase	**4,009**	**4,009**
Decrease	**(5,053)**	**(5,053)**
As at 30 June, 2026	**52,964**	**52,964**
Accumulated depreciation		
As at 1 January, 2026	**(27,006)**	**(27,006)**
Increase	**(4,988)**	**(4,988)**
Decrease	**5,053**	**5,053**
As at 30 June, 2026	**(26,941)**	**(26,941)**
Net book value		
As at 30 June, 2026	**26,023**	**26,023**
Lease liabilities		
Net book value		
As at 30 June, 2026	**(23,287)**	**(23,287)**

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

21 LEASE *(Continued)*

	Property	Total
Right-of-use assets		
Cost		
As at 1 January, 2025	53,963	53,963
Increase	6,473	6,473
Decrease	(6,428)	(6,428)
As at 31 December, 2025	54,008	54,008
Accumulated depreciation		
As at 1 January, 2025	(22,566)	(22,566)
Increase	(10,868)	(10,868)
Decrease	6,428	6,428
As at 31 December, 2025	(27,006)	(27,006)
Net book value		
As at 31 December, 2025	27,002	27,002
Lease liabilities		
Net book value		
As at 31 December, 2025	(24,829)	(24,829)

22 DEFERRED TAX ASSETS

Deferred income taxes are calculated on all temporary differences under the balance sheet liability method using an effective tax rate of 25% as of 30 June, 2026 and 31 December, 2025 for transactions in the PRC. Movements in the deferred income tax account are as follows:

	As at 30 June, 2026	As at 31 December, 2025
Balance at the beginning of the period	**1,546,580**	1,237,353
Charge to profit or loss (Note 12)	**115,482**	183,785
Changes in ECL allowance for debt instrument investments measured at FVOCI (Note 32(c))	**(3,606)**	23,388
Remeasurement of retirement benefit obligations (Note 32(c))	**–**	288
Fair value changes of financial investments measured at FVOCI (Note 32(c))	**(38,763)**	101,766
Balance at the end of the period	**1,619,693**	1,546,580

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

22 DEFERRED TAX ASSETS *(Continued)*

Deferred tax assets and liabilities are attributable to the following items:

	As at 30 June, 2026		As at 31 December, 2025	
	Temporary differences	**Deferred income tax assets/ (liabilities)**	Temporary differences	Deferred income tax assets/ (liabilities)
Deferred tax assets				
Fair value changes of financial assets measured at fair value through other comprehensive income (Note 32(c))	**48,052**	**12,013**	203,104	50,776
ECL allowance of loans and advances to customers and financial investments	**5,637,054**	**1,409,264**	5,110,962	1,277,740
ECL allowance of financial assets held under resale agreements, due from other banks and other financial institutions (Note 15)	**344,314**	**86,078**	321,359	80,340
Employee benefits payable	**71,581**	**17,895**	38,129	9,532
Fair value changes of financial investments – FVTPL	**62,728**	**15,682**	151,819	37,955
Allowance for impairment losses of foreclosed assets (Note 23(c))	**16,345**	**4,086**	16,345	4,086
Lease liabilities	**24,383**	**6,096**	24,829	6,207
Allowance for impairment on credit commitments	**128,790**	**32,196**	147,283	36,821
Others	**172,783**	**43,197**	199,506	49,876
Subtotal	**6,506,030**	**1,626,507**	6,213,336	1,553,333
Deferred tax liabilities				
Right-of-use assets	**(27,256)**	**(6,814)**	(27,013)	(6,753)
Subtotal	**(27,256)**	**(6,814)**	(27,013)	(6,753)
Total	**6,478,774**	**1,619,693**	6,186,323	1,546,580

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

23 OTHER ASSETS

	As at 30 June, 2026	As at 31 December, 2025
Interest receivable (a)	**2,637**	12,262
Intangible assets	**40,182**	32,490
Other receivables	**106,698**	103,054
Less: ECL allowance	**(43,139)**	(41,010)
Foreclosed assets (b)	**225,921**	225,919
Less: Impairment (c)	**(16,345)**	(16,345)
Long-term deferred expenses	**12,503**	14,147
Investment properties (d)	**41,542**	46,049
Others	**40,667**	11,083
Total	**410,666**	387,649

(a) Interest receivable

	As at 30 June, 2026	As at 31 December, 2025
Loans and advances to customers	**3,661**	26,281
Less: ECL allowance	**(1,024)**	(14,019)
Total	**2,637**	12,262

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

23 OTHER ASSETS *(Continued)*

(b) Foreclosed assets

	Properties and plants	Others	Total
As at 1 January, 2026	**225,584**	**335**	**225,919**
Increase	**2**	**–**	**2**
Disposal	**–**	**–**	**–**
As at 30 June, 2026	**225,586**	**335**	**225,921**
As at 1 January, 2025	220,358	335	220,693
Increase	5,226	–	5,226
Disposal	–	–	–
As at 31 December, 2025	225,584	335	225,919

(c) Impairment

	Properties and plants	Others	Total
As at 1 January, 2026	**16,335**	**10**	**16,345**
Addition	**–**	**–**	**–**
Reversal	**–**	**–**	**–**
Disposal	**–**	**–**	**–**
As at 30 June, 2026	**16,335**	**10**	**16,345**
As at 1 January, 2025	14,472	10	14,482
Addition	1,980	–	1,980
Reversal	–	–	–
Disposal	(117)	–	(117)
As at 31 December, 2025	16,335	10	16,345

As of 30 June, 2026 and 31 December, 2025, the net amount of foreclosed assets for which the property title registration has not been completed was RMB132,629 thousand and RMB137,269 thousand, respectively. However, the registration process does not significantly affect the Group's rights to these assets. Neither the land nor the properties owned by the Group are located in Hong Kong.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

23 OTHER ASSETS *(Continued)*

(d) Investment properties

	As at 30 June, 2026	As at 31 December, 2025
Cost		
Opening balance	**98,173**	107,610
Addition	**–**	–
Disposal and transfer out	**(3,857)**	(9,437)
Ending balance	**94,316**	98,173
Accumulated depreciation		
Opening balance	**(52,044)**	(55,372)
Depreciation	**(1,582)**	(3,416)
Disposal and transfer out	**3,506**	6,744
Ending balance	**(50,120)**	(52,044)
Impairment losses		
Opening balance	**(80)**	(80)
Addition	**(2,574)**	–
Disposal and transfer out	**–**	–
Ending balance	**(2,654)**	(80)
Net book value		
Ending balance	**41,542**	46,049

As of 30 June, 2026 and 31 December, 2025, the net amount of investment properties for which the property title registration has not been completed was RMB638 thousand and RMB660 thousand, respectively. However, the registration process does not significantly affect the Group's rights to these assets. The remaining lease terms of the land or properties owned by the Group are short-term leases, and none of such land or properties are located in Hong Kong.

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24 BORROWINGS FROM CENTRAL BANK

	As at 30 June, 2026	As at 31 December, 2025
Borrowings from central Bank	**4,949,600**	3,187,787
Accrued interest	**14,600**	3,812
Total	**4,964,200**	3,191,599

25 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS, DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	As at 30 June, 2026	As at 31 December, 2025
Deposits from other banks and financial institutions	**2,502,638**	1,473,211
Placements from other banks and financial institutions	**2,380,000**	2,970,000
Financial assets sold under repurchase agreements	**5,681,512**	6,902,181
Accrued interest	**23,164**	5,471
Total	**10,587,314**	11,350,863

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June, 2026	As at 31 December, 2025
Debt securities	**141,777**	57,127
Total	**141,777**	57,127

As of 30 June, 2026 and 31 December, 2025, the Group's financial liabilities at fair value through profit or loss mainly represented short positions in debt securities.

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27 CUSTOMER DEPOSITS

	As at 30 June, 2026	As at 31 December, 2025
Corporate deposits		
– Demand	**19,474,652**	16,879,100
– Time	**26,311,812**	24,989,585
Subtotal	**45,786,464**	41,868,685
Personal deposits		
– Demand	**5,613,544**	5,927,052
– Time	**45,708,342**	41,200,755
Subtotal	**51,321,886**	47,127,807
Accrued interest	**2,906,369**	2,855,368
Total	**100,014,719**	91,851,860

28 BONDS ISSUED

	As at 30 June, 2026	As at 31 December, 2025
Interbank certificates of deposit	**3,296,140**	4,301,189

Interbank certificates of deposit are as follows:

	As at 30 June, 2026	As at 31 December, 2025
Reference annualized rates of return	**1.50%-1.80%**	1.64%-1.80%
Original maturity	**6 to 12 months**	1 to 12 months

As at 30 June, 2026 and 31 December, 2025, the Group and the Bank did not have any overdue principal and interest on interbank certificates of deposit or other defaults.

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29 TAXES PAYABLE

	As at 30 June, 2026	As at 31 December, 2025
Income tax	**127,337**	192,871
VAT and others	**55,361**	59,466
Total	**182,698**	252,337

30 OTHER LIABILITIES

	As at 30 June, 2026	As at 31 December, 2025
Employee benefits payable (a)	**213,478**	218,131
Dividends payables	**191,808**	28,461
Settlement and clearance payables	**213,790**	255,519
Other payables	**99,300**	105,784
Accrued liabilities	**129,011**	147,521
Others	**184,556**	196,245
Total	**1,031,943**	951,661

(a) Employee benefits payable

	As at 30 June, 2026	As at 31 December, 2025
Short-term employee benefits	**151,267**	167,625
Defined contribution benefits	**9,795**	400
Supplementary retirement benefits	**52,416**	50,106
Total	**213,478**	218,131

31 SHARE CAPITAL AND CAPITAL RESERVE

All Shares of the Bank issued are fully paid ordinary Shares. The par value per Share is RMB1.00. The Bank's number of Shares is as follows:

	As at 30 June, 2026	As at 31 December, 2025
Number of Shares (Thousands of shares)	**4,588,400**	4,588,400

The movement of Share capital is as follows:

	As at 30 June, 2026	As at 31 December, 2025
Balance at the beginning of the period	**4,588,400**	3,900,000
Contribution from Shareholders (a)(b)	**–**	688,400
Share dividends	**–**	–
Balance at the end of the period	**4,588,400**	4,588,400

Transactions of the following nature are recorded in the capital reserve:

(a) Share premium arising from the issue of Shares at prices in excess of their par value;

(b) Deemed contributions received from the Shareholders;

Capital reserve can be utilised for the issuance of bonus Shares or for increasing paid-in capital as approved by the Shareholders.

As at 30 June, 2026 and 31 December, 2025, the Group's capital reserve is shown as follows:

	As at 30 June, 2026	As at 31 December, 2025
Capital reserve	**4,440,581**	4,440,581

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32 OTHER RESERVES

(a) Surplus reserve

In accordance with the 'Company Law of the People's Republic of China' and the Articles of Association of the Bank, 10% of the net distributable profit of the Bank is required to be transferred to a non-distributable statutory reserve until such time when this reserve represents 50% of the Share capital of the Bank. With approval, the statutory surplus reserve can be used for making up losses or increasing the Share capital.

(b) General reserve

The Group follows the Administrative Measures for the Provisioning for Reserves of Financial Enterprises (Financial [2012]20) issued by the Ministry of Finance. According to the requirements, the general reserve should not be lower than 1.5% of the period end risk assets. Besides, if there is difficulty reaching the 1.5% threshold, they are allowed to gradually meet the requirement over no more than 5 years.

(c) Other comprehensive income

	Gross amount	Taxation effect	Net carrying amount
As at 1 January, 2026	28,105	(7,026)	21,079
Items that may not be reclassified subsequently to profit or loss:			
Changes in remeasurement of defined benefit plans	–	–	–
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of debt instrument investments at FVOCI	155,033	(38,758)	116,275
Changes in credit impairment losses for debt instrument investments at FVOCI	14,475	(3,619)	10,856
As at 30 June, 2026	197,613	(49,403)	148,210

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32 OTHER RESERVES *(Continued)*

(c) Other comprehensive income *(Continued)*

	Gross amount	Taxation effect	Net carrying amount
As at 1 January, 2025	529,886	(132,471)	397,415
Items that may not be reclassified subsequently to profit or loss:			
Changes in remeasurement of defined benefit plans	(294)	74	(220)
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of debt instrument investments at FVOCI	(138,889)	34,722	(104,167)
Changes in credit impairment losses for debt instrument investments at FVOCI	(1,997)	499	(1,498)
As at at 30 June, 2025	388,706	(97,176)	291,530

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33 DIVIDENDS

The Group and the Bank

	As at 30 June, 2026	As at 31 December, 2025
Dividend declared during the period	**163,347**	229,420
Dividend per Share (in RMB)	**0.0356**	0.0500

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

(1) Making up prior year's cumulative losses, if any;

(2) Allocations to the non-distributable statutory accumulation reserve of 10% of the net profit of the Group.

The Bank approved its profit distribution plan for 2024 at its annual general meeting held on June 26, 2025, based on 4,588,400 thousand ordinary shares, with a distribution of RMB0.05 per share (including tax) accordingly, The Bank will distribute a total of RMB229,420 thousand (including tax) in cash dividends to ordinary shareholders from retained earnings.

The Bank approved its profit distribution plan for 2025 at its 2025 annual general meeting held on June 25, 2026, based on 4,588,400 thousand ordinary shares, with a distribution of RMB0.0356 per share (including tax) accordingly, The Bank will distribute a total of RMB163,347 thousand (including tax) in cash dividends to ordinary shareholders from retained earnings. As of 30 June, 2026, dividends that have not been paid have been recognized as dividends payable.

The Bank did not declare and has no plan to declare an interim dividend for the six-month period ending 30 June, 2026.

34 STRUCTURED ENTITY

(a) Unconsolidated structured entity

(i) Unconsolidated structured entities managed by the Group

The unconsolidated structure entities managed by the Group are mainly wealth management products issued and managed by the Group acting as an agent. Based on the analysis and research on the potential targeted clients, the Group designs and sells wealth management products to specific targeted clients, and the raised funds are then put into related financial market or invested in related financial products according to the product contracts. The Group, as the asset manager, received corresponding fee and commission income of RMB4,042 thousand for the six months ended 30 June, 2026 and RMB4,636 thousand for the six months ended 30 June, 2025 (Note 6). As of 30 June, 2026 and 30 June 2025, the Group did not provide any liquidity support to wealth management products.

The Group issues and manages unsecured wealth management products to investors. The funds raised from the investors are mainly invested in the open market bonds and money market instruments.

The Group assesses its control on the unsecured wealth management products. The Group takes a fiduciary role on these wealth management products and has no contractual obligation to repay the principal or interest. The risk exposure of the products is mainly from the fluctuation of the expected return of the bonds market and money market performance. The risk of loss is borne by the investors. The Group earns fees and commission income from the products.

As at 30 June, 2026 and 31 December, 2025, the balance of unconsolidated wealth management products managed by the Group was RMB1,331,330 thousand and RMB1,466,805 thousand, respectively.

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34 STRUCTURED ENTITY *(Continued)*

(a) Unconsolidated structured entity *(Continued)*

(ii) Unconsolidated structured entities invested by the Group

In order to increase the return of excessive funds, the Group invested in structured entities, including funds and asset management plans issued and managed by independent third parties. The Group classified the unconsolidated structured entities as financial investments-FVTPL and financial investments – amortised cost.

The table below lists the book value and maximum loss risk exposure of the assets due to the holdings of profits from unconsolidated structured entities.

As at 30 June, 2026	**Book value**	**Maximum risk exposure**
Financial investments – fair value through profit or loss	**2,786,450**	**2,786,450**

As at 31 December, 2025	Book value	Maximum risk exposure
Financial investments – fair value through profit or loss	1,917,364	1,917,364
Financial investments – amortized cost	19,386	19,386

As at 30 June, 2026 and 31 December, 2025, the Group had not provided any financial or other support plan to unconsolidated structured entities.

The income from the above unconsolidated structured entities was:

	For the six months ended 30 June,	
	2026	2025
Net gains on trading activities	**25,278**	3,494
Interest income	**341**	528

(b) Consolidated structured entity

The consolidated structured entities are mainly asset management plans controlled by the Group.

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35 FINANCIAL GUARANTEES AND CREDIT RELATED COMMITMENTS, OTHER COMMITMENTS AND CONTINGENT LIABILITIES

(a) Financial guarantees and credit related commitments

The following tables indicate the financial guarantee amounts which the Group commits to extend to customers:

	As at 30 June, 2026	As at 31 December, 2025
Bank acceptance	**7,490,726**	9,749,856
Letters of guarantees	**70,680**	49,734
Letter of credit	**127,000**	–
Total	**7,688,406**	9,799,590

(b) Capital expenditure commitments

	As at 30 June, 2026	As at 31 December, 2025
Properties and equipment		
Contracted but not paid	**145,095**	72,663

(c) Legal proceedings

The Bank may from time to time be involved in various claims and litigations in the ordinary course of its business, mainly including disputes over financial loan contracts, contractual disputes or bond transactions disputes initiated by the Bank against borrowers, guarantors and bond issuers. During the reporting period up to the last practicable date, the Bank has not been a defendant or co – defendant in any material pending litigation.

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36 COLLATERALS

(a) Assets pledged

As at 30 June, 2026 and 31 December, 2025, the face value balances of assets pledged as collateral under repurchase agreements and borrowings from central Bank are as follows:

	As at 30 June, 2026	As at 31 December, 2025
Debt securities	**12,897,988**	10,535,092

(b) Collateral accepted

The Group received debt securities as collateral for financial assets held under resale agreements as set out in Note 15. Under the terms of these agreements, the Group could not resell or re-pledge certain parts of such collateral unless in the event of default by the counterparties.

37 NOTES TO STATEMENTS OF CASH FLOWS

For the purposes of the statements of cash flow, cash and cash equivalents comprise the following unrestricted balances with original maturities of less than three months used for the purpose of meeting short-term cash commitments:

	As at 30 June, 2026	As at 31 December, 2025
Cash and balances with central Bank	**2,718,243**	6,266,290
Financial assets held under resale agreements, due from other banks and other financial institutions	**3,695,216**	3,415,939
Total	**6,413,459**	9,682,229

38 RELATED PARTY TRANSACTIONS

(a) Related parties of the Group

(i) Major Shareholders

Major Shareholders include Shareholders with 5% or more interest in the Bank.

As at 30 June, 2026, the major Shareholders of the Bank are as follows:

Name of Shareholders	**Amount (thousand Shares)**	**Ratio (%)**
Sichuan Yibin Wuliangye Group Co., Ltd.	**779,610**	**16.991**
Yibin Municipal Finance Bureau	**779,482**	**16.988**
Yibin Cuiping District Finance Bureau	**779,220**	**16.982**
Yibin Nanxi District Finance Bureau	**660,700**	**14.399**
Total	**2,999,012**	**65.360**

As at 31 December, 2025, the major Shareholders of the Bank are as follows:

Name of Shareholders	Amount (thousand Shares)	Ratio (%)
Sichuan Yibin Wuliangye Group Co., Ltd.	779,610	16.991
Yibin Municipal Finance Bureau	779,482	16.988
Yibin Cuiping District Finance Bureau	779,220	16.982
Yibin Nanxi District Finance Bureau	660,700	14.399
Total	2,999,012	65.360

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

38 RELATED PARTY TRANSACTIONS *(Continued)*

(a) Related parties of the Group *(Continued)*

(ii) Other related parties

Other related parties mainly include Directors, Supervisors, senior management of the Bank and their close family members; entities controlled or jointly controlled by Directors, Supervisors, senior management of the Group and their close family members; and entities controlled or jointly controlled by the major Shareholders of the Group as set out in Note 38(a)(i), and the Bank's subsidiaries.

There are various related party transactions that occur between the Bank and its subsidiaries. These transactions are conducted under normal commercial terms and conditions. The material balances and transactions with subsidiaries have been eliminated in full in the consolidated financial statements. In the opinion of management, the transactions between the Bank and its subsidiaries have no significant impact on profit or loss.

(b) Related party transactions and balances

(i) Transactions and balances with major Shareholders

	As at 30 June, 2026	As at 31 December, 2025
Deposits from customers	**6,914,406**	6,367,021

	For the six months ended 30 June,	
	2026	2025
Interest expense	**49,439**	58,878

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

38 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Related party transactions and balances *(Continued)*

(ii) Transaction and balances with other related parties

	As at 30 June, 2026	As at 31 December, 2025
Loans and advances to customers	**1,109,963**	929,851
Financial investments	**36,868**	42,727
Other assets	**–**	8,768
Deposits from customers	**18,015,989**	16,004,532
Bank acceptances bill	**317,841**	306,881
Letter of guarantee	**–**	2,582
Entrusted loans	**13,866,497**	14,335,497
Entrusted deposits	**16,613,231**	16,687,201

	For the six months ended 30 June,	
	2026	2025
Interest income	**23,879**	18,367
Fee and commission income	**442**	923
Interest expense	**161,129**	191,760
Net gains on trading activities	**252**	458

(c) Remuneration of key management personnel

Key management personnel refer to those persons who have the authority and responsibility to plan, conduct and control the Group's activities.

The Group conducted normal banking transactions with key management personnel in the ordinary course of business. For the six months ended June 30, 2026 and 2025, transactions and balances with key management personnel were not individually material.

38 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Capital expenditure commitments

	As at 30 June, 2026	As at 31 December, 2025
Properties and equipment		
Contracted but not paid for	**112,647**	36,290

(e) Government related entities

The transactions between the Group and the government authorities proceed under normal commercial terms and conditions. These transactions mainly include provision of deposits and agency services. The Group considers that transactions with these entities are activities conducted in the ordinary course of business. 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.

39 SEGMENT ANALYSIS

The Group's operating segments are business units which provide different financial products and services and are engaged in different types of financial transactions. As different operating segments face different clients and counterparties supported by specific techniques and market strategies, they operate independently.

The Group has 4 operating segments: corporate banking, retail banking, financial markets, and unallocated classes.

Corporate banking mainly provides corporate customers with financial products including deposits and loans and services including corporate wealth management.

Retail banking mainly provides individual customers with financial products including deposits and loans and services including personal wealth management.

Financial markets mainly perform inter-financial institution lending and borrowing, financial investment businesses.

Unallocated classes of business perform the businesses not included in the above three segments or cannot be allocated with appropriate basis.

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

39 SEGMENT ANALYSIS *(Continued)*

	For the Six months ended 30 June, 2026				
	Corporate Banking	Retail Banking	Financial Markets	Unallocated	Total
Net interest income/(expenses) from external customers	1,234,883	(451,688)	315,594	–	1,098,789
Inter-segment net interest (expenses)/income	(266,587)	693,133	(426,546)	–	–
Net interest income	968,296	241,445	(110,952)	–	1,098,789
Net fee and commission income	9,453	521	(6,765)	–	3,209
Net gains on trading activities	–	–	151,590	–	151,590
Net gains on financial investments	–	–	125,312	–	125,312
Other operating (expenses)/income	(2,641)	(2,033)	(428)	(138)	(5,240)
Operating income	975,108	239,933	158,757	(138)	1,373,660
Operating expenses	(191,942)	(139,005)	(33,741)	(9,391)	(374,079)
– Depreciation and expenses	(14,181)	(10,910)	(2,299)	(740)	(28,130)
– Others	(177,761)	(128,095)	(31,442)	(8,651)	(345,949)
Expected credit losses	(510,293)	(46,409)	(39,546)	–	(596,248)
Impairment losses	(1,299)	(998)	(210)	(67)	(2,574)
Profit before income tax	271,574	53,521	85,260	(9,596)	400,759

	As at 30 June, 2026				
	Corporate Banking	Retail Banking	Financial Markets	Unallocated	Total
Capital expenditure	(16,039)	(12,340)	(2,601)	(838)	(31,818)
Segment assets	68,938,358	5,800,655	57,303,588	28,717	132,071,318
Segment liabilities	50,455,101	53,427,337	16,335,245	24,395	120,242,078

For the six months ended 30 June, 2026 (In RMB thousands, unless otherwise stated)

39 SEGMENT ANALYSIS *(Continued)*

	For the Six months ended 30 June, 2025				
	Corporate Banking	Retail Banking	Financial Markets	Unallocated	Total
Net interest income/(expenses) from external customers	1,046,999	(484,786)	372,698	–	934,911
Inter-segment net interest (expenses)/income	(223,853)	653,149	(429,296)	–	–
Net interest income	823,146	168,363	(56,598)	–	934,911
Net fee and commission income	11,075	4,018	(5,515)	–	9,578
Net gains on trading activities	–	–	66,550	–	66,550
Net gains on financial investments	–	–	129,716	–	129,716
Other operating (expenses)/income	5,782	3,057	487	17,864	27,190
Operating income	840,003	175,438	134,640	17,864	1,167,945
Operating expenses	(214,943)	(109,236)	(20,854)	(6,671)	(351,704)
– Depreciation and expenses	(16,370)	(8,656)	(1,378)	(532)	(26,936)
– Others	(198,573)	(100,580)	(19,476)	(6,139)	(324,768)
Expected credit losses	(356,730)	(20,128)	(84,347)	–	(461,205)
Profit before income tax	268,330	46,074	29,439	11,193	355,036

	As at 31 December, 2025				
	Corporate Banking	Retail Banking	Financial Markets	Unallocated	Total
Capital expenditures	(204,944)	(109,083)	(16,828)	(6,311)	(337,166)
Segment assets	62,910,838	5,465,503	55,126,575	20,838	123,523,754
Segment liabilities	45,657,399	49,053,035	17,255,516	15,515	111,981,465

There is no high reliance of the Group on any of the main external customers.

40 SUBSEQUENT EVENTS

There are no other significant subsequent events that require disclosure after the reporting date.

Unaudited Supplementary Financial Information

(Expressed in thousands of Renminbi, unless otherwise stated)

In accordance with the Hong Kong Listing Rules and Banking (Disclosure) Rules, the Bank discloses the unaudited supplementary financial information as follows:

1 LIQUIDITY RATIOS AND LEVERAGE RATIO

(1) Liquidity ratios

	As of 30 June, 2026	As of 31 December, 2025
RMB current assets to RMB current liabilities	**81.96%**	84.10%
Foreign currency current assets to foreign currency current liabilities	**N/A**	N/A

(2) Leverage ratio

	As of 30 June, 2026	As of 31 December, 2025
Leverage ratio	**8.12%**	8.33%

The above liquidity ratios and leverage ratio were calculated in accordance with the relevant regulations promulgated by the NFRA.

2 CURRENCY CONCENTRATIONS

The Bank is principally engaged in business operations within Yibin City and Neijiang City, the PRC, and all business activities are conducted in RMB. The Bank has no structural position during the relevant period.

3 INTERNATIONAL CLAIMS

The Bank is principally engaged in business operations within Yibin City and Neijiang City, the PRC, and regards all claims on third parties outside Chinese Mainland as international claims. The Bank has no international claims during the relevant period.

(Expressed in thousands of Renminbi, unless otherwise stated)

4 GROSS AMOUNT OF OVERDUE CUSTOMER LOANS BY SECURITIES

	As at 30 June, 2026									
	Overdue up to 90 days		Overdue 90 days – 1 year		Overdue 1 – 3 years		Overdue over 3 years		Total	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Pledged loans	**2,685**	**0.00%**	**29**	**0.00%**	**5,070**	**0.01%**	**–**	**–**	**7,784**	**0.01%**
Collateralized loans	**106,180**	**0.15%**	**138,472**	**0.19%**	**268,170**	**0.37%**	**185,047**	**0.26%**	**697,869**	**0.97%**
Guaranteed loans	**51,488**	**0.07%**	**32,164**	**0.04%**	**228,463**	**0.32%**	**7,900**	**0.01%**	**320,015**	**0.45%**
Unsecured loans	**76,135**	**0.11%**	**33,046**	**0.05%**	**11,939**	**0.02%**	**7,238**	**0.01%**	**128,358**	**0.18%**
Total	**236,488**	**0.33%**	**203,711**	**0.28%**	**513,642**	**0.72%**	**200,185**	**0.28%**	**1,154,026**	**1.61%**

	As at 31 December, 2025									
	Overdue up to 90 days		Overdue 90 days – 1 year		Overdue 1 – 3 years		Overdue over 3 years		Total	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Pledged loans	49	0.00%	4,680	0.01%	390	0.00%	–	–	5,119	0.02%
Collateralized loans	357,492	0.57%	82,111	0.13%	384,447	0.61%	60,605	0.10%	884,655	1.40%
Guaranteed loans	33,822	0.05%	19,677	0.03%	281,035	0.45%	7,817	0.01%	342,351	0.54%
Unsecured loans	20,304	0.03%	10,777	0.02%	12,817	0.02%	1,794	0.00%	45,692	0.07%
Total	411,667	0.65%	117,245	0.19%	678,689	1.08%	70,216	0.11%	1,277,817	2.03%

Note: The proportion is calculated by dividing the amount of each type of overdue loan by the total loan (excluding discount and accrued interest).